



Dave Yost • Auditor of State



**CITY OF KENT  
PORTAGE COUNTY  
DECEMBER 31, 2017**

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CITY OF KENT  
PORTAGE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/ <i>Pass-Through/ Program Title</i>	Federal CFDA Number	Pass Through Entity Number	Expenditures
<b>U.S. DEPARTMENT OF COMMERCE</b>			
<i>Direct Program:</i>			
Economic Development Cluster:			
U S Department of Commerce, Economic Development Administration Revolving Loan Fund Grant - Economic Adjustment Assistance	11.307	See Footnote D	379,138
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPEMENT</b>			
<i>Direct Program:</i>			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant - Entitlement	14.218	MC-36-0026	205,890
<i>Pass-Through the Ohio Department of Housing and Urban Development</i>			
Community Housing Impact and Preservation Program (CHIP)	14.239	S-C-15-2CC-2	130,276
Total U.S. Department of Housing and Urban Development			<u>336,166</u>
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>			
<i>Direct Program:</i>			
ARTStart	45.025	183098	3,457
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Pass Through the Ohio Department of Health:</i>			
National State Based Tobacco Control Programs	93.305	06720014TU0117	34,846
U.S. FOOD AND DRUG ADMINISTRATION (Direct)			
Voluntary National Retail Food Grant Program	93.103	G-SP-1510-03247	19,754
Voluntary National Retail Food Grant Program	93.103	G-T-1611-03768	<u>2,917</u>
Total U.S. Department of Health and Human Services			<u>57,517</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Direct Program</i>			
Assistance to Firefighters Grant Program - Fire Protection and Safety	97.044	EMW-2013-FO-06103	8,491
<b>U.S. DEPARTMENT OF TRANSPORTION</b>			
<i>Pass Through the Ohio Department of Transportation:</i>			
Portage Hike and Bike Trail	20.205	PID 93759	676,623
State Route 43 Signalization	20.205	PID 93442	25,288
Highway Planning and Construction - E. Summit Street Improvement	20.205	PID 84546	<u>4,400,499</u>
Total U.S. Department of Transportation			<u>5,102,410</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 5,887,179</u></u>

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

**CITY OF KENT  
PORTAGE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of Kent (the City's) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C - MATCHING REQUIREMENTS**

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

**NOTE D – REVOLVING LOAN FUND (RLF)**

Activity in the Economic Adjustment Assistance CFDA 11.307 revolving loan fund during 2017:

Beginning loans receivable balance as of January 1, 2017	\$176,107
Loans made during 2017	\$ 14,400
Loan principal repaid	<u>\$(40,855)</u>
Ending loans receivable balance December 31, 2017	\$149,652
Cash Balance in the RLF at December 31, 2017	\$391,974
Total Value of the RLF EDA 11.307	\$541,626
<b>Federal Share of RLF (70%)</b>	<b>\$379,138</b>

**NOTE E – CHIP UNREPORTED 2016 EXPENDITURES**

It was noted after the release of the 2016 audit that \$169,724 of federal expenditures related to the CHIP grant CFDA #14.239 was unreported in the Schedule. The 2017 Schedule only includes the 2017 federal expenditures.



# 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 18, 2018.

### ***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

June 18, 2018





# 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 THE UNIFORM GUIDANCE

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

To the Members of Council:

### ***Report on Compliance for the Major Federal Program***

We have audited the City of Kent's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

### ***Management's Responsibility***

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

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

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

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

***Opinion on the Major Federal Program***

In our opinion, the City of Kent complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

***Report on Internal Control Over Compliance***

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Kent (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 18, 2018. We conducted our audit to opine on the City's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 18, 2018

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**CITY OF KENT  
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
December 31, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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CITY OF KENT, OHIO  
DEPARTMENT OF BUDGET AND FINANCE

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**DECEMBER 31, 2017**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	<b>Schedule of Expenditures of Federal Awards:</b> The City failed to report the Economic Adjustment Assistance Program on the Schedule of Expenditures and Federal Awards.	Fully corrected	The City included this program on their Federal Schedule for fiscal year 2017.

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**2017**  
**City of Kent**  
**Ohio**  
**Comprehensive Annual Financial Report**  
**For the year ended**  
**December 31, 2017**



# **CITY OF KENT, OHIO**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2017**

Issued by The Department of Budget and Finance

DAVID A. COFFEE  
Director of Budget and Finance

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# **INTRODUCTORY SECTION**



**City of Kent, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2017*  
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# CITY OF KENT, OHIO

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## Office of the City Manager

June 18, 2018

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, 2017, 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, 2017, have been audited for a fourth consecutive year in the current decade by the Auditor of State of Ohio's Office. The Auditor of State's unmodified opinion has been included in this report.

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

### **PROFILE OF THE GOVERNMENT**

The City of Kent, Ohio, is located in Portage County, approximately fifteen miles northeast of the City of Akron and six miles west of the City of Ravenna, the county seat. The City is the largest of four cities in this industrial and agricultural county. It is principally noted as the home of Kent State University, which had a 2016 undergraduate enrollment of 29,105 students at the main campus in Kent and 40,782 students region-wide.

The City covers an area of approximately 9.29 square miles. The City's 2010 population of 28,904 reflects a 3.6 percent growth over the 2000 population of 27,906. Also of note in the 2010 census is the City of Kent's neighboring township to the south, Brimfield Township, posted a 30 percent increase from the 2000 to 2010 that is in part a result of the rising popularity of the City of Kent and Kent State University.

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

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

### **Local Economy**

The economic recovery that began in 2011 has slowed in the last couple of years, but new business activity and investment continues to produce modest gains following years of record highs. For the years 1999 thru 2010, commercial construction investment in Kent averaged \$6.5 million a year. However, for the years 2011 thru 2012, commercial investment jumped to an average of \$55 million a year as a result of the downtown redevelopment; an increase of 745 percent. For 2017 the mix of new public and private investment has kept construction investment levels at approximately double the pre-downtown redevelopment 10 year average.

The recent commercial construction has translated into new jobs and economic growth which has enabled the City to re-build reserve balances and make investments in areas of critical infrastructure needs that had historically been under-funded due to revenue limitations. Despite improving fiscal conditions, the City of Kent has continued to maintain a conservative fiscal strategy in order to maximize resource impact and support City services without adding new or increased taxes or fees. Economic growth enabled union and non-union employee salary increases of 3% in 2016 and 3.25% in 2017.

The City's sustained commitment to cost cutting, matched with modest growth in the tax base, and revenue stabilization provided by Kent State University, has allowed the City to make impactful strategic investments while still replenishing reserve fund balances. The combination of performance driven savings and income gains have enabled the City to hold the line on the City budget overall, honor funding commitments to community priorities, absorb the loss of over \$1,000,000 in State funding, and initiate a few targeted operating increases (e.g., increased sidewalk and street repair funding, adding new sidewalk snow clearing services, approving 3 new firefighter positions, and upgrading key personnel positions) while still managing to maintain a relatively healthy financial position coming out of 2017.

The City's finances recovered well enough to be recognized in 2016 by the State Auditor's Office for fiscal year 2015 as being only one of 15 cities statewide to receive their highest recognition for financial health across all financial categories evaluated. The State Auditor's report released in 2017 for fiscal year 2016 reflected that the City's financial health rating remained in the top quartile statewide but it declined slightly coinciding with some concerns for the long term outlook of the General Fund as General Fund revenue growth dropped to approximately the rate of inflation.

For year-end 2017, total City income tax collections were up 3.92% percent (\$623,623) from 2016, while Kent State University's collections in 2017 were up 1.75 percent (\$88,427). Although the City recorded an expected downward correction in 2016 due to a one-time private sector anomaly that occurred in its 2015 receipts, the 2017 income tax performance rebound is seen as validation that Kent is now realizing a more normalized annual rate of growth.

Kent State University remains the City's largest employer, contributing 35 percent of total municipal income tax revenues in 2017. It is, however, noteworthy that job growth occurring in the private sector has lessened the KSU percentage share in recent years compared to long standing historical levels. So while the City's financial condition still benefits from the University's buffering effect on the City's tax base from the more volatile highs and lows of private business cycles -- the continued private sector job growth is a welcomed and notable diversification.

In 2017, Kent State University experienced the first decline in enrollment in over 10 years, with a drop of 1,064 students for a total of 28,041 students on the Kent campus. It is worth noting that over 72% of the decline in the student body is attributable to the loss of 772 international students stemming from changes in US-International government relations.

Although 1% smaller in size, the 2017 freshman class at the Kent campus had the highest academic profile in the history of the University, with an average incoming GPA of 3.4, and the freshman class broke the record for admission in the Kent State Honors College. In 2017, Kent State also conferred a record breaking 10,000 degrees and certificates.

With 5 successive years of income tax growth leading into 2016, and a modest tax rebound in 2017, the City appears to have weathered the recession and resumed a more conventional pace of economic growth in the range of 2-3% per year. Large scale construction activity in Kent has declined as major projects have finished, but with the approval of the new \$1 billion Kent State Master Plan construction revenues are likely to favorably affect City income tax receipts for the next 5 to 10 years.

Although business cycles have impacted individual business profit and income tax contributions on a year to year basis, most business sectors in Kent appear to be on track to exceed their prior year economic performance. As a result, the City expects incremental growth and diversification of the City's economic base to continue in 2018. 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 pushed the City's 2015 income tax receipts to their highest recorded level.

## **Investments in Kent**

In 2017, Kent State University continued to fund an ongoing capital facilities re-investment program with major renovations underway at Bowman Hall, Center of Performing Arts, KSU Library, Rockwell Hall, Williams Hall, and \$20 million in energy efficiency investments campus wide. These investments have transformed the campus and the campus community connection, generating significant construction related jobs and tax revenues.

In 2017, Kent State unveiled its new 10 year Master Facilities Plan that includes over \$1 billion in new campus investments in Kent. The Master Plan is divided in 3-phases, with the first \$220 million phase beginning in 2018. The first phase includes 8 “transformational projects” and 9 “enabling” projects many of which focus on campus and community points of connection.

While Kent experienced further contraction in total commercial construction investment for 2017 compared to the 2013 record highs, it was still able to realize slightly in excess of \$12 million in total investment for the year which is more than double the 10 year average prior to the downtown redevelopment. A significant component of the 2017 total investment is attributable to commercial multi-family residential construction.

Single family residential construction continued to show signs of recovery with new homes selling well and existing home sales in neighborhoods showing renewed strength in resale value and reduced time on the market. The student housing market seems to be showing early signs of oversupply as lease-up rates have declined from 90-95% occupied in the fall of 2016 to 75-80% occupied in the fall of 2017. Kent’s older shopping plazas continued to generate new investment and show signs of recovery as vacated spaces were quickly refilled with new tenants, keeping Kent’s retail vacancy rate one of the lowest in the region at 5%.

The City and University continued to partner to implement the recommendations of the community housing study, including jointly negotiating with developers on private housing projects to “right size” the number of new units to avoid creating a student housing glut and to preserve the quality of life in City neighborhoods. In 2017, the City announced plans to update the City zoning code and comprehensive plan in 2018 to reflect the changing market conditions and community priorities.

In 2017 investment in the commercial construction market slowed but investment rates continued to be twice the 10-year pre-redevelopment average, indicating that the economic rebound that began in 2009 continued to have an impact in 2017.

On the public side, the City aggressively pursued Federal, State and Regional grant funds for infrastructure improvement projects. As a result, the City has been able to reinvest in City bridges, streets and sidewalks at near record levels. The City is in the final stages of the \$18 million Summit Street Improvement project and is in the final planning phases for the \$3 million SR 43 Signal Upgrade project which is set to begin construction in 2018. The City is also leading community planning meetings to redefine the future of the SR261 corridor, North Water Street, and East Main Street along the front campus of Kent State University.

In 2017 the City of Kent completed construction of its new \$12 million Police Station and an architect was hired to design the new City Administration building. Over the last 6 plus 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.

## **Major Initiatives**

The award winning restoration of the 90 year old L.N. Gross building was one of the highlights of private sector investment in Kent in 2017. The historic property underwent a \$6 million renovation that included adapting the space for a new high-tech water bottling facility and creating a showcase headquarters for DS Architecture.

Adjacent to the L.N. Gross building, Kent's Family and Community Service partnered with Axxess Point to complete a \$3 million expansion of their current building to support new doctors, dentists and other health professionals' offices at the location.

In 2017 University Hospitals completed the first phase (\$3 million) of their planned expansion of the Devon Place Medical Center, adding a new urgent care and medical emergency room.

In downtown Kent, historic renovations were completed to the former train depot to support the opening of the new Treno Ristorante. The historic 1930's era post office and county courthouse building was also sold and renovations began to convert the facility to new law offices. More renovations were also underway at the Kent Natural Food Coop which expanded their grocery space on Main Street.

New retail investments in downtown Kent in 2017 included the grand opening of Jabbour's Apparel store, Cracked escape room, Sugar Rush, Pacific East restaurant, Troppus, Red Letter Days, and Burnside Barbeque. On Main Street the former optometry office was remodeled in expectation of a new retail tenant, and Woodsy's Music began a major expansion into recently vacated retail space.

New business announcements in 2017 included 3 new international restaurants, ZZ Yum Fun Chinese restaurant, Namaste Indian restaurant, and a new Vietnamese restaurant. Raisin' Canes chicken restaurant also announced plans to open in the Kent-Franklin JEDD in 2018 and MadCap Brewery announced expansion plans for their business. The University Plaza movie theater also announced plans for a major upgrade to the seating and movie viewing experience.

In 2017 the City of Kent was voted the most under-rated City in Ohio and the top college town in Ohio.

The City continued to work with Franklin and Brimfield townships in 2017 to recruit new businesses and expand business development opportunities within the JEDD boundaries. As a result of the JEDD partnerships, the City received \$631,804 (on a cash basis) as its combined share of JEDD income taxes in 2017.

### **Long-term Financial Planning**

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

### **Cash Management Policies and Practices**

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

The City's investment policy is to manage and invest the public's funds with regard to the following criteria: Safety of principal is the foremost objective for the City. All investments are executed in a manner that seeks to ensure preservation of capital in the overall portfolio. Liquidity is the second objective, and the City's



investment portfolio maturities are structured in such a manner so as to meet all of its cash operating requirements that can be reasonably anticipated. Finally, the City's investment portfolio is managed so as to achieve a competitive yield that is compatible with the risk and cash flow requirements of the portfolio.

The Director of Budget and Finance is authorized by this policy to invest interim and active monies not in excess of \$10 million with any one eligible financial institution designated as a public depository at any one time in select instruments as defined and authorized by the Ohio Revised Code, Chapter 135. The institutions are required by state statute to maintain a collateral pool of assets whose carrying value exceeds their total public deposits by at least five percent. All investment activity, including operational practices and compliance with the policies and procedures defined in the Investment Policy are overseen by the City's Treasury Investment Board. The Treasury Investment Board is comprised of the City Manager, the Director of Budget and Finance and the Director of Law. The total investment portfolio interest earned during 2017 was \$317,069.

### **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 2016. This was the 30<sup>th</sup> 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, 2016**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF KENT, OHIO**  
**ELECTED OFFICIALS - 2017**

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	Robin Turner
WARD 4	John M. Kuhar
WARD 5	Heidi L. Shaffer
WARD 6	Tracy Wallach

**CITY OF KENT, OHIO**

**APPOINTED OFFICIALS - 2017**

**OFFICE OF CITY MANAGER**

City Manager

David A. Ruller

**OFFICE OF COUNCIL**

Clerk of Council

Tara Grimm

**DEPARTMENT OF LAW**

Law Director

James R. Silver

**DEPARTMENT OF PUBLIC SERVICES**

Service Director

Melanie Baker

City Engineer

James S. Bowling

Water Plant Supervisor

Brian Johnson

Sewer Plant Supervisor

Bill Schesventer

Utilities Manager

John Osborne

Facilities Manager

Brad McKay

**DEPARTMENT OF BUDGET AND FINANCE**

Director of Budget and Finance

David A. Coffee

Controller

Brian L. Huff

**DEPARTMENT OF PUBLIC SAFETY**

Safety Director

Position is currently vacant

Fire Chief

John Tosko

Police Chief

Michelle A. Lee

**DEPARTMENT OF COMMUNITY DEVELOPMENT**

Community Development Director

Bridget Susel

Economic Development Director

Tom Wilke

**DEPARTMENT OF HEALTH**

Health Commissioner

Jeffrey S. Neistadt

**DEPARTMENT OF PARKS AND RECREATION**

Director of Parks and Recreation

John J. Idone

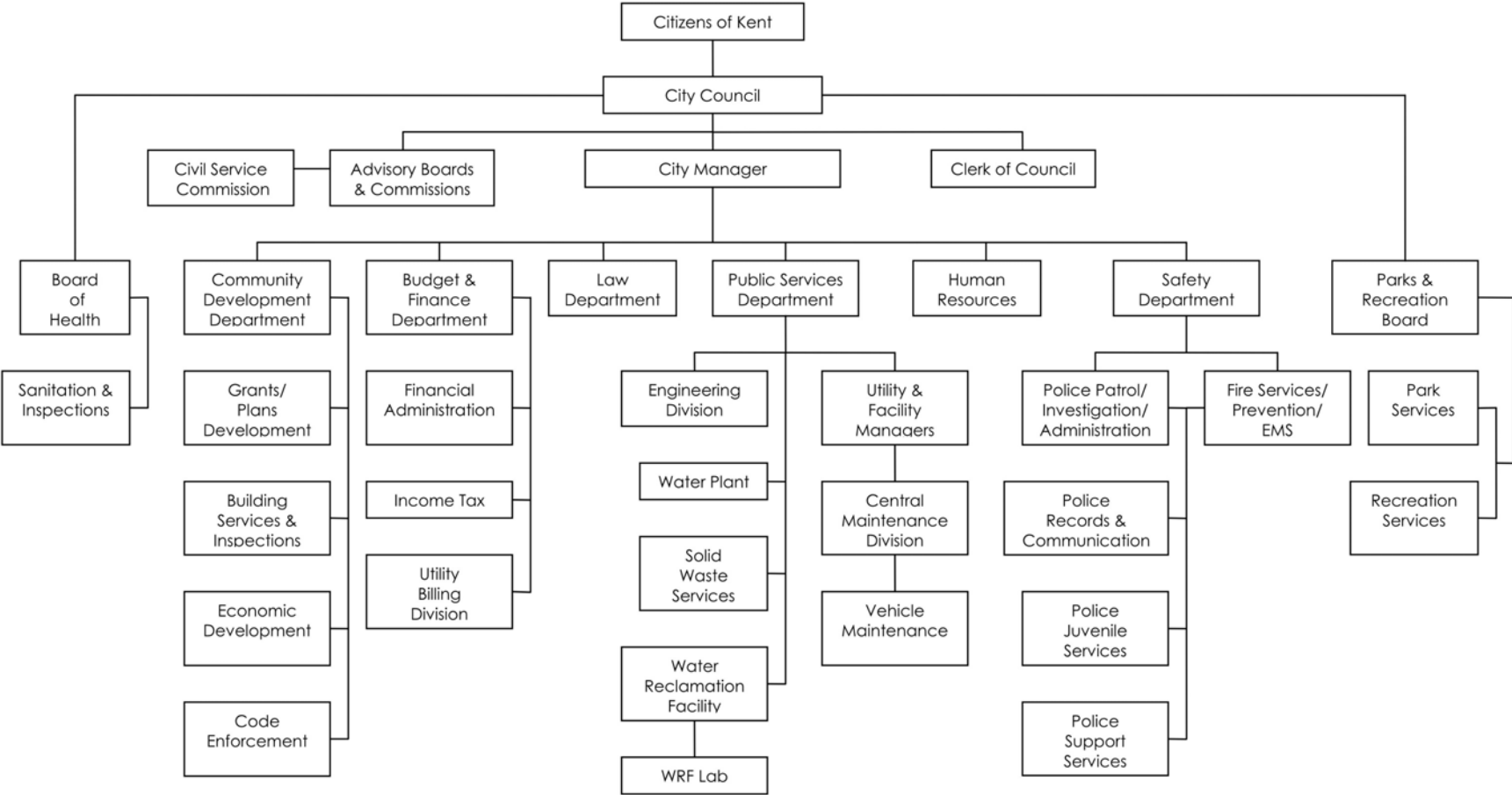
Parks Supervisor

Charles S. Tuttle

Recreation Supervisor

Nancy R. Rice

# City of Kent, Ohio Organizational Chart





# FINANCIAL SECTION







# 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 City of Kent, Portage County, Ohio (the City), as of and for the year ended December 31, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, 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.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected 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 June 18, 2018, 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

June 18, 2018

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**City of Kent, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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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, 2017. 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 2017 are:

- Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$133,905,893 (*net position*).
- Total net position increased by \$5,427,597 over 2016. Of this amount, governmental activities increased by \$6,193,270 and business-type activities decreased by \$765,673.
- Total capital assets increased by \$15,962,263 or 12.90 percent as compared to 2016. This increase reflects the increase of \$15,981,775 attributable to Governmental capital assets offset by the decrease of \$19,512 to business-type capital assets.
- Total current and other assets decreased \$4,847,979 or 8.80 percent as compared to 2016. This decrease reflects the decrease of \$4,674,203 attributable to governmental activities and a decrease of \$173,776 attributable to business-type activities.
- Total liabilities and deferred inflows of resources increased \$5,507,075 or 9.29 percent as compared to 2016. This increase is comprised of an increase in the governmental activities' liabilities and deferred inflows resources of \$4,416,391 and an increase in the liabilities and deferred inflows of resources of the business-type activities of \$1,090,684.

### **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, 2017*  
*Unaudited*

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

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

The government-wide financial statements can be found starting on page 23 of this report.

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

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

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

The City maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Income Tax Safety Fund, the Fire and Emergency Medical Services Fund, the Capital Projects Fund and the Police Facilities Fund, all of which are considered to be major funds. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, the Sewer Fund, and the Storm Water Drainage Fund, all of which are considered to be major funds. The Solid Waste Fund is the City's only nonmajor proprietary fund and is presented separately in the proprietary fund financial statements. The Internal Service Fund is also presented on the proprietary fund financial statements. The basic proprietary fund financial statements can be found starting on page 33 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 37 of this report.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual budgetary comparisons for all nonmajor funds and enterprise funds. This information can be found starting on page 90 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 2017. 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*  
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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 2017 compared to 2016.

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and Other Assets	\$41,778,384	\$46,452,587	\$8,462,357	\$8,636,133	\$50,240,741	\$55,088,720
Net Pension Asset	10,416	9,143	8,349	7,331	18,765	16,474
Capital Assets, Net	86,794,307	70,812,532	52,874,779	52,894,291	139,669,086	123,706,823
<i>Total Assets</i>	<u>128,583,107</u>	<u>117,274,262</u>	<u>61,345,485</u>	<u>61,537,755</u>	<u>189,928,592</u>	<u>178,812,017</u>
Deferred Outflows of Resources						
Pension	6,401,102	7,100,286	2,333,446	1,816,165	8,734,548	8,916,451
<b>Liabilities</b>						
Current and Other Liabilities	9,370,106	4,986,548	730,969	685,791	10,101,075	5,672,339
Long-Term Liabilities:						
Due Within One Year	1,449,135	1,526,240	559,502	544,918	2,008,637	2,071,158
Due In More Than One Year:						
Net Pension Liability	25,883,713	24,875,771	5,960,421	4,611,408	31,844,134	29,487,179
Other Amounts	14,704,947	15,915,535	2,287,871	2,584,820	16,992,818	18,500,355
<i>Total Liabilities</i>	<u>51,407,901</u>	<u>47,304,094</u>	<u>9,538,763</u>	<u>8,426,937</u>	<u>60,946,664</u>	<u>55,731,031</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes and PILOTs	3,330,947	3,252,139	0	0	3,330,947	3,252,139
Pension	405,876	172,100	73,760	94,902	479,636	267,002
<i>Deferred Inflows of Resources</i>	<u>3,736,823</u>	<u>3,424,239</u>	<u>73,760</u>	<u>94,902</u>	<u>3,810,583</u>	<u>3,519,141</u>
<b>Net Position</b>						
Net Investment in Capital Assets	67,360,368	60,061,703	49,952,592	49,624,570	117,312,960	109,686,273
Restricted	18,027,734	20,795,807	0	0	18,027,734	20,795,807
Unrestricted	(5,548,617)	(7,211,295)	4,113,816	5,207,511	(1,434,801)	(2,003,784)
<i>Total Net Position</i>	<u>\$79,839,485</u>	<u>\$73,646,215</u>	<u>\$54,066,408</u>	<u>\$54,832,081</u>	<u>\$133,905,893</u>	<u>\$128,478,296</u>



**City of Kent, Ohio**  
*Management's Discussion and Analysis*  
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The City has adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$133,905,893 at the close of the most recent year.

The largest portion of the City's net position (87.61 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 of \$18,027,734 or 13.46 percent, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position with a deficit of \$1,434,801 represents 1.07 percent.

Total assets and deferred outflows of resources increased by \$10,934,672 from 2016 to 2017. The increase was main due to an increase in capital assets which was offset by a decrease in cash and cash equivalents. Capital assets increased due to significant construction in progress in the Summit Street and police station projects.

Total liabilities and deferred inflows of resources experienced an increase of \$5,507,075, which corresponds to an increase of \$4,416,391 in governmental activities and an increase of \$1,090,684 in the business-type funds. This increase is mainly attributed to the increase in net pension liability and notes payable.

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

The total net position of the City increased \$5,427,597 from 2016 to 2017. The primary reason for this overall change is that the City had another year where, on a full accrual accounting basis, current year total revenues exceeded total expenses due to capitalized expenses for capital assets.

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

**Table 2**  
**Changes in Net Position**

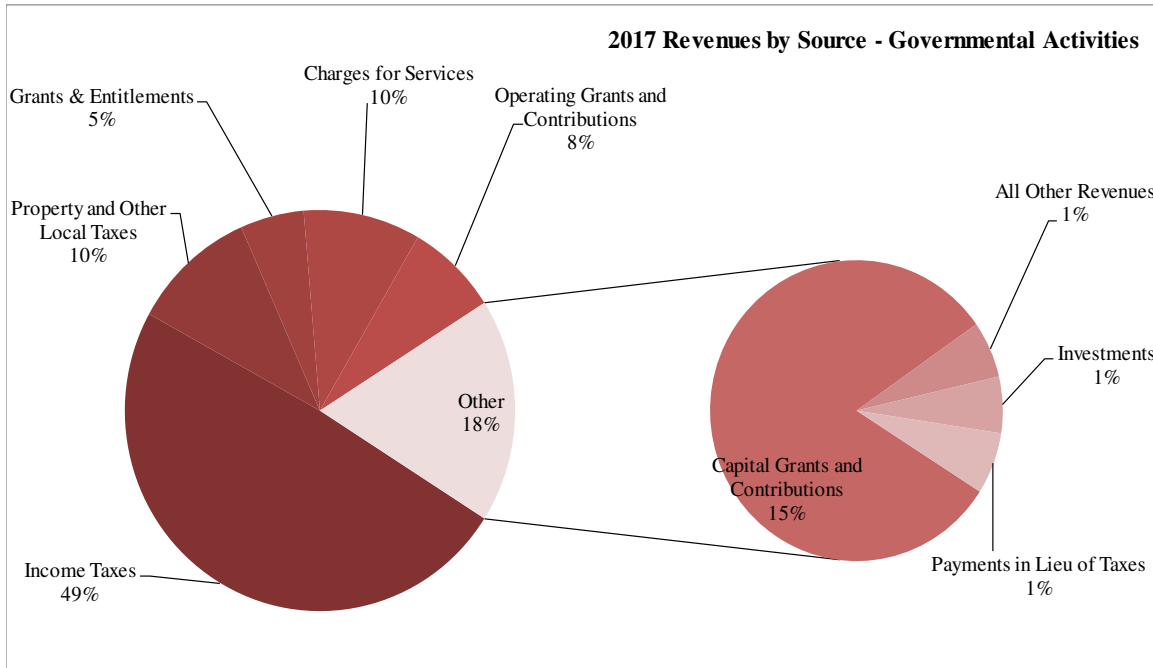
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$3,344,575	\$3,210,475	\$9,105,062	\$8,778,228	\$12,449,637	\$11,988,703
Operating Grants and Contributions	877,748	1,442,504	0	0	877,748	1,442,504
Capital Grants and Contributions	6,756,430	5,184,058	234,780	630,742	6,991,210	5,814,800
General Revenues:						
Municipal Income Taxes	16,809,427	15,529,037	0	0	16,809,427	15,529,037
Property and Other Local Taxes	3,557,920	3,497,666	0	0	3,557,920	3,497,666
Payments in Lieu of Taxes	408,906	368,097	0	0	408,906	368,097
Grants and Entitlements	1,807,042	1,830,099	0	0	1,807,042	1,830,099
Investment Income	382,400	332,106	16	256	382,416	332,362
Gain on Sale of Capital Assets	0	0	0	11,860	0	11,860
All Other Revenues	373,956	299,309	87,340	74,243	461,296	373,552
<b>Total Revenues</b>	<b>34,318,404</b>	<b>31,693,351</b>	<b>9,427,198</b>	<b>9,495,329</b>	<b>43,745,602</b>	<b>41,188,680</b>
<b>Program Expenses</b>						
Security of Persons and Property	13,445,628	13,327,470	0	0	13,445,628	13,327,470
Public Health and Welfare	978,817	865,759	0	0	978,817	865,759
Leisure Time Activities	2,290,693	2,182,450	0	0	2,290,693	2,182,450
Community Development	2,081,122	2,180,658	0	0	2,081,122	2,180,658
Transportation	5,491,314	5,132,998	0	0	5,491,314	5,132,998
General Government	3,192,464	3,051,990	0	0	3,192,464	3,051,990
Interest and Fiscal Charges	645,096	625,093	0	0	645,096	625,093
Water	0	0	3,925,238	3,614,125	3,925,238	3,614,125
Sewer	0	0	4,869,479	4,304,016	4,869,479	4,304,016
Solid Waste	0	0	387,087	375,328	387,087	375,328
Storm Water Drainage	0	0	1,011,067	872,141	1,011,067	872,141
<b>Total Expenses</b>	<b>28,125,134</b>	<b>27,366,418</b>	<b>10,192,871</b>	<b>9,165,610</b>	<b>38,318,005</b>	<b>36,532,028</b>
Change in Net Position	6,193,270	4,326,933	(765,673)	329,719	5,427,597	4,656,652
Net Position Beginning of Year	73,646,215	69,319,282	54,832,081	54,502,362	128,478,296	123,821,644
Net Position End of Year	<b>\$79,839,485</b>	<b>\$73,646,215</b>	<b>\$54,066,408</b>	<b>\$54,832,081</b>	<b>\$133,905,893</b>	<b>\$128,478,296</b>

**Governmental Activities**

Governmental activities increased the City's net position by \$6,193,270 during 2017.

