

CITY OF KENT, OHIO

SINGLE AUDIT REPORT

DECEMBER 31, 1999

CITY OF KENT, OHIO
AUDIT REPORT
DECEMBER 31, 1999

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JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Heights, Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor, City Manager,
and Members of City Council
City of Kent, Ohio

We have audited the general purpose financial statements of the City of Kent, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated June 1, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated June 1, 2000.

This report is intended for the information and use of the audit committee, members of City Council, management, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



James G. Zupka
Certified Public Accountant

June 1, 2000

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor, City Manager,
and Members of City Council
City of Kent, Ohio

Compliance

We have audited the compliance of the City of Kent, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of Kent, Ohio's major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Kent, Ohio's management. Our responsibility is to express an opinion on the City of Kent, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Kent, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Kent, Ohio's compliance with those requirements.

In our opinion, the City of Kent, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

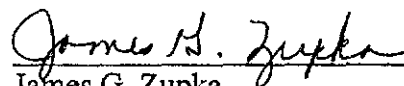
The management of the City of Kent, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Kent, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over Federal compliance that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated June 1, 2000.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City of Kent, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 1, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, members of City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



James G. Zupka

Certified Public Accountant

June 1, 2000

CITY OF KENT, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>FEDERAL GRANTOR/PASS-THROUGH/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>INDIVIDUAL GRANT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>RECEIPTS RECOGNIZED</u>	<u>PROGRAM INCOME</u>	<u>DIRECT PROGRAM EXPENDITURES</u>
<u>U.S. Department of Housing and Urban Development</u>						
Direct Programs:						
Community Development Block Grant - Entitlement	14.218	B-93-MC-39-0026	429,000	\$ 0	\$ 0	\$ 1,741
Community Development Block Grant - Entitlement	14.218	B-94-MC-39-0026	466,000	0	0	0
Community Development Block Grant - Entitlement	14.218	B-95-MC-39-0026	476,000	0	0	10,479
Community Development Block Grant - Entitlement	14.218	B-96-MC-39-0026	462,000	0	0	622
Community Development Block Grant - Entitlement	14.218	B-97-MC-39-0026	453,000	96,333	0	22,358
Community Development Block Grant - Entitlement	14.218	B-98-MC-39-0026	432,000	343,480	0	332,128
Community Development Block Grant - Entitlement	14.218	B-99-MC-39-0026	435,000	0	0	38,266
Total U.S. Department of Housing and Urban Development				<u>439,813</u>	<u>0</u>	<u>405,594</u>
<u>U.S. Department of Justice</u>						
Direct Programs:						
COPS Fast Grant	16.710	95-CF-WX03461	450,000	118,560	0	118,560
Total COPS Fast Grant				<u>118,560</u>	<u>0</u>	<u>118,560</u>
Local Law Enforcement Block Grant	16.592	97-LB-VX-3642	30,326	20,294	841	21,135**
Local Law Enforcement Block Grant	16.592	98-LB-VX-2852	28,839	4,581	0	5,699
Total Local Law Enforcement Block Grant				<u>24,875</u>	<u>841</u>	<u>26,834</u>
Bullet-Proof Vest Program	16.607	99-001535	10,232	0	0	5,297
Total Bullet-Proof Vest Program				<u>0</u>	<u>0</u>	<u>5,297</u>
Total U.S. Department of Justice				<u>143,435</u>	<u>841</u>	<u>150,691</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 583,248</u>	<u>\$ 841</u>	<u>\$ 556,285</u>

** Includes \$841 program income.

See accompanying notes to the Schedule of Expenditures of Federal Awards

CITY OF KENT, OHIO
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 1: **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards of the City of Kent, Ohio, presents the activity of all federal financial assistance programs of the City. The City's reporting entity is defined in Note 1 to the City's general purpose financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting, and has been reconciled to the programs federal financial reports. The following is a reconciliation by grant from the cash basis to the accrual basis at December 31, 1999.

	<u>Receipt Recognized</u>	<u>Direct Program Expenditures</u>
<u>Department of HUD</u>		
Community Development -		
Cash Basis	\$ 433,166	\$ 452,791
Accrual Adjustment	6,647	(47,197)
Community Development - Accrual Basis	<u>\$ 439,813</u>	<u>\$ 405,594</u>
<u>Department of Justice</u>		
Cash Basis	\$ 202,429	\$ 144,276
Accrual Adjustments	(58,994)	6,415
Department of Justice - Accrual Basis	<u>\$ 143,435</u>	<u>\$ 150,691</u>

CITY OF KENT, OHIO
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 3: **PROGRAM INCOME**

The City of Kent, Ohio, uses federal funds received in the current and prior years to issue revolving loans. These loans are issued to companies and are to be repaid to the City in monthly installments. Principal received on these loans may be used to issue new loans. The principal outstanding at December 31, 1999 was \$404,006. The program income in the Schedule of Expenditures of Federal Awards represents interest revenue earned from the revolving loans and bank accounts and repayment of revaluation loans. These amounts, identified below, were subject to Single Audit procedures.

<u>Description</u>	<u>Program Income</u>
Revolving Loan Interest Earnings - EDA	\$ 18,215
Revolving Loan Interest Earnings - UDAG	17,226
Rehabilitation Loan Repayment - CDBG	90,186
Interest Income from Bank Accounts - UDAG	4,661
Interest Income from Bank Accounts	1,875
Community Development Block Grant:	
Program Income	16,396
Continuing Housing Impact Program:	
Program Income	756
	<hr/>
Total Program Income	\$ 149,315
	<hr/> <hr/>

CITY OF KENT, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 1999

The prior audit report, as of December 31, 1998, included no citations. Management letter recommendations have been corrected or procedures instituted to prevent occurrences in this audit period.

CITY OF KENT, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 DECEMBER 31, 1999

1. SUMMARY OF AUDITOR'S RESULTS

1999(i)	Type of Financial Statement Opinion	Unqualified
1999(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
1999(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
1999(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
1999(v)	Type of Major Programs' Compliance Opinions	Unqualified
1999(vi)	Are there any reportable findings under .510?	No
1999(vii)	Major Programs (list):	1. Community Development Block Grant (CDBG)
1999(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
1999(ix)	Low Risk Auditee?	Yes

CITY OF KENT, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
(CONTINUED)
DECEMBER 31, 1999

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.

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

PART I GENERAL INFORMATION (To be completed by auditee, except for Item 7)

1. Fiscal year ending date for this submission Month Day Year 12 / 31 / 99	2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit
--	---

3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other - Months 2 <input type="checkbox"/> Biennial	FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
--	-----------------------------	---

5. Employer Identification Number (EIN)

a. Auditee EIN: 3 4 60 0 15 6 3

b. Are multiple EINs covered in this report? 1 Yes 2 No

6. AUDITEE INFORMATION

a. Auditee name
City of Kent, Ohio

b. Auditee address (Number and street)
325 South Depeyster Street
City: Kent
State: Ohio ZIP Code: 44125

c. Auditee contact
Name: Barbara A. Rissland
Title: Finance Director

d. Auditee contact telephone
(330) 678-8102

e. Auditee contact FAX (Optional)
(330) 678-2082

f. Auditee contact E-mail (Optional)

7. AUDITOR INFORMATION (To be completed by auditor)

a. Auditor name
James G. Zupka, CPA, Inc.

b. Auditor address (Number and street)
5240 East 98th Street
City: Garfield Heights
State: Ohio ZIP Code: 44125

c. Auditor contact
Name: James Zupka
Title: President

d. Auditor contact telephone
(216) 475-6136

e. Auditor contact FAX (Optional)
(216) 475-1006

f. Auditor contact E-mail (Optional)

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official: *Barbara A. Rissland*
Date: 6 / 27 / 00
Name/Title of certifying official: Barbara A. Rissland, Finance Dir.

h. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor: *James G. Zupka*
Date: 6 / 27 / 00

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)
 1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit (Mark (X) one box)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input checked="" type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | <input type="checkbox"/> Other - Specify: |

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)

- 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance

- 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs § __ .520(b)?

\$ 300,000 for Type A and less than \$300,000 for Type B programs.

3. Did the auditee qualify as a low-risk auditee (§ __ .530)?

- 1 Yes 2 No

4. Are there any audit findings required to be reported under § __ .510(a)?

- 1 Yes 2 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | 00 <input checked="" type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR							7. AUDIT FINDINGS AND QUESTIONED COSTS			
CFDA number (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement? (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)			
14.218	Community Development Block Grant Entitlement	\$ 405,594	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	0	\$ 0	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A			
16.710	COPS Fast Grant	\$ 118,560	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	\$ 0	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A			
16.592	Local Law Enforcement Block Grant	\$ 26,834	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	\$ 0	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A			
16.607	Bulletproof Vest Program	\$ 5,297	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	\$ 0	1 <input type="checkbox"/> A 3 <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A			
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 3 <input type="checkbox"/> C 2 <input type="checkbox"/> B				
TOTAL FEDERAL AWARDS EXPENDED		\$ 556,285			\$					

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.
² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)
 A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of funds
 I. Procurement
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None

³ Type of internal control findings (Mark (X) all that apply)
 A. Material weaknesses
 B. Reportable conditions
 C. None reported

CITY OF KENT, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1999

Issued by The Department of Budget and Finance

BARBARA A. RISSLAND
Director of Budget and Finance

CITY OF KENT

Comprehensive Annual Financial Report
December 31, 1999

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CITY OF KENT

Comprehensive Annual Financial Report
December 31, 1999

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Comprehensive Annual Financial Report
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CITY OF KENT, OHIO

OFFICE OF THE CITY MANAGER

June 1, 2000

Dear Mayor, Councilmembers and Citizens of Kent:

The City of Kent Comprehensive Annual Financial Report for the fiscal year ended December 31, 1999, is presented to you in conformity with generally accepted accounting principles and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

We are proud of the fact that the City of Kent has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for calendar years 1987 through 1998. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment. We believe that this year's report, our thirteenth for the Certificate of Achievement for Excellence in Financial Reporting, is also in conformance with the reporting standards required for receiving the award.

The financial statements contained in this report have been examined by the independent accounting firm of James G. Zupka, Certified Public Accountants, Incorporated, and have received an unqualified opinion regarding adherence to generally accepted accounting principles (GAAP).

The level of services provided by the City continues to increase. The provision of these services with a strong fiscal support system is a mark of distinction. We are committed to maintain Kent's outstanding municipal operation, and pledge our continued efforts to provide quality services through the efficient use of tax dollars.

Finally, I wish to thank Director of Budget and Finance, Barbara A. Rissland, and her staff for their efforts in the preparation of this Comprehensive Annual Financial Report.

Sincerely,

Lewis J. Steinbrecher
City Manager



CITY OF KENT, OHIO

DEPARTMENT OF BUDGET AND FINANCE

June 1, 2000

City Manager Lewis J. Steinbrecher
Kent, Ohio 44240

Dear City Manager:

The Comprehensive Annual Financial Report of the City of Kent, Ohio for the fiscal year ended December 31, 1999, is herein submitted. The City of Kent ("the City") and in particular, the Department of Budget and Finance, is responsible for the accuracy of the information contained in this report and we believe it is presented in a fair and complete manner. This report is intended to enable the reader to gain a thorough understanding of the financial affairs and operation of the City of Kent government.

The Comprehensive Annual Financial Report of the City of Kent, Ohio, is divided into three sections: 1) introductory, 2) financial, and 3) statistical. The introductory section contains this transmittal letter, the City of Kent organization chart and a list of principal officials. The Financial Section includes the opinion of the City's independent auditor, the general purpose financial statements and the accompanying notes to the combined financial statements, the Combining Financial Statements by fund type, and other schedules which provide detailed information for the 1999 fiscal year. The Statistical Section provides selected financial, economic, and demographic information about the City for the last ten years or other specified period.

THE REPORTING ENTITY

The City of Kent, a full-service city, 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. 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. 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 continues to work with Kent State University in a spirit of cooperation in order to enhance the quality of life for Kent residents as well as for the students attending the university. The expansion of the Liquid Crystal Institute at the university continues to present opportunities for both existing businesses and new businesses that would be induced by the technology being developed by the university to locate within the City. The Kent Regional Business Alliance, an affiliate organization of the university, completed a high-tech incubator feasibility study in 1999 with financial assistance from the Ohio Department of Development. Work on an implementation strategy for the results of the study are currently underway. The City is also working in conjunction with Brimfield and Franklin Townships to coordinate both land use and economic development.

The combined effects of continued development of upscale residential housing, coupled with commercial and industrial growth, are just a few indicators that the City's future economic outlook is bright. It is anticipated that the City will continue to pursue a balanced and manageable approach to growth that will serve to enhance the current sound financial position of the City. Redevelopment of previously neglected sections of the downtown area also points to a new surge of investment into these areas.

MAJOR INITIATIVES, SIGNIFICANT EVENTS AND ACCOMPLISHMENTS IN 1999

In 1998, the City Council and Administration spent considerable time discussing long range plans. City Council adopted an aggressive, financially realistic five-year capital improvement program that ensures the City's ability to meet the needs of the community in future years. The comprehensive capital plan will help the City provide for the orderly replacement and development of public facilities and infrastructure. As part of the capital budgeting process, projects were identified, evaluated and prioritized. Revenue and expenditure forecasts were done to determine the viability of the plan. Various revenues and alternative financing methods were analyzed. As a result of this planning, some user charges and fees were increased in 1999. Legislation to proceed with additional revenue enhancements, including a storm water drainage utility and special assessments, was adopted in 1999. These enhancements will enable the City to expand the capital program without overextending the City's financial capacity. The administration will also continue to evaluate municipal operations in an effort to improve overall service delivery in a cost-efficient manner.