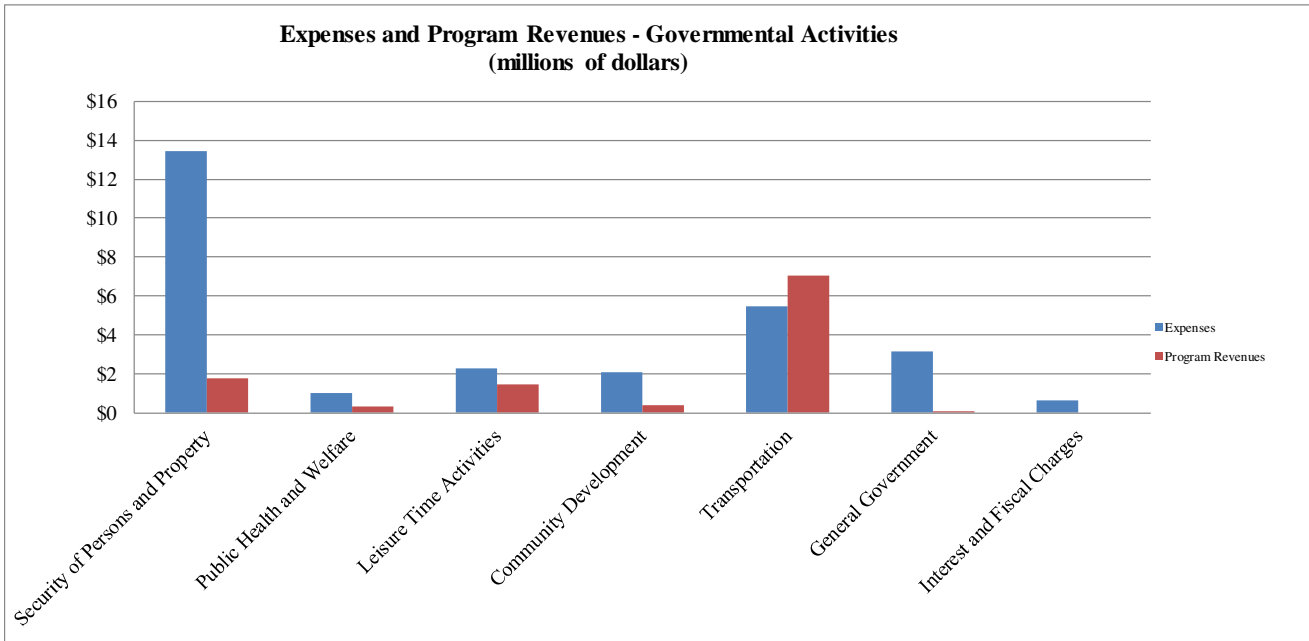
Several types of revenues fund the City's governmental activities, with municipal income tax being the largest contributor. As presented in table 2, municipal income tax revenues showed an increase of \$1,280,390 or 8.25 percent. This increase is partially due to an increase in collections and the remainder due to the change in accruals in 2016. The City's total revenue increased by \$2,625,053 in 2017 as compared to 2016, the increase is related to municipal income tax revenue, which has previously been explained and an increase in capital grants and contributions. The increase in capital contributions is from the Ohio Department of Transportation related to Summit Street and other capital projects.

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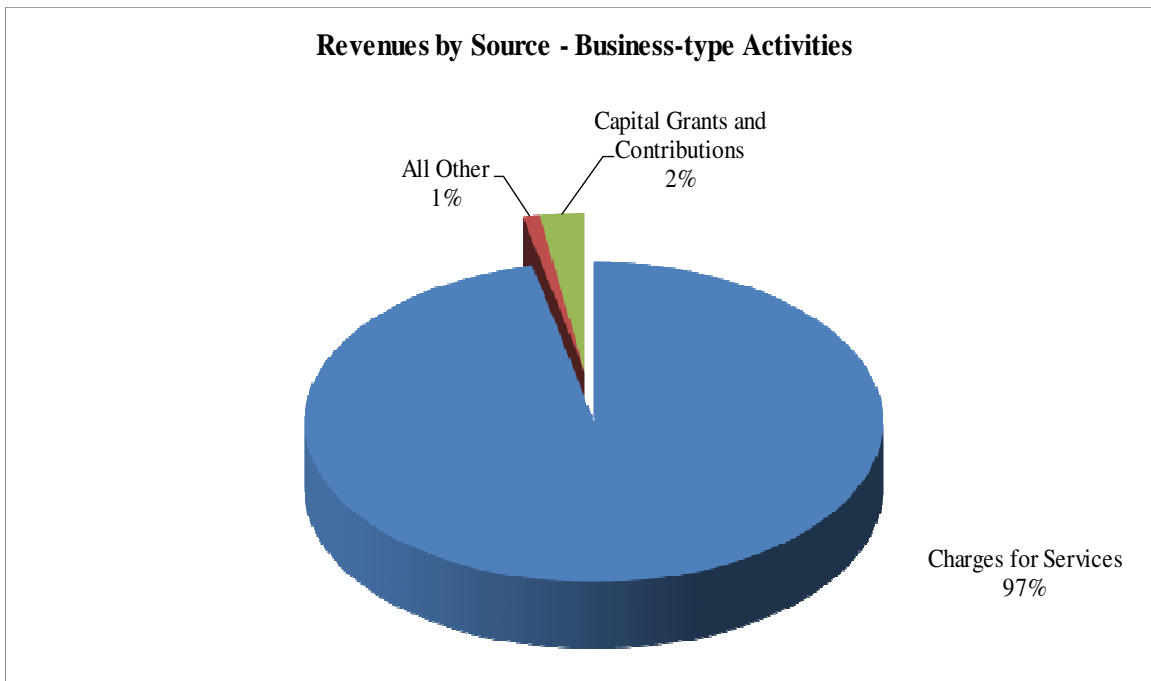
Expenses in the governmental activities experienced an increase of \$758,716 or 2.77 percent. During 2017, the largest program area for the City is security of persons and property at 47.81 percent which includes police, fire and emergency medical services. Transportation is the next largest program area at 19.52 percent, of which \$1.8 million or 33.17 percent of the total transportation expenses are attributable to the annual depreciation expenses from transportation-related activities. General Government is the third largest area at 11.35 percent and accounts for the basic operations of the City including council, mayor, city manager, human resources, finance, law, engineering, service administration and civil service. The fourth largest program area is leisure time activities at 8.14 percent for operations of parks and recreation activities.

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**Business-Type Activities**

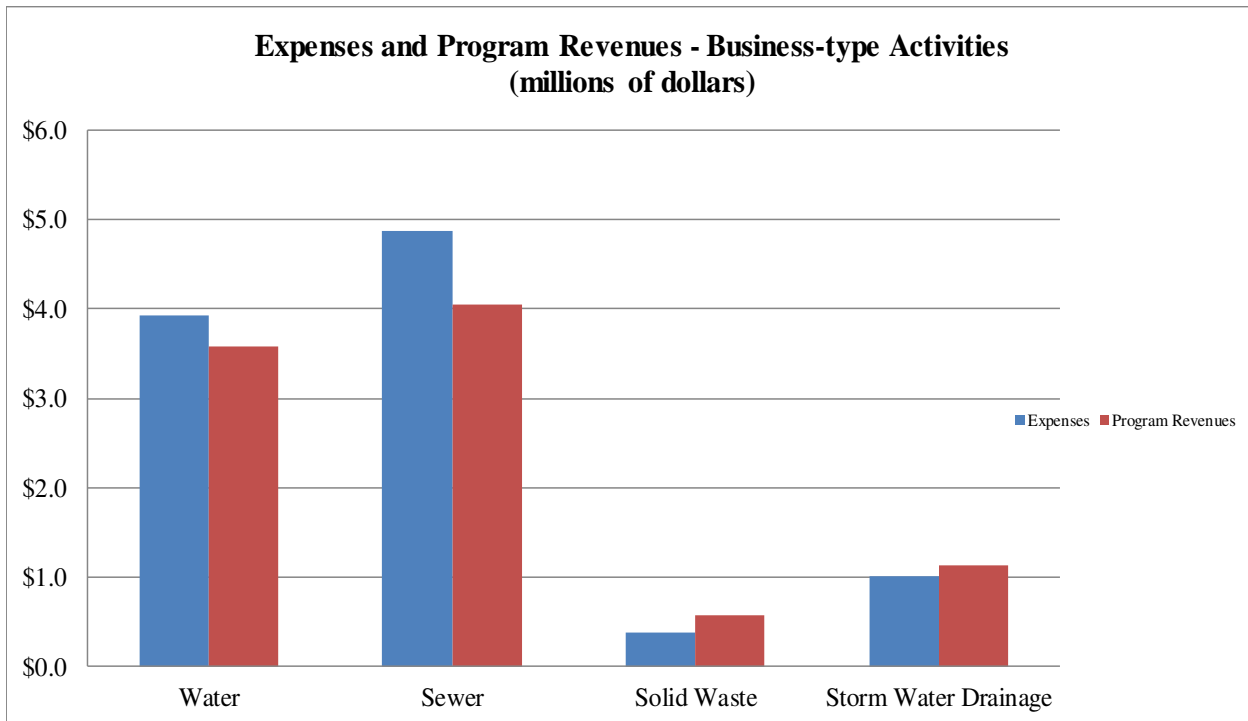
Business-type activities of the City, which include water, sewer, solid waste and storm water drainage operations, slightly decreased the City's net position by \$765,673 or 1.40 percent.



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Charges for services account for 96.58 percent of total business-type revenues. Capital grants and contributions decreased by \$395,962, which was offset by an increase in charges for services by \$326,834. Overall, total revenues for the business-type activities decreased slightly by \$68,131.

Expenses in the business-type activities experienced an increase of \$1,027,261 or 11.21 percent. This increase was mainly due to increased capital project activity and in smaller part due to inflation and salary increases.



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

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

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,995,810, which represents a decrease of \$8,737,779 or 25.90 percent as compared to 2016. The General Fund's unassigned fund balance was sufficient to cover the deficits in the unassigned fund balance from other governmental funds. *Unassigned and assigned fund balances* are available at the government's discretion.

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

Fund balance for the City's General Fund decreased by \$593,320 due to expenses generally exceeding revenues during 2017, including the fluctuation of amounts of funds transferred to various funds.

Fund balance for the City's Income Tax Safety Fund increased by \$739,853 due to the fluctuations in amounts of funds transferred.

Fund balance for the City's Fire and Emergency Medical Services Fund increased by \$552,840 due to the fluctuations in amounts of funds transferred.

Fund balance for the City's Capital Projects Fund increased by \$111,288 due to timing differences between the receipt of grant monies and the associated project expenditures.

Fund balance for the City's Police Facilities Fund decreased by \$8,408,351 due to construction progressing and payments made during 2017.

**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
\$1,611,143	\$1,532,754	\$1,111,777
(265,764)	(770,959)	134,434

In the Water and Sewer Funds, which are the two largest enterprise funds, the unrestricted net position represent 41.48 percent and 32.20 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. Council approved an eight percent increase in rates for water, and a three percent increase in rates for sewer and solid waste for 2017. These rate increases became effective February 2016. 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 2017, the City amended its General Fund budget on various occasions. All recommendations for budget changes are reviewed by the Finance Committee of City Council prior to presentation to Council for ordinance enactment of the changes.

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For the General Fund revenues and other financing sources, the original budget amount was \$8,640,778 and the final amended budget was \$10,854,363, an increase of \$2,213,585. The increase was due to the CHIP grant and sale of property being higher than expected and increased ambulance receipts and receipts in the Franklin JEDD. Actual revenues and other financing sources were \$11,052,053 or \$197,690 more than what was budgeted.

For the General Fund expenditures and other financing uses, the original budget amount was \$11,616,061 and the final amended budget was \$12,608,624, an increase of \$992,563. Actual expenditures and other financing uses were \$11,545,571 or \$1,063,053 less than what was budgeted. Conservative budget practices coupled with vacancies in some positions were the principal reasons budgeted funds were not spent.

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets (net of accumulated depreciation) for governmental and business-type activities as of December 31, 2017, was \$139,669,086. The City's investment in capital assets increased by \$15,981,775 or 22.57 percent for governmental activities and decreased slightly by \$19,512 for business-type activities when comparing 2017 to 2016.

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, 2017 to balances at December 31, 2016.

**Table 3**  
**Capital Assets**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$11,164,057	\$10,911,040	\$1,825,536	\$1,825,536	\$12,989,593	\$12,736,576
Buildings, Structures and Improvements	7,510,534	7,760,708	4,073,812	4,386,315	11,584,346	12,147,023
Machinery and Equipment	4,519,299	3,566,131	2,718,226	2,493,407	7,237,525	6,059,538
Construction in Progress	27,847,011	12,701,514	2,011,239	1,167,251	29,858,250	13,868,765
Infrastructure						
Roads, Bridges, Walks	32,939,877	32,871,442	0	0	32,939,877	32,871,442
Traffic Signals	2,813,529	3,001,697	0	0	2,813,529	3,001,697
Water	0	0	10,145,481	10,047,813	10,145,481	10,047,813
Sewer	0	0	18,255,310	18,812,199	18,255,310	18,812,199
Storm Water	0	0	13,845,175	14,161,770	13,845,175	14,161,770
<b>Total Capital Assets</b>	<b>\$86,794,307</b>	<b>\$70,812,532</b>	<b>\$52,874,779</b>	<b>\$52,894,291</b>	<b>\$139,669,086</b>	<b>\$123,706,823</b>



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**Debt.** At December 31, 2017, the City's bonds, notes and loans outstanding were \$23.1 million.

**Table 4**  
**Outstanding Debt at Year End**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<i>Long-Term Obligations:</i>						
General Obligation Bonds	\$14,452,043	\$14,869,111	\$0	\$0	\$14,452,043	\$14,869,111
OPWC Loans	282,467	259,148	200,052	217,218	482,519	476,366
OWDA Loans	0	0	2,345,035	2,615,496	2,345,035	2,615,496
Loans Payable	0	903,682	0	0	0	903,682
<i>Short-Term Obligations:</i>						
Notes Payable	5,620,000	2,580,000	375,000	435,000	5,995,000	3,015,000
<b>Total</b>	<b>\$20,354,510</b>	<b>\$18,611,941</b>	<b>\$2,920,087</b>	<b>\$3,267,714</b>	<b>\$23,274,597</b>	<b>\$21,879,655</b>

The City's total long-term debt decreased by \$1,585,058 or 8.40 percent. This decrease in long-term debt for 2017 is primarily due to the payment of principal on existing obligations and the payoff of the loan payable.

Total short-term debt increased by \$2,980,000 or 98.84 percent. The increase in the City's short-term debt is due to additional borrowing for the completion of the police station project.

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 \$19,209,509 at December 31, 2017.

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

**Current Financial Related Activities**

Facing continued reductions in State and Federal funding, the City's economic recovery has provided timely replacement of lost inter-governmental revenues with new local income tax dollars produced by job growth. The rate of job growth has slowed but business performance remains stable with unemployment and vacancy rates in Kent near record lows.

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

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

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Kent State University remains a critical element of the City's economic strategy. The historical role of Kent State University as the City's largest employer and largest consumer of local goods and services remains central to the City's revenue stabilization efforts. The University represents approximately 35 percent of the City's income tax base and provides a reliable income stream that is less affected by the volatility of economic cycles that has left so many cities scrambling in the wake of private sector downturns.

In 2017 Kent State University completed an updated Economic Impact Study that highlighted \$493 million of direct, indirect, and induced economic benefit generated by Kent State University in Portage County, including Kent.

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

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

The strategy shift first took shape as the City, the University and a list of community partners rallied around the shared goal of re-energizing downtown Kent through the downtown revitalization project. The remarkable level of collaboration that emerged in support of the downtown project, and the unprecedented results it produced, serve to highlight a newfound source of strategic strength. The success of that effort inspired the second round of transformative investment outlined in the 2017 KSU Master Plan that includes \$1 billion in new investment in Kent.

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

The City's economic transition is on-going but the sustainability of the initial results is encouraging as the City's key financial measures have continued to trend favorably. Despite the one-time anomaly between 2015 and 2016 income tax receipts, the 2017 income tax performance rebound is seen as validation that Kent is now realizing a more normalized annual rate of growth along with a continuation of the multi-year record of overall tax receipts tracking positively.

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

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

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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 2017, albeit at a slower more normalized pace, and still added depth to the City's economic recovery. It is noteworthy that while Kent experienced further contraction in total commercial construction investment for 2017 compared to the record high years, the value of investment (commercial and residential combined) still remained more than double the 10-year average prior to the downtown redevelopment.

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 business membership doubled over the last 7 years, hitting an all-time high of 381 members in 2017. Coinciding with the downtown revitalization, the Kent Chamber membership has experienced 8 straight years of membership growth. By 2017, the Phoenix Project Phases I and II, Acorn Alley, and College Town Kent were all fully operational, bringing 200 new jobs in downtown Kent. For the third year in a row, the City's shared ownership in the PARTA garage was rewarded with a modest end-of-year surplus that was used to pay down facility capital debt, as PARTA parking deck revenues exceeded expenses in 2017. The build-out of the retail space in the PARTA building was also fully occupied by new businesses in 2017.

In 2017 the City completed the sale of the downtown courthouse building to facilitate a developer's planned \$1 million renovation of the historic building for reuse as new Class A office space.

By 2017, the first round of downtown construction activity that produced the new PARTA Transit Center, CollegeTown Kent, Acorn Corner, new public infrastructure, and the new KSU Hotel and Conference Center was complete but they were followed by a series of new smaller investment projects -- such as the renovation of the historic train station, renovation of the historic properties on Main Street and N. Water Street, and the announcement of a new 6 story restaurant/high end apartment complex to be constructed on Erie Street -- keeping optimism and momentum running high.

The resurgent business interest in Kent pushed property vacancy rates to under 5%, well below regional peer city averages.

On the public side, the City aggressively pursued Federal, State and Regional grant funds for infrastructure improvement projects, continuing a 7 year plus track record of leveraging grant funds (both directly and as a partner) at better than a 4:1 ratio of grant funding vs. local funding. As a result, the City continued to reinvest in City bridges, streets and sidewalks at near record levels. For the 6<sup>th</sup> consecutive year the City allocated extra funding towards street and sidewalk repairs, Council extended new pilot project funding for sidewalk snow removal and sidewalk repairs, and for the first time in decades the City had sufficient revenues to fill vacant positions, upgrade critical personnel classifications, and hire new Fire and EMS positions to enhance public safety.

In 2017, the City and Kent State University began the final phase of the \$18 million Summit Street Transportation Project. City engineering and right-of-way work was completed on the \$3 million SR 43 Signal Upgrade project with construction set to begin in 2018. Construction was completed on the new \$12

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million City Police Building and an architect was hired to begin the planning and design work for the new City Administrative building.

The City also continued its productive work with the Franklin and Brimfield townships as JEDD partners in 2017, resulting in a number of new or expanded business developments and contributing to a 15.02% increase over the 2016 combined income tax collections from the JEDDs.

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

The multi-year rate stabilization plans adopted for the City's Utility Funds in 2010-11 continued to improve the sustainability of those funds through incremental water and sewer rate increases. In 2016 Council amended the rate plans to reflect year-to-year water and sewer rate variations that had occurred due to fluctuations in capital spending schedules, and approved a one-time stormwater rate increase with an expectation to develop a new fee based model to incorporate stormwater capital and operating needs into the multi-year rate plan. The modifications to the rate plan were re-approved by City Council in 2017, confirming Council's commitment to multi-year rate planning, ensuring the long term viability of the rate plans, and ultimately saving utility customer dollars from the original 2011 rate plan.

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

During 2017, 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 2017 that advanced critical economic development priorities. City staff also continued to pursue efficiency and productivity improvements wherever possible in 2017.

**City Operating Funds**

The development activities that have been underway in Kent have enhanced the short and long term financial stability for the City. The flurry of investment and new jobs that accompanied the construction of the large scale redevelopment provided immediate temporary financial relief that helped bridge operating funding challenges in the short term and yet as construction has slowed, the City's economic indicators have maintained a level of resiliency that has translated into sustainable economic growth. Short and long term gains have been offset by declining State and Federal funding but the City's annual fiscal operating position has continued to improve.

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*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2017*  
*Unaudited*

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Construction activity in downtown Kent has scaled-down from the records set in 2011-12 with the completion of the first round of projects in 2013, but Kent has experienced a number of secondary expansions and additions that have provided offsetting benefits to its economic mix in 2017.

With the exception of a one-time corporate tax anomaly in 2015-16, successive years of income tax growth suggests a degree of financial sustainability that had not been evident in Kent for decades prior to the downtown redevelopment.

As a result of the economic recession, the City developed a Fiscal Health Index to more closely track fund balance, debt load, income taxes, operating position and property taxes as markers of fiscal health using a composite health index that balances indicators of financial stability, risk and capacity for growth. At this point, the City's Fiscal Health outlook heading into 2018 remains stable.

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, 2017*

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 28,358,312	\$ 7,703,483	\$ 36,061,795
Cash and Cash Equivalents:			
In Segregated Accounts	64,861	-	64,861
Cash Surrender Value of Life Insurance Policies	323,833	-	323,833
Materials and Supplies Inventory	400,566	65,872	466,438
Accounts Receivable	401,567	1,378,227	1,779,794
Accrued Interest Receivable	85,693	-	85,693
Intergovernmental Receivable	2,750,692	-	2,750,692
Internal Balances	1,480,285	(1,480,285)	-
Prepaid Items	52,006	16,397	68,403
Municipal Income Taxes Receivable	3,284,116	-	3,284,116
Property and Other Taxes Receivable	3,176,449	-	3,176,449
Payments in Lieu of Taxes Receivable	359,959	-	359,959
Loans Receivable	291,809	-	291,809
Special Assessments Receivable	505,252	778,663	1,283,915
Net Pension Asset	10,416	8,349	18,765
Assets Held for Resale	242,984	-	242,984
Nondepreciable Capital Assets	39,011,068	3,836,775	42,847,843
Depreciable Capital Assets	47,783,239	49,038,004	96,821,243
<b>Total Assets</b>	<u>128,583,107</u>	<u>61,345,485</u>	<u>189,928,592</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	6,401,102	2,333,446	8,734,548
<b>Total Deferred Outflows of Resources</b>	<u>6,401,102</u>	<u>2,333,446</u>	<u>8,734,548</u>
<b>LIABILITIES</b>			
Accounts Payable	387,137	212,796	599,933
Contracts and Retainage Payable	2,802,241	51,533	2,853,774
Accrued Wages and Benefits	279,291	87,040	366,331
Matured Compensated Absences Payable	21,372	-	21,372
Accrued Interest Payable	83,733	2,500	86,233
Claims Payable	144,860	-	144,860
Notes Payable	5,651,472	377,100	6,028,572
Long-term Liabilities:			
Due within one year	1,449,135	559,502	2,008,637
Due in more than one year:			
Net Pension Liability	25,883,713	5,960,421	31,844,134
Other Amounts due in more than one year	14,704,947	2,287,871	16,992,818
<b>Total Liabilities</b>	<u>51,407,901</u>	<u>9,538,763</u>	<u>60,946,664</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	2,970,988	-	2,970,988
Payments in Lieu of Taxes (PILOTs)	359,959	-	359,959
Pension	405,876	73,760	479,636
<b>Total Deferred Inflows of Resources</b>	<u>3,736,823</u>	<u>73,760</u>	<u>3,810,583</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	67,360,368	49,952,592	117,312,960
Restricted for:			
Capital Projects	6,853,329	-	6,853,329
Debt Services	267,832	-	267,832
Streets and Highways	2,016,599	-	2,016,599
Public Facilities and Programs	2,353,458	-	2,353,458
Community Development Block Grant	570,753	-	570,753
Parks and Recreation	534,700	-	534,700
Police, Fire and EMS	4,224,767	-	4,224,767
Community Development	1,059,977	-	1,059,977
Other Purpose	146,319	-	146,319
Unrestricted	(5,548,617)	4,113,816	(1,434,801)
<b>Total Net Position</b>	<u>\$ 79,839,485</u>	<u>\$ 54,066,408</u>	<u>\$ 133,905,893</u>

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, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Security of Persons and Property	\$ 13,445,628	\$ 1,734,417	\$ 12,245	\$ -
Public Health and Welfare	978,817	331,773	-	-
Leisure Time Activities	2,290,693	790,276	-	644,428
Community Development	2,081,122	396,100	6,696	-
Transportation	5,491,314	42,212	858,807	6,112,002
General Government	3,192,464	49,797	-	-
Interest and Fiscal Charges	645,096	-	-	-
<b>Total Governmental activities</b>	<u>28,125,134</u>	<u>3,344,575</u>	<u>877,748</u>	<u>6,756,430</u>
<b>Business-type activities:</b>				
Water	3,925,238	3,538,859	-	36,750
Sewer	4,869,479	4,002,825	-	41,927
Solid Waste	387,087	580,308	-	-
Storm Water Drainage	1,011,067	983,070	-	156,103
<b>Total Business-type activities</b>	<u>10,192,871</u>	<u>9,105,062</u>	<u>-</u>	<u>234,780</u>
<b>Total Primary Government</b>	<u>\$ 38,318,005</u>	<u>\$ 12,449,637</u>	<u>\$ 877,748</u>	<u>\$ 6,991,210</u>

**General Revenues:**

Property and Other Taxes levied for:

General Purposes

Special Revenue

Municipal Income Taxes levied for:

General Purposes

Capital Outlay

Special Revenue

Payments in Lieu of Taxes

Grants & Entitlements not restricted to specific programs

Investment Income

All Other Revenues

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

**Net Position - End of Year**

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



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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (11,698,966)	\$ -	\$ (11,698,966)
(647,044)	-	(647,044)
(855,989)	-	(855,989)
(1,678,326)	-	(1,678,326)
1,521,707	-	1,521,707
(3,142,667)	-	(3,142,667)
(645,096)	-	(645,096)
<u>(17,146,381)</u>	<u>-</u>	<u>(17,146,381)</u>
-	(349,629)	(349,629)
-	(824,727)	(824,727)
-	193,221	193,221
-	128,106	128,106
<u>-</u>	<u>(853,029)</u>	<u>(853,029)</u>
<u>(17,146,381)</u>	<u>(853,029)</u>	<u>(17,999,410)</u>
1,868,194	-	1,868,194
1,689,726	-	1,689,726
5,147,606	-	5,147,606
4,310,491	-	4,310,491
7,351,330	-	7,351,330
408,906	-	408,906
1,807,042	-	1,807,042
382,400	16	382,416
373,956	87,340	461,296
<u>23,339,651</u>	<u>87,356</u>	<u>23,427,007</u>
6,193,270	(765,673)	5,427,597
<u>73,646,215</u>	<u>54,832,081</u>	<u>128,478,296</u>
<u>\$ 79,839,485</u>	<u>\$ 54,066,408</u>	<u>\$ 133,905,893</u>

**City of Kent, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2017*

	<b>General Fund</b>	<b>Income Tax Safety</b>	<b>Fire and Emergency Medical Services</b>	<b>Capital Projects</b>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 12,017,767	\$ 1,477,858	\$ 2,138,975	\$ 5,262,277
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Materials and Supplies Inventory	-	41,411	-	-
Accrued Interest Receivable	83,737	-	-	-
Accounts Receivable	353,442	2,065	1,502	23,154
Interfund Receivable	1,683,546	-	-	-
Intergovernmental Receivable	615,150	32,765	7,125	1,543,170
Prepaid Items	8,214	20,867	2,804	14,269
Payments in Lieu of Taxes Receivable	-	-	-	-
Municipal Income Taxes Receivable	826,782	690,217	690,217	637,901
Property and Other Taxes Receivable	1,616,823	-	-	-
Special Assessments Receivable	-	-	-	142,518
Loans Receivable	121,719	-	-	-
Assets Held for Resale	134,500	-	-	108,484
<b>Total Assets</b>	<b>\$ 17,461,680</b>	<b>\$ 2,265,183</b>	<b>\$ 2,840,623</b>	<b>\$ 7,731,773</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 106,815	\$ 21,920	\$ 12,213	\$ 105,060
Accrued Wages and Benefits	46,914	113,118	79,330	-
Contracts and Retainage Payable	-	-	-	1,768,398
Matured Compensated Absences Payable	21,372	-	-	-
Accrued Interest Payable	-	-	-	5,067
Interfund Payable	-	-	-	-
Workers' Compensation Claims Payable	-	-	-	-
Notes Payable	-	-	-	764,256
<b>Total Liabilities</b>	<b>175,101</b>	<b>135,038</b>	<b>91,543</b>	<b>2,642,781</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and PILOTs	1,493,437	-	-	-
Unavailable Revenue - Delinquent Property Taxes	71,963	-	-	-
Unavailable Revenue - Municipal Income Taxes	518,989	433,265	433,265	400,425
Unavailable Revenue - Other	422,002	-	-	284,184
<b>Total Deferred Inflows of Resources</b>	<b>2,506,391</b>	<b>433,265</b>	<b>433,265</b>	<b>684,609</b>
<b>Fund Balances:</b>				
Nonspendable	1,947,979	62,278	2,804	14,269
Restricted	-	1,634,602	2,313,011	-
Committed	2,353,458	-	-	4,390,114
Assigned	210,972	-	-	-
Unassigned (Deficit)	10,267,779	-	-	-
<b>Total Fund Balances</b>	<b>14,780,188</b>	<b>1,696,880</b>	<b>2,315,815</b>	<b>4,404,383</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 17,461,680</b>	<b>\$ 2,265,183</b>	<b>\$ 2,840,623</b>	<b>\$ 7,731,773</b>

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, 2017</i>	
<b>Police Facilities</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>		
\$ 2,712,555	\$ 4,352,375	\$ 27,961,807	<b>Total Governmental Funds Balance</b>	\$ 24,995,810
-	64,861	64,861	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
-	359,155	400,566	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. <span style="float: right;">86,794,307</span>	
-	1,956	85,693	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
-	21,404	401,567	Delinquent property taxes	142,000
-	-	1,683,546	Municipal income taxes	2,061,514
-	552,482	2,750,692	Special assessments	505,252
-	5,852	52,006	Intergovernmental	785,011
-	359,959	359,959	Charges for services	121,659
354,328	84,671	3,284,116	Total	3,615,436
-	1,559,626	3,176,449	In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. <span style="float: right;">(46,266)</span>	
-	362,734	505,252	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. <span style="float: right;">509,217</span>	
-	170,090	291,809	The net pension liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:	
-	-	242,984	Deferred Outflows-Pension	6,401,102
<u>\$ 3,066,883</u>	<u>\$ 7,895,165</u>	<u>\$ 41,261,307</u>	Deferred Inflows-Pension	(405,876)
-	-	-	Net Pension Asset	10,416
43,453	97,676	387,137	Net Pension Liability	<u>(25,883,713)</u>
-	39,929	279,291	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
1,026,533	7,310	2,802,241	General obligation bonds	(14,452,043)
-	-	21,372	OPWC loans	(282,467)
23,333	9,067	37,467	Workers Compensation	(38,260)
-	137,000	137,000	Compensated absences	<u>(1,378,178)</u>
-	3,134	3,134	Total	<u>(16,150,948)</u>
3,519,600	1,367,616	5,651,472	<b>Net Position of Governmental Activities</b>	<u>\$ 79,839,485</u>
<u>4,612,919</u>	<u>1,661,732</u>	<u>9,319,114</u>		
-	1,837,510	3,330,947		
-	70,037	142,000		
222,420	53,150	2,061,514		
-	705,736	1,411,922		
<u>222,420</u>	<u>2,666,433</u>	<u>6,946,383</u>		
-	365,007	2,392,337		
-	3,905,043	7,852,656		
-	-	6,743,572		
-	-	210,972		
(1,768,456)	(703,050)	7,796,273		
<u>(1,768,456)</u>	<u>3,567,000</u>	<u>24,995,810</u>		
<u>\$ 3,066,883</u>	<u>\$ 7,895,165</u>	<u>\$ 41,261,307</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, 2017*

	<b>General Fund</b>	<b>Income Tax Safety</b>	<b>Fire and Emergency Medical Services</b>	<b>Capital Projects</b>
<b>REVENUES</b>				
Property and Other Taxes	\$ 1,866,139	\$ -	\$ -	\$ -
Municipal Income Taxes	4,210,018	3,448,288	3,448,288	3,211,668
Payments in Lieu of Taxes	-	-	-	-
Intergovernmental	1,921,678	8,595	7,125	6,052,331
Interest	345,170	-	-	-
Fees, Licenses, and Permits	176,029	-	-	-
Fines and Forfeitures	323,786	-	-	-
Charges for Services	1,695,889	-	-	-
Special Assessments	-	-	-	103,510
All Other Revenues	133,316	63,368	41,144	8,109
<b>Total Revenues</b>	<b>10,672,025</b>	<b>3,520,251</b>	<b>3,496,557</b>	<b>9,375,618</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	-	6,680,398	4,648,553	-
Public Health and Welfare	663,240	-	-	-
Leisure Time Activities	-	-	-	-
Community Development	1,636,999	-	-	-
Transportation	-	-	-	1,728,007
General Government	2,785,062	-	-	70,238
Capital Outlay	-	-	295,164	7,507,038
Debt Service:				
Principal Retirement	-	-	-	19,776
Interest and Fiscal Charges	-	-	-	8,254
Debt Issuance Costs	-	-	-	4,059
<b>Total Expenditures</b>	<b>5,085,301</b>	<b>6,680,398</b>	<b>4,943,717</b>	<b>9,337,372</b>
Excess of Revenues Over/(Under) Expenditures	5,586,724	(3,160,147)	(1,447,160)	38,246
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	204	-	-	-
OPWC Loans Issued	-	-	-	73,042
Transfers In	-	3,900,000	2,000,000	-
Transfers Out	(6,180,248)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(6,180,044)</b>	<b>3,900,000</b>	<b>2,000,000</b>	<b>73,042</b>
Net Change in Fund Balances	(593,320)	739,853	552,840	111,288
Fund Balances - Beginning of Year	15,373,508	957,027	1,762,975	4,293,095
<b>Fund Balances - End of Year</b>	<b>\$ 14,780,188</b>	<b>\$ 1,696,880</b>	<b>\$ 2,315,815</b>	<b>\$ 4,404,383</b>

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

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2017*

Police Facilities	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,688,385	\$ 3,554,524
1,741,268	366,254	16,425,784
-	408,906	408,906
-	1,892,003	9,881,732
-	23,047	368,217
-	248,883	424,912
-	16,341	340,127
-	846,557	2,542,446
-	118,013	221,523
685	122,348	368,970
<u>1,741,953</u>	<u>5,730,737</u>	<u>34,537,141</u>
-	512,153	11,841,104
-	212,573	875,813
-	1,795,084	1,795,084
-	300,743	1,937,742
-	1,767,627	3,495,634
6,861	1,968	2,864,129
9,509,165	1,233,149	18,544,516
250,000	1,058,629	1,328,405
365,083	271,133	644,470
19,195	7,265	30,519
<u>10,150,304</u>	<u>7,160,324</u>	<u>43,357,416</u>
<u>(8,408,351)</u>	<u>(1,429,587)</u>	<u>(8,820,275)</u>
-	9,250	9,454
-	-	73,042
-	280,248	6,180,248
-	-	(6,180,248)
-	289,498	82,496
<u>(8,408,351)</u>	<u>(1,140,089)</u>	<u>(8,737,779)</u>
6,639,895	4,707,089	33,733,589
<u>\$ (1,768,456)</u>	<u>\$ 3,567,000</u>	<u>\$ 24,995,810</u>

**Net Change in Fund Balances-Total Governmental Funds** \$ (8,737,779)

*Amounts reported for Governmental Activities in the Statement of Activities are different because:*

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.

Capital outlay	\$ 18,544,516	
Depreciation	<u>(2,508,192)</u>	
Total		16,036,324

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (54,549)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	3,396	
Municipal income taxes	383,643	
Special assessments	(94,327)	
Intergovernmental	(532,187)	
Charges for services	<u>6,555</u>	
Total		(232,920)

Other financing sources in the Governmental Funds increase long-term liabilities in the Statement of Net Position. These sources were (73,042)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,963,676

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,903,305)

Repayment of debt principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,328,405

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	(33,053)	
Workers' compensation claims	6,980	
Amortization of premiums	42,068	
Accrued interest on bonds	<u>(12,175)</u>	
Total		3,820

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. (137,360)

**Change in Net Position of Governmental Activities** \$ 6,193,270

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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,759,778	\$ 1,837,363	\$ 1,875,492	\$ 38,129
Intergovernmental	1,340,800	1,973,400	2,018,926	45,526
Interest	240,000	415,000	428,260	13,260
Fees, Licenses and Permits	67,600	130,600	176,029	45,429
Fines and Forfeits	194,000	323,000	323,441	441
Charges for Services	1,271,600	1,657,600	1,766,987	109,387
Miscellaneous	61,000	322,000	323,425	1,425
<b>Total Revenues</b>	<u>4,934,778</u>	<u>6,658,963</u>	<u>6,912,560</u>	<u>253,597</u>
<b>Expenditures</b>				
Current:				
Public Health and Welfare	520,256	577,756	375,544	202,212
Community Development	1,858,459	2,766,192	2,429,839	336,353
General Government	3,337,346	3,364,676	2,840,188	524,488
<b>Total Expenditures</b>	<u>5,716,061</u>	<u>6,708,624</u>	<u>5,645,571</u>	<u>1,063,053</u>
Excess of Revenues Over (Under) Expenditures	(781,283)	(49,661)	1,266,989	1,316,650
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	-	433,400	433,493	93
Advances In	106,000	162,000	106,000	(56,000)
Transfer In	3,600,000	3,600,000	3,600,000	-
Transfers Out	(5,900,000)	(5,900,000)	(5,900,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,194,000)</u>	<u>(1,704,600)</u>	<u>(1,760,507)</u>	<u>(55,907)</u>
Net Change in Fund Balance	(2,975,283)	(1,754,261)	(493,518)	1,260,743
Fund Balance - Beginning of Year	4,918,348	4,918,348	4,918,348	-
Prior Year Encumbrances Appropriated	319,156	319,156	319,156	-
<b>Fund Balance - End of Year</b>	<u>\$ 2,262,221</u>	<u>\$ 3,483,243</u>	<u>\$ 4,743,986</u>	<u>\$ 1,260,743</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 8,595	\$ 8,595
Miscellaneous	-	52,372	65,389	13,017
<b>Total Revenues</b>	<u>-</u>	<u>52,372</u>	<u>73,984</u>	<u>21,612</u>
<b>Expenditures</b>				
Current:				
Security of Persons & Property	6,986,239	7,595,259	6,708,942	886,317
Excess of Revenues Over (Under) Expenditures	(6,986,239)	(7,542,887)	(6,634,958)	907,929
<b>Other Financing Sources</b>				
Transfers In	6,900,000	7,372,628	7,372,628	-
<b>Total Other Financing Sources</b>	<u>6,900,000</u>	<u>7,372,628</u>	<u>7,372,628</u>	<u>-</u>
Net Change in Fund Balance	(86,239)	(170,259)	737,670	907,929
Fund Balance - Beginning of Year	624,576	624,576	624,576	-
Prior Year Encumbrances Appropriated	46,942	46,942	46,942	-
<b>Fund Balance - End of Year</b>	<u>\$ 585,279</u>	<u>\$ 501,259</u>	<u>\$ 1,409,188</u>	<u>\$ 907,929</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ 40,223	\$ 40,223
<b>Expenditures</b>				
Current:				
Security of Persons & Property	6,116,609	6,775,108	5,573,443	1,201,665
Excess of Revenues Over (Under) Expenditures	(6,116,609)	(6,775,108)	(5,533,220)	1,241,888
<b>Other Financing Sources</b>				
Transfers In	5,175,000	5,512,000	5,472,628	(39,372)
<b>Total Other Financing Sources</b>	<b>5,175,000</b>	<b>5,512,000</b>	<b>5,472,628</b>	<b>(39,372)</b>
Net Change in Fund Balance	(941,609)	(1,263,108)	(60,592)	1,202,516
Fund Balance - Beginning of Year	669,967	669,967	669,967	-
Prior Year Encumbrances Appropriated	895,232	895,232	895,232	-
<b>Fund Balance - End of Year</b>	<b>\$ 623,590</b>	<b>\$ 302,091</b>	<b>\$ 1,504,607</b>	<b>\$ 1,202,516</b>

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, 2017*

	<b>Enterprise Funds</b>				<b>Total</b>	<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Storm Water Drainage</b>	<b>Nonmajor - Solid Waste</b>		<b>Internal Service Fund</b>
<b>ASSETS</b>						
<b>Current Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 2,654,931	\$ 2,867,495	\$ 1,282,865	\$ 898,192	\$ 7,703,483	\$ 396,505
Materials and Supplies Inventory	56,424	9,448	-	-	65,872	-
Accounts Receivable	510,258	616,279	154,851	96,839	1,378,227	-
Prepaid Items	12,619	3,399	354	25	16,397	-
Special Assessments Receivable	289,544	151,538	337,581	-	778,663	-
<b>Total Current Assets</b>	<u>3,523,776</u>	<u>3,648,159</u>	<u>1,775,651</u>	<u>995,056</u>	<u>9,942,642</u>	<u>396,505</u>
<b>Noncurrent Assets:</b>						
Cash Surrender Value of Life Insurance Policies	-	-	-	-	-	323,833
Net Pension Asset	3,524	3,877	820	128	8,349	-
Capital Assets:						
Land	1,340,365	412,575	72,596	-	1,825,536	-
Construction in Progress	523,336	1,066,902	421,001	-	2,011,239	-
Depreciable Assets, Net of Depreciation	11,935,488	23,103,861	13,998,655	-	49,038,004	-
<b>Total Noncurrent Assets</b>	<u>13,802,713</u>	<u>24,587,215</u>	<u>14,493,072</u>	<u>128</u>	<u>52,883,128</u>	<u>323,833</u>
<b>Total Assets</b>	<u>17,326,489</u>	<u>28,235,374</u>	<u>16,268,723</u>	<u>995,184</u>	<u>62,825,770</u>	<u>720,338</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension	984,989	1,083,591	229,201	35,665	2,333,446	-
<b>Total Deferred Outflows of Resources</b>	<u>984,989</u>	<u>1,083,591</u>	<u>229,201</u>	<u>35,665</u>	<u>2,333,446</u>	<u>-</u>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	76,105	81,015	9,302	46,374	212,796	-
Accrued Wages and Benefits	35,980	41,147	8,569	1,344	87,040	-
Compensated Absences Payable	106,075	119,992	32,510	3,538	262,115	-
Contracts and Retainage Payable	10,029	31,358	10,146	-	51,533	-
Interfund Payable	112,100	103,980	236,000	319,466	771,546	775,000
Accrued Interest Payable	-	2,500	-	-	2,500	-
Health Insurance Claims Payable	-	-	-	-	-	144,860
Notes Payable	-	377,100	-	-	377,100	-
OWDA and OPWC Loans Payable	46,516	240,904	9,967	-	297,387	-
<b>Total Current Liabilities</b>	<u>386,805</u>	<u>997,996</u>	<u>306,494</u>	<u>370,722</u>	<u>2,062,017</u>	<u>919,860</u>
<b>Noncurrent Liabilities:</b>						
Compensated Absences Payable	8,259	14,513	3,364	813	26,949	-
Workers' Compensation Claims Payable	5,465	6,251	1,302	204	13,222	-
OWDA and OPWC Loans Payable	312,765	1,793,874	141,061	-	2,247,700	-
Net Pension Liability	2,515,997	2,767,865	585,458	91,101	5,960,421	-
<b>Total Noncurrent Liabilities</b>	<u>2,842,486</u>	<u>4,582,503</u>	<u>731,185</u>	<u>92,118</u>	<u>8,248,292</u>	<u>-</u>
<b>Total Liabilities</b>	<u>3,229,291</u>	<u>5,580,499</u>	<u>1,037,679</u>	<u>462,840</u>	<u>10,310,309</u>	<u>919,860</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension	31,136	34,252	7,244	1,128	73,760	-
<b>Total Deferred Inflows of Resources</b>	<u>31,136</u>	<u>34,252</u>	<u>7,244</u>	<u>1,128</u>	<u>73,760</u>	<u>-</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	13,439,908	22,171,460	14,341,224	-	49,952,592	-
Unrestricted	1,611,143	1,532,754	1,111,777	566,881	4,822,555	(199,522)
<b>Total Net Position</b>	<u>\$ 15,051,051</u>	<u>\$ 23,704,214</u>	<u>\$ 15,453,001</u>	<u>\$ 566,881</u>	<u>\$ 54,775,147</u>	<u>\$ (199,522)</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.

(708,739)  
\$ 54,066,408

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, 2017*

	Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	Total	Internal Service Fund
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 3,538,859	\$ 4,002,825	\$ 983,070	\$ 580,308	\$ 9,105,062	\$ 3,060,403
Miscellaneous	59,720	26,340	1,280	-	87,340	-
<b>Total Operating Revenues</b>	<u>3,598,579</u>	<u>4,029,165</u>	<u>984,350</u>	<u>580,308</u>	<u>9,192,402</u>	<u>3,060,403</u>
<b>OPERATING EXPENSES</b>						
Salaries	1,530,046	1,748,403	362,153	52,219	3,692,821	-
Fringe Benefits	889,320	1,016,696	203,602	29,469	2,139,087	-
Materials and Supplies	493,639	438,082	1,552	3,104	936,377	-
Utilities	220,661	225,145	-	-	445,806	-
Contractual Services	250,307	446,989	78,144	301,636	1,077,076	601,577
Depreciation	497,374	883,443	360,049	-	1,740,866	-
Claims	-	-	-	-	-	2,667,633
Other	2,548	2,002	519	-	5,069	-
<b>Total Operating Expense</b>	<u>3,883,895</u>	<u>4,760,760</u>	<u>1,006,019</u>	<u>386,428</u>	<u>10,037,102</u>	<u>3,269,210</u>
Operating Income (Loss)	<u>(285,316)</u>	<u>(731,595)</u>	<u>(21,669)</u>	<u>193,880</u>	<u>(844,700)</u>	<u>(208,807)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
(Loss) on Sale of Capital Assets	(8,026)	(9,752)	-	-	(17,778)	-
Interest	8	8	-	-	16	14,183
Interest and Fiscal Charges	(9,180)	(71,547)	-	-	(80,727)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(17,198)</u>	<u>(81,291)</u>	<u>-</u>	<u>-</u>	<u>(98,489)</u>	<u>14,183</u>
Capital Contributions	36,750	41,927	156,103	-	234,780	-
Change in Net Position	(265,764)	(770,959)	134,434	193,880	(708,409)	(194,624)
Net Position - Beginning of Year	<u>15,316,815</u>	<u>24,475,173</u>	<u>15,318,567</u>	<u>373,001</u>		<u>(4,898)</u>
<b>Net Position - End of Year</b>	<u>\$ 15,051,051</u>	<u>\$ 23,704,214</u>	<u>\$ 15,453,001</u>	<u>\$ 566,881</u>		<u>\$ (199,522)</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.

(57,264)  
\$ (765,673)

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, 2017

	Enterprise Funds				Total	Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste		Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Charges for Services	\$ 3,518,734	\$ 4,005,355	\$ 989,962	\$ 567,388	\$ 9,081,439	\$ 3,060,403
Other Cash Receipts	59,720	26,340	1,280	-	87,340	-
Cash Payments to Employees for Services	(1,517,191)	(1,736,305)	(360,026)	(50,224)	(3,663,746)	-
Cash Payments for Employee Benefits	(561,392)	(633,203)	(124,888)	(17,222)	(1,336,705)	-
Cash Payments for Goods and Services	(967,176)	(1,058,937)	(70,898)	(266,506)	(2,363,517)	(569,240)
Cash Payments for Claims	-	-	-	-	-	(2,713,709)
Other Cash Payments	(2,548)	(2,002)	(519)	-	(5,069)	-
Net Cash Provided by (Used in) Operating Activities	<u>530,147</u>	<u>601,248</u>	<u>434,911</u>	<u>233,436</u>	<u>1,799,742</u>	<u>(222,546)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances Out	(80,000)	(65,000)	(110,000)	(109,000)	(364,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(80,000)</u>	<u>(65,000)</u>	<u>(110,000)</u>	<u>(109,000)</u>	<u>(364,000)</u>	<u>150,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital Grants and Contributions	109,466	207,703	146,762	-	463,931	-
Tap-in Fees	19,848	14,536	1,450	-	35,834	-
Special Assessments	38,401	28,997	62,142	-	129,540	-
Proceeds from Notes	-	375,000	-	-	375,000	-
Premium on Notes	-	3,150	-	-	3,150	-
Principal Paid on OWDA/OPWC Loans	(45,251)	(232,409)	(9,967)	-	(287,627)	-
Principal Paid on Notes	-	(435,000)	-	-	(435,000)	-
Interest Paid on OWDA/OPWC Loans	(9,180)	(65,751)	-	-	(74,931)	-
Interest Paid on Notes	-	(8,528)	-	-	(8,528)	-
Payments for Capital Acquisitions	(376,441)	(1,081,727)	(303,673)	-	(1,761,841)	-
Proceeds from Sale of Capital Assets	393	213	-	-	606	-
Net Cash Used in Capital and Related Financing Activities	<u>(262,764)</u>	<u>(1,193,816)</u>	<u>(103,286)</u>	<u>-</u>	<u>(1,559,866)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on Investments	8	8	-	-	16	-
Net Cash Provided by Investing Activities	<u>8</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	187,391	(657,560)	221,625	124,436	(124,108)	(72,546)
Cash and Cash Equivalents - Beginning of Year	2,467,540	3,525,055	1,061,240	773,756	7,827,591	469,051
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 2,654,931</u>	<u>\$ 2,867,495</u>	<u>\$ 1,282,865</u>	<u>\$ 898,192</u>	<u>\$ 7,703,483</u>	<u>\$ 396,505</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, 2017

	Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	Total	Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>						
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING</b>						
<b>ACTIVITIES</b>						
Operating Income (Loss)	\$ (285,316)	\$ (731,595)	\$ (21,669)	\$ 193,880	\$ (844,700)	\$ (208,807)
Adjustments:						
Depreciation	497,374	883,443	360,049	-	1,740,866	-
Premium charged for Life Insurance Policies	-	-	-	-	-	32,337
(Increase) Decrease in Assets:						
Accounts Receivable	(21,580)	924	6,679	(14,322)	(28,299)	-
Materials and Supplies Inventory	(13,106)	3,139	-	-	(9,967)	-
Prepaid Items	30	112	3	-	145	-
Net Pension Asset	(211)	(692)	(99)	(16)	(1,018)	-
Deferred Outflows of Resources - Pension	(165,746)	(292,819)	(50,810)	(7,906)	(517,281)	-
Increase (Decrease) in Liabilities:						
Accounts Payable	11,962	49,634	9,008	39,636	110,240	-
Accrued Wages and Benefits	6,918	7,646	1,734	325	16,623	-
Compensated Absences Payable	6,031	4,568	420	1,680	12,699	-
Workers' Compensation Claims Payable	(3,156)	(3,311)	(832)	(138)	(7,437)	-
Net Pension Liability	507,518	688,370	132,506	20,619	1,349,013	-
Deferred Inflows of Resources - Pension	(10,571)	(8,171)	(2,078)	(322)	(21,142)	-
Health Insurance Claims Payable	-	-	-	-	-	(46,076)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 530,147</b>	<b>\$ 601,248</b>	<b>\$ 434,911</b>	<b>\$ 233,436</b>	<b>\$ 1,799,742</b>	<b>\$ (222,546)</b>
<b><u>Schedule of Non-Cash Investing, Capital, and Financing Activities:</u></b>						
Net impact of accruals related to capital assets.	\$ 12,247	\$ 16,222	\$ (6,366)	\$ -	\$ 22,103	\$ -

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

**City of Kent, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Funds*  
*December 31, 2017*

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	<u>Agency Fund</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 316,896
Total Assets	<u>\$ 316,896</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	\$ 316,896
Total Liabilities	<u>\$ 316,896</u>

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

## Notes to the Basic Financial Statements

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 1 – Description of the City and Reporting Entity**

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

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

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

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

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

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

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**Note 2 - Summary of Significant Accounting Policies**

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

**A. Basis of Presentation**

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

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

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

**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, 2017*  
*(Continued)*

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

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

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

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

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

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

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

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

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

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

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

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***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, 2017*  
(Continued)

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***D. Basis of Accounting***

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

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

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

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

***Deferred Outflows/Inflows of Resources*** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows related to pension are explained in Note 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, 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, 2017, but which were levied to finance year 2018 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, 2017*  
*(Continued)*

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Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 13)

***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 2017, The City's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable and negotiable certificates of deposits, United States Agency debt securities, and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2017, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by ordinance, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2017 amounted to \$345,170, which includes \$337,690 assigned from other City funds.

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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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 expensed/expensed when used. Inventory consists of expendable supplies.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2017 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***H. Capital Assets***

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

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

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

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

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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***I. Interfund Balances***

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

***J. Compensated Absences***

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

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

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

***K. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, 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. Pensions***

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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**M. Fund Balance**

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

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

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

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

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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

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

***N. Net Position***

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

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

***O. Operating Revenues and Expenses***

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



**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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***P. Contributions of Capital***

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

***Q. Interfund Activity***

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

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

***R. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2017.

***S. Estimates***

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

***T. Budgetary Process***

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

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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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**

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

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The implementation of GASB Statement No. 74 did not have an effect on the financial statements of the City.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The object of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on City's beginning net position.

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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**Note 4 – Accountability and Compliance**

**Fund Deficits**

As of December 31, 2017, the City's Muni PI Tax Increment Equivalent Fund, Police Facilities Fund and General Obligation Debt Service Fund reported deficit fund balances of \$578,464, \$1,768,456 and \$124,586, respectively. These fund deficits resulted from accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Note 5 - Budgetary Basis of Accounting**

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

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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

	General	Income Tax Safety	Fire and Emergency Medical Services
Fund Balance - Budget Basis	\$4,743,986	\$1,409,188	\$1,504,607
Net Adjustment			
Revenue Accruals	3,659,219	725,047	698,844
Deferred Inflows	(2,436,558)	(433,265)	(433,265)
Expenditure Accruals	(171,308)	(135,038)	(91,543)
Assets Held for Resale	134,500	0	0
Inventories/Prepays	8,214	62,278	2,804
Investment Valuation	(246,816)	0	0
Funds Budgeted elsewhere	8,786,571	0	0
Encumbrances	302,380	68,670	634,368
Fund Balance - GAAP Basis	<u>\$14,780,188</u>	<u>\$1,696,880</u>	<u>\$2,315,815</u>

**Note 6 - Deposits and Investments**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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- 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).

***Custodial Credit Risk:*** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2017.

***Cash on Hand***

At December 31, 2017, the City had \$1,105 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents".

***Deposits***

At December 31, 2017, the carrying value of the City's deposits was \$3,266,703. The cash balances per the banks were \$2,513,798, of which \$825,318 was insured by Federal depository insurance and \$1,688,480 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

***Investments***

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The table below identifies the City's recurring fair value measurement as of December 31, 2017. As previously discussed, Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices. At December 31, 2017, fair value was \$252,626 below the City's net cost for investments.

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

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

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

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

As of December 31, 2017, the City had the following investments and investment maturities:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>	<u>Level</u>	<u>Percentage of Investments</u>
Star Ohio	\$9,662,179	N/A	Daily	N/A	29.12%
U.S. Agencies Debt Securities	\$17,172,537	AA+	Various Maturities	2	51.76%
Money Market Mutual Funds	42,340	N/A	Daily	N/A	0.13%
Negotiable Certificate of Deposit	6,298,688	N/A	Various Maturities	2	18.99%
Total Investments	<u>\$33,175,744</u>				<u>100.00%</u>

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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***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, 2017.

Investments	\$33,175,744
Carrying amount of the City's Deposits	3,266,703
Cash on Hand	1,105
Total	\$36,443,552
 <b><i>Governmental Activities</i></b>	
Governmental Funds	
Equity in Pooled Cash and Cash Equivalents	\$27,961,807
Cash and Cash Equivalents in Segregated Accounts	\$64,861
Internal Service Funds	
Equity in Pooled Cash and Cash Equivalents	396,505
Total Governmental Activities	28,423,173
 <b><i>Business-Type Activities</i></b>	
Enterprise Funds	
Equity in Pooled Cash and Cash Equivalents	7,703,483
 <b><i>Agency Funds</i></b>	
	316,896
Total	\$36,443,552

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**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

**Note 7 – Fund Balances**

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

Fund Balances	General	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Police Facilities	Other Governmental Funds	Total
<i>Nonspendable</i>							
Prepaid Items	\$ 8,214	\$ 20,867	\$ 2,804	\$ 14,269	\$ -	\$ 5,852	\$ 52,006
Inventories	-	41,411	-	-	-	359,155	400,566
Interfund Balances	1,683,546	-	-	-	-	-	1,683,546
Loans Receivable	121,719	-	-	-	-	-	121,719
Assets Held for Resale	134,500	-	-	-	-	-	134,500
<i>Total Nonspendable</i>	<u>1,947,979</u>	<u>62,278</u>	<u>2,804</u>	<u>14,269</u>	<u>-</u>	<u>365,007</u>	<u>2,392,337</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	32,370	32,370
Fire Pension	-	-	-	-	-	32,374	32,374
Public Safety	-	1,634,602	2,313,011	-	-	320,574	4,268,187
Other Law Enforcement	-	-	-	-	-	45,521	45,521
Streets and Highways	-	-	-	-	-	1,218,722	1,218,722
Parks and Recreation	-	-	-	-	-	485,277	485,277
Food Services	-	-	-	-	-	96,192	96,192
Revolving Housing	-	-	-	-	-	34,367	34,367
Swimming Pool Inspections	-	-	-	-	-	8,916	8,916
Community Development	-	-	-	-	-	1,630,730	1,630,730
<i>Total Restricted</i>	<u>-</u>	<u>1,634,602</u>	<u>2,313,011</u>	<u>-</u>	<u>-</u>	<u>3,905,043</u>	<u>7,852,656</u>
<i>Committed to</i>							
Public Facilities and Programs	2,353,458	-	-	-	-	-	2,353,458
Capital Improvement	-	-	-	4,390,114	-	-	4,390,114
<i>Total Committed</i>	<u>2,353,458</u>	<u>-</u>	<u>-</u>	<u>4,390,114</u>	<u>-</u>	<u>-</u>	<u>6,743,572</u>
<i>Assigned to</i>							
Purchases on Order	210,972	-	-	-	-	-	210,972
<i>Total Assigned</i>	<u>210,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,972</u>
<i>Unassigned (Deficit)</i>							
	10,267,779	-	-	-	(1,768,456)	(703,050)	7,796,273
<b>Total Fund Balances</b>	<u>\$ 14,780,188</u>	<u>\$ 1,696,880</u>	<u>\$ 2,315,815</u>	<u>\$ 4,404,383</u>	<u>\$ (1,768,456)</u>	<u>\$ 3,567,000</u>	<u>\$ 24,995,810</u>



**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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**Note 8 - Income Taxes**

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

**Note 9 - Property Taxes and Payments in Lieu of Taxes**

***Property Taxes***

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the City. The assessed value upon which the 2016 tax levy was based was \$374,409,750.

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

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

***Payments in Lieu of Taxes***

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

**Note 10 – Interfund Activities**

As of December 31, 2017, individual funds due to/from other funds that resulted from various interfund transactions were as follows:

	<b>PAYABLE FUND</b>							Total
	<i>Governmental Activities</i>			<i>Business-Type Activities</i>				
	General	Nonmajor	Internal Service	Water	Sewer	Storm Water Drainage	Nonmajor - Solid Waste	
<b>RECEIVABLE FUND</b>								
<i>Governmental Funds</i>								
General	\$0	\$137,000	\$775,000	112,100	103,980	236,000	\$319,466	\$1,683,546

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

The City also recognizes an interfund transaction between the City’s Income Tax Fund (which is combined with the General Fund on the governmental fund financial statements) and the City’s Debt Service Fund. This interfund transaction is a manuscript debt issued by the City in fiscal year 2000 for the purpose of Street Improvements in the amount of \$561,000 with interest rates ranging from 5.50 percent to 6.00 percent over the life of the debt. The manuscript debt will mature on December 1, 2020. The City assesses annual assessments to property owners and the receipt of those assessments is used to make the annual debt service to the Income Tax Fund. As of December 31, 2017, the balance of the manuscript debt was \$132,000, with \$41,000 due within one year.