CITY SERVICES

The City provides a full range of basic services, which are summarized below:

Public Service

Street Maintenance
Water Production and Distribution
Wastewater Recovery and Processing
Engineering
Curbside Recycling
Shade Tree Maintenance
Storm Water Drainage

ACCOUNTING CONTROLS AND POLICIES

The City of Kent reports on a modified accrual basis of accounting, which conforms to generally accepted accounting principles (GAAP), as applicable to local government. Under these principles, the governmental and fiduciary fund types are accounted for on the modified accrual basis of accounting. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Revenue items, which are recognized before the related cash is received and are recorded as receivables, include income taxes arising from payroll tax withholding during the year, investment income and reimbursable grants. Expenditures are recognized when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation which is not payable from expendable financial resources. Proprietary funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary funds' unbilled services are recognized as revenue receivable in the period when the service is provided.

In developing and evaluating the City of Kent's accounting system, consideration is given to the adequacy of internal control structure. The internal control structure is designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized user disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. 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.

All internal control evaluations occur within the above framework. We believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROLS AND POLICIES

The City maintains its legal level of budgetary control at the fund level. Management control, however, is exercised at the department levels. The Director of Budget and Finance is authorized to allocate appropriations among departments within any fund without prior Council approval, as long as the total appropriation for each fund does not exceed that of the Council-approved appropriation. Budgetary control is maintained at the division level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of division balances are not processed until additional appropriations are made available through transfer from other accounts either by ordinance of City Council or administrative transfer. Open encumbrances are reported as reservations of fund balance at year end.

FUND AND ACCOUNT GROUP STRUCTURE

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of the funds is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and, as applicable, expenditures and expenses. The individual funds account for the

GENERAL GOVERNMENT FUNCTIONS

Municipal activities and services are accounted for in the General Fund, Special Revenue Funds, Debt Service Fund and Capital Project Fund. The following schedule provides a summary of general government funds' revenue for the fiscal year ended December 31, 1999. Major revenue categories are shown and the percentage each category is of the total amount received in 1999 for comparison purposes; in addition, the amount received is compared to related amounts received in the prior year:

ALL GOVERNMENTAL FUNDS

Comparison of Revenues - 1999 -1998

	1999 <u>Amount</u>	Percentage <u>of Total</u>	Increase (Decrease) <u>From 1998</u>	Percentage Increase <u>(Decrease)</u>
Revenues:				
Taxes	\$ 11,224,208	65.44	\$ 127,363	11.48
Fees, licenses and permits	314,955	1.84	66,721	26.88
Intergovernmental	3,430,043	20.00	(110,709)	(3.13)
Charges for services	636,896	3.71	45,464	7.69
Fines and forfeits	373,008	2.17	(99,827)	(21.11)
Special assessments	298,228	1.74	166,906	127.10
Interest	698,951	4.08	19,780	2.91
Miscellaneous	175,517	1.02	(198,957)	(53.13)
Total revenues	<u>\$ 17,151,806</u>	<u>100.00</u>	<u>\$ 16,741</u>	

The increase in taxes is primarily due to an increase in municipal income tax collections of \$126,669, which is attributable to the strong economy (low unemployment, high wages).

The increase in fees, licenses and permits is the result of fluctuations in subdivision activity. Subdivision fees impact zoning, building and park fees.

The decrease in intergovernmental revenues is related to a decrease in Community Development Block Grant funds of \$272,518 due to a decreased level of grant activity. An increase in locally shared sales tax partially offset the decrease.

Fines and forfeits decreased because the City participated in a federal arrest and property seizure which resulted in a large federal forfeiture in 1998.

The increase in special assessments is due to the fact that the City certified several assessments to the County in 1999.

The decrease in miscellaneous revenue is primarily due to a workers' compensation premium refund that was received in 1998.

PROPRIETARY OPERATIONS

Certain activities of the City are accounted for in Enterprise Funds and the Internal Service Fund.

Enterprise Funds - The City's Enterprise Funds are the Solid Waste, Storm Water Drainage, Sewer and Water Funds.

The City of Kent operates both a Water and a Wastewater Treatment Plant. Having a capacity of six million gallons per day, the Water Plant's source is a series of wells. The Wastewater Plant has an average capacity of five million gallons per day, with a peak load of ten million gallons per day.

Total water and sewer system operating revenues in 1999 increased \$376,993 or 6.62 percent as compared to 1998. This increase corresponds to rate increases that were implemented in 1999, a property rental agreement and an increase in customer base. Total system operating expenses increased \$64,677 or 1.25 percent in 1999 as compared to 1998. The City is continually striving to increase operational efficiencies and the slight overall increase in operating expenses is reflective of these efforts.

The Solid Waste Fund includes a curbside recycling program which provides for the collection of glass, cans, paper, cardboard, plastic, magazines and phone books. A recycling program is also provided for multi-family and apartment units as well as commercial customers. Another significant program area included in this fund is a compost site. Operating revenues decreased in 1999 by \$5,621 or 1.81 percent as compared to 1998. This decrease is primarily related to changes in the multi-family recycling billing and is partially offset by an increase in compost site fees. Operating expenses decreased \$15,703 or 4.76 percent in 1999 as compared to 1998. This decrease is due to a reduction in compost site operating contracts.

The Storm Water Drainage Fund was established to account for storm water drainage services provided to the residential and commercial users of the City. The expenses in 1999 are for design of the program and a rate study. It is anticipated that charges for services will be implemented in June of 2001. Since this is the initial year of this utility, no comparative information is available.

Internal Service Fund - The City's Internal Service Fund is the Health and Life Insurance Fund.

The City of Kent operates the Health and Life Insurance Fund to account for health and life insurance premiums and claims for employees of the City. This fund bills the various departments for the services it renders.

FIDUCIARY OPERATIONS

The City maintains an Agency Fund to account for assets received and held by the City acting in the capacity of an agent or custodian.

INDEPENDENT AUDIT

The financial records, books of accounts and transactions of the City of Kent, Ohio, for the year ended December 31, 1999, have been audited by the firm of James G. Zupka, Certified Public Accountants, Incorporated. Their unqualified opinion has been included in this report.

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

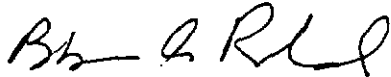
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized and conforms to GFOA reporting standards. Such a report must 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 the fiscal year ended December 31, 1998.

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.

ACKNOWLEDGEMENTS

Special recognition for the preparation of this report is made to the Department of Budget and Finance staff for their many hours of dedicated effort. In addition, gratitude is extended to the independent auditing firm of James G. Zupka, Certified Public Accountants, Incorporated and Sujata M. Sulzer, Manager, for their advice, guidance and patience. Finally, a special acknowledgment is given to the City Council and City Manager for their continuing support and commitment to responsible fiscal reporting.

Respectfully submitted,



Barbara A. Rissland
Director of Budget and Finance

CITY OF KENT, OHIO
ELECTED OFFICIALS - 1999

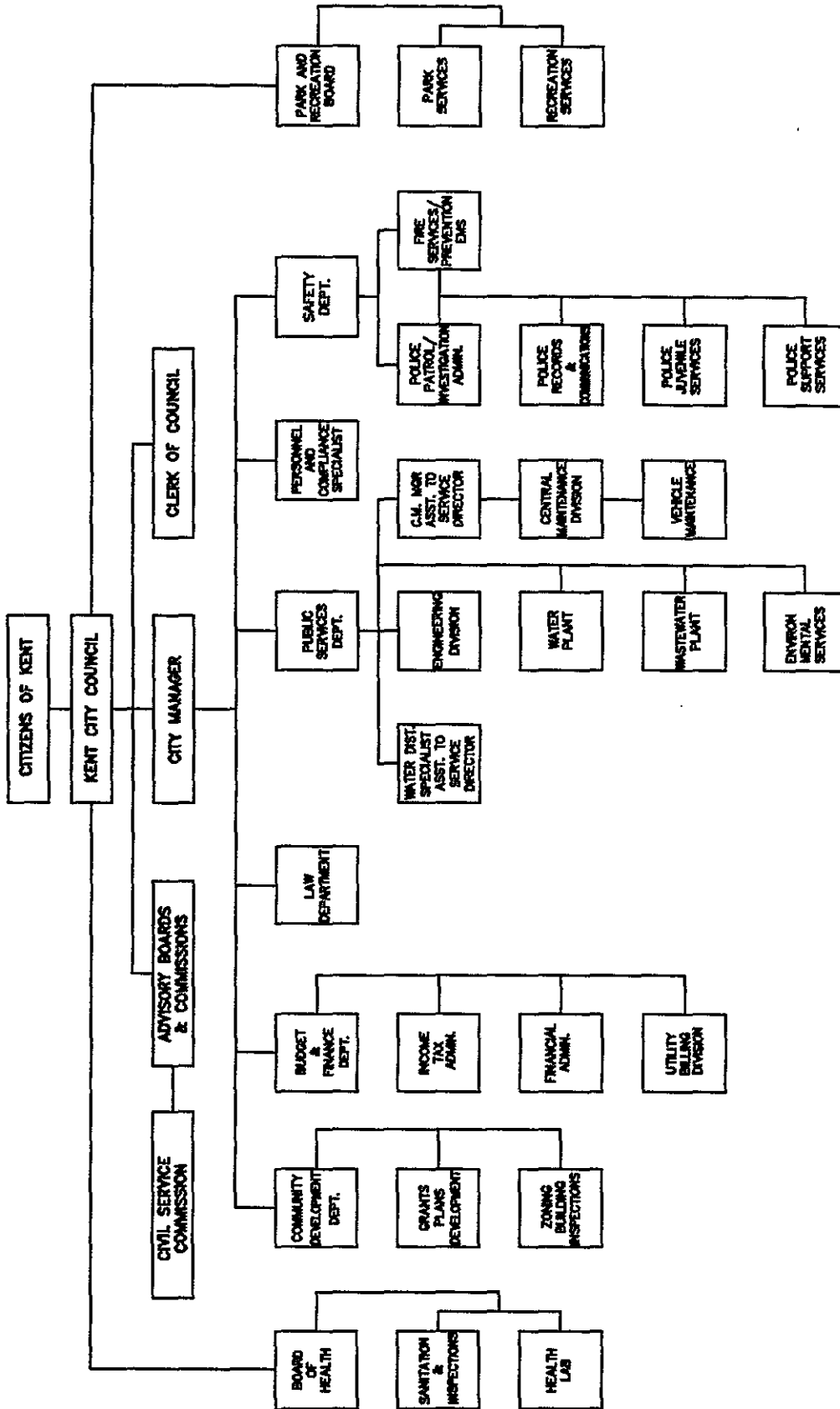
MAYOR/COUNCIL PRESIDENT	John H. Fender
COUNCILMEMBER AT LARGE	Michael A. DeLeone
COUNCILMEMBER AT LARGE	Daniel N. Kamburoff
COUNCILMEMBER AT LARGE	Willaim J. Schultz

CITY COUNCILMEMBERS BY WARDS:

WARD 1	Jerome T. Fiala
WARD 2	Edward W. Pease *
WARD 3	Wayne A. Wilson
WARD 4	Robert O. Felton
WARD 5	Kathleen M. Guckelberger
WARD 6	Jacqueline W. Loomis

* Edward W. Pease served as President Pro-tem from January 1, 1999, to December 31, 1999.

CITY OF KENT, OHIO ORGANIZATIONAL CHART





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Honorable Mayor, City Manager,
and Members of City Council
City of Kent, Ohio

We have reviewed the Independent Auditor's Report of the City of Kent, Portage County, prepared by James G. Zupka, Inc., for the audit period January 1, 1999 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

July 6, 2000

JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Heights, Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, City Manager
and Members of City Council
City of Kent, Ohio

The Honorable Jim Petro
Auditor of State
State of Ohio

We have audited the accompanying general purpose financial statements of the City of Kent, Ohio, as of and for the year ended December 31, 1999, as listed in the accompanying Table of Contents. These general purpose financial statements are the responsibility of the City of Kent, Ohio's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Kent, Ohio, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 1, 2000 on our consideration of the City of Kent, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Kent, Ohio, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the accompanying Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Kent, Ohio. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

We did not audit the statistical data included in the statistical section of this report and, therefore, express no opinion thereon.