Transfers made during the year ended December 31, 2017 were as follows:

<b>TRANSFERS IN</b>		<b>TRANSFERS OUT</b>
<i>Governmental Activities</i>		<i>Governmental</i>
		General
Income Tax Safety		\$3,900,000
Fire and Emergency Medical Services		2,000,000
Nonmajor Fund		280,248
Total Governmental Activities		<u>\$6,180,248</u>

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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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 \$144,860 reported in the fund at December 31, 2017, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. Changes in the fund's claims liability amount in 2016 and 2017 were:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2016	\$ 315,955	\$ 2,333,285	\$ 2,458,304	\$ 190,936
2017	190,936	2,667,633	2,713,709	144,860

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

During 2017, the City contracted with several companies for various types of insurance as follows:

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

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

In 2014, the City began its participation in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the claims paid by the Bureau of Workers' Compensation, the City will reimburse the State for claims paid on the City's behalf. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured in 2014 for up to ten years after the claim year. The maintenance of these benefits will be funded through General Fund transfers to the various funds that experienced the loss. Total claims of \$54,616 have been accrued as a liability at December 31, 2017, based on an estimate provided by Comp Management, Inc., the City's third party administrator. The claims liability reported at December 31, 2017, for Workers' Compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the balance of claims liabilities during the past two years are as follows:

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2016	\$86,127	\$40,641	(\$41,400)	\$85,368
2017	\$85,368	\$0	(\$30,752)	\$54,616

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

**Note 12 - Capital Assets**

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$10,911,040	\$253,017	\$0	\$11,164,057
Construction in Progress	12,701,514	16,872,193	(1,726,696)	27,847,011
<i>Total Capital Assets, Not Being Depreciated</i>	<u>23,612,554</u>	<u>17,125,210</u>	<u>(1,726,696)</u>	<u>39,011,068</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	13,491,674	0	0	13,491,674
Vehicles, Machinery and Equipment	10,180,894	1,539,229	(229,490)	11,490,633
Infrastructure:				
Roads	56,234,575	1,606,773	0	57,841,348
Bridges	4,540,122	0	0	4,540,122
Sidewalks	54,014	0	0	54,014
Traffic Signals	3,934,609	0	0	3,934,609
<i>Total Capital Assets, Being Depreciated</i>	<u>88,435,888</u>	<u>3,146,002</u>	<u>(229,490)</u>	<u>91,352,400</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(5,730,966)	(250,174)	0	(5,981,140)
Vehicles, Machinery and Equipment	(6,614,763)	(531,512)	174,941	(6,971,334)
Infrastructure:				
Roads	(26,842,067)	(1,446,480)	0	(28,288,547)
Bridges	(1,064,087)	(91,858)	0	(1,155,945)
Sidewalks	(51,115)	0	0	(51,115)
Traffic Signals	(932,912)	(188,168)	0	(1,121,080)
<i>Total Accumulated Depreciation</i>	<u>(41,235,910)</u>	<u>(2,508,192) *</u>	<u>174,941</u>	<u>(43,569,161)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,199,978</u>	<u>637,810</u>	<u>(54,549)</u>	<u>47,783,239</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$70,812,532</u>	<u>\$17,763,020</u>	<u>(\$1,781,245)</u>	<u>\$86,794,307</u>

\* Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$348,376
Public Health and Welfare	6,777
Leisure Time Activities	270,482
Community Development	6,534
Transportation	1,821,665
General Government	54,358
Total Depreciation Expense	<u>\$2,508,192</u>

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$1,825,536	\$0	\$0	\$1,825,536
Construction in Progress	1,167,251	1,469,264	(625,276)	2,011,239
<i>Total Capital Assets, Not Being Depreciated</i>	<u>2,992,787</u>	<u>1,469,264</u>	<u>(625,276)</u>	<u>3,836,775</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	14,721,254	0	0	14,721,254
Vehicles, Machinery and Equipment	10,939,445	468,482	(454,132)	10,953,795
Infrastructure:				
Water Mains	16,780,999	395,002	0	17,176,001
Sanitary Sewers	28,283,745	0	0	28,283,745
Storm Water Drainage Lines	19,565,063	32,266	0	19,597,329
<i>Total Capital Assets, Being Depreciated</i>	<u>90,290,506</u>	<u>895,750</u>	<u>(454,132)</u>	<u>90,732,124</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(10,334,939)	(312,503)	0	(10,647,442)
Vehicles, Machinery and Equipment	(8,446,038)	(225,279)	435,748	(8,235,569)
Infrastructure:				
Water Mains	(6,733,186)	(297,334)	0	(7,030,520)
Sanitary Sewers	(9,471,546)	(556,889)	0	(10,028,435)
Storm Water Drainage Lines	(5,403,293)	(348,861)	0	(5,752,154)
<i>Total Accumulated Depreciation</i>	<u>(40,389,002)</u>	<u>(1,740,866) *</u>	<u>435,748</u>	<u>(41,694,120)</u>
Total Capital Assets, Being Depreciated, Net	<u>49,901,504</u>	<u>(845,116)</u>	<u>(18,384)</u>	<u>49,038,004</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$52,894,291</u>	<u>\$624,148</u>	<u>(\$643,660)</u>	<u>\$52,874,779</u>

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

Business-Type Activities	
Water Fund	\$497,374
Sewer Fund	883,443
Storm Water Drainage Fund	360,049
	<u>\$1,740,866</u>

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

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**Note 13 – Defined Benefit Pension Plans**

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

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

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

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

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

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

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.



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

	State and Local
<b>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2017 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-Employment Health Care Benefits	1.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,045,446 for fiscal year ending December 31, 2017.

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

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

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

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

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

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

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

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

	Police	Firefighters
<b>2017 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2017 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,383,349 for 2017. Of this amount, \$28,446 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.059840%	0.033850%	0.146222%	0.151026%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.058997%</u>	<u>0.033715%</u>	<u>0.143200%</u>	<u>0.148041%</u>	
Change in Proportionate Share	<u>-0.000843%</u>	<u>-0.000135%</u>	<u>-0.003022%</u>	<u>-0.002984%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 13,397,215	\$ (18,765)	\$ 9,070,138	\$ 9,376,781	\$ 31,825,369
Pension Expense	\$ 2,852,334	\$ 12,783	\$ 1,148,287	\$ 1,164,592	\$ 5,177,996

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$1,999,734	\$882,031	\$911,852	\$3,793,617
Changes of assumptions	2,129,533	0	0	2,129,533
Differences between expected and actual experience	\$18,159	2,566	2,653	23,378
Changes in proportion and differences between City contributions and proportionate share of contributions	52,005	208,220	99,000	359,225
City contributions subsequent to the measurement date	<u>1,045,446</u>	<u>673,439</u>	<u>709,910</u>	<u>2,428,795</u>
Total Deferred Outflows of Resources	<u>\$5,244,877</u>	<u>\$1,766,256</u>	<u>\$1,723,415</u>	<u>\$8,734,548</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$89,332	\$20,883	\$21,588	\$131,803
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>76,457</u>	<u>136,535</u>	<u>134,841</u>	<u>347,833</u>
Total Deferred Inflows of Resources	<u>\$165,789</u>	<u>\$157,418</u>	<u>\$156,429</u>	<u>\$479,636</u>

\$2,428,795 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
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Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F Police</u>	<u>OP&amp;F Fire</u>	<u>Total</u>
2018	\$1,684,488	\$357,639	\$343,221	\$2,385,348
2019	1,707,079	357,639	343,223	\$2,407,941
2020	706,333	277,708	260,588	\$1,244,629
2021	(60,064)	(37,191)	(64,956)	(\$162,211)
2022	(1,409)	(17,772)	(22,407)	(41,588)
Thereafter	<u>(2,785)</u>	<u>(2,624)</u>	<u>(2,593)</u>	<u>(8,002)</u>
Total	<u>\$4,033,642</u>	<u>\$935,399</u>	<u>\$857,076</u>	<u>\$5,826,117</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board of Trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

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

**City of Kent, Ohio**  
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The total pension asset in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

**City of Kent, Ohio**  
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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

**Discount Rate** The discount rate used to measure the total pension liability was 7.5 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$20,467,239	13,397,215	\$7,505,598
Combined Plan	\$1,349	(\$18,765)	(\$34,389)

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

**City of Kent, Ohio**  
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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent Simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 year Expected Real Rate of Return **</u>	<u>30 year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation Protected *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	<u>120.00 %</u>		

\* levered 2x

\*\* numbers are net of expected inflation

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

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 24,569,110	\$ 18,446,919	\$ 13,258,279

**Changes Between Measurement Date and Report Date** In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City’s net pension liability.

**Note 14 – Post-Employment Benefits**

**Ohio Public Employees Retirement System**

*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 health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. The trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.



**City of Kent, Ohio**  
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In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, 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 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. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.00 percent during calendar year 2017.

As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.00 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0 percent. The City's actual employer contributions for December 31, 2017, 2016 and 2015 which were used to fund post-employment benefits were \$83,841, \$161,743, and \$155,959, respectively; 92.86 percent has been contributed for 2017, and 100 percent has been contributed for 2016 and 2015.

**Ohio Police and Fire Pension Fund**

*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 benefit 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.

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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](http://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, 2017 thru December 31, 2017. 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).

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 City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$17,222 and \$15,104 for the year ended December 31, 2017, \$17,203 and \$14,457 for the year ended December 31, 2016, and \$16,507 and \$13,785 for the year ended December 31, 2015, respectively. 90.64 percent and 90.86, respectively has been contributed for 2017, and 100 percent has been contributed for 2016 and 2015.

**Note 15 – Other Employee Benefits**

***A. Compensated Absences***

***Accumulated Unpaid Vacation and Compensatory Time*** City employees earn vacation leave ranging from 10 to 30 days per year based on length of service, except for firemen who accumulate vacation at rates from 6 to 14 hours of duty per year based on length of service. Accumulated vacation leave cannot exceed 15 days for some City employees, 5 hours 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.

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The total obligation for vacation and compensatory time accrual for the City, including salary-related payments, amounted to \$1,256,486 as of December 31, 2017.

**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 \$151,351 as of December 31, 2017.

**Note 16 - Construction and Other Commitments**

As of December 31, 2017, the City had capital contracts and retainage payables of \$1,047,427 and \$51,533 in governmental funds and business-type funds, respectively.

	<u>Contract Amount</u>
Governmental Activities	
W. Main/Spaulding signal	\$ 16,650
Tonkin Street Reconstruction	22,147
2017 Street Program	173,698
2016 Street Program	42,503
Summit Street Improvement	1,464,741
New Police Facility	1,026,533
2016 Concrete Program	46,734
Hike and Bike SR 59 Segment	7,310
Franklin Resurfacing	1,925
	\$2,802,241
Business-Type	
Tonkin Street Reconstruction	\$ 19,640
Linden Road Storm Sewer	1,497
SW Sanitary Pump Station	2,381
River St. Sanitary Sewer Replacement	28,015
	\$51,533

**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.

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

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The minimum future rentals on the lease are as follows:

Years	
2018	\$30,000
2019	30,000
2020	30,000
2021	30,000
2022	30,000
Thereafter	180,068
Total	\$330,068

**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, 2017, the City's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances Outstanding
Major Funds:	
General	\$ 210,972
Income Tax Safety	48,779
Fire and Emergency Medical Services	628,905
Capital Projects	1,994,138
Police Facilities	1,199,574
Nonmajor Governmental Funds	2,938,641
Total	\$ 7,021,009

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**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

**Note 17 – Long-term Obligations**

Changes in bonds and other long-term obligations of the City during 2017 were as follows:

	Principal Outstanding 12/31/16	Additions	Deletions	Principal Outstanding 12/31/17	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds:					
\$4,465,000 Safety Center Construction					
2015 2.00% - 5.00%	\$4,340,000	\$0	\$125,000	\$ 4,215,000	\$ 125,000
Unamortized Premium	510,694	0	21,353	489,341	0
\$4,535,000 Safety Center Construction					
2014 2.00% - 5.00%	4,285,000	0	125,000	4,160,000	130,000
Unamortized Premium	378,998	0	16,538	362,460	0
\$1,295,000 Alley 4 Improvements					
2013 2.00% - 4.00%	1,185,000	0	55,000	1,130,000	55,000
\$4,195,000 Downtown Parking Improvements					
2013 2.00% - 5.00%	4,065,000	0	70,000	3,995,000	70,000
Unamortized Premium	104,419	0	4,177	100,242	0
<i>Total General Obligation Bonds</i>	<u>14,869,111</u>	<u>0</u>	<u>417,068</u>	<u>14,452,043</u>	<u>380,000</u>
Ohio Public Works Commission Loans					
\$512,940 Fairchild Avenue Improvements					
1999 0.00%	64,118	0	25,647	38,471	25,647
\$86,000 Elm-Mae-Morris Improvements					
2001 0.00%	17,200	0	4,300	12,900	4,300
\$136,900 Erie & Depeyster Street Reconstruction					
2012 0.00%	177,830	0	19,776	158,054	19,776
\$50,000 Rockwell/Whittier/Woodard Street Rehab					
2017 0.00%	0	30,034	0	30,034	0
\$150,000 S. Chestnut/Middlebury Road Rehab					
2017 0.00%	0	43,008	0	43,008	0
<i>Total Ohio Public Works Commission Loans</i>	<u>259,148</u>	<u>73,042</u>	<u>49,723</u>	<u>282,467</u>	<u>49,723</u>
Net Pension Liability					
OPERS	5,753,636	1,683,158	0	7,436,794	0
OP&F	19,122,135	0	675,216	18,446,919	0
<i>Total Net Pension Liability</i>	<u>24,875,771</u>	<u>1,683,158</u>	<u>675,216</u>	<u>25,883,713</u>	<u>0</u>
Loans Payable					
Workers' Compensation Claims Payable	903,682	0	903,682	0	0
Compensated Absences	64,709	0	23,315	41,394	3,134
	1,345,125	1,000,444	967,391	1,378,178	1,016,278
<i>Total Governmental Activities</i>	<u>\$42,317,546</u>	<u>\$2,756,644</u>	<u>\$3,036,395</u>	<u>\$42,037,795</u>	<u>\$1,449,135</u>
<b>Business-Type Activities</b>					
Ohio Water Development Authority Loans					
\$485,851 Kent-Ravenna Interconnect					
2003 3.65%	\$211,061	\$0	\$26,980	\$184,081	\$27,974
\$4,372,503 Sanitary Sewer Improvements					
2003 3.66%	2,248,684	0	230,010	2,018,674	238,505
\$271,200 Franklin Hills Waterline					
2007 2.00%	155,751	0	13,471	142,280	13,742
<i>Total Ohio Water Development Authority Loans</i>	<u>2,615,496</u>	<u>0</u>	<u>270,461</u>	<u>2,345,035</u>	<u>280,221</u>

(continued)

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

	Principal Outstanding 12/31/16	Additions	Deletions	Principal Outstanding 12/31/17	Due Within One Year
<b>Business-Type Activities</b>					
Ohio Public Works Commission Loans					
\$46,694 Elm-Mae-Morris Improvements					
2005 0.00%	25,680	0	2,335	23,345	2,335
\$52,650 Drainage Area Q - Phase 3					
2007 0.00%	31,593	0	2,632	28,961	2,632
\$233,100 Erie & Depeyster Street Reconstruction					
2012 0.00%	64,945	0	7,199	57,746	7,199
\$100,00 Drainage Area Q - Phase 5					
2015 0.00%	95,000	0	5,000	90,000	5,000
<i>Total Ohio Public Works Commission Loans</i>	<u>217,218</u>	<u>0</u>	<u>17,166</u>	<u>200,052</u>	<u>17,166</u>
<i>Net Pension Liability - OPERS</i>	4,611,408	1,349,013	0	5,960,421	0
Workers' Compensation Claims Payable	20,659	2,202	9,639	13,222	0
Compensated Absences	276,365	263,774	251,075	289,064	262,115
<i>Total Business-Type Activities</i>	<u>\$7,741,146</u>	<u>\$1,614,989</u>	<u>\$548,341</u>	<u>\$8,807,794</u>	<u>\$559,502</u>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017 are as follows:

Governmental Activities					
Years	General		OPWC	Total	
	Obligation Bonds			Principal	Principal
	Principal	Interest			
2018	380,000	558,274	49,723	\$429,723	\$558,274
2019	390,000	548,175	36,900	426,900	548,175
2020	400,000	540,375	24,076	424,076	540,375
2021	415,000	531,050	19,776	434,776	531,050
2022	415,000	518,575	19,776	434,776	518,575
2023-2027	2,350,000	2,357,325	59,174	2,409,174	2,357,325
2028-2032	2,840,000	1,861,300	0	2,840,000	1,861,300
2033-2037	3,480,000	1,218,300	0	3,480,000	1,218,300
2038-2042	2,510,000	380,000	0	2,510,000	380,000
2043	320,000	16,000	0	320,000	16,000
<b>Total</b>	<u>\$13,500,000</u>	<u>\$8,529,374</u>	<u>\$209,425</u>	<u>\$13,709,425</u>	<u>\$8,529,374</u>

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

Years	Business-Type Activities				
	OWDA Loans		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2018	280,221	80,964	17,166	\$297,387	\$80,964
2019	290,338	70,849	17,166	307,504	70,849
2020	300,822	60,363	17,166	317,988	60,363
2021	311,689	49,497	17,166	328,855	49,497
2022	322,953	38,233	17,166	340,119	38,233
2033-2027	839,012	45,329	78,581	917,593	45,329
2028-2032	0	0	27,641	27,641	0
2033-2035	0	0	8,000	8,000	0
Total	\$2,345,035	\$345,235	\$200,052	\$2,545,087	\$345,235

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. Interest accrues at the Wall Street Journal prime rate (3.50 percent at December 31, 2015) 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. This guarantee will be repaid from the City's General Fund. The loan was paid in full as of December 31, 2017.

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

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

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

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

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

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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This loan will be paid from the Capital Projects Fund. An amortization schedule has not been prepared by OPWC since the project is still ongoing.

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

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

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

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

For governmental activities, compensated absences and net pension liability are generally liquidated by the fund where the corresponding employee's salary and pension expenditure is recorded, most significantly from the general fund, the major special revenue funds, police and fire pension nonmajor funds and the major enterprise funds. See Note 13 for further information regarding net pension liability.

The City has the ability to issue \$489,021 of additional debt without obtaining voter approval.

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**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

**Note 18 – Note Obligations**

A summary of note transactions for the year ended December 31, 2017 follows:

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
<b>Governmental Activities</b>				
2016, 1.50% - Refunding of Various Purpose Bonds, Series 1998	420,000	\$0	420,000	\$0
2016, 1.50% - Building Improvements	1,010,000	0	1,010,000	0
2016, 1.50% - Downtown Development	1,150,000	0	1,150,000	0
2017, 2.00% - Refunding of Various Purpose Bonds, Series 1998	0	210,000	0	210,000
2017, 2.00% - Building Improvements	0	4,260,000	0	4,260,000
2017, 2.00% - Downtown Development	0	1,150,000	0	1,150,000
Unamortized Premium	11,901	47,208	27,637	31,472
<i>Total Governmental Activities</i>	<u>2,591,901</u>	<u>5,667,208</u>	<u>2,607,637</u>	<u>5,651,472</u>
<b>Business-Type Activities</b>				
Sewer Fund				
2016, 1.50% - Sanitary Sewer Trunk Lines	435,000	0	435,000	0
2017, 2.00% - Sanitary Sewer Trunk Lines	0	375,000	0	375,000
Unamortized Premium	2,007	3,150	3,057	2,100
<i>Total Sewer Fund</i>	<u>437,007</u>	<u>378,150</u>	<u>438,057</u>	<u>377,100</u>
Total	<u>\$3,028,908</u>	<u>\$6,045,358</u>	<u>\$3,045,694</u>	<u>\$6,028,572</u>

On August 23, 2017, the City issued \$5.995 million in various purpose notes at an interest rate of 2.00 percent with a maturity date of August 23, 2018. 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 \$5.620 million and the corresponding liabilities were reflected in governmental funds which received the proceeds. Note proceeds of \$0.375 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 2016 various purpose notes.

The notes were issued at a premium of \$50,358. A portion of the premium was offset against the corresponding interest expense, and the unamortized balance is reported as part of the carrying value of the notes in the respective funds.

**Note 19 – Conduit Debt**

The City is party to certain conduit debt obligations:

Type	On Behalf of	Principal Outstanding December 31, 2017	Year Issued
Multi-Family Housing Revenue Bonds	Silver Meadows Apartments	<u>\$7,865,000</u>	1999

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

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**Note 20 - Contingent Liabilities**

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

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

**Note 21 - Jointly Governed Organization**

***Northeast Ohio Public Energy Council*** The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of over 130 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

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

**Note 22 – Joint Ventures**

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

In 2017, the City received \$541,638 in income tax distributions from the JEDD. The joint venture is considered a separate reporting entity by the City’s management. Accordingly, the joint venture’s financial statements have not been included in the City’s financial statements. The JEDD’s financial statements can be obtained by contacting the City’s Finance Department.

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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In 2017, the City received \$90,166 in income tax distributions from the JEDD. The joint venture is considered a separate reporting entity by the City's management. Accordingly, the joint venture's financial statements have not been included in the City's financial statements. The JEDD's financial statements can be obtained by contacting the City's Finance Department.

**Note 23 – Tax Abatement Disclosure**

As of December 31, 2017, the City of Kent provides tax incentive programs under two programs: The Community Reinvestment Area and the Job Creation Tax Credit Program.

***Real Estate Tax Abatement***

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

***Income Tax Abatement***

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

**City of Kent, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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***City Council's Incentive Criteria for Decision Making***

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

The following are the tax abatements or other economic incentives provided in 2017, by the City, identified by dollar amount and type:

\$23,201	Total CRA II real property taxes exempted for three (3) active commercial CRA agreements.
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**City of Kent, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Public Employees Retirement System*  
*Last Four Years (1)*

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

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

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

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

<b>Police</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.143200%	0.146222%	0.1401723%	0.1401723%
City's Proportionate Share of the Net Pension Liability	\$9,070,138	\$9,406,552	\$7,261,510	\$6,826,831
City's Covered-Employee Payroll	\$3,460,921	\$3,312,074	\$3,088,474	\$3,078,837
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	262.07%	284.01%	235.12%	221.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.148041%	0.151026%	0.1481493%	0.1481493%
City's Proportionate Share of the Net Pension Liability	\$9,376,781	\$9,715,583	\$7,674,751	\$7,215,336
City's Covered-Employee Payroll	\$2,909,770	\$2,764,847	\$2,654,217	\$2,585,304
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	322.25%	351.40%	289.15%	279.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	1,027,095	916,205	\$893,203	\$865,393
Combined Plan	<u>18,351</u>	<u>15,748</u>	<u>\$13,055</u>	<u>\$5,583</u>
Total Required Contributions	\$1,045,446	\$931,953	\$906,258	\$870,976
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,045,446)</u>	<u>(\$931,953)</u>	<u>(\$906,258)</u>	<u>(\$870,976)</u>
Contribution Deficiency / (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City's Covered-Employee Payroll				
Traditional Plan	\$7,900,731	\$7,635,042	\$7,443,358	\$7,211,608
Combined Plan	\$141,162	\$131,233	\$108,792	\$46,525
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>				
Traditional Plan	13.00%	12.00%	12.00%	12.00%
Combined Plan	13.00%	12.00%	12.00%	12.00%

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Contractually Required Contributions</u>										
Police	\$673,439	\$657,575	\$629,294	\$586,810	\$484,301	\$401,894	\$400,210	\$591,145	\$579,701	\$560,062
Fire	<u>\$709,910</u>	<u>\$683,796</u>	<u>\$649,739</u>	<u>\$623,741</u>	<u>\$523,007</u>	<u>\$452,940</u>	<u>\$442,026</u>	<u>\$570,884</u>	<u>\$566,465</u>	<u>\$549,298</u>
Total Required Contributions	\$1,383,349	\$1,341,371	\$1,279,033	\$1,210,551	\$1,007,308	\$854,834	\$842,236	\$1,162,029	\$1,146,166	\$1,109,360
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,383,349)</u>	<u>(\$1,341,371)</u>	<u>(\$1,279,033)</u>	<u>(\$1,210,551)</u>	<u>(\$1,007,308)</u>	<u>(\$854,834)</u>	<u>(\$842,236)</u>	<u>(\$1,162,029)</u>	<u>(\$1,146,166)</u>	<u>(\$1,109,360)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll										
Police	\$3,544,416	\$3,460,921	\$3,312,074	\$3,088,474	\$3,078,837	\$3,152,110	\$3,138,902	\$4,636,431	\$4,546,675	\$4,392,643
Fire	\$3,020,894	\$2,909,770	\$2,764,847	\$2,654,217	\$2,585,304	\$2,625,739	\$2,562,470	\$3,309,472	\$3,283,855	\$3,184,336
<u>Pension Contributions as a Percentage of Covered-</u> <u>Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	[1]	17.25%	17.25%	17.25%	17.25%	17.25%

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



**City of Kent, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2017*

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2017.

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

*OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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

## Combining Statements and Individual Fund Schedules

### *Fund Descriptions – Nonmajor Governmental Funds*

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#### *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*

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#### *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*

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#### *Non-Major Special Revenue Funds (continued)*

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

#### *Nonmajor Debt Service Fund*

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

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

#### *Nonmajor Capital Projects Fund*

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

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

**City of Kent, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2017*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,546,742	\$ 219,990	\$ 585,643	\$ 4,352,375
Cash and Cash Equivalents:				
In Segregated Accounts	64,861	-	-	64,861
Materials and Supplies Inventory	359,155	-	-	359,155
Accrued Interest Receivable	1,956	-	-	1,956
Accounts Receivable	21,404	-	-	21,404
Intergovernmental Receivable	552,482	-	-	552,482
Prepaid Items	5,852	-	-	5,852
Accrued Interest Receivable	-	-	359,959	359,959
Municipal Income Taxes Receivable	84,671	-	-	84,671
Property and Other Taxes Receivable	1,559,626	-	-	1,559,626
Special Assessments Receivable	181,492	181,242	-	362,734
Loans Receivable	170,090	-	-	170,090
<b>Total Assets</b>	<b>\$ 6,548,331</b>	<b>\$ 401,232</b>	<b>\$ 945,602</b>	<b>\$ 7,895,165</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 97,676	\$ -	\$ -	\$ 97,676
Accrued Wages and Benefits	39,929	-	-	39,929
Contracts Payable	7,310	-	-	7,310
Accrued Interest Payable	-	1,400	7,667	9,067
Interfund Payable	5,000	132,000	-	137,000
Workers' Compensation Claims Payable	3,134	-	-	3,134
Notes Payable	-	211,176	1,156,440	1,367,616
<b>Total Liabilities</b>	<b>153,049</b>	<b>344,576</b>	<b>1,164,107</b>	<b>1,661,732</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and PILOTs	1,477,551	-	359,959	1,837,510
Unavailable Revenue - Delinquent Property Taxes	70,037	-	-	70,037
Unavailable Revenue - Municipal Income Taxes	53,150	-	-	53,150
Unavailable Revenue - Other	524,494	181,242	-	705,736
<b>Total Deferred Inflows of Resources</b>	<b>2,125,232</b>	<b>181,242</b>	<b>359,959</b>	<b>2,666,433</b>
<b>Fund Balances:</b>				
Nonspendable	365,007	-	-	365,007
Restricted	3,905,043	-	-	3,905,043
Unassigned (Deficit)	-	(124,586)	(578,464)	(703,050)
<b>Total Fund Balances (Deficit)</b>	<b>4,270,050</b>	<b>(124,586)</b>	<b>(578,464)</b>	<b>3,567,000</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,548,331</b>	<b>\$ 401,232</b>	<b>\$ 945,602</b>	<b>\$ 7,895,165</b>

**City of Kent, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2017*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 1,688,385	\$ -	\$ -	\$ 1,688,385
Municipal Income Taxes	366,254	-	-	366,254
Payments in Lieu of Taxes	-	-	408,906	408,906
Intergovernmental	1,892,003	-	-	1,892,003
Interest	23,047	-	-	23,047
Fees, Licenses, and Permits	248,883	-	-	248,883
Fines and Forfeitures	16,341	-	-	16,341
Charges for Services	846,557	-	-	846,557
Special Assessments	66,793	51,220	-	118,013
All Other Revenues	122,348	-	-	122,348
<b>Total Revenues</b>	<u>5,270,611</u>	<u>51,220</u>	<u>408,906</u>	<u>5,730,737</u>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	512,153	-	-	512,153
Public Health and Welfare	212,573	-	-	212,573
Leisure Time Activities	1,795,084	-	-	1,795,084
Community Development	300,743	-	-	300,743
Transportation	1,767,627	-	-	1,767,627
General Government	-	1,968	-	1,968
Capital Outlay	1,210,857	-	22,292	1,233,149
Debt Service:				
Principal Retirement	903,682	29,947	125,000	1,058,629
Interest and Fiscal Charges	32,681	12,335	226,117	271,133
Debt Issuance Costs	-	1,122	6,143	7,265
<b>Total Expenditures</b>	<u>6,735,400</u>	<u>45,372</u>	<u>379,552</u>	<u>7,160,324</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,464,789)</u>	<u>5,848</u>	<u>29,354</u>	<u>(1,429,587)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Sale of Capital Assets	9,250	-	-	9,250
Transfers In	-	280,248	-	280,248
<b>Total Other Financing Sources</b>	<u>9,250</u>	<u>280,248</u>	<u>-</u>	<u>289,498</u>
Net Change in Fund Balances	(1,455,539)	286,096	29,354	(1,140,089)
Fund Balances - Beginning of Year	5,725,589	(410,682)	(607,818)	4,707,089
<b>Fund Balances - End of Year</b>	<u>\$ 4,270,050</u>	<u>\$ (124,586)</u>	<u>\$ (578,464)</u>	<u>\$ 3,567,000</u>

**City of Kent, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2017*

	<b>West Side Fire</b>	<b>Street Construction, Maintenance, and Repair</b>	<b>State Highway</b>	<b>Parks and Recreation</b>	<b>Food Service</b>	<b>Revolving Housing</b>
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 90,407	\$ 1,001,585	\$ 79,474	\$ 497,544	\$ 96,192	\$ 34,367
Cash and Cash Equivalents:						
In Segregated Accounts	-	-	-	-	-	-
Materials and Supplies Inventory	-	359,155	-	-	-	-
Accrued Interest Receivable	-	1,786	170	-	-	-
Accounts Receivable	2,499	15,166	-	3,739	-	-
Intergovernmental Receivable	12,442	353,047	28,627	87,059	-	-
Prepaid Items	43	4,775	-	1,034	-	-
Municipal Income Taxes Receivable	-	84,671	-	-	-	-
Property and Other Taxes Receivable	237,165	12,038	-	1,092,793	-	-
Special Assessments Receivable	-	181,492	-	-	-	-
Loans Receivable	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 342,556</b>	<b>\$ 2,013,715</b>	<b>\$ 108,271</b>	<b>\$ 1,682,169</b>	<b>\$ 96,192</b>	<b>\$ 34,367</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 255	\$ 20,936	\$ -	\$ 14,802	\$ -	\$ -
Accrued Wages and Benefits	3,526	19,335	-	17,068	-	-
Contracts and Retainage Payable	-	-	-	7,310	-	-
Interfund Payable	-	-	-	5,000	-	-
Workers' Compensation Claims Payable	-	773	-	2,361	-	-
<b>Total Liabilities</b>	<b>3,781</b>	<b>41,044</b>	<b>-</b>	<b>46,541</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>						
Property Taxes and PILOTS	226,411	-	-	1,043,308	-	-
Unavailable Revenue - Delinq. Property Taxes	10,754	-	-	49,485	-	-
Unavailable Revenue - Municipal Income Taxes	-	53,150	-	-	-	-
Unavailable Revenue - Other	12,442	425,365	19,775	56,524	-	-
<b>Total Deferred Inflows of Resources</b>	<b>249,607</b>	<b>478,515</b>	<b>19,775</b>	<b>1,149,317</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>						
Nonspendable	43	363,930	-	1,034	-	-
Restricted	89,125	1,130,226	88,496	485,277	96,192	34,367
<b>Total Fund Balances</b>	<b>89,168</b>	<b>1,494,156</b>	<b>88,496</b>	<b>486,311</b>	<b>96,192</b>	<b>34,367</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 342,556</b>	<b>\$ 2,013,715</b>	<b>\$ 108,271</b>	<b>\$ 1,682,169</b>	<b>\$ 96,192</b>	<b>\$ 34,367</b>



<b>State and Local Forfeits</b>	<b>Drug Law Enforcement</b>	<b>Enforcement and Education</b>	<b>Law Enforcement Trust</b>	<b>Community Development Block Grant</b>	<b>Neighborhood Stabilization</b>	<b>Wireless 911</b>	<b>Swimming Pool Inspections</b>
\$ 4,767	\$ 22,102	\$ 16,575	\$ 2,077	\$ 420,220	\$ 126,767	\$ 231,449	\$ 8,916
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	60,919	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	149,652	-	-	-
<u>\$ 4,767</u>	<u>\$ 22,102</u>	<u>\$ 16,575</u>	<u>\$ 2,077</u>	<u>\$ 630,791</u>	<u>\$ 126,767</u>	<u>\$ 231,449</u>	<u>\$ 8,916</u>
\$ -	\$ -	\$ -	\$ -	\$ 60,038	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	60,038	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,767	22,102	16,575	2,077	570,753	126,767	231,449	8,916
<u>4,767</u>	<u>22,102</u>	<u>16,575</u>	<u>2,077</u>	<u>570,753</u>	<u>126,767</u>	<u>231,449</u>	<u>8,916</u>
<u>\$ 4,767</u>	<u>\$ 22,102</u>	<u>\$ 16,575</u>	<u>\$ 2,077</u>	<u>\$ 630,791</u>	<u>\$ 126,767</u>	<u>\$ 231,449</u>	<u>\$ 8,916</u>

(Continued)

**City of Kent, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2017*

	<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>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 32,370	\$ 32,374	\$ 849,556	\$ -	\$ 3,546,742
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	-	64,861	64,861
Materials and Supplies Inventory	-	-	-	-	359,155
Accrued Interest Receivable	-	-	-	-	1,956
Accounts Receivable	-	-	-	-	21,404
Intergovernmental Receivable	5,194	5,194	-	-	552,482
Prepaid Items	-	-	-	-	5,852
Municipal Income Taxes Receivable	-	-	-	-	84,671
Property and Other Taxes Receivable	108,815	108,815	-	-	1,559,626
Special Assessments Receivable	-	-	-	-	181,492
Loans Receivable	-	-	20,438	-	170,090
<b>Total Assets</b>	<u>\$ 146,379</u>	<u>\$ 146,383</u>	<u>\$ 869,994</u>	<u>\$ 64,861</u>	<u>\$ 6,548,331</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 1,645	\$ 97,676
Accrued Wages and Benefits	-	-	-	-	39,929
Contracts Payable	-	-	-	-	7,310
Interfund Payable	-	-	-	-	5,000
Workers' Compensation Claims Payable	-	-	-	-	3,134
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,645</u>	<u>153,049</u>
<b>Deferred Inflows of Resources:</b>					
Property Taxes and PILOTs	103,916	103,916	-	-	1,477,551
Unavailable Revenue - Delinq. Property Taxes	4,899	4,899	-	-	70,037
Unavailable Revenue - Municipal Income Taxes	-	-	-	-	53,150
Unavailable Revenue - Other	5,194	5,194	-	-	524,494
<b>Total Deferred Inflows of Resources</b>	<u>114,009</u>	<u>114,009</u>	<u>-</u>	<u>-</u>	<u>2,125,232</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	365,007
Restricted	32,370	32,374	869,994	63,216	3,905,043
<b>Total Fund Balances</b>	<u>32,370</u>	<u>32,374</u>	<u>869,994</u>	<u>63,216</u>	<u>4,270,050</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 146,379</u>	<u>\$ 146,383</u>	<u>\$ 869,994</u>	<u>\$ 64,861</u>	<u>\$ 6,548,331</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, 2017*

	<b>West Side Fire</b>	<b>Street Construction, Maintenance, and Repair</b>	<b>State Highway</b>	<b>Parks and Recreation</b>	<b>Food Service</b>
<b>REVENUES</b>					
Property Taxes	\$ 229,011	\$ 195,708	\$ -	\$ 1,055,516	\$ -
Municipal Income Taxes	-	366,254	-	-	-
Other Local Taxes	-	-	-	-	-
Intergovernmental	24,884	758,787	58,213	788,010	-
Interest	-	11,692	693	-	-
Fees, Licenses, and Permits	-	-	-	-	121,168
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	42,212	-	759,741	-
Special Assessments	-	66,793	-	-	-
All Other Revenues	2,473	1,641	-	48,766	-
<b>Total Revenues</b>	<b>256,368</b>	<b>1,443,087</b>	<b>58,906</b>	<b>2,652,033</b>	<b>121,168</b>
<b>EXPENDITURES</b>					
Current:					
Security of Persons and Property	264,491	-	-	-	-
Public Health and Welfare	-	-	-	-	83,320
Leisure Time Activities	-	-	-	1,795,084	-
Community Development	-	-	-	-	-
Transportation	-	1,698,762	68,865	-	-
Capital Outlay	-	-	-	1,020,988	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>264,491</b>	<b>1,698,762</b>	<b>68,865</b>	<b>2,816,072</b>	<b>83,320</b>
Excess of Revenues Over (Under) Expenditures	(8,123)	(255,675)	(9,959)	(164,039)	37,848
<b>OTHER FINANCING SOURCES</b>					
Proceeds from Sale of Capital Assets	-	9,227	-	23	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>9,227</b>	<b>-</b>	<b>23</b>	<b>-</b>
Net Change in Fund Balances	(8,123)	(246,448)	(9,959)	(164,016)	37,848
Fund Balances - Beginning of Year	97,291	1,740,604	98,455	650,327	58,344
<b>Fund Balances - End of Year</b>	<b>\$ 89,168</b>	<b>\$ 1,494,156</b>	<b>\$ 88,496</b>	<b>\$ 486,311</b>	<b>\$ 96,192</b>

<b>Revolving Housing</b>	<b>State and Local Forfeits</b>	<b>Drug Law Enforcement</b>	<b>Enforcement and Education</b>	<b>Law Enforcement Trust</b>	<b>Community Development Block Grant</b>	<b>Neighborhood Stabilization</b>	<b>Wireless 911</b>	<b>Swimming Pool Inspections</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	241,335	-	-	-
-	-	-	-	-	896	302	-	-
120,515	-	-	-	-	-	-	-	7,200
-	-	12,656	3,685	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	25,424	-	-	-
<u>120,515</u>	<u>-</u>	<u>12,656</u>	<u>3,685</u>	<u>-</u>	<u>267,655</u>	<u>302</u>	<u>-</u>	<u>7,200</u>
-	2,000	6,246	4,787	-	-	-	14,629	-
123,958	-	-	-	-	-	-	-	5,295
-	-	-	-	-	-	-	-	-
-	-	-	-	-	254,483	20,476	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	75,069	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>123,958</u>	<u>2,000</u>	<u>6,246</u>	<u>4,787</u>	<u>-</u>	<u>329,552</u>	<u>20,476</u>	<u>14,629</u>	<u>5,295</u>
<u>(3,443)</u>	<u>(2,000)</u>	<u>6,410</u>	<u>(1,102)</u>	<u>-</u>	<u>(61,897)</u>	<u>(20,174)</u>	<u>(14,629)</u>	<u>1,905</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(3,443)</u>	<u>(2,000)</u>	<u>6,410</u>	<u>(1,102)</u>	<u>-</u>	<u>(61,897)</u>	<u>(20,174)</u>	<u>(14,629)</u>	<u>1,905</u>
<u>37,810</u>	<u>6,767</u>	<u>15,692</u>	<u>17,677</u>	<u>2,077</u>	<u>632,650</u>	<u>146,941</u>	<u>246,078</u>	<u>7,011</u>
<u>\$ 34,367</u>	<u>\$ 4,767</u>	<u>\$ 22,102</u>	<u>\$ 16,575</u>	<u>\$ 2,077</u>	<u>\$ 570,753</u>	<u>\$ 126,767</u>	<u>\$ 231,449</u>	<u>\$ 8,916</u>

(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, 2017*

	<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>
<b>REVENUES</b>					
Property Taxes	\$ 104,075	\$ 104,075	\$ -	\$ -	\$ 1,688,385
Income Taxes	-	-	-	-	366,254
Other Local Taxes	-	-	-	-	-
Intergovernmental	10,387	10,387	-	-	1,892,003
Interest	-	-	9,261	203	23,047
Fees, Licenses, and Permits	-	-	-	-	248,883
Fines and Forfeitures	-	-	-	-	16,341
Charges for Services	-	-	-	44,604	846,557
Special Assessments	-	-	-	-	66,793
All Other Revenues	-	-	44,044	-	122,348
<b>Total Revenues</b>	<u>114,462</u>	<u>114,462</u>	<u>53,305</u>	<u>44,807</u>	<u>5,270,611</u>
<b>EXPENDITURES</b>					
Current:					
Security of Persons and Property	110,000	110,000	-	-	512,153
Public Health and Welfare	-	-	-	-	212,573
Leisure Time Activities	-	-	-	-	1,795,084
Community Development	-	-	18,004	7,780	300,743
Transportation	-	-	-	-	1,767,627
Capital Outlay	-	-	-	114,800	1,210,857
Debt Service:					
Principal Retirement	-	-	-	903,682	903,682
Interest and Fiscal Charges	-	-	-	32,681	32,681
<b>Total Expenditures</b>	<u>110,000</u>	<u>110,000</u>	<u>18,004</u>	<u>1,058,943</u>	<u>6,735,400</u>
Excess of Revenues Over (Under) Expenditures	<u>4,462</u>	<u>4,462</u>	<u>35,301</u>	<u>(1,014,136)</u>	<u>(1,464,789)</u>
<b>OTHER FINANCING SOURCES</b>					
Proceeds from Sale of Capital Assets	-	-	-	-	9,250
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,250</u>
Net Change in Fund Balances	4,462	4,462	35,301	(1,014,136)	(1,455,539)
Fund Balances - Beginning of Year	27,908	27,912	834,693	1,077,352	5,725,589
<b>Fund Balances - End of Year</b>	<u>\$ 32,370</u>	<u>\$ 32,374</u>	<u>\$ 869,994</u>	<u>\$ 63,216</u>	<u>\$ 4,270,050</u>

## Combining Statements

### *Fund Descriptions – Fiduciary Funds*

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#### *Fiduciary Funds*

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

#### *Agency Fund*

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

**City of Kent, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Year Ended December 31, 2017*

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<b>Agency Escrow Fund</b>	<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2017</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 384,708</u>	<u>\$ 365,039</u>	<u>\$ 432,851</u>	<u>\$ 316,896</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$ 384,708</u>	<u>\$ 365,039</u>	<u>\$ 432,851</u>	<u>\$ 316,896</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,759,778	\$ 1,837,363	\$ 1,875,492	\$ 38,129
Intergovernmental	1,340,800	1,973,400	2,018,926	45,526
Interest	240,000	415,000	428,260	13,260
Fees, Licenses and Permits	67,600	130,600	176,029	45,429
Fines and Forfeits	194,000	323,000	323,441	441
Charges for Services	1,271,600	1,657,600	1,766,987	109,387
Miscellaneous	61,000	322,000	323,425	1,425
<b>Total Revenues</b>	<b>4,934,778</b>	<b>6,658,963</b>	<b>6,912,560</b>	<b>253,597</b>
<b>Expenditures</b>				
Current:				
Public Health & Welfare				
Department of Health				
Personal Services	342,687	342,687	328,906	13,781
Other Expenses	177,569	215,181	46,638	168,543
Capital Outlay	-	19,888	-	19,888
<b>Total Public Health and Welfare</b>	<b>520,256</b>	<b>577,756</b>	<b>375,544</b>	<b>202,212</b>
Community Development				
Community Development				
Personal Services	502,065	511,065	501,935	9,130
Other Expenses	252,154	255,611	209,307	46,304
<b>Total Community Development</b>	<b>754,219</b>	<b>766,676</b>	<b>711,242</b>	<b>55,434</b>
Economic Development				
Personal Services	108,123	108,123	104,105	4,018
Other Expenses	148,808	148,808	31,363	117,445
<b>Total Economic Development</b>	<b>256,931</b>	<b>256,931</b>	<b>135,468</b>	<b>121,463</b>
Building				
Personal Services	210,910	210,910	189,425	21,485
Other Expenses	72,840	87,840	71,057	16,783
<b>Total Building</b>	<b>283,750</b>	<b>298,750</b>	<b>260,482</b>	<b>38,268</b>

(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, 2017  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Main Street Program				
Other Expenses	60,000	60,000	60,000	-
Land Banking				
Other Expenses	165,000	997,000	948,285	48,715
Chip Grant				
Other Expenses	100,000	130,276	115,684	14,592
Permit Parking				
Other Expenses	63,320	63,320	47,000	16,320
Shade Tree				
Other Expenses	95,993	95,993	89,350	6,643
Capital Outlay	17,541	17,541	-	17,541
Total Shade Tree	113,534	113,534	89,350	24,184
Urban Renewal				
Other Expenses	61,705	79,705	62,328	17,377
Total Community Development	1,858,459	2,766,192	2,429,839	336,353
General Government				
Service Administration				
Personal Services	68,266	68,266	58,521	9,745
Other Expenses	531,549	531,549	392,079	139,470
Total Service Administration	599,815	599,815	450,600	149,215
Rental Units				
Other Expenses	25,026	25,026	807	24,219
Engineering				
Personal Services	215,295	215,295	209,183	6,112
Other Expenses	102,732	102,732	93,328	9,404
Total Engineering	318,027	318,027	302,511	15,516
Law				
Personal Services	334,536	334,536	325,721	8,815
Other Expenses	197,310	197,310	143,371	53,939
Total Law	531,846	531,846	469,092	62,754
Budget and Finance				
Personal Services	167,437	167,437	156,037	11,400
Other Expenses	168,851	168,851	123,533	45,318
Total Budget and Finance	336,288	336,288	279,570	56,718

(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, 2017  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Technology				
Personal Services	72,682	72,682	71,337	1,345
Other Expenses	125,000	125,000	92,493	32,507
Total Information Technology	197,682	197,682	163,830	33,852
Miscellaneous, Sundry and Contingency				
Other Expenses	432,591	432,591	435,944	(3,353)
Mayor's Office				
Personal Services	7,760	7,760	7,620	140
Other Expenses	5,619	5,619	4,563	1,056
Total Mayor's Office	13,379	13,379	12,183	1,196
City Council				
Personal Services	146,659	146,659	137,728	8,931
Other Expenses	33,579	35,079	29,198	5,881
	-	5,250	5,250	-
Total City Council	180,238	186,988	172,176	14,812
Community Support				
Other Expenses	92,161	92,161	83,450	8,711
Office of City Manager				
City Manager				
Personal Services	338,767	338,767	261,339	77,428
Other Expenses	62,752	62,752	62,299	453
Total City Manager	401,519	401,519	323,638	77,881
Human Resources				
Personal Services	58,058	76,058	70,071	5,987
Other Expenses	20,357	22,937	17,743	5,194
Total Human Resources	78,415	98,995	87,814	11,181
City Hall Relocation				
Other Expenses	65,325	65,325	15,389	49,936
Civil Service				
Personal Services	27,978	27,978	19,136	8,842
Other Expenses	37,056	37,056	24,048	13,008
Total Civil Service	65,034	65,034	43,184	21,850
Total General Government	3,337,346	3,364,676	2,840,188	524,488
<b>Total Expenditures</b>	5,716,061	6,708,624	5,645,571	1,063,053

(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, 2017  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenditures	(781,283)	(49,661)	1,266,989	1,316,650
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	-	433,400	433,493	93
Advances In	106,000	162,000	106,000	(56,000)
Transfers In	3,600,000	3,600,000	3,600,000	-
Transfers Out	(5,900,000)	(5,900,000)	(5,900,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,194,000)</b>	<b>(1,704,600)</b>	<b>(1,760,507)</b>	<b>(55,907)</b>
Net Change in Fund Balance	(2,975,283)	(1,754,261)	(493,518)	1,260,743
Fund Balance - Beginning of Year	4,918,348	4,918,348	4,918,348	-
Prior Year Encumbrances Appropriated	319,156	319,156	319,156	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,262,221</b>	<b>\$ 3,483,243</b>	<b>\$ 4,743,986</b>	<b>\$ 1,260,743</b>

**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, 2017*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 8,595	\$ 8,595
Miscellaneous	-	52,372	65,389	13,017
<b>Total Revenues</b>	<u>-</u>	<u>52,372</u>	<u>73,984</u>	<u>21,612</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	6,353,417	6,953,417	6,215,323	738,094
Other	632,822	641,842	493,619	148,223
<b>Total Expenditures</b>	<u>6,986,239</u>	<u>7,595,259</u>	<u>6,708,942</u>	<u>886,317</u>
Excess of Revenues Over (Under) Expenditures	(6,986,239)	(7,542,887)	(6,634,958)	907,929
<b>Other Financing Sources</b>				
Transfers In	6,900,000	7,372,628	7,372,628	-
<b>Total Other Financing Sources</b>	<u>6,900,000</u>	<u>7,372,628</u>	<u>7,372,628</u>	<u>-</u>
Net Change in Fund Balance	(86,239)	(170,259)	737,670	907,929
Fund Balance - Beginning of Year	624,576	624,576	624,576	-
Prior Year Encumbrances Appropriated	46,942	46,942	46,942	-
<b>Fund Balance - End of Year</b>	<u>\$ 585,279</u>	<u>\$ 501,259</u>	<u>\$ 1,409,188</u>	<u>\$ 907,929</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ 40,223	\$ 40,223
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>40,223</u>	<u>40,223</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Fire				
Personal Services	4,091,298	4,491,298	4,148,323	342,975
Other	513,718	522,217	487,583	34,634
Capital Outlay	1,511,593	1,761,593	937,537	824,056
<b>Total Expenditures</b>	<u>6,116,609</u>	<u>6,775,108</u>	<u>5,573,443</u>	<u>1,201,665</u>
Excess of Revenues Over (Under) Expenditures	(6,116,609)	(6,775,108)	(5,533,220)	1,241,888
<b>Other Financing Sources</b>				
Transfers In	5,175,000	5,512,000	5,472,628	(39,372)
<b>Total Other Financing Sources</b>	<u>5,175,000</u>	<u>5,512,000</u>	<u>5,472,628</u>	<u>(39,372)</u>
Net Change in Fund Balance	(941,609)	(1,263,108)	(60,592)	1,202,516
Fund Balance - Beginning of Year	669,967	669,967	669,967	-
Prior Year Encumbrances Appropriated	895,232	895,232	895,232	-
<b>Fund Balance - End of Year</b>	<u>\$ 623,590</u>	<u>\$ 302,091</u>	<u>\$ 1,504,607</u>	<u>\$ 1,202,516</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 2,037,243	\$ 5,824,783	\$ 5,459,806	\$ (364,977)
Special Assessments	14,724	14,724	98,429	83,705
Miscellaneous	95,620	95,620	9,620	(86,000)
<b>Total Revenues</b>	<b>2,147,587</b>	<b>5,935,127</b>	<b>5,567,855</b>	<b>(367,272)</b>
<b>Expenditures</b>				
Capital Outlay:				
Safety	230,885	757,885	661,281	96,604
Service	5,640,647	11,864,124	10,839,593	1,024,531
Budget and Finance	25,000	25,000	-	25,000
Total Capital Outlay	5,896,532	12,647,009	11,500,874	1,146,135
Debt Service:				
Principal	1,039,801	1,039,801	1,029,776	10,025
Interest & Fiscal Charges	15,150	15,150	15,024	126
Debt Issuance Costs	7,035	7,035	4,059	2,976
Total Debt Service	1,061,986	1,061,986	1,048,859	13,127
<b>Total Expenditures</b>	<b>6,958,518</b>	<b>13,708,995</b>	<b>12,549,733</b>	<b>1,159,262</b>
Excess of Revenues Over (Under) Expenditures	(4,810,931)	(7,773,868)	(6,981,878)	791,990
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	1,010,000	1,010,000	760,000	(250,000)
Premium on Debt Issuance	7,533	7,533	6,384	(1,149)
Transfers In	2,509,880	2,509,880	2,509,880	-
<b>Total Other Financing Sources</b>	<b>3,527,413</b>	<b>3,527,413</b>	<b>3,276,264</b>	<b>(251,149)</b>
Net Change in Fund Balance	(1,283,518)	(4,246,455)	(3,705,614)	540,841
Fund Balance - Beginning of Year	2,270,281	2,270,281	2,270,281	-
Prior Year Encumbrances Appropriated	3,087,632	3,087,632	3,087,632	-
<b>Fund Balance - End of Year</b>	<b>\$ 4,074,395</b>	<b>\$ 1,111,458</b>	<b>\$ 1,652,299</b>	<b>\$ 540,841</b>



**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ 685	\$ 685
<b>Expenditures</b>				
Capital Outlay:				
Safety	7,119,901	11,233,305	11,093,875	139,430
Debt Service:				
Principal	250,000	250,000	250,000	-
Interest & Fiscal Charges	351,800	351,800	351,550	250
Debt Issuance Costs	105,000	105,000	19,195	85,805
Total Debt Service	706,800	706,800	620,745	86,055
<b>Total Expenditures</b>	<b>7,826,701</b>	<b>11,940,105</b>	<b>11,714,620</b>	<b>225,485</b>
Excess of Revenues Over (Under) Expenditures	(7,826,701)	(11,940,105)	(11,713,935)	226,170
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	4,700,000	3,170,600	3,500,000	329,400
Premium on Debt Issuance	13,686	29,400	29,400	-
Transfers In	1,736,314	1,736,314	1,736,314	-
<b>Total Other Financing Sources (Uses)</b>	<b>6,450,000</b>	<b>4,936,314</b>	<b>5,265,714</b>	<b>329,400</b>
Net Change in Fund Balance	(1,376,701)	(7,003,791)	(6,448,221)	555,570
Fund Balance - Beginning of Year	1,191,817	1,191,817	1,191,817	-
Prior Year Encumbrances Appropriated	5,832,981	5,832,981	5,832,981	-
<b>Fund Balance - End of Year</b>	<b>\$ 5,648,097</b>	<b>\$ 21,007</b>	<b>\$ 576,577</b>	<b>\$ 555,570</b>

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Interest	\$ 243	\$ 243	\$ 8	\$ (235)
Charges for Services	3,565,426	3,565,426	3,518,734	(46,692)
Special Assessments	48,956	48,956	41,597	(7,359)
Miscellaneous	34,695	34,695	56,524	21,829
<b>Total Revenues</b>	<u>3,649,320</u>	<u>3,649,320</u>	<u>3,616,863</u>	<u>(32,457)</u>
<b>Expenses</b>				
Current:				
Administrative Support				
Personal Services	544,194	551,194	481,820	69,374
Other Expenses	100,529	108,529	78,996	29,533
Capital Outlay	30,000	30,000	35,670	(5,670)
Total Administrative Support	<u>674,723</u>	<u>689,723</u>	<u>596,486</u>	<u>93,237</u>
Service				
Personal Services	1,552,196	1,592,196	1,596,767	(4,571)
Other Expenses	855,661	855,661	841,318	14,343
Capital Outlay	1,977,857	1,737,370	815,078	922,292
Total Service	<u>4,385,714</u>	<u>4,185,227</u>	<u>3,253,163</u>	<u>932,064</u>
Debt Service:				
Principal	44,028	45,252	45,251	1
Interest & Fiscal Charges	11,731	10,507	9,179	1,328
Total Debt Service	<u>55,759</u>	<u>55,759</u>	<u>54,430</u>	<u>1,329</u>
<b>Total Expenses</b>	<u>5,116,196</u>	<u>4,930,709</u>	<u>3,904,079</u>	<u>1,026,630</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, 2017  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenses	(1,466,876)	(1,281,389)	(287,216)	994,173
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	4,406	4,406	393	(4,013)
Capital Contribution - Grants	89,101	117,038	109,466	(7,572)
Capital Contributions - Tap-in Fees	25,173	25,173	19,848	(5,325)
Advances Out	(80,000)	(80,000)	(80,000)	-
Transfers In	982	982	1,875	893
Transfer Out	(875)	(1,875)	(1,875)	-
<b>Total Other Financing Sources (Uses)</b>	<u>38,787</u>	<u>65,724</u>	<u>49,707</u>	<u>(16,017)</u>
Net Change in Fund Equity	(1,428,089)	(1,215,665)	(237,509)	978,156
Fund Equity - Beginning of Year	2,139,470	2,139,470	2,139,470	-
Prior Year Encumbrances Appropriated	328,070	328,070	328,070	-
<b>Fund Equity - End of Year</b>	<u>\$ 1,039,451</u>	<u>\$ 1,251,875</u>	<u>\$ 2,230,031</u>	<u>\$ 978,156</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$ 30	\$ 30	\$ 8	\$ (22)
Charges for Services	4,457,513	4,096,190	4,005,355	(90,835)
Special Assessments	39,521	39,521	32,978	(6,543)
Miscellaneous	16,780	16,780	22,360	5,580
<b>Total Revenues</b>	<u>4,513,844</u>	<u>4,152,521</u>	<u>4,060,701</u>	<u>(91,820)</u>
<b>Expenses</b>				
Current:				
Administrative Support				
Personal Services	544,194	551,194	481,813	69,381
Other Expenses	142,481	102,481	89,394	13,087
Capital Outlay	33,672	33,672	46,536	(12,864)
<b>Total Administrative Support</b>	<u>720,347</u>	<u>687,347</u>	<u>617,743</u>	<u>69,604</u>
Service				
Personal Services	1,822,418	1,868,418	1,889,710	(21,292)
Other Expenses	936,808	936,808	877,183	59,625
Capital Outlay	1,687,725	2,396,830	2,036,735	360,095
<b>Total Service</b>	<u>4,446,951</u>	<u>5,202,056</u>	<u>4,803,628</u>	<u>398,428</u>

(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, 2017  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	659,216	669,809	667,409	2,400
Interest & Fiscal Charges	94,934	84,341	72,276	12,065
Bond Issuance Costs	3,030	3,030	2,003	1,027
Total Debt Service	<u>757,180</u>	<u>757,180</u>	<u>741,688</u>	<u>15,492</u>
<b>Total Expenses</b>	<u>5,924,478</u>	<u>6,646,583</u>	<u>6,163,059</u>	<u>483,524</u>
Excess of Revenues Over (Under) Expenses	(1,410,634)	(2,494,062)	(2,102,358)	391,704
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	8,377	8,377	213	(8,164)
Bond Anticipation Notes Issued	468,862	468,862	375,000	(93,862)
Premium on Debt Issuance	3,245	3,245	3,150	(95)
Capital Contribution - Tap-in Fees	13,663	13,663	14,536	873
Capital Contribution - Grants	82,009	82,009	207,703	125,694
Advances Out	(65,000)	(65,000)	(65,000)	-
Transfers In	982	982	1,875	893
Transfer Out	(1,875)	(1,875)	(1,875)	-
<b>Total Other Financing Sources (Uses)</b>	<u>510,263</u>	<u>510,263</u>	<u>535,602</u>	<u>25,339</u>
Net Change in Fund Equity	(900,371)	(1,983,799)	(1,566,756)	417,043
Fund Equity - Beginning of Year	2,928,018	2,928,018	2,928,018	-
Prior Year Encumbrances Appropriated	597,037	597,037	597,037	-
<b>Fund Equity - End of Year</b>	<u>\$ 2,624,684</u>	<u>\$ 1,541,256</u>	<u>\$ 1,958,299</u>	<u>\$ 417,043</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 106,600	\$ 116,759	\$ 146,762	\$ 30,003
Charges for Services	921,262	1,009,060	989,962	(19,098)
Special Assessments	21,437	23,480	63,147	39,667
Miscellaneous	-	-	275	275
<b>Total Revenues</b>	1,049,299	1,149,299	1,200,146	50,847
<b>Expenses</b>				
Current:				
Budget and Finance				
Personal Services	287,619	287,619	272,426	15,193
Other Expenses	-	-	27,757	(27,757)
Capital Outlay	80,672	80,672	113,628	(32,956)
<b>Total Budget and Finance</b>	368,291	368,291	413,811	(45,520)
Service				
Personal Services	214,492	214,492	212,488	2,004
Other Expenses	80,260	80,260	31,892	48,368
Capital Outlay	353,316	994,503	372,288	622,215
<b>Total Service</b>	648,068	1,289,255	616,668	672,587
Debt Service:				
Principal Retirement	9,968	9,968	9,967	1
<b>Total Expenses</b>	1,026,327	1,667,514	1,040,446	627,068
Excess of Revenues Over				
(Under) Expenses	22,972	(518,215)	159,700	677,915
<b>Other Financing Sources</b>				
Capital Contributions - Tap-in Fees	701	701	1,450	749
Advances Out	-	(110,000)	(110,000)	-
<b>Total Other Financing Sources</b>	701	(109,299)	(108,550)	749
Net Change in Fund Equity	23,673	(627,514)	51,150	678,664
Fund Equity - Beginning of Year	1,054,363	1,054,363	1,054,363	-
Prior Year Encumbrances Appropriated	6,877	6,877	6,877	-
<b>Fund Equity - End of Year</b>	\$ 1,084,913	\$ 433,726	\$ 1,112,390	\$ 678,664