June 1, 2000


James G. Zupka
Certified Public Accountant

CITY OF KENT, OHIO
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1999
 (with comparative totals for 1998)

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type Agency	Account Groups			Totals	
	General	Debt Service		Enterprise	Internal Service		General Fixed Assets	Long-Term Debt	Memorandum Only		
		Special Revenue	Capital Projects			1999			1998		
Assets and Other Debits											
Cash and cash equivalents (note 2)	\$ 5,010,058	6,499,709	50,190	1,084,092	5,146,496	90,707	304,606	-	-	18,185,858	16,278,307
Receivables											
Property taxes	895,455	765,679	-	-	-	-	-	-	-	1,661,134	1,602,302
Income taxes	-	870,655	-	-	-	-	-	-	-	870,655	855,313
Accounts	-	-	-	1,166,899	-	-	-	-	-	1,166,899	1,005,129
Special assessments	-	-	2,180,143	-	-	-	-	-	-	2,180,143	564,282
Other	213,226	421,169	-	60,820	-	-	-	-	-	695,215	691,565
Less allowance for doubtful accounts	-	-	-	(89,638)	-	-	-	-	-	(89,638)	(91,795)
Receivables, net	1,108,681	2,057,503	2,180,143	1,138,081	-	-	-	-	-	6,484,408	4,626,796
Due from other funds (note 4)	201,466	1,326,080	-	8,213	-	-	-	-	-	1,535,759	1,300,759
Due from other governments	384,889	239,811	-	-	-	-	-	-	-	624,700	573,129
Inventories	3,165	259,064	-	20,783	-	-	-	-	-	283,012	114,224
Prepaid items	39,917	14,904	-	13,155	450	-	-	-	-	68,426	95,211
Assets whose use is limited (note 7)	-	-	-	288,499	-	-	-	-	-	288,499	527,140
Restricted cash and cash equivalents (note 2)	9,720	133,737	50	7,425	-	-	-	-	-	150,932	150,494
Unamortized bond issuance costs (note 7)	-	-	-	77,173	-	-	-	-	-	77,173	84,189
Other assets - cash surrender value of life insurance policies	-	-	-	-	866,668	-	-	-	-	866,668	837,116
Fixed assets in service (note 3)											
Land	-	-	-	1,601,288	-	-	-	2,422,164	-	4,023,452	3,816,059
Buildings, structures and improvements	-	-	-	40,033,089	-	-	-	6,134,751	-	46,167,840	43,785,425
Machinery and equipment	-	-	-	6,757,960	-	-	-	7,447,209	-	14,205,169	14,001,294
Less accumulated depreciation	-	-	-	(16,440,959)	-	-	-	(6,268,827)	-	(22,709,786)	(21,596,618)
Fixed assets in service, net	-	-	-	31,951,378	-	-	-	9,735,297	-	41,686,675	40,006,160
Construction in progress	-	-	-	2,486,102	-	-	-	-	-	2,486,102	3,472,187
Other debits											
Amount available for retirement of general long-term obligations - debt	-	-	-	-	-	-	-	-	50,190	50,190	33,291
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	-	-	-	-
Debt	-	-	-	-	-	-	-	-	-	-	-
Other obligations	-	-	-	-	-	-	-	-	-	-	-
Total assets and other debits	\$ 6,757,896	10,530,808	2,230,383	1,084,092	41,137,305	957,825	304,606	9,735,297	5,918,245	78,656,457	73,570,988

CITY OF KENT, OHIO
Combined Balance Sheet - All Fund Types and Account Groups - Continued

	Governmental Fund Types				Proprietary Fund Types		Fiduciary	Account Groups			Totals
	General	Special		Debt	Enterprise	Internal	Agency	General		Long-Term	Totals
		Revenue	Capital					Fixed	Debt		
		Projects	Service		Service		Assets		1999	1998	
Liabilities											
Accounts payable	\$ 157,566	37,992	-	496,879	22,261	304,606	-	-	1,187,481	722,158	
Claims payable (note 17)	-	-	-	-	100,316	-	-	-	100,316	141,671	
Capital contracts payable (note 11)	-	150,916	-	234,934	-	-	-	-	385,850	530,250	
Due to other funds (note 4)	-	50,000	-	1,485,759	-	-	-	-	1,535,759	1,300,759	
Accrued wages and benefits (notes 5,6 and 7)	220,366	504,312	-	719,491	-	-	-	1,780,952	3,225,121	3,200,673	
Deferred revenue	919,713	766,692	2,180,143	-	-	-	-	-	3,866,548	2,188,018	
Payable from restricted assets	9,720	13,737	50	7,425	-	-	-	-	30,932	30,494	
Debt (note 7)											
Ohio Public Works Commission loan	-	-	-	-	-	-	-	487,293	487,293	512,940	
Notes payable	-	-	-	-	-	-	-	525,000	525,000	500,000	
General obligation bonds payable	-	-	-	4,225,000	-	-	-	2,905,000	7,130,000	7,495,000	
Special assessment bonds payable with governmental commitment	-	-	-	-	-	-	-	220,000	220,000	259,000	
Mortgage revenue bonds payable	-	-	-	265,000	-	-	-	265,000	265,000	515,000	
Total debt	-	-	-	4,490,000	-	-	-	4,137,293	8,627,293	9,281,940	
Total liabilities	1,307,365	1,502,918	2,180,193	7,434,488	122,577	304,606	-	5,918,245	18,959,300	17,395,963	
Equity and Other Credits											
Investment in general fixed assets	-	-	-	-	-	-	9,735,297	-	9,735,297	9,642,151	
Contributed capital (note 13)	-	-	-	11,613,624	-	-	-	-	11,613,624	11,227,461	
Retained earnings - unreserved	-	-	-	22,089,193	835,248	-	-	-	22,924,441	22,290,917	
Fund balance											
Reserved for loans receivable	-	404,006	-	-	-	-	-	-	404,006	446,828	
Reserved for debt service	-	-	50,190	-	-	-	-	-	50,190	33,291	
Reserved for inventories	3,165	259,064	-	-	-	-	-	-	262,229	97,867	
Reserved for prepaid items	39,917	14,904	-	-	-	-	-	-	54,821	66,234	
Reserved for encumbrances	747,608	509,280	-	-	-	-	-	-	1,553,189	1,743,794	
Unreserved											
Designated for public facilities and programs	-	1,377,877	-	-	-	-	-	-	1,377,877	1,303,371	
Designated for future loans	-	278,656	-	-	-	-	-	-	278,656	159,176	
Undesignated	4,659,841	6,184,103	-	598,883	-	-	-	-	11,442,827	9,163,935	
Total equity and other credits	5,450,531	9,027,890	50,190	33,702,817	835,248	-	9,735,297	-	59,697,157	56,175,025	
Total liabilities, equity and other credits	\$ 6,757,896	10,530,808	2,230,383	41,137,305	957,825	304,606	9,735,297	5,918,245	78,656,457	73,570,988	

See accompanying notes to combined financial statements.

CITY OF KENT, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types

Year ended December 31, 1999

(with comparative totals for 1998)

	General	Special Revenue	Debt Service	Capital Projects	Totals	
					1999	1998
Revenues						
Taxes	\$ 1,105,561	10,118,647	-	-	11,224,208	11,096,845
Fees, licenses and permits	220,527	94,428	-	-	314,955	248,234
Intergovernmental	2,279,866	1,150,177	-	-	3,430,043	3,540,752
Charges for services	464,233	172,663	-	-	636,896	591,432
Fines and forfeits	333,974	39,034	-	-	373,008	472,835
Special assessments	-	219,900	78,328	-	298,228	131,322
Interest	559,993	138,958	-	-	698,951	679,171
Miscellaneous	57,411	118,106	-	-	175,517	374,474
Total revenues	5,021,565	12,051,913	78,328	-	17,151,806	17,135,065
Expenditures						
Current						
Security of persons and property	2,724,632	4,202,478	-	-	6,927,110	6,522,907
Public health and welfare	314,769	106,544	-	-	421,313	415,147
Leisure time activities	-	829,725	-	-	829,725	869,507
Community development	650,764	680,680	-	-	1,331,444	1,633,099
Transportation	-	1,147,096	-	-	1,147,096	1,161,164
General government	1,736,400	633,424	3,160	151,250	2,524,234	2,562,947
Capital outlays	332,500	962,231	-	771,207	2,065,938	4,032,289
Debt service (note 7)	-	-	159,647	-	159,647	93,000
Principal retirements	-	18,010	161,554	-	179,564	275,799
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	5,759,065	8,580,188	324,361	922,457	15,586,071	17,565,859
Excess of revenues over (under) expenditures	(737,500)	3,471,725	(246,033)	(922,457)	1,565,735	(430,794)
Other financing sources (uses)						
Proceeds from sale of notes	-	525,000	-	-	525,000	-
Proceeds from sale of bonds	-	-	-	-	-	3,000,000
Proceeds from long-term debt	-	-	-	-	-	456,994
Proceeds from sale of assets	318,564	-	-	-	318,564	-
Operating transfers - in	1,550,000	5,449,221	262,932	1,817,641	9,079,794	8,727,949
Operating transfers - out	(100,000)	(8,979,794)	-	-	(9,079,794)	(8,727,949)
Net other financing sources (uses)	1,768,564	(3,005,573)	262,932	1,817,641	843,564	3,456,994
Excess of revenues and other sources over (under) expenditures and other uses	1,031,064	466,152	16,899	895,184	2,409,299	3,026,200
Fund balance - January 1, as restated (note 18)	4,419,467	8,561,738	33,291	-	13,014,496	9,988,296
Fund balance - December 31	\$ 5,450,531	9,027,890	50,190	895,184	15,423,795	13,014,496

See accompanying notes to combined financial statements.

CITY OF KENT, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)
General, Special Revenue and Debt Service Funds

Year Ended December 31, 1999

	General Fund			Special Revenue Funds			Debt Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	1,086,539	1,105,561	19,022	10,035,312	10,286,335	251,023	-	-	-
Fees, licenses and permits	77,400	220,657	143,257	84,500	94,428	9,928	-	-	-
Intergovernmental	2,193,236	2,239,251	46,015	1,577,908	1,143,184	(434,724)	-	-	-
Charges for services	406,500	457,861	51,361	170,000	175,333	5,333	-	-	-
Fines and forfeits	325,000	336,997	11,997	38,600	38,946	346	-	-	-
Special assessments	-	533,170	33,170	185,000	219,900	34,900	78,000	78,328	328
Interest	60,000	57,411	(2,589)	81,500	137,558	56,058	-	-	-
Miscellaneous	-	-	-	9,500	160,568	151,068	-	-	-
Total revenues	4,648,675	4,950,908	302,233	12,182,320	12,256,252	73,932	78,000	78,328	328
Expenditures									
Current									
Security of persons and property	2,863,136	2,748,293	114,843	4,263,053	4,206,443	56,610	-	-	-
Public health and welfare	381,031	349,692	31,339	121,541	107,514	14,027	-	-	-
Leisure time activities	-	-	-	874,928	843,369	31,559	-	-	-
Community development	707,697	662,175	45,522	990,200	776,593	213,607	-	-	-
Transportation	-	-	-	1,447,226	1,348,503	98,723	-	-	-
General government	2,154,399	1,824,175	330,224	824,372	805,936	18,436	7,500	3,160	4,340
Capital outlays	322,557	305,118	17,439	627,667	551,478	76,189	-	-	-
Debt service	-	-	-	518,288	518,010	278	321,201	321,201	-
Total expenditures	6,428,820	5,889,453	539,367	9,667,275	9,157,846	509,429	328,701	324,361	4,340
Excess of revenues over (under) expenditures	(1,780,145)	(938,545)	841,600	2,515,045	3,098,406	583,361	(250,701)	(246,033)	4,668
Other financing sources (uses)									
Proceeds from sale of notes	-	-	-	550,000	525,000	(25,000)	-	-	-
Proceeds from sale of assets	-	318,564	318,564	-	-	-	-	-	-
Operating transfers - in	1,550,000	1,550,000	-	5,449,221	5,449,221	-	262,932	262,932	-
Operating transfers - out	(100,000)	(100,000)	-	(8,979,794)	(8,979,794)	-	-	-	-
Advances - out	-	-	-	(235,000)	(235,000)	-	-	-	-
Net other financing sources (uses)	1,450,000	1,768,564	318,564	(3,215,573)	(3,240,573)	(25,000)	262,932	262,932	-
Excess of revenues and other sources over (under) expenditures and other uses	(330,145)	830,019	1,160,164	(700,528)	(142,167)	558,361	12,231	16,899	4,668
Recovery of prior year encumbrances	-	138,712	138,712	-	150,858	150,858	-	-	-
Fund balance - January 1	3,078,547	3,078,547	-	5,531,751	5,531,751	-	33,291	33,291	-
Fund balance - December 31	2,748,402	4,047,278	1,298,876	4,831,223	5,540,442	709,219	45,522	50,190	4,668

(Continued)

CITY OF KENT, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis)
General, Special Revenue and Debt Service Funds - Continued

	Capital Projects Fund			Total (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	-	-	-	11,121,851	11,391,896	270,045
Fees, licenses and permits	-	-	-	161,900	315,085	153,185
Intergovernmental	-	-	-	3,771,144	3,382,435	(388,709)
Charges for services	-	-	-	576,500	633,194	56,694
Fines and forfeits	-	-	-	363,600	375,943	12,343
Special assessments	-	-	-	263,000	298,228	35,228
Interest	-	-	-	581,500	670,728	89,228
Miscellaneous	-	-	-	69,500	217,979	148,479
Total revenues	-	-	-	16,908,995	17,285,488	376,493
Expenditures						
Current						
Security of persons and property	-	-	-	7,126,189	6,954,736	171,453
Public health and welfare	-	-	-	502,572	457,206	45,366
Leisure time activities	-	-	-	874,928	843,369	31,559
Community development	-	-	-	1,697,897	1,438,768	259,129
Transportation	-	-	-	1,447,226	1,348,503	98,723
General government	-	-	-	2,986,271	2,633,271	353,000
Capital outlays	1,817,641	1,218,759	598,882	2,767,865	2,075,355	692,510
Debt service	-	-	-	839,489	839,211	278
Total expenditures	1,817,641	1,218,759	598,882	18,242,437	16,590,419	1,652,018
Excess of revenues over (under) expenditures	(1,817,641)	(1,218,759)	598,882	(1,333,442)	695,069	2,028,511
Other financing sources (uses)						
Proceeds from sale of notes	-	-	-	550,000	525,000	(25,000)
Proceeds from sale of assets	-	-	-	-	318,564	318,564
Operating transfers - in	1,817,641	1,817,641	-	9,079,794	9,079,794	-
Operating transfers - out	-	-	-	(9,079,794)	(9,079,794)	-
Advances - out	-	-	-	(235,000)	(235,000)	-
Net other financing sources (uses)	1,817,641	1,817,641	-	315,000	608,564	293,564
Excess of revenues and other sources over (under) expenditures and other uses	-	598,882	598,882	(1,018,442)	1,303,633	2,322,075
Recovery of prior year encumbrances	-	-	-	-	289,570	289,570
Fund balance - January 1	-	-	-	8,643,589	8,643,589	-
Fund balance - December 31	-	598,882	598,882	7,625,147	10,236,792	2,611,645

See accompanying notes to combined financial statements.