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 225,334	\$ 226,500	\$ 229,011	\$ 2,511
Intergovernmental	22,929	23,048	24,884	1,836
<b>Total Revenues</b>	<u>248,263</u>	<u>249,548</u>	<u>253,895</u>	<u>4,347</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Fire				
Personal Services	248,945	248,945	247,357	1,588
Other	25,175	25,175	22,025	3,150
<b>Total Expenditures</b>	<u>274,120</u>	<u>274,120</u>	<u>269,382</u>	<u>4,738</u>
Net Change in Fund Balance	(25,857)	(24,572)	(15,487)	9,085
Fund Balance - Beginning of Year	98,763	98,763	98,763	-
Prior Year Encumbrances Appropriated	2,668	2,668	2,668	-
<b>Fund Balance - End of Year</b>	<u>\$ 75,574</u>	<u>\$ 76,859</u>	<u>\$ 85,944</u>	<u>\$ 9,085</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 229,731	\$ 210,000	\$ 198,928	\$ (11,072)
Intergovernmental	793,120	725,000	706,092	(18,908)
Interest	7,439	6,800	13,692	6,892
Charges for Services	60,168	55,000	32,140	(22,860)
Special Assessments	72,201	66,000	66,793	793
Miscellaneous	1,641	1,500	1,641	141
<b>Total Revenues</b>	<u>1,164,300</u>	<u>1,064,300</u>	<u>1,019,286</u>	<u>(45,014)</u>
<b>Expenditures</b>				
Current:				
Transportation				
Public Service				
Personal Services	1,088,043	1,088,043	1,019,756	68,287
Other	1,175,916	1,175,916	903,975	271,941
<b>Total Expenditures</b>	<u>2,263,959</u>	<u>2,263,959</u>	<u>1,923,731</u>	<u>340,228</u>
Excess of Revenues Over (Under) Expenditures	(1,099,659)	(1,199,659)	(904,445)	295,214
<b>Other Financing Sources</b>				
Proceeds from Sale of Capital Assets	9,700	9,700	9,227	(473)
Transfers In	426,000	426,000	426,000	-
<b>Total Other Financing Sources</b>	<u>435,700</u>	<u>435,700</u>	<u>435,227</u>	<u>(473)</u>
Net Change in Fund Balance	(663,959)	(763,959)	(469,218)	294,741
Fund Balance - Beginning of Year	1,168,515	1,168,515	1,168,515	-
Prior Year Encumbrances Appropriated	92,045	92,045	92,045	-
<b>Fund Balance - End of Year</b>	<u>\$ 596,601</u>	<u>\$ 496,601</u>	<u>\$ 791,342</u>	<u>\$ 294,741</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 57,400	\$ 57,400	\$ 57,252	\$ (148)
Interest	600	600	883	283
<b>Total Revenues</b>	<u>58,000</u>	<u>58,000</u>	<u>58,135</u>	<u>135</u>
<b>Expenditures</b>				
Current:				
Transportation				
Service				
Other	70,000	70,000	69,800	200
Net Change in Fund Balance	(12,000)	(12,000)	(11,665)	335
Fund Balance - Beginning of Year	90,709	90,709	90,709	-
<b>Fund Balance - End of Year</b>	<u>\$ 78,709</u>	<u>\$ 78,709</u>	<u>\$ 79,044</u>	<u>\$ 335</u>

**City of Kent, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Parks and Recreation Fund  
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$ 1,016,923	\$ 1,032,256	\$ 1,055,516	\$ 23,260
Intergovernmental	811,419	823,653	757,475	(66,178)
Charges for Services	710,967	721,687	760,456	38,769
Miscellaneous	45,144	45,825	48,766	2,941
<b>Total Revenues</b>	<u>2,584,453</u>	<u>2,623,421</u>	<u>2,622,213</u>	<u>(1,208)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Parks & Recreation				
Personal Services	1,301,081	1,301,081	1,219,000	82,081
Other	702,422	702,422	623,941	78,481
Capital Outlay	1,041,264	1,273,464	1,234,670	38,794
<b>Total Expenditures</b>	<u>3,044,767</u>	<u>3,276,967</u>	<u>3,077,611</u>	<u>199,356</u>
Excess of Revenues Over (Under) Expenditures	(460,314)	(653,546)	(455,398)	198,148
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	10,035	10,035	23	(10,012)
Advances Out	-	-	(50,000)	(50,000)
<b>Total Other Financing Sources (Uses)</b>	<u>10,035</u>	<u>10,035</u>	<u>(49,977)</u>	<u>(60,012)</u>
Net Change in Fund Balance	(450,279)	(643,511)	(505,375)	138,136
Fund Balance - Beginning of Year	620,851	620,851	620,851	-
Prior Year Encumbrances Appropriated	102,869	102,869	102,869	-
<b>Fund Balance - End of Year</b>	<u>\$ 273,441</u>	<u>\$ 80,209</u>	<u>\$ 218,345</u>	<u>\$ 138,136</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, Licenses and Permits	\$ 96,800	\$ 115,800	\$ 121,168	\$ 5,368
<b>Expenditures</b>				
Current:				
Public Health and Welfare				
Health				
Personal Services	91,368	91,368	80,754	10,614
Other	5,500	5,500	2,725	2,775
<b>Total Expenditures</b>	96,868	96,868	83,479	13,389
Net Change in Fund Balance	(68)	18,932	37,689	18,757
Fund Balance - Beginning of Year	58,485	58,485	58,485	-
<b>Fund Balance - End of Year</b>	\$ 58,417	\$ 77,417	\$ 96,174	\$ 18,757

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$ 15,809,000	\$ 15,699,000	\$ 16,523,087	\$ 824,087
Interest	7,000	7,000	10,260	3,260
<b>Total Revenues</b>	<u>15,816,000</u>	<u>15,706,000</u>	<u>16,533,347</u>	<u>827,347</u>
<b>Expenditures</b>				
Current:				
General Government				
Budget & Finance				
Personal Services	245,576	245,576	234,304	11,272
Other	2,580,790	2,606,345	2,543,881	62,464
<b>Total Expenditures</b>	<u>2,826,366</u>	<u>2,851,921</u>	<u>2,778,185</u>	<u>73,736</u>
Excess of Revenues Over Expenditures	12,989,634	12,854,079	13,755,162	901,083
<b>Other Financing Sources (Uses)</b>				
Advances In	198,000	308,000	308,000	-
Advances Out	-	(150,000)	(150,000)	-
Transfer Out	(15,127,874)	(17,800,046)	(15,497,698)	2,302,348
<b>Total Other Financing Sources (Uses)</b>	<u>(14,929,874)</u>	<u>(17,642,046)</u>	<u>(15,339,698)</u>	<u>2,302,348</u>
Net Change in Fund Balance	(1,940,240)	(4,787,967)	(1,584,536)	3,203,431
Fund Balance - Beginning of Year	5,150,900	5,150,900	5,150,900	-
Prior Year Encumbrances Appropriated	2,328,617	2,328,617	2,328,617	-
<b>Fund Balance - End of Year</b>	<u>\$ 5,539,277</u>	<u>\$ 2,691,550</u>	<u>\$ 5,894,981</u>	<u>\$ 3,203,431</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, Licenses and Permits	\$ 127,385	\$ 127,385	\$ 120,515	\$ (6,870)
<b>Expenditures</b>				
Current:				
Public Health and Welfare				
Health				
Personal Services	139,341	139,341	121,247	18,094
Other	9,750	9,750	2,925	6,825
<b>Total Expenditures</b>	<u>149,091</u>	<u>149,091</u>	<u>124,172</u>	<u>24,919</u>
Net Change in Fund Balance	(21,706)	(21,706)	(3,657)	18,049
Fund Balance - Beginning of Year	37,986	37,986	37,986	-
<b>Fund Balance - End of Year</b>	<u>\$ 16,280</u>	<u>\$ 16,280</u>	<u>\$ 34,329</u>	<u>\$ 18,049</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Other	5,242	5,242	2,000	3,242
Net Change in Fund Balance	(5,242)	(5,242)	(2,000)	3,242
Fund Balance - Beginning of Year	6,525	6,525	6,525	-
Prior Year Encumbrances Appropriated	242	242	242	-
<b>Fund Balance - End of Year</b>	<b>\$ 1,525</b>	<b>\$ 1,525</b>	<b>\$ 4,767</b>	<b>\$ 3,242</b>

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeits	\$ 2,000	\$ 12,000	\$ 12,656	\$ 656
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Other	11,000	11,000	6,246	4,754
Net Change in Fund Balance	(9,000)	1,000	6,410	5,410
Fund Balance - Beginning of Year	15,692	15,692	15,692	-
<b>Fund Balance - End of Year</b>	<b>\$ 6,692</b>	<b>\$ 16,692</b>	<b>\$ 22,102</b>	<b>\$ 5,410</b>

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeits	\$ 4,000	\$ 4,000	\$ 3,685	\$ (315)
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Other	8,000	8,000	4,787	3,213
Net Change in Fund Balance	(4,000)	(4,000)	(1,102)	2,898
Fund Balance - Beginning of Year	17,677	17,677	17,677	-
<b>Fund Balance - End of Year</b>	<u>\$ 13,677</u>	<u>\$ 13,677</u>	<u>\$ 16,575</u>	<u>\$ 2,898</u>



**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, 2017*

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

**City of Kent, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 99,500	\$ 187,500	\$ 238,460	\$ 50,960
Interest	500	500	896	396
Miscellaneous	-	27,500	66,279	38,779
<b>Total Revenues</b>	<u>100,000</u>	<u>215,500</u>	<u>305,635</u>	<u>90,135</u>
<b>Expenditures</b>				
Current:				
Community Development				
Department of Community Development				
Personal Services	45,050	45,050	10,807	34,243
Other	357,117	382,117	288,007	94,110
Capital Outlay	172,518	185,118	172,518	12,600
<b>Total Expenditures</b>	<u>574,685</u>	<u>612,285</u>	<u>471,332</u>	<u>140,953</u>
Net Change in Fund Balance	(474,685)	(396,785)	(165,697)	231,088
Fund Balance - Beginning of Year	269,645	269,645	269,645	-
Prior Year Encumbrances Appropriated	165,085	165,085	165,085	-
<b>Fund Balance - End of Year</b>	<u>\$ (39,955)</u>	<u>\$ 37,945</u>	<u>\$ 269,033</u>	<u>\$ 231,088</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$ -	\$ -	\$ 302	\$ 302
<b>Expenditures</b>				
Current:				
Community Development				
Community Development				
Other	1,050	20,500	20,476	24
Net Change in Fund Balance	(1,050)	(20,500)	(20,174)	326
Fund Balance - Beginning of Year	145,891	145,891	145,891	-
Prior Year Encumbrances Appropriated	1,050	1,050	1,050	-
<b>Fund Balance - End of Year</b>	<b>\$ 145,891</b>	<b>\$ 126,441</b>	<b>\$ 126,767</b>	<b>\$ 326</b>

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 79,000	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Other	18,000	18,000	14,629	3,371
<b>Total Expenditures</b>	<u>18,000</u>	<u>18,000</u>	<u>14,629</u>	<u>3,371</u>
Net Change in Fund Balance	61,000	(18,000)	(14,629)	3,371
Fund Balance - Beginning of Year	246,078	246,078	246,078	-
<b>Fund Balance - End of Year</b>	<u>\$ 307,078</u>	<u>\$ 228,078</u>	<u>\$ 231,449</u>	<u>\$ 3,371</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fees, Licenses and Permits	\$ 6,400	\$ 6,400	\$ 7,200	\$ 800
<b>Expenditures</b>				
Current:				
Public Health and Welfare				
Health				
Personal Services	8,021	8,021	5,171	2,850
Other	500	500	200	300
<b>Total Expenditures</b>	<u>8,521</u>	<u>8,521</u>	<u>5,371</u>	<u>3,150</u>
Net Change in Fund Balance	(2,121)	(2,121)	1,829	3,950
Fund Balance - Beginning of Year	7,011	7,011	7,011	-
<b>Fund Balance - End of Year</b>	<u>\$ 4,890</u>	<u>\$ 4,890</u>	<u>\$ 8,840</u>	<u>\$ 3,950</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 95,337	\$ 101,798	\$ 104,075	\$ 2,277
Intergovernmental	9,857	10,525	10,387	(138)
<b>Total Revenues</b>	<u>105,194</u>	<u>112,323</u>	<u>114,462</u>	<u>2,139</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net Change in Fund Balance	(4,806)	2,323	4,462	2,139
Fund Balance - Beginning of Year	<u>27,908</u>	<u>27,908</u>	<u>27,908</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ 23,102</u></u>	<u><u>\$ 30,231</u></u>	<u><u>\$ 32,370</u></u>	<u><u>\$ 2,139</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 95,337	\$ 101,798	\$ 104,074	\$ 2,276
Intergovernmental	9,857	10,525	10,388	(137)
<b>Total Revenues</b>	<u>105,194</u>	<u>112,323</u>	<u>114,462</u>	<u>2,139</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Fire				
Personal Services	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net Change in Fund Balance	(4,806)	2,323	4,462	2,139
Fund Balance - Beginning of Year	<u>27,912</u>	<u>27,912</u>	<u>27,912</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ 23,106</u></u>	<u><u>\$ 30,235</u></u>	<u><u>\$ 32,374</u></u>	<u><u>\$ 2,139</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$ 7,900	\$ 7,900	\$ 9,261	\$ 1,361
Miscellaneous	52,100	52,100	59,221	7,121
<b>Total Revenues</b>	<u>60,000</u>	<u>60,000</u>	<u>68,482</u>	<u>8,482</u>
<b>Expenditures</b>				
Current:				
Community Development				
City Manager				
Other	50,000	50,000	18,004	31,996
Net Change in Fund Balance	10,000	10,000	50,478	40,478
Fund Balance - Beginning of Year	799,078	799,078	799,078	-
<b>Fund Balance - End of Year</b>	<u><u>\$ 809,078</u></u>	<u><u>\$ 809,078</u></u>	<u><u>\$ 849,556</u></u>	<u><u>\$ 40,478</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$ 50,000	\$ 50,000	\$ 51,220	\$ 1,220
<b>Expenditures</b>				
Current:				
General Government				
Budget and Finance				
Other	3,500	3,500	1,968	1,532
Debt Service:				
Principal	449,947	449,947	488,947	(39,000)
Interest & Fiscal Charges	55,780	55,780	16,560	39,220
Bond Issuance Costs	2,925	2,925	1,122	1,803
Total Debt Service	<u>508,652</u>	<u>508,652</u>	<u>506,629</u>	<u>2,023</u>
<b>Total Expenditures</b>	<u>512,152</u>	<u>512,152</u>	<u>508,597</u>	<u>3,555</u>
Excess of Revenues Over (Under) Expenditures	(462,152)	(462,152)	(457,377)	4,775
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	170,702	210,702	210,000	(702)
Premium on Debt Issuance	3,133	3,133	2,764	(369)
Transfers In	280,248	280,248	280,248	-
<b>Total Other Financing Sources</b>	<u>454,083</u>	<u>494,083</u>	<u>493,012</u>	<u>(1,071)</u>
Net Change in Fund Balance	(8,069)	31,931	35,635	3,704
Fund Balance - Beginning of Year	184,355	184,355	184,355	-
<b>Fund Balance - End of Year</b>	<u>\$ 176,286</u>	<u>\$ 216,286</u>	<u>\$ 219,990</u>	<u>\$ 3,704</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Payments in Lieu of Taxes	\$ 321,838	\$ 321,838	\$ 408,906	\$ 87,068
Miscellaneous	64	64	-	(64)
<b>Total Revenues</b>	<u>321,902</u>	<u>321,902</u>	<u>408,906</u>	<u>87,004</u>
<b>Expenditures</b>				
Capital Outlay:				
Community Development	22,714	75,214	51,603	23,611
Debt Service:				
Principal	1,275,000	1,275,000	1,275,000	-
Interest & Fiscal Charges	232,725	232,725	232,725	-
Debt Issuance Costs	8,010	8,010	6,143	1,867
Total Debt Service	<u>1,515,735</u>	<u>1,515,735</u>	<u>1,513,868</u>	<u>1,867</u>
<b>Total Expenditures</b>	<u>1,538,449</u>	<u>1,590,949</u>	<u>1,565,471</u>	<u>25,478</u>
Excess of Revenues Over (Under) Expenditures	(1,216,547)	(1,269,047)	(1,156,565)	112,482
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	1,239,521	1,239,521	1,150,000	(89,521)
Premium on Debt Issuance	8,577	8,577	9,660	1,083
<b>Total Other Financing Sources</b>	<u>1,248,098</u>	<u>1,248,098</u>	<u>1,159,660</u>	<u>(88,438)</u>
Net Change in Fund Balance	31,551	(20,949)	3,095	24,044
Fund Balance - Beginning of Year	530,523	530,523	530,523	-
Prior Year Encumbrances Appropriated	22,714	22,714	22,714	-
<b>Fund Balance - End of Year</b>	<u>\$ 584,788</u>	<u>\$ 532,288</u>	<u>\$ 556,332</u>	<u>\$ 24,044</u>

**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, 2017*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 530,000	\$ 530,000	\$ 567,387	\$ 37,387
<b>Expenses</b>				
Current:				
Service				
Personal Services	72,324	72,324	67,446	4,878
Other Expenses	540,047	540,047	326,477	213,570
<b>Total Expenses</b>	<u>612,371</u>	<u>612,371</u>	<u>393,923</u>	<u>218,448</u>
Excess of Revenues Over (Under) Expenses	(82,371)	(82,371)	173,464	255,835
<b>Other Financing Uses</b>				
Advances Out	(109,000)	(109,000)	(109,000)	-
<b>Total Other Financing Uses</b>	<u>(109,000)</u>	<u>(109,000)</u>	<u>(109,000)</u>	<u>-</u>
Net Change in Fund Equity	(191,371)	(191,371)	64,464	255,835
Fund Equity - Beginning of Year	730,742	730,742	730,742	-
Prior Year Encumbrances Appropriated	43,014	43,014	43,014	-
<b>Fund Equity - End of Year</b>	<u>\$ 582,385</u>	<u>\$ 582,385</u>	<u>\$ 838,220</u>	<u>\$ 255,835</u>



# **STATISTICAL SECTION**



# City of Kent, Ohio

## Statistical Section

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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.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>										
Net Investment in										
Capital Assets	\$67,360,368	\$60,061,703	\$55,391,747	\$39,903,344	\$39,451,103	\$38,898,560	\$37,887,705	\$34,486,661	\$32,644,284	\$30,315,249
Restricted	18,027,734	20,795,807	18,029,115	17,879,819	15,340,542	13,973,116	11,523,440	10,583,375	11,445,419	11,802,606
Unrestricted	(5,548,617)	(7,211,295)	(4,101,580)	11,937,532	11,257,214	11,291,239	12,407,928	15,181,317	15,581,099	16,110,251
<i>Total Governmental Activities Net Position</i>	<u>79,839,485</u>	<u>73,646,215</u>	<u>69,319,282</u>	<u>69,720,695</u>	<u>66,048,859</u>	<u>64,162,915</u>	<u>61,819,073</u>	<u>60,251,353</u>	<u>59,670,802</u>	<u>58,228,106</u>
<b>Business Type - Activities</b>										
Net Investment in										
Capital Assets	49,952,592	49,624,570	49,925,407	49,833,675	48,867,706	49,793,993	49,593,173	50,033,315	49,221,658	48,345,006
Unrestricted	4,113,816	5,207,511	4,576,955	7,183,616	7,990,163	7,937,790	7,334,716	7,321,992	7,913,744	8,708,998
<i>Total Business-Type Activities Net Position</i>	<u>54,066,408</u>	<u>54,832,081</u>	<u>54,502,362</u>	<u>57,017,291</u>	<u>56,857,869</u>	<u>57,731,783</u>	<u>56,927,889</u>	<u>57,355,307</u>	<u>57,135,402</u>	<u>57,054,004</u>
<b>Primary Government</b>										
Net Investment in										
Capital Assets	117,312,960	109,686,273	105,317,154	89,737,019	88,318,809	88,692,553	87,480,878	84,519,976	81,865,942	78,660,255
Restricted	18,027,734	20,795,807	18,029,115	17,879,819	15,340,542	13,973,116	11,523,440	10,583,375	11,445,419	11,802,606
Unrestricted	(1,434,801)	(2,003,784)	475,375	19,121,148	19,247,377	19,229,029	19,742,644	22,503,309	23,494,843	24,819,249
<i>Total Primary Government Net Position</i>	<u>\$133,905,893</u>	<u>\$128,478,296</u>	<u>\$123,821,644</u>	<u>\$126,737,986</u>	<u>\$122,906,728</u>	<u>\$121,894,698</u>	<u>\$118,746,962</u>	<u>\$117,606,660</u>	<u>\$116,806,204</u>	<u>\$115,282,110</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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Security of Persons and Property	\$1,734,417	\$1,727,198	\$1,509,255	\$1,462,625	\$1,746,787	\$1,504,097	\$1,419,667	\$1,472,354	\$1,345,473	\$1,473,544
Public Health and Welfare	331,773	311,770	293,058	264,534	213,738	184,556	160,213	151,774	163,857	162,688
Leisure Time Activities	790,276	667,353	767,323	694,019	593,189	515,414	709,428	483,292	519,474	485,958
Community Development	396,100	417,610	413,530	222,108	259,516	233,565	250,093	58,576	59,667	74,398
Transportation	42,212	57,985	111,934	52,848	40,798	37,412	28,985	38,632	40,256	420
General Government	49,797	28,559	93,893	51,191	62,500	104,859	170,899	63,132	71,777	98,375
Subtotal - Charges for Services	3,344,575	3,210,475	3,188,993	2,747,325	2,916,528	2,579,903	2,739,285	2,267,760	2,200,504	2,295,383
Operating Grants and Contributions:										
Security of Persons and Property	12,245	41,354	86,441	146,158	85,049	165,394	133,319	50,659	236,658	109,737
Public Health and Welfare	0	0	0	0	0	6,892	11,926	9,977	8,564	8,467
Leisure Time Activities	0	7,100	7,150	5,050	6,400	6,300	13,549	0	0	0
Community Development	6,696	580,234	137,763	731,476	502,927	1,624,800	657,956	704,125	337,839	487,756
Transportation	858,807	813,816	738,936	864,307	805,517	768,006	785,830	804,778	793,252	821,735
General Government	0	0	0	6,729	0	0	0	0	0	0
Subtotal - Operating Grants and Contributions	877,748	1,442,504	970,290	1,753,720	1,399,893	2,571,392	1,602,580	1,569,539	1,376,313	1,427,695
Capital Grants and Contributions:										
Security of Persons and Property	0	0	0	0	54,563	0	186,789	0	0	0
Leisure Time Activities	644,428	0	27,909	375,702	730,884	644,119	250,000	32,297	7,001	892,074
Community Development	0	0	0	184,257	1,301,307	1,253,088	380,851	0	0	0
Transportation	6,112,002	5,184,058	12,571,371	467,278	1,357,189	905,425	1,980,191	873,056	1,998,656	1,930,197
General Government	0	0	0	0	0	0	290,880	0	0	0
Subtotal - Capital Grants and Contributions	6,756,430	5,184,058	12,599,280	1,027,237	3,443,943	2,802,632	3,088,711	905,353	2,005,657	2,822,271
<b>Total Governmental Activities Program Revenues</b>	<b>10,978,753</b>	<b>9,837,037</b>	<b>16,758,563</b>	<b>5,528,282</b>	<b>7,760,364</b>	<b>7,953,927</b>	<b>7,430,576</b>	<b>4,742,652</b>	<b>5,582,474</b>	<b>6,545,349</b>
Business-Type Activities:										
Charges for Services:										
Water	3,538,859	3,319,116	3,429,946	3,006,999	3,281,466	3,197,503	2,741,795	2,706,968	2,635,679	2,491,836
Sewer	4,002,825	3,954,158	4,261,658	3,904,905	3,961,787	4,150,757	3,566,055	3,491,363	3,433,218	3,173,156
Solid Waste	580,308	541,363	521,150	484,830	508,985	445,105	424,599	419,696	400,690	377,726
Storm Water Drainage	983,070	963,591	562,743	565,152	496,051	565,338	555,853	548,930	560,039	558,382
Subtotal - Charges for Services	9,105,062	8,778,228	8,775,497	7,961,886	8,248,289	8,358,703	7,288,302	7,166,957	7,029,626	6,601,100
Operating Grants and Contributions:										
Water	0	0	0	0	0	0	0	0	0	0
Sewer	0	0	0	0	0	0	180,546	0	0	0
Solid Waste	0	0	0	0	0	12,500	12,500	12,500	12,500	12,500
Subtotal - Operating Grants and Contributions	0	0	0	0	0	12,500	193,046	12,500	12,500	12,500
Capital Grants and Contributions										
Water	36,750	196,294	129,054	19,051	75,817	334,491	134,295	127,177	91,076	42,052
Sewer	41,927	270,555	198,770	31,962	62,312	70,760	194,121	57,438	111,524	39,693
Storm Water Drainage	156,103	163,893	326,085	202,918	39,990	167,150	86,604	1,083,023	586,939	201,215
Subtotal - Capital Grants and Contributions	234,780	630,742	653,909	253,931	178,119	572,401	415,020	1,267,638	789,539	282,960
<b>Total Business-Type Activities Program Revenues</b>	<b>9,339,842</b>	<b>9,408,970</b>	<b>9,429,406</b>	<b>8,215,817</b>	<b>8,426,408</b>	<b>8,943,604</b>	<b>7,896,368</b>	<b>8,447,095</b>	<b>7,831,665</b>	<b>6,896,560</b>
<b>Total Primary Government Program Revenues</b>	<b>\$20,318,595</b>	<b>\$19,246,007</b>	<b>\$26,187,969</b>	<b>\$13,744,099</b>	<b>\$16,186,772</b>	<b>\$16,897,531</b>	<b>\$15,326,944</b>	<b>\$13,189,747</b>	<b>\$13,414,139</b>	<b>\$13,441,909</b>

# City of Kent, Ohio

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

**Table 2**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Security of Persons and Property	\$13,445,628	\$13,327,470	\$12,085,275	\$11,106,253	\$10,907,162	\$11,293,807	\$11,155,689	\$10,595,357	\$10,369,569	\$10,048,146
Public Health and Welfare	978,817	865,759	751,049	733,837	724,497	678,085	666,053	632,398	620,303	624,117
Leisure Time Activities	2,290,693	2,182,450	2,129,354	1,876,396	1,745,256	1,682,142	1,611,324	1,438,323	1,382,046	1,349,541
Community Development	2,081,122	2,180,658	2,013,840	2,154,400	3,529,274	4,022,927	3,002,485	1,787,031	1,771,093	1,809,918
Transportation	5,491,314	5,132,998	5,194,392	3,720,312	3,801,634	3,408,722	3,732,080	3,713,225	3,462,831	3,511,591
General Government	3,192,464	3,051,990	3,980,966	3,015,330	2,775,445	2,988,674	3,090,494	2,852,097	2,848,297	2,758,218
Interest and Fiscal Charges	645,096	625,093	599,464	441,711	321,067	247,423	196,981	143,384	215,996	258,757
<b>Total Governmental Activities Expenses</b>	<b>28,125,134</b>	<b>27,366,418</b>	<b>26,754,340</b>	<b>23,048,239</b>	<b>23,804,335</b>	<b>24,321,780</b>	<b>23,455,106</b>	<b>21,161,815</b>	<b>20,670,135</b>	<b>20,360,288</b>
<b>Business-Type Activities</b>										
Water	3,925,238	3,614,125	3,940,584	3,266,800	3,579,906	3,224,228	3,239,611	3,306,197	3,339,193	3,310,242
Sewer	4,869,479	4,304,016	4,170,412	3,888,272	3,693,322	3,849,553	4,139,302	3,985,170	4,062,437	3,881,883
Solid Waste	387,087	375,328	354,304	360,163	362,196	428,292	434,718	453,846	479,740	430,779
Storm Water Drainage	1,011,067	872,141	927,030	776,836	871,773	730,942	813,922	664,552	287,644	275,168
<b>Total Business-Type Activities Expenses</b>	<b>10,192,871</b>	<b>9,165,610</b>	<b>9,392,330</b>	<b>8,292,071</b>	<b>8,507,197</b>	<b>8,233,015</b>	<b>8,627,553</b>	<b>8,409,765</b>	<b>8,169,014</b>	<b>7,898,072</b>
<b>Total Primary Government Program Expenses</b>	<b>38,318,005</b>	<b>36,532,028</b>	<b>36,146,670</b>	<b>31,340,310</b>	<b>32,311,532</b>	<b>32,554,795</b>	<b>32,082,659</b>	<b>29,571,580</b>	<b>28,839,149</b>	<b>28,258,360</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$17,146,381)	(\$17,529,381)	(\$9,995,777)	(\$17,519,957)	(\$16,043,971)	(\$16,367,853)	(\$16,024,530)	(\$16,419,163)	(\$15,087,661)	(\$13,814,939)
Business-Type Activities	(853,029)	243,360	37,076	(76,254)	(80,789)	710,589	(731,185)	37,330	(337,349)	(1,001,512)
<b>Total Primary Government Net (Expense)/Revenue</b>	<b>(\$17,999,410)</b>	<b>(\$17,286,021)</b>	<b>(\$9,958,701)</b>	<b>(\$17,596,211)</b>	<b>(\$16,124,760)</b>	<b>(\$15,657,264)</b>	<b>(\$16,755,715)</b>	<b>(\$16,381,833)</b>	<b>(\$15,425,010)</b>	<b>(\$14,816,451)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
<b>Taxes:</b>										
<b>Property and Other Local Taxes Levied For:</b>										
General Purposes	\$1,868,194	\$1,827,297	\$2,153,989	\$1,909,075	\$1,826,973	\$1,796,724	\$1,620,411	\$1,626,108	\$1,639,561	\$1,645,714
Other Purposes	1,689,726	1,670,369	1,600,001	1,396,312	1,396,589	1,424,728	1,618,587	1,593,553	1,578,221	1,539,836
Municipal Income Taxes	16,809,427	15,529,037	16,687,329	15,322,764	12,163,342	12,921,715	10,962,364	10,800,430	10,402,223	10,508,828
Payments in Lieu of Taxes	408,906	368,097	511,990	372,968	0	0	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	1,807,042	1,830,099	1,807,531	1,600,833	1,935,682	1,668,485	2,735,703	2,446,005	2,403,218	2,430,874
Investment Earnings	382,400	332,106	288,799	192,313	144,065	206,287	221,008	232,274	443,814	781,307
Gain on Sale of Capital Assets	0	0	2,409,100	23,761	0	0	0	0	0	0
Miscellaneous	373,956	299,309	300,254	460,767	463,264	475,985	574,177	301,344	165,543	77,607
Transfers	0	0	0	0	0	0	(140,000)	0	0	0
<b>Total Governmental Activities</b>	<b>23,339,651</b>	<b>21,856,314</b>	<b>25,758,993</b>	<b>21,278,793</b>	<b>17,929,915</b>	<b>18,493,924</b>	<b>17,592,250</b>	<b>16,999,714</b>	<b>16,632,580</b>	<b>16,984,166</b>
<b>Business-Type Activities</b>										
Investment Earnings	16	256	14,185	34,289	17,795	29,250	33,514	76,543	187,029	353,880
Gain on Sale of Capital Assets	0	11,860	2,192	6,842	0	0	0	23,796	0	0
Miscellaneous	87,340	74,243	118,447	194,545	55,730	64,055	130,253	82,236	129,495	55,484
Transfers	0	0	0	0	0	0	140,000	0	0	0
<b>Total Business-Type Activities</b>	<b>87,356</b>	<b>86,359</b>	<b>134,824</b>	<b>235,676</b>	<b>73,525</b>	<b>93,305</b>	<b>303,767</b>	<b>182,575</b>	<b>316,524</b>	<b>409,364</b>
<b>Total Primary Government</b>	<b>23,427,007</b>	<b>21,942,673</b>	<b>25,893,817</b>	<b>21,514,469</b>	<b>18,003,440</b>	<b>18,587,229</b>	<b>17,896,017</b>	<b>17,182,289</b>	<b>16,949,104</b>	<b>17,393,530</b>
<b>Change in Net Position</b>										
Governmental Activities	6,193,270	4,326,933	15,763,216	3,758,836	1,885,944	2,126,071	1,567,720	580,551	1,544,919	3,169,227
Business-Type Activities	(765,673)	329,719	171,900	159,422	(7,264)	803,894	(427,418)	219,905	(20,825)	(592,148)
<b>Total Primary Government Change in Net Position</b>	<b>\$5,427,597</b>	<b>\$4,656,652</b>	<b>\$15,935,116</b>	<b>\$3,918,258</b>	<b>\$1,878,680</b>	<b>\$2,929,965</b>	<b>\$1,140,302</b>	<b>\$800,456</b>	<b>\$1,524,094</b>	<b>\$2,577,079</b>