CITY OF KENT, OHIO

Combined Statement of Revenues, Expenses and Changes in Retained Earnings -
All Proprietary Fund Types

Year ended December 31, 1999

(with comparative totals for 1998)

	Enterprise	Internal Service	Totals	
			1999	(Memorandum Only) 1998
Operating revenues				
Charges for services	\$ 6,325,614	1,470,778	7,796,392	7,230,705
Other	51,766	-	51,766	20,536
Total operating revenues	6,377,380	1,470,778	7,848,158	7,251,241
Operating expenses				
Personal services	2,345,741	-	2,345,741	2,272,106
Benefits	664,209	-	664,209	619,176
Utilities	347,746	-	347,746	402,415
Contractual services	784,867	-	784,867	585,331
Supplies and materials	363,051	-	363,051	384,328
Depreciation	992,932	-	992,932	958,805
Claims	-	1,132,073	1,132,073	1,051,964
Premiums	-	272,636	272,636	242,801
Other	214,794	-	214,794	303,002
Total operating expenses	5,713,340	1,404,709	7,118,049	6,819,928
Operating income (loss)	664,040	66,069	730,109	431,313
Nonoperating revenues (expenses)				
Interest revenue	264,986	54,342	319,328	345,172
Interest expense	(311,363)	-	(311,363)	(338,645)
Amortization of bond issuance costs	(7,016)	-	(7,016)	(7,016)
Refund of workers' compensation premium	-	-	-	60,680
Gain on disposition of fixed assets	3,969	-	3,969	84,864
Loss on disposition of fixed assets	(101,503)	-	(101,503)	(11,011)
Net nonoperating revenues (expenses)	(150,927)	54,342	(96,585)	134,044
Net income	513,113	120,411	633,524	565,357
Retained earnings - January 1	21,576,080	714,837	22,290,917	21,725,560
Retained earnings - December 31	\$ 22,089,193	835,248	22,924,441	22,290,917

See accompanying notes to combined financial statements.

CITY OF KENT, OHIO

Combined Statement of Cash Flows -
All Proprietary Fund Types

Year ended December 31, 1999
(with comparative totals for 1998)

	Enterprise	Internal Service	Totals (Memorandum Only)	
			1999	1998
Cash flows from operating activities				
Cash received from users	\$ 6,161,687	1,470,778	7,632,465	7,376,777
Cash payments to suppliers for goods and services	(1,999,956)	(1,449,312)	(3,449,268)	(3,570,876)
Cash payments to employees for services	(2,334,910)	-	(2,334,910)	(2,188,649)
Other operating revenue	51,766	-	51,766	20,536
Net cash provided (used) by operating activities	1,878,587	21,466	1,900,053	1,637,788
Cash flows from noncapital financing activities				
Refund of workers' compensation premium	-	-	-	60,680
Loan from other fund	235,000	-	235,000	-
Net cash provided by noncapital financing activities	235,000	-	235,000	60,680
Cash flows from capital and related financing activities				
Capital contributions	99,943	-	99,943	1,306,363
Purchase of capital assets	(190,767)	-	(190,767)	(119,126)
Construction of capital assets	(1,473,555)	-	(1,473,555)	(2,465,120)
Principal paid on outstanding capital debt	(520,000)	-	(520,000)	(490,000)
Interest paid on outstanding capital debt	(311,363)	-	(311,363)	(338,645)
Proceeds from sale of equipment	107,816	-	107,816	96,107
Net cash used by capital and related financing activities	(2,287,926)	-	(2,287,926)	(2,010,421)
Cash flows from investing activities				
Payments for investments	-	(29,552)	(29,552)	(65,642)
Interest on investments	253,681	54,342	308,023	350,074
Net cash provided (used) by investing activities	253,681	24,790	278,471	284,432
Net increase (decrease) in cash and cash equivalents	79,342	46,256	125,598	(27,521)
Cash and cash equivalents - January 1	5,363,078	44,451	5,407,529	5,435,050
Cash and cash equivalents - December 31	\$ 5,442,420	90,707	5,533,127	5,407,529

(Continued)

CITY OF KENT, OHIO

Combined Statement of Cash Flows -
All Proprietary Fund Types - Continued

	Enterprise	Internal Service	Totals (Memorandum Only)	
			1999	1998
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ 664,040	66,069	730,109	431,313
Adjustment to reconcile operating income to net cash provided by operating activities				
Depreciation	992,932	-	992,932	958,805
Provision for uncollectible accounts	(2,157)	-	(2,157)	21,516
Change in assets and liabilities				
(Increase) decrease in accounts receivable	(161,770)	-	(161,770)	124,556
(Increase) decrease in inventories	(4,426)	-	(4,426)	246
(Increase) decrease in prepaid items	15,372	-	15,372	14,354
Increase (decrease) in accounts payable	363,765	(3,248)	360,517	(19,038)
Increase (decrease) in wages and benefits payable	10,831	-	10,831	83,457
Increase (decrease) in claims payable	-	(41,355)	(41,355)	22,579
Net cash provided (used) by operating activities	\$ 1,878,587	21,466	1,900,053	1,637,788

Noncash investing, capital and financing activities

In 1999, the Solid Waste Fund transferred \$13,230 of contributed capital assets to another government. These assets had a book value of \$9,261, resulting in a gain of \$3,969. The Sewer Fund and the Water Fund acquired fixed assets valued at \$194,100 and \$105,350, respectively, via capital contributions from developers. Per GASB 31, the Water Fund had a decrease in fair value over cost of investments of \$4,353.

See accompanying notes to combined financial statements.

CITY OF KENT, OHIO

Notes to Combined Financial Statements

December 31, 1999

(1) Description of Reporting Entity, Basis of Presentation
and Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The City of Kent, Ohio ("the City") operates as a Home Rule city in accordance with Article XVIII of the Ohio Constitution under a Council-Manager form of government. The City provides the following services as authorized by its Charter: public safety, highway and streets, parks and recreation, public improvements, planning and zoning, public health and general administrative services. In addition, the City owns and operates a water system and sewage treatment facilities.

In conformance with generally accepted accounting principles, the City does not have any component units and therefore, no component unit financial information is presented.

(b) Basis of Presentation

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments.

The financial transactions of the City are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the "totals - memorandum only" columns in the general purpose financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use a different basis of accounting, both restricted and unrestricted amounts, interfund transactions that have not been eliminated, and the caption "amounts to be provided", which does not represent an asset. Consequently, amounts shown in the "totals - memorandum only" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the City.

Notes to Combined Financial Statements

The City uses the following fund categories, fund types and account groups:

Governmental funds

Governmental funds are accounted for on a spending measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during a period.

General fund - the general operating fund of the City; used to account for all revenues and expenditures except those required to be accounted for in another fund.

Special revenue funds - used to account for revenue from specific sources (other than special assessments or major capital projects) which require separate accounting because of legal restrictions requiring that expenditures be for specified purposes.

Debt service fund - used to account for the accumulation of resources for, and the payment of, general long-term obligations principal and interest.

Capital projects fund - used to account for revenues and expenditures related to the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary funds

Proprietary funds are accounted for on a capital maintenance measurement focus. All assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is classified as retained earnings.

Enterprise funds - used to account for operations where the intention is to finance such operations primarily through user charges, or where the City has decided that the periodic determination of revenues, expenses and net income is appropriate.

Internal service funds - used to account for the financing of significant goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost reimbursement basis.

Fiduciary Funds

Agency funds - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units and/or other funds.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt.

Notes to Combined Financial Statements

General fixed assets - used to account for capital assets used in general government operations with a useful life of greater than one year (other than those accounted for in proprietary funds).

General long-term debt - used to account for all long-term obligations of the City, except for those accounted for in proprietary funds. These obligations are secured by the credit of the City as a whole and are payable from general government resources.

(c) Basis of Accounting

All governmental fund types are accounted for on the modified accrual basis of accounting and the flow of financial resources measurement focus. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period.

Expenditures are recognized when the related fund liability is incurred, if measurable, with the exception of accumulated unpaid employee compensation which is not payable from expendable financial resources. Agency funds are purely custodial (assets equal liabilities), do not involve measurement of results of operations, and are accounted for on the modified accrual basis of accounting.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available, as they are collectible within the current period or soon enough thereafter to be used to pay obligations of the current period: investment earnings, special assessments due in the current year, income taxes withheld by employers and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made.

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

All proprietary type funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. Their revenues are recognized when earned and their expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year end.

Notes to Combined Financial Statements

With respect to proprietary activities, the City has adopted GASB Statement 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting. The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict pronouncements.

(d) Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. Modifications to the original budget are approved by City Council throughout the year.

The revisions made to the original budget during 1999 were as follows:

	Original Budget	Total Revisions	Revised Budget
General fund	\$ 6,347,030	181,790	6,528,820
Special revenue funds:			
Street Construction, Maintenance and Repair	3,439,981	(1,165,706)	2,274,275
State Highway	45,000	18,000	63,000
Parks and Recreation	918,428	80,035	998,463
Food Service	45,550	5,000	50,550
Income Tax	9,000,851	701,334	9,702,185
Drug Law Enforcement	11,000	4,000	15,000
Law Enforcement Trust	135,000	25,000	160,000
Community Development Block Grant	432,000	308,200	740,200
Fire and Emergency Medical Service	2,031,490	83,352	2,114,842
Police Pension	80,481	9,226	89,707
Fire Pension	80,481	12,542	93,023
Urban Development Action Grant	125,000	125,000	250,000
Capital projects fund	1,408,000	409,641	1,817,641

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. Budget amounts presented in the accompanying combined financial statements represent final amended amounts. The City maintains budgetary control by not permitting expenditures to exceed appropriations within each fund (legal level) without the approval of City Council. The Director of Budget and Finance is authorized to allocate appropriations among departments within any fund. Unencumbered appropriations lapse at year end. The encumbered appropriations are carried forward to the succeeding year and need not be reappropriated

Notes to Combined Financial Statements

The City's budget (budgetary basis) accounts for certain transactions on a basis which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

- (1) Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes;
- (2) Expenditures are recorded when paid in cash for budget purposes as opposed to when the liability is incurred for GAAP purposes;
- (3) Encumbrances are recorded when paid in cash for budget purposes as opposed to reservation of fund balance for GAAP purposes;

An analysis of the difference in fund balance at December 31, 1999 as determined under the budgetary and GAAP basis follows:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance - budgetary basis	\$ 4,047,278	5,540,442	50,190	598,882
Adjustments for GAAP basis				
Increase (decrease):				
Encumbrances outstanding (cash basis)				
at December 31, 1999	961,625	959,267	-	485,210
Due to revenues/prepays:				
Accrued revenues/prepaid				
items/restricted cash	1,158,318	2,206,144	2,180,193	-
Due from other funds/governments	586,355	1,565,891	-	-
Deferred revenue	(919,713)	(766,692)	(2,180,143)	-
Due to expenditures:				
Accounts payable/accrued payroll/				
payable from restricted assets	(387,652)	(686,226)	(50)	(188,908)
Inventories	3,165	259,064	-	-
Due to other funds/governments	-	(50,000)	-	-
Notes payable				-
Other reclassifications	1,155	-	-	-
Fund balance - GAAP basis	<u>\$ 5,450,531</u>	<u>9,027,890</u>	<u>50,190</u>	<u>895,184</u>

Notes to Combined Financial Statements

(e) Fixed Assets

Fixed assets include land and land improvements, buildings, structures and improvements and machinery and equipment owned by the City. Infrastructure assets, including streets, bridges and sidewalks, are not included.

Fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and capitalized in the General Fixed Assets Account Group. Property and equipment acquired by proprietary funds are reported in those funds. All fixed assets are recorded at historical cost, estimated historical cost or at estimated fair market value at time of donation.

(f) Depreciation

Depreciation is provided on general fixed assets and proprietary funds over the fixed assets' estimated useful lives using the straight-line method. Depreciation is recorded in the General Fixed Assets Account Group as a reduction to the Investment in General Fixed Assets account. The following lives are used for both general fixed assets and proprietary fund fixed assets:

Buildings, structures and improvements	40 - 80 years
Machinery and equipment	2 - 25 years

(g) Encumbrances

As part of formal budgetary control over governmental funds, purchase orders, contracts and other commitments for expenditures are encumbered and reported as expenditures on the non-GAAP budget basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance since they do not represent expenditures or liabilities of the governmental funds.

(h) Grants and Other Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures/expenses are incurred. Amounts received in excess of expenditures/expenses are reflected as deferred revenue.

(i) Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. Operating subsidies are recorded as operating transfers.

(j) Inventories

Inventories are recorded at cost as determined by the first-in, first-out inventory valuation method. The cost is recorded as an expenditure at the time inventory items are consumed. In the governmental funds, reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

(k) Cash and Cash Equivalents

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.

The City applied GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" as of December 31, 1999. As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at fair value, which is the quoted market price as of the valuation date.

The City utilized to following methods and assumptions as of December 31, 1999:

The portfolio was limited to nonparticipating interest-earning investment contracts and U.S. Government securities;

Exceptions to the fair value requirement include nonparticipating interest-earning investment contracts and money market securities. Nonparticipating investment contracts, such as non-negotiable certificates of deposit and repurchase agreements, are reported at cost;

The gain/loss resulting from valuation will be reported within the revenue account "Interest revenue" on the Statement of Revenues, Expenses and Changes in Retained Earnings, since the investments have been identified as belonging to the Water fund;

The City's policy is to hold investments until maturity.

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 fiscal year 1999 amounted to \$559,993, which includes \$350,318 assigned from other City funds.

Notes to Combined Financial Statements

(2) Deposits with Financial Institutions and Investments

The classification of cash and cash equivalents on the combined financial statements is based on criteria set forth in GASB Statement No. 9. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3. The captions on the combined balance sheet related to cash and cash equivalents are as follows:

	GASB <u>Statement No. 9</u>	GASB <u>Statement No. 3</u>
Cash	\$ 1,329,727	18,338,000
Investments	<u>17,295,562</u>	<u>287,289</u>
Total Deposits and investments	18,625,289	18,625,289
Less: Restricted cash and cash equivalents	(150,932)	(150,932)
Assets whose use is limited	<u>(288,499)</u>	<u>(288,499)</u>
Cash and cash equivalents	<u>\$ 18,185,858</u>	<u>18,185,858</u>

The City maintains a cash pool that is available for the use by all funds and accounts except for the Sewer fund, the Water fund and Health and Life Insurance Internal Service fund, which are maintained separately. Also maintained separately are accounts for revolving loans and restricted cash. Each fund type's portion of this pool is displayed on the combined balance sheet as "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 two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including by not limited to, the federal national mortgage association,

Notes to Combined Financial Statements

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).

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in an amount equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation, or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation, or other authority.

The City's ordinances authorize the City to invest in certificates of deposit or repurchase agreements for a period not to exceed six months with any eligible institution which is designated as a public depository in the State of Ohio. The City did not invest in repurchase agreements in 1999. The investment balance in certificates of deposit is included in the deposit section, based on the criteria set forth in GASB No. 3. Included as investments are obligations of the United States Treasury held by a trustee as required by applicable bond indentures.

Deposits

The Governmental Accounting Standards Board has established risk categories for deposits as follows:

Category 1 - Insured or collateralized with securities held by the City or by its agent in the City's name.

Notes to Combined Financial Statements

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 - Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging institution or its trust department or agent but not in the City's name.)

<u>Insured</u>	<u>Risk</u> <u>Category</u>	<u>Financial Institution</u>	<u>Book</u> <u>Balance</u>	<u>Bank</u> <u>Balance</u>
FDIC	1	Bank One N.A.	\$ 100,000	100,000
FDIC	1	Chase Manhattan Bank N.A.	1,210	1,210
FDIC	1	First Merit	100,000	100,000
FDIC	1	Home Savings Bank	100,000	100,000
FDIC	1	Huntington National Bank	500	95,806
FDIC	1	Key Bank	100,000	100,000
FDIC	1	National City Bank, Northeast	100,000	100,000
FDIC	1	Second National Bank of Warren	100,000	100,000
No	2	Home Savings Bank	204,809	204,809
No	3	Bank One N.A.	1,170,122	1,170,051
No	3	First Merit	2,705,000	2,705,000
No	3	Key Bank	533,086	559,072
No	3	National City Bank, Northeast	12,103,273	12,103,273
No	3	Second National Bank of Warren	1,020,000	1,020,000
			<u>\$ 18,338,000</u>	<u>18,459,221</u>

All deposits are carried at cost. At year end, the carrying amount of the City's cash and deposits was \$18,338,000 and the bank balance was \$18,459,221. Of the bank balance, \$697,016 was insured, \$204,809 was classified as risk Category 2, and \$17,557,396 was classified as risk Category 3.

Investments

The Governmental Accounting Standards board has established risk categories for investments as follows:

Category 1 - Investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

Notes to Combined Financial Statements

The City's investments at December 31, 1999, were as follows:

Risk Category	Financial Institution	Cost	Fair Value
2	Chase Manhattan Bank N.A. - U.S. Treasury Securities	\$ 285,437	287,289
	Total investments	<u>285,437</u>	<u>287,289</u>

(3) Changes in Fixed Assets in Service

A summary of changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land	\$ 2,216,089	212,375	(6,300)	2,422,164
Buildings, structures and improvements	6,072,650	62,101	-	6,134,751
Machinery and equipment	7,231,688	706,830	(491,309)	7,447,209
Accumulated depreciation	(5,878,276)	(869,187)	478,636	(6,268,827)
	<u>\$ 9,642,151</u>	<u>112,119</u>	<u>(18,973)</u>	<u>9,735,297</u>

A summary of changes in enterprise fund fixed assets follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Land	\$ 1,599,970	1,318	-	1,601,288
Buildings, structures and improvements	37,712,775	2,608,114	(287,800)	40,033,089
Machinery and equipment	6,769,606	189,449	(201,095)	6,757,960
Construction in progress	3,472,187	1,089,578	(2,075,663)	2,486,102
Accumulated depreciation	(15,718,342)	(992,932)	270,315	(16,440,959)
	<u>\$ 33,836,196</u>	<u>2,895,527</u>	<u>(2,294,243)</u>	<u>34,437,480</u>

Notes to Combined Financial Statements

(4) Interfund Receivables and Payables

The following balances at December 31, 1999, represent individual fund interfund receivables and payables:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 201,466	-
Special Revenue Funds:		
Income Tax	1,326,080	-
Community Development Block Grant	-	50,000
Enterprise Funds:		
Solid Waste	-	356,466
Storm Water Drainage	-	180,000
Sewer	-	437,193
Water	8,213	512,100
	<u>\$ 1,535,759</u>	<u>1,535,759</u>

(5) Pension and Retirement Plans

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple employer defined benefit pension plans.

(a) Public Employees Retirement System (PERS of Ohio)

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers".

(1) Pension Benefits

The City of Kent contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System of Ohio issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. The 1999 employer contribution rate was 13.55% of covered payroll. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$707,679, \$692,635 and \$570,925, respectively. The full amount has been contributed for 1998 and 1997; 76% has been contributed for 1999 with the remainder being reported as a liability within the respective funds.

(2) Other Postemployment Benefits

The Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for the year 1999, which amounted to \$219,354. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

Other postemployment benefits are financed through employer contributions and investment earning there on. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for other postemployment benefits at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

(b) Ohio Police and Fire Pension Fund

The following information was provided by the Police and Fire Pension Fund of Ohio (OP&F) to assist the City in complying with GASB Statement No. 27.

(1) Pension Benefits

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The OP&F provides retirement and disability 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 statements and required supplementary information. Interested parties may obtain a copy by making a written request to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary, while the City is required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 1999, 1998 and 1997 were \$454,518, \$424,156 and \$385,907 for police and \$374,321, \$359,347 and \$329,760 for firefighters, respectively. The full amount has been contributed for 1998 and 1997; 75% has been contributed for 1999 with the remainder being reported as a liability within the respective funds.

(2) Other Postemployment Benefits

The OP&F provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll.

The Ohio Revised Code provides statutory authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.5% and 7.0% of covered in 1998 and 1999, respectively. The allocation is 7.25% in 2000. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 1998, (the latest actuarial valuation available) was 11,424 for police and 9,186 for firefighters. The portion of the City's contributions that was used to pay postemployment benefits was \$163,171 for police and \$109,302 for firefighters. The OP&F had total health care expenses for the year ended December 31, 1998, the date of the last actuarial valuation available, was \$78,596,790, which was net of member contributions of \$5,331,515.

(6) Accumulated Unpaid Employee Benefits

Included in accrued benefits are the workers' compensation liability, the accrued pension liability for both the retirement systems, estimated severance pay liability and the compensated absences liability. The accrued pension liability is recorded as a liability in the respective fund type because it is encumbered as of December 31, 1999, and therefore, expected to be liquidated with available financial resources.

Some City employees are contractually entitled to severance pay equal to one month of their salary if they retire with at least 10 years of service. It is estimated that 90% of the current employees will retire from the City. As of December 31, 1999, the estimated amount of severance pay liability for governmental fund types totaled \$368,791 and is recorded in the General Long-Term Debt Account Group. For enterprise funds, the estimated severance pay liability was \$58,923 and is recorded in the respective enterprise fund.

City employees earn vacation leave ranging from 10 to 30 days per year based on length of service, except for firemen who accumulate vacation at rates from 6 to 14 tours of duty per year based on length of service. Accumulated vacation leave cannot exceed 10 days for City employees and 5 tours of duty for firemen at the end of any year. Sick leave for City employees is accrued at rates from 119.6 to 195 hours per year. Employees may convert 50% 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% of their accumulated sick leave days into a lump-sum payment within certain limitations.

In accordance with Governmental Accounting Standard's Board (GASB) Statement 16, the City has accrued a liability for compensated absences at December 31, 1999. For governmental fund types, the City recognized the current portion of this liability at December 31, 1999, that is expected to be liquidated with expendable available financial resources. Accumulated vacation, sick leave and compensatory time totaled \$115,087 and is recorded as a liability within the respective fund type since it was used within sixty days of year-end. The amount of sick leave which will be converted during the following year amounted to \$19,707 and is also recorded as a liability within the respective fund type. The remainder of the compensated absences liability for governmental fund types amounted to \$1,412,161 and is recorded as a liability in the General Long-Term Debt Group since the timing of future payments is not determinable. For enterprise funds, accumulated vacation, compensatory time and 45% of accumulated sick leave \$482,842 at December 31, 1999. These amounts are recorded as liabilities in the respective enterprise funds.

Notes to Combined Financial Statements

(7) Debt and Long-Term Obligations

	Balance January 1, 1999	Additions	Reductions	Balance December 31, 1999
Notes payable - 3.99%, 4.60%	\$ 500,000	525,000	500,000	525,000
General obligation bonds payable:				
3.75%-5.20%, 1998 various purpose	3,000,000	-	95,000	2,905,000
Total general obligation bonds payable	<u>3,000,000</u>	<u>-</u>	<u>95,000</u>	<u>2,905,000</u>
Special assessment bonds with governmental commitment:				
7.30%-7.80%, 1988 street improvements bond	190,000	-	10,000	180,000
6.75%, 1990-1 street improvements bond	36,000	-	18,000	18,000
6.80%, 1990-2 street improvements bond	33,000	-	11,000	22,000
Total special assessment bonds with governmental commitment	<u>259,000</u>	<u>-</u>	<u>39,000</u>	<u>220,000</u>
Ohio Public Works Commission loan	512,940	-	25,647	487,293
Accrued sick leave, compensatory time and severance pay	1,733,336	47,616	-	1,780,952
Total General Debt	<u>\$ 6,005,276</u>	<u>572,616</u>	<u>659,647</u>	<u>5,918,245</u>
Enterprise Funds:				
General obligation bonds payable:				
5.55%-6.50%, 1992 sewer improvement refunding bond	\$ 4,495,000	-	270,000	4,225,000
Total general obligation bonds payable	<u>4,495,000</u>	<u>-</u>	<u>270,000</u>	<u>4,225,000</u>
Mortgage revenue bonds payable:				
5.75%, 1973 water mortgage bond	515,000	-	250,000	265,000
Total mortgage revenue bonds payable	<u>515,000</u>	<u>-</u>	<u>250,000</u>	<u>265,000</u>
Total Enterprise Funds Debt	<u>\$ 5,010,000</u>	<u>-</u>	<u>520,000</u>	<u>4,490,000</u>

In July 2000, the \$525,000 principal and \$24,016 in interest is due on the notes payable. The note will be replaced with a special assessment bond.

The general long-term obligations resulting from special assessment projects are funded through the issuance of bonds payable. Bonds issued are backed by the full faith, credit and general revenues of the City and fully retired with assessments levied against property owners. Assessments are receivable over

Notes to Combined Financial Statements

periods ranging from ten to twenty years, with interest equal to the interest on the bonds issued to finance the improvements.

The capital loan payable is an obligation to the Ohio Public Works Commission related to the Fairchild Avenue Project. No interest is associated with this loan.

Enterprise funds debt is backed by the full faith, credit and general revenues of the City. However, it is the intention of the City that all enterprise obligations be paid from operating income.