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>
2017	\$16,809,427	\$3,557,920	\$20,367,347
2016	15,529,037	3,497,666	19,026,703
2015	16,687,329	3,753,990	20,441,319
2014	15,322,764	3,305,387	18,628,151
2013	12,163,342	3,223,562	15,386,904
2012	12,921,715	3,221,452	16,143,167
2011	10,962,364	3,238,998	14,201,362
2010	10,800,430	3,219,661	14,020,091
2009	10,402,223	3,217,782	13,620,005
2008	10,508,828	3,185,550	13,694,378

# City of Kent, Ohio

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

**Table 4**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Fund</b>										
Nonspendable	\$1,947,979	\$3,148,164	\$3,604,995	\$4,960,977	\$2,411,417	\$2,033,323	\$1,159,430	\$2,529,366	\$0	\$0
Committed	2,353,458	2,327,888	2,302,348	2,276,808	2,276,808	0	0	0	0	0
Assigned	210,972	309,949	221,857	294,510	305,274	2,894,067	2,863,740	2,744,000	0	0
Unassigned	10,267,779	9,587,507	9,797,755	5,438,123	7,688,581	732,615	3,204,918	4,346,151	0	0
Reserved	0	0	0	0	0	0	0	0	1,639,853	1,831,388
Unreserved	0	0	0	0	0	0	0	0	7,792,430	7,993,656
<b>Total General Fund</b>	<b>14,780,188</b>	<b>15,373,508</b>	<b>15,926,955</b>	<b>12,970,418</b>	<b>12,682,080</b>	<b>5,660,005</b>	<b>7,228,088</b>	<b>9,619,517</b>	<b>9,432,283</b>	<b>9,825,044</b>
<b>All Other Governmental Funds</b>										
Nonspendable	444,358	445,052	455,723	4,595,363	4,204,736	4,303,876	4,269,688	187,302	0	0
Restricted	7,852,656	14,657,131	15,661,713	11,491,915	6,371,314	7,000,667	5,129,268	5,000,566	0	0
Committed	4,390,114	4,276,398	2,921,531	2,578,713	6,661,690	7,416,462	6,000,683	5,580,030	0	0
Unassigned (Deficit)	(2,471,506)	(1,018,500)	(892,659)	(949,135)	(5,720,431)	(6,186,570)	(5,461,833)	(115,035)	0	0
Reserved	0	0	0	0	0	0	0	0	2,212,363	2,237,630
Unreserved:										
Designated:										
Special Revenue funds										
For Public Facilities and Programs	0	0	0	0	0	0	0	0	2,162,966	2,120,760
Undesignated (Deficit), Reported in:										
Special Revenue funds	0	0	0	0	0	0	0	0	8,062,407	7,863,374
Capital Projects funds	0	0	0	0	0	0	0	0	(711,829)	(553,463)
<b>Total All Other Governmental Funds</b>	<b>10,215,622</b>	<b>18,360,081</b>	<b>18,146,308</b>	<b>17,716,856</b>	<b>11,517,309</b>	<b>12,534,435</b>	<b>9,937,806</b>	<b>10,652,863</b>	<b>11,725,907</b>	<b>11,668,301</b>
<b>Total Governmental Funds</b>	<b>\$24,995,810</b>	<b>\$33,733,589</b>	<b>\$34,073,263</b>	<b>\$30,687,274</b>	<b>\$24,199,389</b>	<b>\$18,194,440</b>	<b>\$17,165,894</b>	<b>\$20,272,380</b>	<b>\$21,158,190</b>	<b>\$21,493,345</b>

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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Taxes:										
Property and Other Local Taxes	\$3,554,524	\$3,754,936	\$3,477,279	\$3,430,049	\$3,219,884	\$3,253,169	\$3,252,122	\$3,188,957	\$3,191,649	\$3,181,717
Municipal Income Taxes	16,425,784	15,746,639	16,522,458	14,947,349	12,545,597	11,921,978	10,785,019	10,497,813	10,525,332	10,590,922
Payments in Lieu of Taxes	408,906	368,097	511,990	372,968	0	0	0	0	0	0
Charges for Services	2,542,446	2,524,653	2,235,836	2,117,668	2,384,258	1,905,500	1,815,145	1,710,682	1,782,466	1,782,566
Fees, Licenses and Permits	424,912	383,602	598,196	423,085	414,466	396,389	737,262	203,840	195,432	233,749
Fines and Forfeitures	340,127	290,389	270,676	215,851	201,463	223,148	182,599	215,091	232,475	273,217
Intergovernmental	9,881,732	8,112,873	3,160,870	3,763,838	6,978,903	6,824,535	6,694,046	4,933,568	5,776,055	6,794,713
Contributions and Donations	0	0	12,246,493	0	0	0	0	0	0	0
Special Assessments	221,523	149,785	134,333	166,455	170,144	200,091	154,563	162,134	134,760	188,193
Interest	368,217	317,069	270,211	173,655	128,104	178,996	187,822	199,075	411,319	746,226
Miscellaneous	368,970	667,978	380,239	509,397	550,012	357,551	214,177	301,496	169,412	84,153
<b>Total Revenues</b>	<b>34,537,141</b>	<b>32,316,021</b>	<b>39,808,581</b>	<b>26,120,315</b>	<b>26,592,831</b>	<b>25,261,357</b>	<b>24,022,755</b>	<b>21,412,656</b>	<b>22,418,900</b>	<b>23,875,456</b>
<b>Expenditures</b>										
Current:										
Security of Persons and Property	11,841,104	11,412,483	11,349,702	10,723,832	10,553,514	10,263,063	10,283,338	10,132,948	9,769,228	9,604,565
Public Health and Welfare	875,813	827,419	741,845	719,149	723,475	621,527	665,015	624,153	614,382	622,121
Leisure Time Activities	1,795,084	1,844,700	1,683,258	1,617,012	1,529,772	1,444,809	1,401,566	1,316,516	1,311,301	1,282,314
Community Development	1,937,742	2,128,439	1,734,365	2,144,934	3,526,550	3,225,697	3,023,979	1,787,852	1,748,287	1,783,711
Transportation	3,495,634	3,155,370	3,160,843	2,112,695	2,219,883	1,803,687	2,185,911	1,859,655	1,871,613	1,650,958
General Government	2,864,129	2,793,395	3,061,925	2,831,873	2,668,437	2,680,256	2,972,845	2,772,347	2,740,057	2,623,065
Capital Outlay	18,544,516	8,966,215	17,107,260	3,835,844	4,250,559	3,695,672	5,912,555	3,764,921	4,171,122	5,569,791
Debt Service:										
Principal Retirement	1,328,405	881,904	354,991	29,947	60,947	1,434,937	201,973	209,947	198,947	217,947
Interest and Fiscal Charges	644,470	654,654	490,638	357,801	130,467	191,040	197,800	144,108	216,718	259,556
Bond Issuance Costs	30,519	17,518	120,195	114,419	140,230	62,354	0	0	0	0
<b>Total Expenditures</b>	<b>43,357,416</b>	<b>32,682,097</b>	<b>39,805,022</b>	<b>24,487,506</b>	<b>25,803,834</b>	<b>25,423,042</b>	<b>26,844,982</b>	<b>22,612,447</b>	<b>22,641,655</b>	<b>23,614,028</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,820,275)</b>	<b>(366,076)</b>	<b>3,559</b>	<b>1,632,809</b>	<b>788,997</b>	<b>(161,685)</b>	<b>(2,822,227)</b>	<b>(1,199,791)</b>	<b>(222,755)</b>	<b>261,428</b>

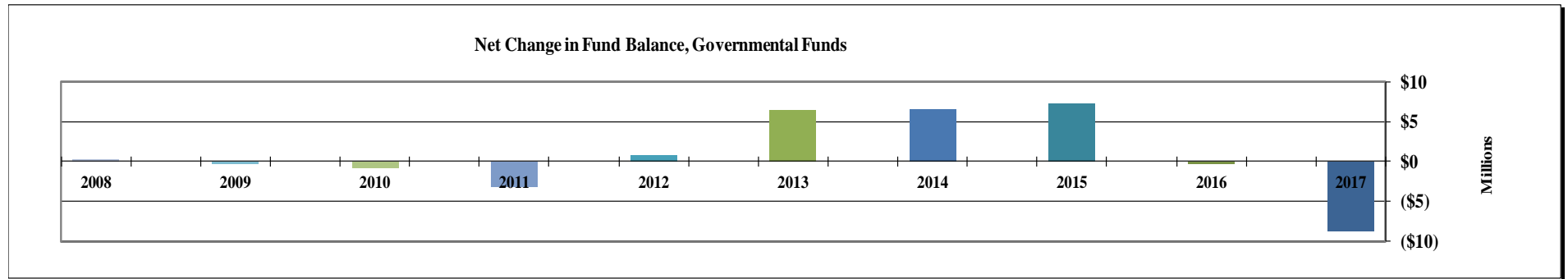
# City of Kent, Ohio

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

### Last Ten Years

**Table 5**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Other Financing Sources (Uses)</b>										
Proceeds from Sale of Capital Assets	9,454	26,402	2,409,100	23,761	15,726	15,346	5,741	0	0	0
General Obligation Bonds Issued	0	0	4,465,000	4,535,000	5,490,000	0	0	0	0	0
Premium on Debt Issued	0	0	533,826	413,452	117,994	0	0	0	0	0
Loan Proceeds	73,042	0	1,171	42,863	113,232	1,117,114	0	455,101	0	0
Transfers In	6,180,248	5,557,992	5,831,822	3,259,948	266,947	270,762	268,522	10,178,069	9,834,480	10,643,237
Transfers Out	(6,180,248)	(5,557,992)	(5,991,822)	(3,419,948)	(426,947)	(430,762)	(558,522)	(10,319,189)	(9,946,880)	(10,643,237)
<b>Total Other Financing Sources (Uses)</b>	<b>82,496</b>	<b>26,402</b>	<b>7,249,097</b>	<b>4,855,076</b>	<b>5,576,952</b>	<b>972,460</b>	<b>(284,259)</b>	<b>313,981</b>	<b>(112,400)</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(\$8,737,779)</b>	<b>(\$339,674)</b>	<b>\$7,252,656</b>	<b>\$6,487,885</b>	<b>\$6,365,949</b>	<b>\$810,775</b>	<b>(\$3,106,486)</b>	<b>(\$885,810)</b>	<b>(\$335,155)</b>	<b>\$261,428</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>7.95%</b>	<b>6.48%</b>	<b>2.42%</b>	<b>1.88%</b>	<b>0.89%</b>	<b>7.48%</b>	<b>1.91%</b>	<b>1.85%</b>	<b>2.25%</b>	<b>2.65%</b>



## 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>
2017	\$16,425,784	\$3,554,524	\$19,980,308
2016	15,746,639	3,754,936	19,501,575
2015	16,522,458	3,477,279	19,999,737
2014	14,947,349	3,430,049	18,377,398
2013	12,545,597	3,219,884	15,765,481
2012	11,921,978	3,253,169	15,175,147
2011	10,785,019	3,252,122	14,037,141
2010	10,497,813	3,188,957	13,686,770
2009	10,525,332	3,191,649	13,716,981
2008	10,590,922	3,181,717	13,772,639

# City of Kent, Ohio

## Income Tax Revenue Base and Collections (Cash Basis)

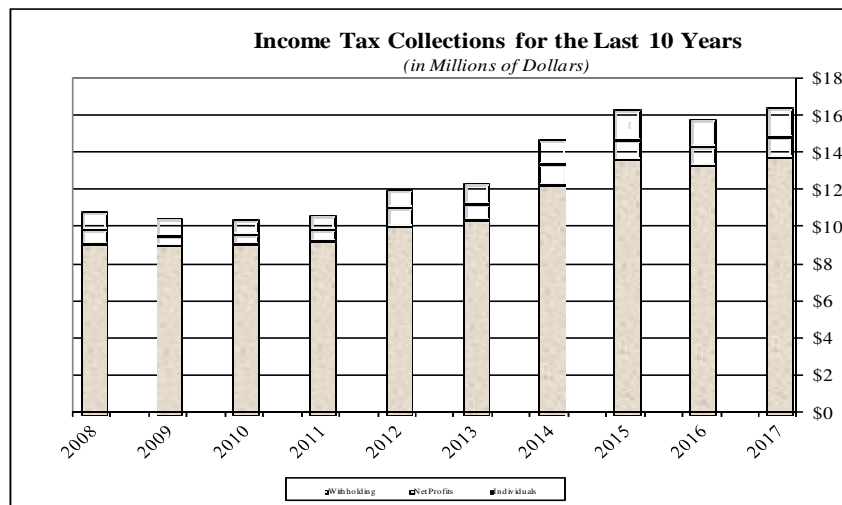
### Last Ten Years

**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
2017	2.25%	\$16,523,087	\$13,839,558	83.75%	\$1,113,206	6.74%	\$1,570,323	9.50%
2016	2.25	15,899,464	13,370,776	84.09	1,022,789	6.43	1,505,899	9.47
2015	2.25	16,416,347	13,748,146	83.74	1,022,937	6.23	1,645,264	10.02
2014	2.25	14,732,950	12,333,821	83.71	1,131,339	7.68	1,267,790	8.61
2013	2.00	12,397,812	10,422,124	84.06	899,704	7.26	1,075,984	8.68
2012	2.00	12,067,888	10,090,208	84.06	1,030,657	8.54	947,023	7.85
2011	2.00	10,711,488	9,320,111	87.01	568,412	5.31	822,965	7.68
2010	2.00	10,453,032	9,127,346	87.32	514,532	4.92	811,154	7.76
2009	2.00	10,482,215	9,014,860	86.00	563,146	5.37	904,209	8.63
2008	2.00	10,871,742	9,132,780	84.01	754,913	6.94	984,049	9.05

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**

<b>2017</b>		
	<u>Rank</u>	<u>Employer Name</u>
	1	Kent State University
	2	Davey Tree Expert Co., Inc.
	3	Kent City Board of Education
	4	City of Kent
	5	Smithers-Oasis Company
	6	Land-O-Lakes
	7	Klaben Ford Lincoln Mercury
	8	Ametek Technical & Industrial
	9	MAC Trailer
	10	University Hospitals Health
<b>2008</b>		
<u>2017 Rank</u>	<u>Rank</u>	<u>Employer Name</u>
1	1	Kent State University
3	2	Kent City Schools
2	3	Davey Tree Expert Co., Inc.
4	4	City of Kent
6	5	Land O Lakes
5	6	Smithers-Oasis Company
9	7	Ametek, Inc
7	8	Klaben Family Ford, Inc.
n/a	9	Robinson Memorial
n/a	10	ACS Industries Inc

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

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

n/a - Information is not available.

## City of Kent, Ohio

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

***Last Ten Years***

**Table 9**

Tax Year/ Collection Year	City of Kent Direct Rates						Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	West Side Fire Station	Recreation Fund	Police Pension Fund	Fire Pension Fund	Total City	Portage County	Kent City School District	
2016/2017	\$ 4.76	\$ 0.73	\$ 3.45	\$ 0.30	\$ 0.30	\$ 9.54	\$ 13.62	\$ 110.92	\$ 134.08
2015/2016	4.76	0.73	3.45	0.30	0.30	9.54	13.62	110.97	134.13
2014/2015	4.76	0.73	3.45	0.30	0.30	9.54	13.62	111.22	134.38
2013/2014	4.76	0.73	3.45	0.30	0.30	9.54	13.62	111.24	134.40
2012/2013	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.73	125.89
2011/2012	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.73	125.89
2010/2011	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.57	125.73
2009/2010	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.91	126.07
2008/2009	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58
2007/2008	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.18	125.34



## 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
2017	\$228,519,490	\$138,846,400	\$1,049,616,829	\$7,043,860	\$10,513,224
2016	227,733,470	135,546,600	1,037,943,057	6,517,190	9,727,149
2015	223,631,000	120,648,230	983,654,943	6,366,170	9,501,746
2014	223,150,150	121,763,920	985,468,771	6,160,110	9,194,194
2013	222,686,490	109,348,950	948,672,686	5,708,560	8,520,239
2012	244,935,210	96,240,890	974,788,857	5,159,580	7,700,866
2011	245,769,930	97,898,140	981,908,771	4,896,150	7,307,687
2010	245,425,880	99,440,840	985,333,486	4,703,740	7,020,507
2009	256,434,590	100,457,690	1,019,692,229	4,346,170	6,486,821
2008	252,810,490	99,540,990	1,006,718,514	4,320,510	6,448,522

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

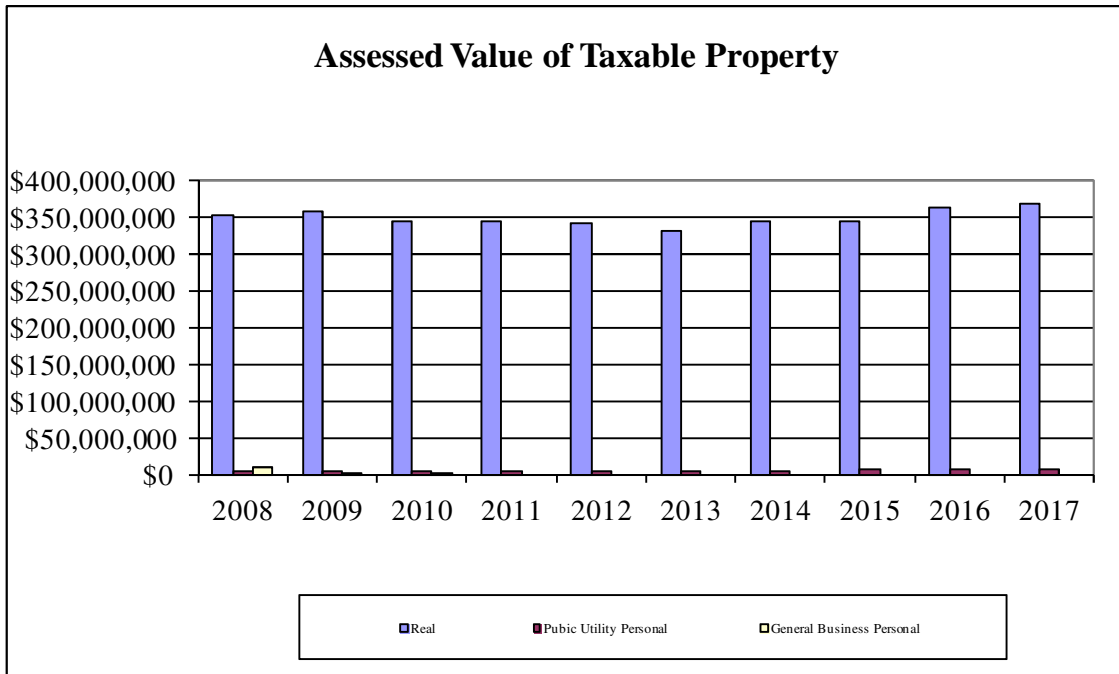
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Public utility personal property is assessed at 88% of actual value (1997-2004) and 67% of actual value (2005-2008). General business tangible personal property was assessed in previous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

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

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

**Table 10**

<u>Tangible Personal Property</u>					
<u>General Business</u>		<u>Total</u>			
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	<u>Direct Tax Rate</u>
\$0	\$0	\$374,409,750	\$1,060,130,052	35.32%	9.54
0	0	369,797,260	1,047,670,206	35.30	9.54
0	0	350,645,400	993,156,689	35.31	9.54
0	0	351,074,180	994,662,965	35.30	9.54
0	0	337,744,000	957,192,925	35.28	9.54
0	0	346,335,680	982,489,723	35.25	9.54
0	0	348,564,220	989,216,458	35.24	9.54
549,540	8,792,640	350,120,000	1,001,146,633	34.97	9.54
1,043,340	16,693,440	362,281,790	1,042,872,489	34.97	9.54
10,845,518	173,528,288	367,517,508	1,186,695,325	34.74	9.54



# City of Kent, Ohio

## Property Tax Levies and Collections

### Last Ten Years

**Table 11**

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Tax Levy (1)</u>	<u>Accumulated Outstanding Delinquent Taxes</u>
2017	\$ 3,276,092	\$ 3,234,876	98.74%	\$ 71,364	\$ 3,306,240	100.92%	\$ 106,189
2016	3,235,916	3,149,608	97.33	348,708	3,498,316	108.11	130,422
2015	3,140,019	3,040,892	96.84	123,279	3,164,171	100.77	208,441
2014	3,390,720	3,055,380	90.11	107,240	3,162,620	93.27	216,271
2013	3,011,295	2,926,504	97.18	102,987	3,029,491	100.60	156,571
2012	3,094,935	3,003,867	97.06	107,602	3,111,469	100.53	226,103
2011	3,102,660	2,991,353	96.41	114,216	3,105,569	100.09	267,134
2010	3,110,607	2,971,714	95.53	98,660	3,070,374	98.71	284,989
2009	3,115,522	3,002,879	96.38	94,310	3,097,189	99.41	254,285
2008	3,165,432	3,072,009	97.05	88,462	3,160,471	99.84	228,150

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

2017 and 2008

Table 12

Taxpayer	2017	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Province Kent OH LLC	\$12,600,000	3.37 %
ACC OP (University Edge Kent) LLC	9,406,250	2.51
CDC-Kent LLC	6,488,000	1.73
Mikey Ryan LLC	4,665,500	1.25
DSMP-Kent LLC	4,296,250	1.15
Whitehall Terrace Investors LLC	3,478,830	0.93
Douglas Partners LLC	3,465,670	0.93
Silver Meadows Ltd.	2,452,980	0.66
Klaben Property Management LLC	1,980,790	0.53
New Indian Valley Limited Partnership	1,810,870	0.48
<b>Total</b>	<b>\$50,645,140</b>	<b>13.52 %</b>
<b>Total Assessed Valuation</b>	<b>\$374,409,750</b>	
Taxpayer	2008	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
DSMP - Kent LLC*	\$3,552,080	0.98 %
Silver Meadows Ltd.	3,386,260	0.92
Ohio Edison	3,105,670	0.85
Mickey Ryan LLC	2,941,120	0.80
Draucker, Carl A.	2,623,460	0.71
Whitehall Terrace Investors LLC	2,423,050	0.66
Douglas Partners **	2,022,370	0.55
Klaben Ford, Inc.	1,969,840	0.54
Davey Tree	1,748,850	0.48
Fontaine Trailer Company	1,732,750	0.47
<b>Total</b>	<b>\$25,505,450</b>	<b>6.94 %</b>
<b>Total Assessed Valuation</b>	<b>\$367,517,508</b>	

Source: Portage County, Ohio; County Treasurer

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

\* Formerly Associated Estates Realty and Dale Terrace

\*\* Formerly W9/GLM Real Estate

# City of Kent, Ohio

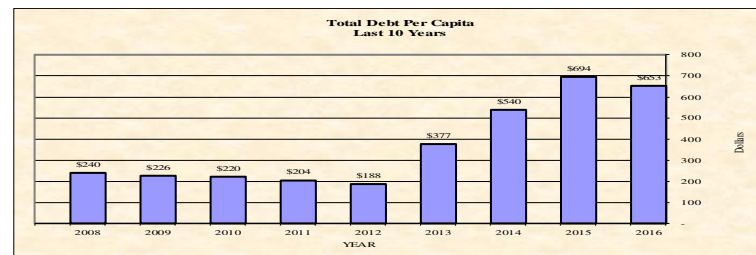
## Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

### 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		
2017	\$14,452,043	\$282,467	\$0	\$200,052	\$2,345,035	\$17,279,597	\$598
2016	14,869,111	259,148	903,682	217,218	2,615,496	18,864,655	653
2015	15,281,179	308,871	1,365,863	234,384	2,876,541	20,066,838	694
2014	10,549,847	337,647	1,445,907	139,351	3,128,501	15,601,253	540
2013	5,606,950	324,731	1,445,907	144,318	3,371,694	10,893,600	377
2012	0	241,446	1,445,907	145,827	3,606,429	5,439,609	188
2011	1,370,000	231,053	375,123	82,108	3,833,003	5,891,287	204
2010	1,530,000	246,026	455,101	84,592	4,051,703	6,367,422	220
2009	1,685,000	275,973	0	89,559	4,262,805	6,313,337	226
2008	1,830,000	305,920	0	94,526	4,466,577	6,697,023	240

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





## City of Kent, Ohio

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

**Table 14**

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Accumulated Resources Restricted for Repayment	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2017	28,904 b	\$1,060,130,052	\$14,452,043	(\$267,832)	\$14,184,211	1.34 %	\$490.74
2016	28,904 b	1,047,670,206	14,869,111	(225,860)	14,643,251	1.40	506.62
2015	28,904 b	993,156,689	15,281,179	(219,717)	15,061,462	1.52	521.09
2014	28,904 b	994,662,965	10,549,847	(201,441)	10,348,406	1.04	358.03
2013	28,904 b	957,192,925	5,606,950	(385,140)	5,221,810	0.55	180.66
2012	28,904 b	982,489,723	0	(443,454)	0	0.00	0.00
2011	28,904 b	989,216,458	1,370,000	(483,475)	886,525	0.09	30.67
2010	28,904 b	1,001,146,633	1,530,000	(516,342)	1,013,658	0.10	35.07
2009	27,906 a	1,042,872,489	1,685,000	(572,836)	1,112,164	0.11	39.85
2008	27,906 a	1,186,695,325	1,830,000	(621,191)	1,208,809	0.10	43.32
2007	27,906 a	1,132,947,093	1,970,000	(696,830)	1,273,170	0.11	45.62

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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Assessed Property Value	\$374,409,750	\$369,797,260	\$350,645,400	\$351,074,180	\$337,744,000	\$346,335,680	\$348,564,220	\$350,120,000	\$362,281,790	\$367,517,508
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	39,313,024	38,828,712	36,817,767	36,862,789	35,463,120	36,365,246	36,599,243	36,762,600	38,039,588	38,589,338
Debt Outstanding:										
General Obligation Bonds - Governmental Activities	14,452,043	14,869,111	15,281,179	10,549,847	5,606,950	0	1,370,000	1,530,000	1,685,000	1,830,000
Bond Anticipation Notes - Governmental Activities	5,651,472	2,591,901	3,057,726	4,174,422	4,635,015	10,295,000	7,715,000	3,625,000	2,965,000	3,205,000
Bond Anticipation Notes - Business Type Activities	377,100	437,007	497,011	557,401	617,474	675,000	735,000	795,000	855,000	915,000
Total Gross Indebtedness	20,480,615	17,898,019	18,835,916	15,281,670	10,859,439	10,970,000	9,820,000	5,950,000	5,505,000	5,950,000
Less:										
Bond Anticipation Notes - Business Type Activities	(377,100)	(437,007)	(497,011)	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)	(855,000)	(915,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0	0	(47,709)	(32,145)	(18,424)	(30,186)
Total Net Debt Applicable to Debt Limit	20,103,515	17,461,012	18,338,905	14,724,269	10,241,965	10,295,000	9,037,291	5,122,855	4,631,576	5,004,814
Legal Debt Margin Within 10 ½ % Limitations	\$19,209,509	\$21,367,700	\$18,478,862	\$22,138,520	\$25,221,155	\$26,070,246	\$27,561,952	\$31,639,745	\$33,408,012	\$33,584,524
Legal Debt Margin as a Percentage of the Debt Limit	48.86%	55.03%	50.19%	60.06%	71.12%	71.69%	75.31%	86.07%	87.82%	87.03%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$20,592,536	\$20,338,849	\$19,285,497	\$19,309,080	\$18,575,920	\$19,048,462	\$19,171,032	\$19,256,600	\$19,925,498	\$20,213,463
Total Gross Indebtedness	20,480,615	17,898,019	18,835,916	15,281,670	10,859,439	10,970,000	9,820,000	5,950,000	5,505,000	5,950,000
Less:										
Bond Anticipation Notes - Business Type Activities	(377,100)	(437,007)	(497,011)	(557,401)	(617,474)	(675,000)	(735,000)	(795,000)	(855,000)	(915,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0	0	(47,709)	(32,145)	(18,424)	(30,186)
Net Debt Within 5 ½ % Limitations	20,103,515	17,461,012	18,338,905	14,724,269	10,241,965	10,295,000	9,037,291	5,122,855	4,631,576	5,004,814
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$489,021	\$2,877,837	\$946,592	\$4,584,811	\$8,333,955	\$8,753,462	\$10,133,741	\$14,133,745	\$15,293,922	\$15,208,649
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	2.37%	14.15%	4.91%	23.74%	44.86%	45.95%	52.86%	73.40%	76.76%	75.24%

Source: City Financial Records

## City of Kent, Ohio

### Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2017

**Table 16**

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Kent</b>			
General Obligation Bonds	\$14,452,043	100.00 %	\$14,452,043
OPWC Loans	282,467	100.00	282,467
Other Loans Payable	0	100.00	0
<i>Total Direct Debt</i>	<u>\$14,734,510</u>		<u>\$14,734,510</u>
<b>Overlapping</b>			
Kent City School District (2)			
General Obligation Bonds	12,780,000	72.23	9,230,994
Portage County (3)			
General Obligation Bonds	17,630,724	10.65	1,877,672
Special Assessment Bonds	195,207	10.65	20,790
OWDA Loans	143,741	10.65	15,308
<i>Total Overlapping Debt</i>	<u>30,749,672</u>		<u>11,144,764</u>
<b>Total</b>	<u><u>\$45,484,182</u></u>		<u><u>\$25,879,274</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)
2017	28,904	b	\$552,066,400	\$19,100	\$26,696	3,225	4.7%	3.8%
2016	28,904	b	552,066,400	19,100	26,696	3,244	5.0%	4.3%
2015	28,904	b	552,066,400	19,100	26,696	3,713	4.9%	4.2%
2014	28,904	b	552,066,400	19,100	26,696	3,314	4.8%	4.2%
2013	28,904	b	552,066,400	19,100	26,696	3,297	6.6%	5.2%
2012	28,904	b	552,066,400	19,100	26,696	3,374	6.8%	7.7%
2011	28,904	b	552,066,400	19,100	26,696	3,496	8.3%	7.7%
2010	28,904	b	552,066,400	19,100	26,696	3,314	9.8%	7.9%
2009	27,906	a	419,008,590	15,015	29,582	3,389	9.9%	7.5%
2008	27,906	a	419,008,590	15,015	29,582	3,638	7.8%	5.8%