Annual maturity and sinking fund requirements to pay principal and interest on the obligations outstanding at December 31, 1999 follow:

	General Debt		Ohio Public Works Commission Loan		Enterprise Funds Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 144,000	155,299	25,647	0	545,000	282,003
2001	131,000	148,326	25,647	0	300,000	250,805
2002	125,000	142,200	25,647	0	315,000	233,405
2003	135,000	136,550	25,647	0	335,000	213,718
2004	140,000	130,180	25,647	0	350,000	193,450
2005 - 2009	765,000	542,995	128,235	0	2,135,000	599,625
2010 - 2014	845,000	351,028	128,235	0	510,000	33,150
2015 - 2018	840,000	111,800	102,588	0	0	0
	<u>\$ 3,125,000</u>	<u>1,718,378</u>	<u>487,293</u>	<u>0</u>	<u>4,490,000</u>	<u>1,806,156</u>

The City has the ability to issue \$11.7 million of additional debt without obtaining voter approval.

The balances of sinking funds held by the Trustee related to mortgage revenue bonds at December 31, 1999, are comprised of the following:

	Cost	Fair Value
Cash	\$ 1,210	1,210
Obligations of the United States Treasury	285,437	287,289
	<u>\$ 286,648</u>	<u>288,499</u>

The above assets are carried at fair value and are insured, registered or held by the trustee in the City's name. These assets are included in the accompanying financial statements as assets whose use is limited since their use is restricted by applicable bond indentures.

Issuance costs on the 1992 sewer improvement refunding bond are amortized using the straight-line method over the term of the issue.

(8) Income Taxes

During 1999, the City levied income tax of 2% 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, partial credit is allowed for income taxes paid to other municipalities.

(9) 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 1999 levy was based was \$274,656,788.

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. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. A revaluation was completed in 1994. Public utility property taxes are assessed on tangible personal property, as well as land improvements, at true value (in general, true value is net book value). Tangible personal property used in business (except for public utilities) is assessed at 25% of average value for inventories and 25% of true value for substantially all other personal property for the year 1999.

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.

(10) 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.

(11) Construction and Other Commitments

As of December 31, 1999, the City had an unpaid commitment of \$204,878 with respect to the water meter replacement capital projects. Of this amount, \$118,176 is recorded as a capital contracts payable in the enterprise funds. It is anticipated that this project will be completed in 2000.

Notes to Combined Financial Statements

The City is also obligated under contract for an unpaid commitment of \$135,921 related to the lime sludge dewatering project. Of this amount, \$17,930 is recorded as capital contracts payable in the enterprise funds.

As of December 31, 1999, the City was under contract for an unpaid commitment of \$82,414 related to the Marvin Street project, which includes street construction and the extension of water utilities. Of this amount, \$10,000 and \$42,437 are recorded as capital contracts payable in the Capital Projects fund and the enterprise funds, respectively.

The City is also obligated under contract for unpaid commitments of \$275,079 related to various street, sidewalk, sanitary sewer and water construction and repair projects. Of this amount, \$140,916 and \$56,391 are recorded as capital contracts payable in the Capital Projects fund and the enterprise funds, respectively.

The City had no material operating lease commitments at December 31, 1999.

(12) Segment Information for Enterprise Funds

The City maintains three enterprise funds which provide water, sewer and solid waste collection services. Information for the year ended December 31, 1999 for the enterprise funds is summarized as follows:

	Solid <u>Waste</u>	Storm Water <u>Drainage</u>	<u>Sewer</u>	<u>Water</u>	Total Enterprise <u>Total</u>
Operating revenues	\$ 305,320	-	3,349,554	2,722,506	6,377,380
Operating expenses	314,394	139,203	2,858,327	2,401,416	5,713,340
Depreciation	3,432	-	604,822	384,678	992,932
Operating income (loss)	(9,074)	(139,203)	491,227	321,090	664,040
Net income (loss)	(5,105)	(139,203)	302,797	354,624	513,113
New contributions to contributed capital	(13,230)	-	257,841	141,552	386,163
Net additions to property, plant and equipment	(13,230)	-	339,647	997,484	1,323,901
Net working capital (deficiency)	(255,884)	(139,203)	2,019,458	1,220,294	2,844,665
Total identifiable assets	149,371	86,675	25,424,563	15,476,696	41,137,305
Bonds and other long-term liabilities payable from operating revenues	-	-	4,225,000	265,000	4,490,000
Total fund equity (deficit)	(244,665)	(139,203)	20,231,616	13,855,069	33,702,817

Notes to Combined Financial Statements

(13) Enterprise Fund Contributed Capital

During the year, enterprise fund contributed capital changed by the following amounts:

<u>Source</u>	<u>Solid Waste</u>	<u>Sewer</u>	<u>Water</u>
Contributed capital, January 1	\$ 152,886	10,233,118	841,457
Contributions from developers	-	194,100	105,350
Special assessments	-	63,741	36,202
Disposal of assets	<u>(13,230)</u>	<u>-</u>	<u>-</u>
Contributed capital, December 31	<u>\$ 139,656</u>	<u>10,490,959</u>	<u>983,009</u>

(14) Fund Equity

Reservations of fund balances of governmental funds are to satisfy legal covenants that require a portion of the fund balance to be segregated or to identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserved for encumbrances - This reserve represents encumbrances outstanding at the end of the year based upon purchase orders and contracts signed by the City but not completed as of the close of the fiscal year.

Reserved for inventories - This reserve was created to represent the portion of the fund balance that is not available for expenditures because the City expects to use these resources within the next budgetary period.

Reserved for prepaid items - This reserve was created to represent the portion of the fund balance that is not available for expenditures because the City expects to use these resources within the next budgetary period.

Reserved for loans receivable - This reserve was created to represent the portion of the fund balance in the Special Revenue Funds that is not available for expenditures because repayment of the loans are not expected to be made until after the close of the subsequent fiscal year.

Reserved for debt service – This reserve was created to segregate a portion of the fund balance that will be used for debt service, including both principal and interest payments.

Unreserved Designated fund balance - This designation was created to segregate a portion of the fund balance for an account titled, "Emergency Reserve for Public Facilities and Programs". The designation was established since the City expects to use these resources within future budgetary periods. As well, a designation of fund balance has been created in the Community Development

Notes to Combined Financial Statements

Block Grant Fund to account for loan repayment proceeds which must be used for future community development loans.

(15) Fund Deficit

Start-up costs associated with the City's recycling program (initiated in 1990) resulted in a deficit retained earnings in the Solid Waste Fund. Disposition of Solid Waste Fund fixed assets in 1995 resulted in a loss of \$90,575 which contributed to increasing the deficit to \$384,321 at December 31, 1999. It is anticipated that this deficit will be eliminated gradually by a combination of reviewing the scope of services provided and rate increases.

During 1999, the City initiated a storm water drainage utility. Currently, the City is conducting a rate study and it plan to institute charges for services in June of 2001. The costs associated with design of the program and the rate study resulted in a deficit retained earnings in the Storm Water Drainage Fund of \$139,203 at December 31, 1999. It is anticipated that this deficit will be eliminated gradually by user charges.

(16) Conduit Debt

The City of Kent is party to certain Conduit Debt Obligations:

Type	On Behalf of	Principal Outstanding December 31, 1999	Year Issued
Industrial Development Revenue Bonds	Ravens Metals Products, Inc.	\$ 3,100,000	1994
Multi-Family Housing Revenue Bonds	Silver Meadows Apartments	<u>10,106,200</u>	1999
	Total	<u>\$ 13,206,200</u>	

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.

(17) 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 \$60,000 is covered by Sun Life of Canada.

The claims liability of \$100,316 reported in the fund at December 31, 1999, 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 claims, be reported. Changes in the fund's claims liability amount in 1998 and 1999 were:

Notes to Combined Financial Statements

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
1998	\$119,092	1,051,964	1,029,385	141,671
1999	141,671	1,132,073	1,173,428	100,316

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from the previously noted risks have not exceeded commercial insurance coverage in the past three fiscal years. During 1999, the City contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible</u>
National Casualty Company	Public Officials Liability	\$15,000
National Casualty Company	Law Enforcement Liability	5,000
Indiana Insurance Company	Commercial Property	1,000
Indiana Insurance Company	Commercial Crime	0
Indiana Insurance Company	Inland Marine	250
Indiana Insurance Company	Boiler and Machinery	1,000
Personal Service Insurance Company	Automobile Comprehensive	100
Personal Service Insurance Company	Automobile Collision	500
Twin City Fire Insurance Company	General Liability	0
Hartford Casualty Insurance Company	Excess General Liability	0
Volunteer Fireman's Insurance Services	Fire Errors and Omissions	0
Volunteer Fireman's Insurance Services	Ambulance Malpractice	0
Ohio Casualty Insurance Company	Bond - Finance Officials	0
Ohio Casualty Insurance Company	Bond - Public Employees	0

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

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

(18) Prior Period Adjustments

The following adjustments have been made to the January 1, 1998, fund balances:

	Special <u>Revenue</u>	Capital <u>Projects</u>
Fund balance as previously reported	\$ 6,533,480	395,843
Reclassification	395,843	(395,843)
Restatement as of January 1, 1998	<u>\$ 6,929,323</u>	<u>0</u>

Notes to Combined Financial Statements

In previous years, activity relating to the Street Construction, Maintenance and Repair fund and the State Highway fund was accounted for as Special Revenue fund activity for budget purposes and Capital Projects fund activity for GAAP purposes. In order to provide consistency between budgetary basis and GAAP basis statements, a separate Capital Projects fund was established in 1999 to account for capital project related activity. The activity in the Street Construction, Maintenance and Repair fund and the State Highway fund is now primarily operational in nature and will be reported in the Special Revenue funds for both budgetary basis and GAAP basis statements. The 1998 comparative totals have been restated to reflect the change.

The effect of this change on the excess of revenues and other financing sources over expenditures and other uses as previously reported for the year ended December 31, 1998 is as follows:

	Special Revenue	Capital Projects
Excess as previously reported	\$ 236,700	1,395,715
Reclassification	<u>1,395,715</u>	<u>(1,395,715)</u>
Restatement year ended December 31, 1998	<u>\$ 1,632,415</u>	<u>0</u>



CITY OF KENT, OHIO

General Fund

The General Fund is the general operating fund of the City and is used to account for all revenues and expenditures, except those required to be accounted for in another fund.

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund

Year Ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,086,539	1,105,561	19,022
Fees, licenses and permits	77,400	220,657	143,257
Intergovernmental	2,193,236	2,239,251	46,015
Charges for services	406,500	457,861	51,361
Fines and forfeits	325,000	336,997	11,997
Interest	500,000	533,170	33,170
Miscellaneous	60,000	57,411	(2,589)
Total revenues	4,648,675	4,950,908	302,233
Expenditures			
Current			
Security of persons and property	2,863,136	2,748,293	114,843
Public health and welfare	381,031	349,692	31,339
Community development	707,697	662,175	45,522
General government	2,154,399	1,824,175	330,224
Capital outlays	322,557	305,118	17,439
Total expenditures	6,428,820	5,889,453	539,367
Excess of revenues over (under) expenditures	(1,780,145)	(938,545)	841,600
Other financing sources			
Proceeds from sale of assets	-	318,564	318,564
Operating transfers - in	1,550,000	1,550,000	-
Operating transfers - out	(100,000)	(100,000)	-
Net other financing sources	1,450,000	1,768,564	318,564
Excess of revenues and other sources over (under) expenditures	(330,145)	830,019	1,160,164
Recovery of prior year encumbrances	-	138,712	138,712
Fund balance - January 1	3,078,547	3,078,547	-
Fund balance - December 31	\$ 2,748,402	4,047,278	1,298,876

CITY OF KENT, OHIO

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments or those for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

West Side Fire Fund	To account for the revenue from property taxes levied and expenditures relative to operation of the West Side fire station.
Street Construction, Maintenance and Repair Fund	To account 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 transfers from the Income Tax Fund
State Highway Improvement Fund	To account 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
Parks and Recreation Fund	To account 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	To account for the revenue from food service permits and the expenditures relative to the operation of a food service inspection program.
License Tax Fund taxes.	To account for the revenue received from municipal motor vehicle taxes.
Income Tax Fund	To account for the revenue received from the municipal income tax, the expenditures relative to the administration of collections and transfers to support the operations of other funds.
Revolving Housing Fund	To account for the revenue received from housing inspections and the expenditures relative to the operation of the housing inspection program.
State and Local Forfeits Fund	To account 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.

CITY OF KENT, OHIO

Special Revenue Funds

Drug Law Enforcement Fund	To account for the revenue received from mandatory drug fines as the result of felony drug convictions. State law requires that these monies be used for drug-related law enforcement activities.
Enforcement and Education Fund	To account 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.
Income Tax Safety Fund	To account for public safety expenditures relative to the distribution of municipal income tax monies as required by the City Charter.
Law Enforcement Trust Fund	To account 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	To account for the revenue from the federal government and expenditures as prescribed under the Community Development Block Grant and the Comprehensive Housing Improvement Program.
Fire and Emergency Medical Service Fund	To account for fire and ambulance service expenditures relative to the distribution of municipal income tax monies as required by the City Charter.
Swimming Pool Inspections Fund	To account for the revenue received from swimming pool inspections and the expenditures relative to the operation of the swimming pool inspection program.
Police Pension Fund	To account for the revenue from property taxes levied for the partial payment of the current liability for policemen disability and pension.
Fire Pension Fund	To account for the revenue from property taxes levied for the partial payment of the current liability for firemen disability and pension.
Urban Development Action Grant Fund	To account for the revenue received from the federal government, Community Development loans and expenditures relative to the operations of this program.

CITY OF KENT, OHIO

Combining Balance Sheet - All Special Revenue Funds

December 31, 1999
(with comparative totals for 1998)

	West Side Fire	Street Construction Maintenance and Repair	State Highway	Parks and Recreation	Food Service	License Tax	Income Tax	Revolving Housing	State and Local Forfeits	Drug Law Enforcement	Enforcement and Education
Assets											
Cash and cash equivalents	\$ 9,500	1,780,043	11,975	269,465	8,522	20,206	1,919,374	47,292	12,221	10,221	14,792
Receivables	66,960	-	-	561,107	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	870,655	-	-	-	-
Income taxes	-	-	-	870	-	10,399	5,044	-	-	327	110
Other	-	-	-	-	-	-	-	-	-	-	-
Receivables, net	66,960	-	-	561,977	-	10,399	875,699	-	-	327	110
Due from other funds	-	-	-	-	-	-	1,326,080	-	-	-	-
Due from other governments	-	72,647	5,890	-	-	-	-	-	-	-	-
Inventory	-	259,064	-	-	-	-	-	-	-	-	-
Prepaid items	-	6,909	-	1,219	-	-	1,516	-	-	-	-
Restricted cash and cash equivalents	-	13,737	-	-	-	-	-	-	-	-	-
Total assets	\$ 76,460	2,132,400	17,865	832,661	8,522	30,605	4,122,669	47,292	12,221	10,548	14,902
Liabilities											
Accounts payable	\$ -	31,110	-	49,505	81	-	19,061	143	-	-	-
Capital contracts payable	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Accrued wages and benefits	-	51,376	-	32,903	221	-	22,016	305	-	-	-
Deferred revenue	66,960	-	-	562,120	-	-	-	-	-	-	-
Payable from restricted assets	-	13,737	-	-	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	66,960	96,223	-	644,528	302	-	41,077	448	-	-	-
Fund balance											
Reserved for loans receivable	-	-	-	-	-	-	-	-	-	-	-
Reserved for inventories	-	259,064	-	-	-	-	-	-	-	-	-
Reserved for prepaid items	-	6,909	-	1,219	-	-	1,516	-	-	-	-
Reserved for encumbrances	702	314,158	-	27,705	4	-	11,007	-	-	-	65
Unreserved	-	-	-	-	-	-	1,377,877	-	-	-	-
Designated for public facilities and programs	-	-	-	-	-	-	-	-	-	-	-
Designated for future loans	-	-	-	-	-	-	-	-	-	-	-
Undesignated	8,798	1,456,046	17,865	159,209	8,216	30,605	2,691,192	46,844	12,221	10,548	14,837
Total fund balance	9,500	2,036,177	17,865	188,133	8,220	30,605	4,081,592	46,844	12,221	10,548	14,902
Total liabilities and fund balance \$	76,460	2,132,400	17,865	832,661	8,522	30,605	4,122,669	47,292	12,221	10,548	14,902

(Continued)

CITY OF KENT, OHIO

Combining Balance Sheet - All Special Revenue Funds - Continued

	Income Tax Safety	Law Enforcement Trust	Community Development Block Grant	Fire and Emergency Medical Service	Swimming Pool Inspections	Police Pension	Fire Pension	Urban Development Action Grant	Totals	
									1999	1998
Assets										
Cash and cash equivalents	\$ 459,092	75,721	306,308	993,546	10,419	113,759	91,998	345,255	6,499,709	7,049,656
Receivables	-	-	-	-	-	68,806	68,806	-	765,679	740,322
Property taxes	-	-	-	-	-	-	-	-	870,655	855,313
Income taxes	-	-	273,395	-	-	-	-	131,024	421,169	461,806
Other	-	-	273,395	-	-	68,806	68,806	131,024	2,057,503	2,057,441
Receivables, net	-	-	-	-	-	-	-	-	1,326,080	1,091,080
Due from other funds	-	-	-	-	-	-	-	-	239,811	232,819
Due from other governments	-	-	161,274	-	-	-	-	-	259,064	94,843
Inventory	-	-	-	-	-	-	-	-	14,904	19,323
Prepaid items	-	22	282	4,956	-	-	-	120,000	133,737	133,446
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 459,092	75,743	741,259	998,502	10,419	182,565	160,804	596,279	10,530,808	10,678,608
Liabilities										
Accounts payable	-	2,269	29,052	36,956	-	-	-	-	168,177	153,834
Capital contracts payable	-	-	-	-	-	-	-	-	-	144,340
Due to other funds	-	-	50,000	-	-	-	-	-	50,000	50,000
Accrued wages and benefits	107,421	-	80	84,268	-	113,742	91,980	-	504,312	513,788
Deferred revenue	-	-	-	-	-	68,806	68,806	-	766,692	741,462
Payable from restricted assets	-	-	-	-	-	-	-	-	13,737	13,446
Notes payable	-	-	-	-	-	-	-	-	-	500,000
Total liabilities	107,421	2,269	79,132	121,224	-	182,548	160,786	-	1,502,918	2,116,870
Fund balance										
Reserved for loans receivable	-	-	273,395	-	-	-	-	130,611	404,006	446,828
Reserved for inventories	-	-	-	-	-	-	-	-	259,064	94,843
Reserved for prepaid items	-	22	282	4,956	-	-	-	-	14,904	19,323
Reserved for encumbrances	-	-	109,794	45,845	-	-	-	-	509,280	967,997
Unreserved	-	-	-	-	-	-	-	-	-	-
Designated for public facilities and programs	-	-	-	-	-	-	-	-	1,377,877	1,303,371
Designated for future loans	-	-	-	-	-	-	-	-	278,656	159,176
Undesignated	351,671	73,452	-	826,477	10,419	17	18	465,668	6,184,103	5,570,200
Total fund balance	351,671	73,474	662,127	877,278	10,419	17	18	596,279	9,027,890	8,561,738
Total liabilities and fund balance	\$ 459,092	75,743	741,259	998,502	10,419	182,565	160,804	596,279	10,530,808	10,678,608

CITY OF KENT, OHIO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds

Year ended December 31, 1999
(with comparative totals for 1998)

	West Side Fire	Street Maintenance and Repair	State Highway	Parks and Recreation	Food Service	License Tax	Income Tax	Revolving Housing	State and Local Forfeits	Drug Law Enforcement	Enforcement and Education
Revenues											
Taxes	\$ 87,396	-	-	633,213	-	152,014	9,099,886	-	-	-	-
Fees, licenses and permits	-	-	-	8,750	28,629	-	-	54,549	-	-	-
Intergovernmental	6,615	583,006	47,271	58,750	-	-	-	-	-	-	-
Charges for services	-	4,356	-	168,307	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	6,100	2,890	4,958
Special Assessments	-	219,900	-	-	-	-	71,742	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	20,565	-	7,769	-	-	-	-	-	-	-
Total revenues	94,011	827,827	47,271	876,789	28,629	152,014	9,171,628	54,549	6,100	2,890	4,958
Expenditures											
Current	92,462	-	-	-	-	-	-	-	-	7,625	1,095
Security of persons and property	-	-	-	-	46,067	-	-	59,196	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-	-	-	-
Leisure time activities	-	-	-	829,725	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	1,094,926	52,170	-	-	-	-	-	-	-	-
General government	-	18,493	-	-	-	-	614,931	-	-	-	-
Capital outlays	-	612,427	-	116,122	-	-	960	-	-	7,300	5,647
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	18,010	-	-	-	-	-	-	-	-	-
Total expenditures	92,462	1,743,856	52,170	945,847	46,067	-	615,891	59,196	-	14,925	6,742
Excess of revenues over (under) expenditures	1,549	(916,029)	(4,899)	(69,058)	(17,438)	152,014	8,555,737	(4,647)	6,100	(12,035)	(1,784)
Other financing sources (uses)											
Proceeds from sale of notes	-	525,000	-	-	-	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	-	-
Operating transfers - in	-	856,353	-	100,000	20,000	-	(8,641,853)	-	-	-	-
Operating transfers - out	-	(197,941)	-	-	-	(140,000)	-	-	-	-	-
Net other financing sources (uses)	-	1,183,412	-	100,000	20,000	(140,000)	(8,641,853)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	1,549	267,383	(4,899)	30,942	2,562	12,014	(86,116)	(4,647)	6,100	(12,035)	(1,784)
Fund balance - January 1, as restated	7,951	1,768,794	22,764	157,191	5,658	18,591	4,167,708	51,491	6,121	22,583	16,686
Fund balance - December 31	\$ 9,500	\$ 2,036,177	\$ 17,865	\$ 188,133	\$ 8,220	\$ 30,605	\$ 4,081,592	\$ 46,844	\$ 12,221	\$ 10,548	\$ 14,902

(Continued)

CITY OF KENT, OHIO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds - Continued

	Income Tax Safety	Law Enforcement Trust	Community Development Block Grant	Fire and Emergency Medical Service	Swimming Pool Inspections	Police Pension	Fire Pension	Urban Development Action Grant	Totals	
									1999	1998
Revenues										
Taxes	-	-	-	-	-	73,069	73,069	-	10,118,647	9,990,138
Fees, licenses and permits	-	-	-	-	2,500	-	-	-	94,428	89,265
Intergovernmental	-	-	439,813	-	-	7,361	7,361	-	1,150,177	1,414,302
Charges for services	-	-	-	-	-	-	-	-	172,663	167,508
Fines and forfeits	-	25,086	-	-	-	-	-	-	39,034	168,912
Special Assessments	-	8,068	37,261	-	-	-	-	21,887	219,900	13,384
Interest	-	-	89,326	446	-	-	-	-	138,958	152,040
Miscellaneous	-	-	-	-	-	-	-	-	118,106	126,384
Total revenues	-	33,154	566,400	446	2,500	80,430	80,430	21,887	12,051,913	12,121,933
Expenditures										
Current										
Security of persons and property	2,013,959	23,051	-	1,881,554	-	89,708	93,024	-	4,202,478	4,140,296
Public health and welfare	-	-	-	-	1,281	-	-	-	106,544	102,596
Leisure time activities	-	-	-	-	-	-	-	243,178	829,725	869,507
Community development	-	-	437,502	-	-	-	-	-	680,680	967,091
Transportation	-	-	-	-	-	-	-	-	1,147,096	1,161,164
General government	-	-	-	-	-	-	-	-	633,424	714,711
Capital outlays	-	134,206	-	85,569	-	-	-	-	962,231	3,791,192
Debt Service	-	-	-	-	-	-	-	-	18,010	155,098
Interest and fiscal charges	-	-	-	-	-	-	-	-	8,580,188	11,901,655
Total expenditures	2,013,959	157,257	437,502	1,967,123	1,281	89,708	93,024	243,178	8,580,188	11,901,655
Excess of revenues over (under) expenditures	(2,013,959)	(124,103)	128,898	(1,966,677)	1,219	(9,278)	(12,594)	(221,291)	3,471,725	220,278
Other financing sources (uses)										
Proceeds from sale of notes	-	-	-	-	-	-	-	-	525,000	3,000,000
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-	456,994
Proceeds from long-term debt	-	-	-	2,236,434	-	-	-	-	5,449,221	6,683,092
Operating transfers - in	2,236,434	-	-	-	-	-	-	-	(8,979,794)	(8,727,949)
Operating transfers - out	-	-	-	-	-	-	-	-	-	-
Net other financing sources (uses)	2,236,434	-	-	2,236,434	-	-	-	-	(3,005,573)	1,412,137
Excess of revenues and other sources over (under) expenditures and other uses	222,475	(124,103)	128,898	269,757	1,219	(9,278)	(12,594)	(221,291)	466,152	1,632,415
Fund balance - January 1, as restated	129,196	197,577	533,229	607,521	9,200	9,295	12,612	817,570	8,561,738	6,929,323
Fund balance - December 31	\$ 351,671	73,474	662,127	877,278	10,419	17	18	596,279	9,027,890	8,561,738