(1) Source: U. S. Census

(a) 2000 Federal Census

(b) 2010 Federal Census

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

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

# City of Kent, Ohio

## Principal Employers

*Current and Nine Years Ago*

**Table 18**

<b>2017</b>		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	43.20%	
Davey Tree Expert Co., Inc.	5.12%	
Kent City Board of Education	4.61%	
City of Kent	2.43%	
Smithers-Oasis Company	2.08%	
Land-O-Lakes	2.00%	
Klaben Ford Lincoln Mercury	1.35%	
Ametek Inc	1.31%	
MAC Trailer Enterprises	0.76%	
University Hospital Health	0.75%	
Total	<u>\$ 8,491,824</u>	<u>63.61%</u>
Total City's Withholdings	<u>\$ 13,349,826</u>	
<b>2008</b>		
Employer	Percentage of City's Withholding	Percentage of Total City W-2's processed
Kent State University	*	
Kent City Schools	7.18%	
Davey Tree	2.46%	
City of Kent	2.06%	
Ametek	1.70%	
Land O Lakes	1.53%	
Smithers Oasis	1.35%	
Integrated Logistics	1.31%	
Klaben Family Ford Inc	0.95%	
Seal Master	0.88%	
Total	<u>N/A</u>	<u>19.42%</u>
Total City's Withholdings	<u>\$ 9,132,780</u>	

# City of Kent, Ohio

## City Government Employees by Function/Program

*Last Ten Years*

**Table 19**

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
City Council										
Councilman	9	9	9	9	9	9	9	9	9	9
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Mayor										
Mayor/President of Council	1	1	1	1	1	1	1	1	1	1
City Manager										
City Manager	1	1	1	1	1	1	1	1	1	1
Executive Secretary to City Manager	1	1	1	1	1	1	1	1	1	1
Human Resources										
Human Resources Manager	1	1	1	1	1	1	1	1	1	1
Civil Service										
Civil Service Commissioner	0	0	0	0	3	3	3	3	3	3
Civil Service Coordinator (P/T starting in 2014)	1	1	1	1	1	1	1	1	0	0
Administrative Assistant to Civil Service Commission	0	0	0	0	0	0	0	0	1	1
Law										
Director of Law	1	1	1	1	1	1	1	1	1	1
Assistant Law Director/Prosecutor	1	1	1	1	1	1	1	1	1	1
Assistant Law Director	1	1	1	1	1	1	1	1	1	1
Executive Secretary to Dir. Of Law	1	1	1	1	1	1	1	1	1	1
Finance Administration										
Director of Budget & Finance	1	1	1	1	1	1	1	1	1	1
Controller	1	1	1	1	1	1	1	1	1	1
Operations Analyst	1	1	1	1	1	1	1	1	1	1
Senior Account Clerk	1	1	1	1	1	1	1	1	1	1
Account Clerk	5	5	5	5	5	5	5	5	5	4
Administrative Assistant to Director of Budget & Finance	0	0	0	0	0	0	0	0	0	1
Tax Administration										
Income Tax Commissioner	0	0	0	0	0	0	0	0	0	1
Income Tax Auditor	1	1	1	1	1	1	1	1	1	1
Account Clerk	0	0	0	0	0	0	0	0	0	1
Service Administration										
Director of Public Service	1	1	1	1	1	1	1	1	1	1
Administrative Assistant to Director of Public Service	1	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Engineering Aide I	1	1	1	1	1	1	1	1	0	0

# City of Kent, Ohio

## City Government Employees by Function/Program (continued)

### *Last Ten Years*

**Table 19**

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Engineering</b>										
Deputy Service Director/ Superintendent of Engineering	1	1	1	1	1	1	1	1	1	1
Senior Engineer	3	3	3	3	3	2	2	2	2	2
Senior Engineer (Part-time)	0	0	0	0	0	1	1	1	0	0
Design Engineer	0	0	0	0	0	0	0	0	1	1
Engineering Technician	2	2	2	2	2	2	2	2	2	2
Engineering Aide I	0	0	0	0	0	0	0	0	1	1
Engineering Aide II	1	1	1	1	1	1	1	1	1	1
<b>Security of Persons and Property</b>										
Safety Director										
Safety Director	1	1	1	1	1	1	1	1	1	1
<b>Police</b>										
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
<b>Records and Communications</b>										
Coordinator - Dispatchers	1	1	1	1	1	3	3	3	3	3
Clerk-Dispatcher	9	9	9	9	9	7	7	7	7	7
Clerk-Dispatcher (Part-time)	3	3	3	3	3	3	3	3	3	3
<b>Juvenile Services</b>										
Juvenile Counselor	1	1	1	1	1	1	1	1	1	1
Police Officer	3	3	3	3	3	3	3	3	3	3
<b>Support Services</b>										
Compliance Officer	2	2	2	1	1	1	1	1	1	1
Detention Officer	6	6	6	6	6	6	6	6	6	6
<b>Fire</b>										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Fire Captain	3	3	3	3	3	3	3	3	3	3
Fire Lieutenant	3	3	3	3	3	3	3	3	3	3
Firefighter	28	28	28	28	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
<b>Community Services - Fire</b>										
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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Central Maintenance										
Utilities Manager	1	1	1	1	1	1	0	0	0	0
Facilities Manager	1	1	1	1	1	1	0	0	0	0
Cent. Maint. Mgr./Water Dist. Spec.	0	0	0	0	0	0	1	1	1	1
Assignment Supervisor	0	1	0	0	0	0	0	0	0	0
Chief Operator	3	3	3	3	3	3	3	3	3	3
Repair Operator	3	3	3	3	3	3	3	3	3	3
Service Technician/Gardener	1	1	1	1	1	1	1	1	1	1
Service Worker	9	8	8	9	11	11	11	11	11	11
Carpenter	1	1	1	1	1	1	1	1	1	1
Arborist Supervisor	0	0	0	0	0	0	1	1	1	1
Laborers	4	4	5	4	0	0	0	0	0	0
Account Clerk	1	1	0	0	1	1	1	1	1	1
Vehicle Maintenance										
Master Mechanic	1	1	1	1	1	1	1	1	1	1
Mechanic	3	3	3	3	3	3	3	3	3	3
Basic Utility Services										
Water Treatment Plant										
Supervisor - Water Plant	1	1	1	1	1	1	1	1	1	1
Water Laboratory Technician	1	1	1	1	1	1	1	1	1	1
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Water Plant Chief Operator	1	1	1	1	1	1	1	1	1	1
Water Plant Operator	5	5	5	5	5	5	5	5	5	5
Laborer (General Maintenance)	1	1	1	1	1	1	1	1	1	1
Wastewater Treatment Plant										
Water Reclamation Facility Manager	1	1	1	1	1	1	1	1	1	1
Equipment Technician	1	0	0	0	0	0	0	0	0	0
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Chemist	1	1	1	1	1	1	0	0	0	0
Lab Tech	1	1	1	1	1	1	0	0	0	0
Enviromental Tech	1	1	1	1	1	1	0	0	0	0
Wastewater Plant Operator	7	7	7	7	7	7	7	7	7	7
Chief Operator	1	1	1	1	1	1	1	1	1	1
Public Health Services										
Health										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy Health Commissioner	0	0	0	0	0	0	1	1	1	1
Chief Sanitarian	1	1	1	1	1	0	0	0	0	0
Accreditation Coordinator (Part-Time)	1	1	1	0	0	0	0	0	0	0
Public Health Sanitarian	2	2	2	2	2	3	2	2	2	2
Administrative Assistant to										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Laboratory Technician	0	0	0	0	0	0	2	2	2	2
Chemist	0	0	0	0	0	0	1	1	1	1
Secretary (Full-time)	1	1	1	0	0	0	0	0	0	0
Secretary (Part-time)	0	0	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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Leisure Time Activities										
Parks and Recreation										
Director - Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Parks	1	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Parks Maintenance Laborer	2	2	2	2	2	2	2	2	2	2
Senior Parks Crew Leader	1	1	1	1	1	1	1	1	1	1
Part-time and Seasonal	46	45	45	45	45	37	35	34	34	34
KABC Coordinator	5	5	5	5	5	1	1	1	1	1
K-6 Child Care (Full-Time)	1	1	1	1	1	1	1	1	1	0
K-6 Child Care (Part-Time)	16	16	16	16	16	16	16	16	16	17
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	1	1	1	1	1	1	1	1	1	0
Plans Administrator	0	0	0	0	0	0	0	0	0	1
Development Planner	1	1	1	1	1	1	1	1	1	1
Economic Development Coordinator	0	0	0	0	0	0	0	0	0	1
Development Engineer	1	1	1	1	1	1	1	1	1	1
Building										
Building Services Supervisor	1	1	1	1	1	1	1	1	1	1
Specialized Inspectors (Part-time)	8	8	8	5	5	5	5	5	5	5
Code Enforcement Officer (Part-time)	0	0	0	0	0	0	0	0	0	1
Code Enforcement Officer (Full-time)	1	1	1	1	1	1	1	1	1	0
Account Clerk	1	1	1	1	1	1	1	1	1	1
Main Street Program										
Coordinator	0	0	0	0	0	0	1	1	1	1
Economic Development										
Economic Development Director	1	1	1	1	1	1	1	1	1	0
Totals All Departments	<u>299</u>	<u>297</u>	<u>297</u>	<u>291</u>	<u>292</u>	<u>280</u>	<u>279</u>	<u>278</u>	<u>278</u>	<u>280</u>
Full-Time	198	198	199	196	193	192	193	193	193	194
Part-Time	101	99	98	95	99	88	86	85	85	86

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Government</b>										
Number of Buildings	0.25	0.25	0.25	1.5	1.5	1.5	1.5	1.5	1.5	2
Administrative Vehicles	4	4	4	4	4	4	4	4	4	6
<b>Police</b>										
Stations	2	1	1	1	1	1	1	1	1	1
Vehicles	28	28	27	25	25	26	25	25	26	28
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	15	15	13	14	13	13	13	13	15	14
<b>Recreation</b>										
Number of Buildings	10	10	10	10	9	9	9	8	7	6
Number of Parks	24	24	24	24	23	23	23	23	23	21
Park Acreage	380	380	373	367	364	354	354	354	354	354
Number of Baseball Diamonds	6	6	6	6	6	6	6	6	6	6
Number of Soccer Fields	15	15	15	15	15	15	15	15	10	8
Vehicles	12	11	11	11	10	11	11	11	10	10
<b>Transportation</b>										
Number of Buildings	3.5	3.5	3.5	3.75	3.75	3.75	3.75	3.75	3.75	2.5
Salt Dome	1	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	90	90	90	90.00	90.00	90.00	90.00	90.00	89.90	89.90
Service Vehicles	55	54	53	52	48	53	55	55	55	29
<b>Public Health and Welfare</b>										
Number of Buildings	0	0	0	0.50	0.50	0.50	0.50	0.50	0.50	1.25
Service Vehicles	8	6	5	5	5	4	5	5	6	4
<b>Community Development</b>										
Number of Buildings	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Service Vehicles	2	2	2	2	2	1	2	2	2	2
<b>Water</b>										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Water Lines (Linear Feet)	374437	374437	374437	374,437	374,437	374,437	374,437	374,437	368,220	368,110
Vehicles	7	6	7	7	6	6	6	6	6	6
<b>Sewer</b>										
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	334,132	334,132	334,132	332,090	332,090
Vehicles	7	7	9	7	7	7	5	5	5	5
<b>Storm Water Drainage</b>										
Storm Sewers (Linear Feet)	383,918	383,918	383,918	383,918	383,918	383,918	383,918	383,918	382,330	376,460

Source: City of Kent capital asset records

# City of Kent, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

**Table 21**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>City Council and Clerk of Council</b>										
Number of Ordinances/Resolutions Passed	162	113	174	178	145	143	127	119	139	222
Number of Passports Accepted	108	216	226	329	325	355	373	443	420	554
<b>Civil Service</b>										
City of Kent:										
Entry Level Examinations	9	2	10	6	4	7	3	7	9	4
Promotional Examinations	0	1	5	0	0	5	2	1	3	1
Kent City School District:										
Entry Level Examinations	3	2	3	1	0	2	2	1	1	3
Promotional Examinations	0	0	0	0	0	0	0	1	0	2
<b>Budget and Finance Department</b>										
Number of checks/vouchers issued	5,369	5,445	5,293	5,392	5,402	5,471	5,651	5,595	5,756	6,162
Number of W-2's issued	290	292	279	289	268	267	267	269	275	271
<b>Budget and Finance Department - Income Tax</b>										
Transaction Totals:										
Individual Returns	n/a	13,485	13,485	12,962	13,116	11,138	6,697	7,446	15,517	15,693
Business (Net Profit) Returns	n/a	3,188	3,188	3,285	2,771	2,517	1,471	1,523	2,794	4,354
Withholding Accounts	n/a	16,064	16,064	15,299	14,191	13,024	9,735	9,461	11,061	11,211
Total Transactions	n/a	32,737 *	32,737 *	31,546 *	30,078 *	26,679	17,903	18,430	29,372	31,258
* as of May extensions not due until Oct.	n/a- not available until later									
<b>Budget and Finance Department - Utility Billing</b>										
Number of Bills Mailed	95,653	95,595	95,273	95,273	92,400	92,400	92,400	94,302	77,251	77,226
Number of Delinquent Notices Sent	0	0	0	0	0	0	0 *	10,716	10,136	8,424
* as of 2011 no longer sent out										
<b>Building Department Indicators</b>										
Construction Permits Issued	158	157	163	150	153	285	229	155	196	234
Estimated Value of Construction	\$15,400,116	\$22,334,047	\$28,759,761	\$11,701,280	\$16,094,881	\$54,781,339	\$57,678,055	\$5,207,307	\$3,151,776	\$13,533,428
Number of permits issued	835	919	971	862	752	970	848	614	770	883
Amount of Revenue generated from permits	\$195,595	\$175,598	\$673,928	\$285,587	\$410,158	\$8,070,390	\$1,016,442	\$160,411	\$183,823	\$336,066
Number of contract registrations issued	452	465	399	299	266	145	190	208	254	193
Revenue generated from above	\$30,300	\$30,200	\$27,050	\$15,000	\$15,675	\$5,625	\$6,263	\$6,712	\$6,812	\$5,538
Number of Planning Commission Docket Items	16	22	23	13	19	29	25	27	13	15
Zoning Board of Appeals Docket Items	19	27	14	21	19	25	29	21	20	20

# City of Kent, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 21**

		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Public Services Department - Engineering</b>											
	<b>Unit</b>										
Total Number of Projects	EA	37	40	33	30	30	25	27	30	24	N/A
Total Dollars All Projects	\$	\$18,442,392	\$9,241,958	\$4,788,282	\$5,459,997	\$13,569,897	\$18,714,486	\$922,406	\$9,295,845	\$4,654,978	\$2,828,069
Total Professional Services Support	\$	\$1,174,163	\$1,277,004	\$1,142,122	\$1,232,942	\$1,801,415	\$2,504,285	\$1,737,999	\$2,165,201	\$1,291,834	\$1,266,667
Total Division Operating	\$	\$33,769	\$30,804	\$47,045	\$45,409	\$34,133	\$31,827	\$30,798	\$26,538	\$40,040	\$37,972
Private Inspection Request		412	399	425	210	187	243	171	149	153	160
<b>Public Services Department - Central Maintenance</b>											
	<b>Unit</b>										
Street Repair (Curbs, aprons, berms, asphalt)	Hr.s	8,575	4,611	5,927	3,513	4,131	4,322	3,338	3,983	4,028	2,351
Paint Striping	Hr.s	0	1,031	772	120	757	1,224	808	1,121	871	853
Street Sweeper	Hr.s	1,579	1,170	1,002	352	910	888	993	1,148	1,132	1,128
Cold Patch	Hr.s	1,613	513	692	1,492	706	1,313	1,339	1,179	1,380	1,070
Snow & Ice Removal regular	Hr.s	862	1,581	1,971	1,585	1,740	1,013	1,588	5,758	2,375	1,426
Snow & Ice Removal overtime	Hr.s	1,375	1,040	1,100	1,838	1,764	1,221	1,501	2,665	2,028	3,052
Sewer and Sanitary calls for service	Ea	5	9	27	26	60	57	55	57	44	43
After hours Sewer Calls	Hr.s	72	49	66	42	72	54	74	62	65	67
Sewer Crew	Hr.s	2,772	3,046	3,071	2,186	2,445	1,939	1,809	2,012	2,089	2,737
Sewer jet, Vac-all, other services	Hr.s	1,729	1,249	1,350	1,344	2,451	1,538	1,808	2,012	2,089	2,737
Water Distribution Maintenance	Hr.s	8,718	8,820	8,092	8,045	6,286	6,943	5,624	8,124	7,981	7,234
Number of Water Breaks	Ea	8	14	13	29	19	25	12	44	32	37
Water Meter Reading	Hr.s	192	192	510	456	412	486	953	1,309	1,573	1,443
Landscaping, Tree Maint.(Stump-Chipper service)	Hr.s	2,743	2,322	2,394	1,788	2,837	3,158	3,972	4,193	5,753	5,246
Leaf collection	Hr.s	1,422	1,365	1,957	2,046	1,747	1,551	2,864	2,800	1,590	4,089
Holiday lights setup	Hr.s	324	292	265	289	160	189	48	56	48	96
Downtown Square events	Hr.s	520	517	409	517	580	614	585	576	532	430
Equipment repair	Hr.s	7,147	7,962	8,562	7,754	7,565	7,536	7,661	8,448	8,436	7,291
Sign department	Hr.s	1,878	2,208	1,671	1,041	1,324	1,595	1,110	1,054	1,077	1,108
Number of Trees Planted per year	Ea	54	58	65	90	84	111	244	N/A	191	123
Gallons of Calcium Chloride used (Year Jan-Dec)	Gal.s	0	0	0	0	0	4,426	5,525	8,512	7,140	9,440
Cost of Calcium Chloride Purchased	\$/Gal.	0	0	0	\$0.000	\$0.000	\$0.550	\$0.550	\$0.970	\$0.960	\$0.959
Gallons of Aqua Salina used(Year Jan-Dec)	Gal.s	24,832	25,801	36,496	17,030	10,000	N/A	N/A	N/A	N/A	N/A
Cost of Aqua Salina	\$/Gal.	\$0.43	\$0.63	\$0.34	\$0.34	\$0.23	N/A	N/A	N/A	N/A	N/A
Tons of snow melting salt used (Year Jan-Dec)	Tons	3,439	2,458	2,832	2,473	4,783	1,621	3,196	3,687	4,188	8,723
Cost of salt purchased	\$/Ton	54.47	54.47	59.99	27.50	37.13	\$43.20	\$43.20	\$43.00	\$43.20	\$43.20
<b>Public Services Department - Water Reclamation</b>											
Wastewater rates (per 1st 300 cu. ft.)	\$	15.62	15.16	14.72	\$14.29	\$14.29	\$12.61	\$11.57	\$11.57	\$11.22	\$11.22
Total yearly flow	MG	764	713	764	890	840	737	832	756	989	923
Average daily flow	MGD	2.09	1.95	2.09	2.44	2.30	2.02	2.28	2.00	2.00	2.53
Sludge removed (dry tons)	\$/Ton	323	334	340	386	343	363	351	359	329	342
Treatment chemical cost	\$	\$143,723	\$137,463	\$123,036	\$119,728	\$123,533	\$55,645	\$56,750	\$64,699	\$66,548	\$53,000
Treatment electrical cost	\$	\$124,082	\$108,790	\$113,798	\$101,263	\$98,000	\$108,259	\$167,112	\$161,314	\$190,931	\$183,859

# City of Kent, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 21**

		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Public Services Department - Water Treatment Plant</b>											
	<b>Unit</b>										
Raw Water from wells	MG	955	968	883.04	944.20	1,036.37	1,032.45	988.01	1,000.70	932.00	932.00
Annual pumpage - finished water	MG	848	876	873.48	901.98	900.22	909.68	885.43	918.34	929.00	929.00
Lime	\$/Ton	\$132	\$147	\$147	\$147	\$147	\$138	\$138	\$124	\$124	\$124
Soda ash	\$/Ton	\$330	\$377	\$376	\$376	\$376	\$376	\$359	\$359	\$281	\$281
Chlorine	\$/Ton	\$540	\$540	\$540	\$540	\$540	\$540	\$510	\$510	\$510	\$510
Hydrofluosilicic acid	\$/Ton	\$702	\$702	\$702	\$702	\$702	\$702	\$702	\$720	\$484	\$484
Carbon dioxide	\$/Ton	\$116	\$116	\$116	\$116	\$116	\$154	\$150	\$150	\$176	\$176
Electric (wells, plant, booster stations, tanks)	Ttl. \$	\$191,080	\$189,911	\$173,762	\$158,885	\$148,404	\$154,186	\$158,764	\$178,180	\$178,266	\$178,266
Lime sludge production plant	CY	\$2,951.00	\$1,535.00	\$1,532.70	1,840.80	2,009.80	2,029.30	2,065.70	1,982.50	1,986.40	1,986.40
Lime sludge removed from plant and lagoons	CY	2145.00	2576.00	2711.00	771.50	1,817.20	2,044.90	3,825.00	3,760.30	1,986.70	1,986.70
Lime	tons	719.00	723.09	738.90	753.13	742.04	744.89	716.17	733.08	639.90	639.90
Soda Ash	tons	268	240.88	243.04	281.61	276.91	289.04	295.49	291.45	288.80	288.80
Chlorine	tons	11.59	11.81	11.61	11.79	11.61	11.89	11.46	11.88	12.31	12.31
Carbon Dioxide	tons	51.81	52.77	45.53	45.15	46.56	41.69	41.69	41.40	38.34	38.34
Hydrofluosilicic acid	tons	16.63	16.16	15.88	16.46	16.53	16.27	16.27	17.14	16.06	16.06
Rainfall	inches	34.58	30.92	29.73	39.79	37.98	33.14	44.14	30.79	36.38	36.38
<b>Police</b>											
Total Calls for Services		25,701	28,545	22,949	20,534	18,062	19,680	19,470	20,669	21,765	21,674
Number of traffic citations issued		2,874	3,541	3,366	3,023	2,576	3,393	2,841	3,247	3,554	3,669
Number of parking citations issued		12,751	9,056	8,179	3,814	3,492	2,546	2,468	2,915	3,834	3,389
Number of criminal arrests		1,878	2,222	2,208	2,261	2,102	2,391	2,066	2,110	2,440	2,615
Number of accident reports completed		753	1,015	1,067	815	861	843	856	839	818	797
Part I Offenses (major offenses)		651	745	772	837	955	951	926	885	911	975
Animal Warden service calls		380	374	399	365	431	558	389	492	470	551
DUI arrests		164	182	186	187	205	277	237	214	302	306
Motor Vehicle Accidents		753	1,015	1,067	815	861	843	856	839	818	797
Property Damage Accidents		422	673	739	458	565	531	540	526	512	441
Fatalities from Motor Vehicle Accidents		0	0	0	2	0	1	0	0	0	0
Community Diversion Program Youths		30	37	34	46	70	70	48	55	70	70
<b>Fire</b>											
Fire Losses:											
City of Kent		\$409,750	\$155,000	\$242,530.00	\$398,180	\$347,225	\$335,906	\$111,800	\$183,850	\$1,048,500	\$467,350
Kent State University		\$0	\$0	\$26,000.00	\$0	\$1,010,500	\$10,452	\$150,000	\$0	\$150,000	\$200,500
Franklin Township		\$93,600	\$243,905	\$20,000.00	\$9,000	\$58,700	\$3,037	\$8,900	\$119,000	\$8,900	\$645,720
Other		\$0	\$0	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$27,500
Total Fire Losses		\$503,350	\$398,905	\$288,530	\$407,180	\$1,416,425	\$349,395	\$270,700	\$302,850	\$1,207,400	\$1,341,070

# City of Kent, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 21**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Fire - continued</b>										
Fire Calls:										
City of Kent	622	650	627	540	561	629	521	571	602	764
Kent State University	120	74	53	65	87	210	240	196	212	246
Franklin Township	171	140	132	116	118	173	138	140	118	154
Other	46	52	45	49	59	50	49	46	3	2
Total Fire Calls	959	916	857	770	825	1,062	948	953	935	1,166
Emergency Medical Services Calls:										
City of Kent	2,540	2,336	2,326	2,311	2,296	2,215	2,373	2,395	2,421	2,374
Kent State University	306	360	357	391	346	438	378	335	347	292
Franklin Township	473	461	378	410	412	445	368	351	341	411
Other	40	71	71	52	55	43	40	48	8	5
Total Emergency Medical Services Calls	3,359	3,228	3,132	3,164	3,109	3,141	3,159	3,129	3,117	3,082
Total Calls for Service (Fire & EMS)	4,318	4,144	3,989	3,934	3,934	4,203	4,095	4,082	4,052	4,248
<b>Community Development</b>										
Grants received due to Community Development Dept.	\$248,453	\$271,075	\$253,380	\$268,778	\$275,277	\$264,116	\$515,952	\$478,841	\$383,118	\$298,370
Grants received for other Departments	N/A	N/A	N/A	N/A	N/A	\$38,855	\$224,289	N/A	N/A	N/A
<b>Health Department</b>										
Health Inspections:										
Food Service Operations	676	664	676	795	722	1,342	1,068	1,041	1,072	1,018
Housing	525	542	677	893	805	1,695	1,633	1,622	1,824	1,668
Swimming Pools	54	69	62	31	37	157	129	144	134	111
Nuisances	118	209	398	634	344	523	510	545	514	671
All Other	49	43	49	111	124	193	182	171	129	138
Total Inspections	1422	1527	1862	2,464	1,915	3,910	3,522	3,523	3,673	3,606
Permits & Licenses Issued:										
Food Establishment Licenses	264	259	280	315	281	253	220	183	199	215
Housing Licenses	307	310	307	308	322	569	523	538	548	550
All Other Licenses	57	51	48	60	62	39	65	63	56	61
Total Permits & Licenses	628	620	635	683	665	861	808	784	803	826
Child Immunizations	188	278	218	212	246	218	114	80	123	195
Birth and Death Certificates Issued (Original & Copies)	9,123	9,072	7,968	6,783	3,844	3,315	3,593	3,034	2,982	3,047
# - 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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Recreation</i>										
Program Revenue:										
Adult Leagues and Programs	\$30,275	\$33,111	\$38,992	\$49,186	\$69,662	\$62,216	\$36,846	\$35,475	\$28,723	\$28,025
Youth Leagues and Programs	120,338	97,106	88,244	86,263	79,188	76,248	77,707	93,878	84,106	70,853
Camps and Lessons	65,099	67,406	60,065	61,529	69,490	58,262	59,413	56,792	58,725	50,526
Preschool Programs	38,347	29,617	35,946	25,484	33,321	30,248	23,331	28,069	24,369	26,916
KABC Leagues	39,649	31,457	28,781	28,681	24,410	21,225	22,594	26,381	22,289	20,898
Special Events/Other	44,362	65,111	87,911	38,569	25,180	18,355	18,460	58,652	57,436	55,812
Non-Resident Fees	15,540	14,837	14,654	15,050	17,750	13,733	13,329	12,401	13,371	13,295
After School and Summer Programs	334,915	289,340	283,276	257,977	227,006	208,380	192,698	201,467	209,426	227,023
Fitness Center	42,688	40,297	47,476	32,758	0	0	0	0	0	0
<b>Total Program Revenue</b>	<b>\$731,213</b>	<b>\$668,282</b>	<b>\$685,345</b>	<b>\$595,497</b>	<b>\$546,007</b>	<b>\$488,667</b>	<b>\$444,378</b>	<b>\$513,115</b>	<b>\$498,445</b>	<b>\$493,348</b>
Number of Participants:										
KABC (5-18 years old)	371	333	292	353	375	395	430	446	480	490
Fall Soccer (4-12 years old)	376	324	403	383	328	404	360	410	368	364
Spring Soccer (4-12 years old)	451	391	439	448	407	379	453	424	431	399
School Age Child Care (6-12 years old)	170	150	130	156	175	151	93	110	110	120
Flag Football (6-12 years old)	125	114	113	130	125	104	118	94	85	96
Basketball	391	475	586	629	458	319	358	412	397	399
Lacrosse	14	17	43	35	40	86	80	85	70	60
Volleyball	N/A	N/A	N/A	N/A	N/A	N/A	37	37	45	51
Wrestling	13	N/A	11	19	24	32	16	15	34	31
Karate	44	69	91	N/A	147	173	133	120	24	25
Sports Camps	305	188	332	353	375	447	403	480	453	248
Preschool Kinderbound	19	17	17	26	28	28	21	22	21	21
Preschool Tiny Tots	N/A	N/A	N/A	N/A	11	22	20	18	18	13
Summer Day Camps - All	1,500	1,560	1,292	1,281	230	229	254	243	228	232
Note: 2014, 2007, and 2006 are on a per week basis										
Ice Hockey	N/A	N/A	N/A	N/A	0	0	0	0	23	29
USTA	N/A	N/A	N/A	N/A	17	22	20	23	51	N/A
Theater	39	34	61	43	43	57	54	63	58	46
Cheer	29	N/A	N/A	45	25	24	44	56	27	35
Adult Tennis	22	8	32	23	20	28	23	18	22	32
Adult Softball Teams	61	65	83	86	47	44	69	51	52	46
Adult Men's Basketball	80	92	130	112	102	95	95	111	N/A	N/A
Black Squirrel Triathlon	N/A	N/A	N/A	75	56	113	273	197	N/A	N/A
Art in the Park Artists	92	91	92	100	98	101	108	96	N/A	N/A
Kids Nite Out	199	176	155	115	147	147	167	148	N/A	N/A
Turkey Trot	564	538	755	549	614	388	385	242	N/A	N/A
Adult Fitness Class	1,784	1,796	1,577	1,452	1,352	1,262	N/A	N/A	N/A	N/A
Adult Egg Hunt	747	744	809	720	577	N/A	N/A	N/A	N/A	N/A
PC Tennis Open	22	13	17	35	N/A	N/A	N/A	N/A	N/A	N/A
Hip Hop Hoops	66	96	100	58	N/A	N/A	N/A	N/A	N/A	N/A
Creative Arts	24	23	27	46	N/A	N/A	N/A	N/A	N/A	N/A
Youth Artist	26	14	21	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Graveyard Scramble	0	0	230	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FootSkills-Soccer	94	68	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adult Education Classes	63	46	87	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basketball (outdoor)	18	16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BabySitter	33	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cross Country	29	25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tumbling for Tots	30	30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Schools Out Ice Skating	104	85	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: City of Kent







# 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  
JULY 26, 2018