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
West Side Fire Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 85,765	87,396	1,631
Intergovernmental	<u>8,217</u>	<u>6,615</u>	<u>(1,602)</u>
Total revenues	<u>93,982</u>	<u>94,011</u>	<u>29</u>
Expenditures			
Current			
Security of persons and property	<u>94,000</u>	<u>92,840</u>	<u>1,160</u>
Total expenditures	<u>94,000</u>	<u>92,840</u>	<u>1,160</u>
Excess of revenues over (under) expenditures	(18)	1,171	1,189
Fund balance - January 1	<u>7,626</u>	<u>7,626</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ 7,608</u></u>	<u><u>8,797</u></u>	<u><u>1,189</u></u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Street Construction, Maintenance and Repair Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Intergovernmental	\$ 577,200	582,686	5,486
Charges for services	-	4,476	4,476
Special assessments	185,000	219,900	34,900
Interest	-	29	29
Miscellaneous	-	20,535	20,535
	<u>762,200</u>	<u>827,626</u>	<u>65,426</u>
Total revenues			
Expenditures			
Current			
Transportation	1,384,226	1,296,333	87,893
Capital outlays	173,820	173,398	422
Debt Service	518,288	518,010	278
	<u>2,076,334</u>	<u>1,987,741</u>	<u>88,593</u>
Total expenditures			
Excess of revenues over (under) expenditures			
	(1,314,134)	(1,160,115)	154,019
Other financing sources (uses)			
Proceeds from sale of notes	550,000	525,000	25,000
Operating transfers - in	856,353	856,353	-
Operating transfers - out	(197,941)	(197,941)	-
	<u>1,208,412</u>	<u>1,183,412</u>	<u>25,000</u>
Total other financing sources (uses)			
Excess of revenues and other sources over (under) expenditures			
	(105,722)	23,297	179,019
Recovery of prior year encumbrances			
	-	88,101	88,101
Fund balance - January 1			
	<u>1,306,493</u>	<u>1,306,493</u>	<u>-</u>
Fund balance - December 31			
	<u>\$ 1,200,771</u>	<u>1,417,891</u>	<u>267,120</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
State Highway Improvement Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Intergovernmental	\$ <u>46,800</u>	<u>47,245</u>	<u>445</u>
Total revenues	<u>46,800</u>	<u>47,245</u>	<u>445</u>
Expenditures			
Current			
Transportation	<u>63,000</u>	<u>52,170</u>	<u>10,830</u>
Total expenditures	<u>63,000</u>	<u>52,170</u>	<u>10,830</u>
Excess of revenues over (under) expenditures	(16,200)	(4,925)	11,275
Fund balance - January 1	<u>16,900</u>	<u>16,900</u>	<u>-</u>
Fund balance - December 31	<u>\$ 700</u>	<u>11,975</u>	<u>11,275</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Parks and Recreation Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 629,749	633,213	3,464
Fees, licenses and permits	5,000	8,750	3,750
Intergovernmental	66,704	58,750	(7,954)
Charges for services	170,000	170,857	857
Miscellaneous	<u>2,000</u>	<u>7,439</u>	<u>5,439</u>
Total revenues	<u>873,453</u>	<u>879,009</u>	<u>5,556</u>
Expenditures			
Current			
Leisure time activities	874,928	843,369	31,559
Capital outlay	<u>123,535</u>	<u>122,978</u>	<u>557</u>
Total expenditures	<u>998,463</u>	<u>966,347</u>	<u>32,116</u>
Excess of revenues over (under) expenditures	(125,010)	(87,338)	37,672
Other financing sources			
Operating transfers - in	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(25,010)	12,662	37,672
Recovery of prior year encumbrances	-	1,556	1,556
Fund balance - January 1	<u>168,199</u>	<u>168,199</u>	<u>-</u>
Fund balance - December 31	<u>\$ 143,189</u>	<u>182,417</u>	<u>39,228</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Food Service Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Fees, licenses and permits	\$ 28,000	28,629	629
Total revenues	<u>28,000</u>	<u>28,629</u>	<u>629</u>
Expenditures			
Current			
Public health and welfare	50,550	46,455	4,095
Total expenditures	<u>50,550</u>	<u>46,455</u>	<u>4,095</u>
Excess of revenues over (under) expenditures	(22,550)	(17,826)	4,724
Other financing sources			
Operating transfers - in	20,000	20,000	-
Total other financing sources	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(2,550)	2,174	4,724
Fund balance - January 1	<u>6,263</u>	<u>6,263</u>	<u>-</u>
Fund balance - December 31	<u>\$ 3,713</u>	<u>8,437</u>	<u>4,724</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
License Tax Fund

Year ended December 31, 1999

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 140,000	151,300	11,300
Total revenues	<u>140,000</u>	<u>151,300</u>	<u>11,300</u>
Other financing uses			
Operating transfers - out	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Total other financing uses	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Excess of revenues over other financing uses	-	11,300	11,300
Fund balance - January 1	<u>8,906</u>	<u>8,906</u>	<u>-</u>
Fund balance - December 31	<u>\$ 8,906</u>	<u>20,206</u>	<u>11,300</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Income Tax Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 9,035,000	9,268,290	233,290
Interest	<u>72,000</u>	<u>70,396</u>	<u>(1,604)</u>
Total revenues	<u>9,107,000</u>	<u>9,338,686</u>	<u>231,686</u>
Expenditures			
Current			
General government	824,372	805,936	18,436
Capital outlay	<u>960</u>	<u>960</u>	<u>-</u>
Total expenditures	<u>825,332</u>	<u>806,896</u>	<u>18,436</u>
Excess of revenues over expenditures	8,281,668	8,531,790	250,122
Other financing uses			
Operating transfers - out	(8,641,853)	(8,641,853)	-
Advances - out	<u>(235,000)</u>	<u>(235,000)</u>	<u>-</u>
Total other financing uses	<u>(8,876,853)</u>	<u>(8,876,853)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other uses	(595,185)	(345,063)	250,122
Recovery of prior year encumbrances	-	217	217
Fund balance - January 1	<u>2,233,362</u>	<u>2,233,362</u>	<u>-</u>
Fund balance - December 31	<u>\$ 1,638,177</u>	<u>1,888,516</u>	<u>250,339</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (non-GAAP Budgetary Basis)
 Revolving Housing Fund

Year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fees, licenses and permits	\$ 50,000	54,549	4,549
Total revenues	<u>50,000</u>	<u>54,549</u>	<u>4,549</u>
Expenditures			
Current			
Public health and welfare	69,341	59,778	9,563
Total expenditures	<u>69,341</u>	<u>59,778</u>	<u>9,563</u>
Excess of revenues over (under) expenditures	(19,341)	(5,229)	14,112
Fund balance - January 1	<u>52,378</u>	<u>52,378</u>	-
Fund balance - December 31	<u>\$ 33,037</u>	<u>47,149</u>	<u>14,112</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
State and Local Forfeits Fund

Year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and forfeits	\$ 6,000	6,100	100
Total revenues	<u>6,000</u>	<u>6,100</u>	<u>100</u>
Expenditures			
Current			
Security of persons and property	6,000	-	6,000
Total expenditures	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Excess of revenues over expenditures	<u>-</u>	<u>6,100</u>	<u>6,100</u>
Fund balance - January 1	<u>6,121</u>	<u>6,121</u>	<u>-</u>
Fund balance - December 31	<u>\$ 6,121</u>	<u>12,221</u>	<u>6,100</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Drug Law Enforcement Fund

Year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and forfeits	\$ 2,600	2,663	63
Total revenues	<u>2,600</u>	<u>2,663</u>	<u>63</u>
Expenditures			
Current			
Security of persons and property	7,700	7,625	75
Capital outlays	7,300	7,300	-
Total expenditures	<u>15,000</u>	<u>14,925</u>	<u>75</u>
Excess of revenues over (under) expenditures	(12,400)	(12,262)	138
Recovery of prior year encumbrances	-	400	400
Fund balance - January 1	<u>22,083</u>	<u>22,083</u>	<u>-</u>
Fund balance - December 31	<u>\$ 9,683</u>	<u>10,221</u>	<u>538</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Enforcement and Education Fund

Year ended December 31, 1999

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Fines and forfeits	\$ 5,000	5,096	96
Total revenues	<u>5,000</u>	<u>5,096</u>	<u>96</u>
Expenditures			
Current			
Security of persons and property	4,200	1,095	3,105
Capital outlays	<u>5,800</u>	<u>5,712</u>	<u>88</u>
Total expenditures	<u>10,000</u>	<u>6,807</u>	<u>3,193</u>
Excess of revenues over (under) expenditures	(5,000)	(1,711)	3,289
Fund balance - January 1	<u>16,438</u>	<u>16,438</u>	-
Fund balance - December 31	<u>\$ 11,438</u>	<u>14,727</u>	<u>3,289</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Income Tax Safety Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Expenditures			
Current			
Security of persons and property	\$ 2,009,833	<u>2,007,147</u>	<u>2,686</u>
Total expenditures	<u>2,009,833</u>	<u>2,007,147</u>	<u>2,686</u>
Other financing sources			
Operating transfers - in	<u>2,236,434</u>	<u>2,236,434</u>	<u>-</u>
Total other financing sources	<u>2,236,434</u>	<u>2,236,434</u>	<u>-</u>
Excess of other sources over expenditures	226,601	229,287	2,686
Fund balance - January 1	<u>229,805</u>	<u>229,805</u>	<u>-</u>
Fund balance - December 31	<u>\$ 456,406</u>	<u>459,092</u>	<u>2,686</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Law Enforcement Trust Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Fines and forfeits	\$ 25,000	25,087	87
Interest	-	8,068	8,068
	<u>25,000</u>	<u>33,155</u>	<u>8,155</u>
Total revenues			
Expenditures			
Current			
Security of persons and property	23,900	22,463	1,437
Capital outlays	136,100	134,229	1,871
	<u>160,000</u>	<u>156,692</u>	<u>3,308</u>
Total expenditures			
Excess of revenues over (under) expenditures	(135,000)	(123,537)	11,463
Recovery of prior year encumbrances	-	3,335	3,335
Fund balance - January 1	<u>193,654</u>	<u>193,654</u>	-
Fund balance - December 31	<u>\$ 58,654</u>	<u>73,452</u>	<u>14,798</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (non-GAAP Budgetary Basis)
 Community Development Block Grant Fund

Year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 862,961	433,166	(429,795)
Interest	-	37,261	37,261
Miscellaneous	-	114,126	114,126
Total revenues	<u>862,961</u>	<u>584,553</u>	<u>(278,408)</u>
Expenditures			
Current			
Community development	<u>740,200</u>	<u>533,415</u>	<u>206,785</u>
Total expenditures	<u>740,200</u>	<u>533,415</u>	<u>206,785</u>
Excess of revenues over (under) expenditures	122,761	51,138	(71,623)
Recovery of prior year encumbrances	-	34,918	34,918
Fund balance - January 1	<u>31,844</u>	<u>31,844</u>	<u>-</u>
Fund balance - December 31	<u>\$ 31,844</u>	<u>66,762</u>	<u>34,918</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Fire and Emergency Medical Service Fund

Year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ -	446	446
Total revenues	<u>-</u>	<u>446</u>	<u>446</u>
Expenditures			
Current			
Security of persons and property	1,934,690	1,892,543	42,147
Capital outlays	180,152	106,901	73,251
Total expenditures	<u>2,114,842</u>	<u>1,999,444</u>	<u>115,398</u>
Excess of revenues over (under) expenditures	(2,114,842)	(1,998,998)	115,844
Other financing sources			
Operating transfers - in	2,236,434	2,236,434	-
Total other financing sources	<u>2,236,434</u>	<u>2,236,434</u>	<u>-</u>
Excess of revenues and other sources over expenditures	121,592	237,436	115,844
Recovery of prior year encumbrances	-	22,331	22,331
Fund balance - January 1	<u>651,966</u>	<u>651,966</u>	<u>-</u>
Fund balance - December 31	<u>\$ 773,558</u>	<u>911,733</u>	<u>138,175</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (non-GAAP Budgetary Basis)
 Swimming Pool Inspections Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Fees, licenses and permits	\$ 1,500	2,500	1,000
Total revenues	<u>1,500</u>	<u>2,500</u>	<u>1,000</u>
Expenditures			
Current			
Public health and welfare	1,650	1,281	369
Total expenditures	<u>1,650</u>	<u>1,281</u>	<u>369</u>
Excess of revenues over (under) expenditures	(150)	1,219	1,369
Fund balance - January 1	<u>9,200</u>	<u>9,200</u>	-
Fund balance - December 31	<u>\$ 9,050</u>	<u>10,419</u>	<u>1,369</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Police Pension Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 72,399	73,068	669
Intergovernmental	<u>8,013</u>	<u>7,361</u>	<u>(652)</u>
Total revenues	<u>80,412</u>	<u>80,429</u>	<u>17</u>
Expenditures			
Current			
Security of persons and property	<u>89,707</u>	<u>89,707</u>	<u>-</u>
Total expenditures	<u>89,707</u>	<u>89,707</u>	<u>-</u>
Excess of revenues over (under) expenditures	(9,295)	(9,278)	17
Fund balance - January 1	<u>9,295</u>	<u>9,295</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ -</u></u>	<u><u>17</u></u>	<u><u>17</u></u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (non-GAAP Budgetary Basis)
 Fire Pension Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Taxes	\$ 72,399	73,068	669
Intergovernmental	<u>8,013</u>	<u>7,361</u>	<u>(652)</u>
Total revenues	<u>80,412</u>	<u>80,429</u>	<u>17</u>
Expenditures			
Current			
Security of persons and property	<u>93,023</u>	<u>93,023</u>	<u>-</u>
Total expenditures	<u>93,023</u>	<u>93,023</u>	<u>-</u>
Excess of revenues over (under) expenditures	(12,611)	(12,594)	17
Fund balance - January 1	<u>12,611</u>	<u>12,611</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>17</u>	<u>17</u>

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Urban Development Action Grant Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Interest	\$ 9,500	21,804	12,304
Miscellaneous	<u>7,500</u>	<u>18,022</u>	<u>10,522</u>
Total revenues	<u>17,000</u>	<u>39,826</u>	<u>22,826</u>
Expenditures			
Current			
Community development	<u>250,000</u>	<u>243,178</u>	<u>6,822</u>
Total expenditures	<u>250,000</u>	<u>243,178</u>	<u>6,822</u>
Excess of revenues over (under) expenditures	(233,000)	(203,352)	29,648
Fund balance - January 1	<u>548,607</u>	<u>548,607</u>	<u>-</u>
Fund balance - December 31	<u>\$ 315,607</u>	<u>345,255</u>	<u>29,648</u>

CITY OF KENT, OHIO

Debt Service Fund

The Debt Service Fund is established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (non-GAAP Budgetary Basis)
Debt Service Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Special assessments	\$ 78,000	78,328	328
Total revenues	<u>78,000</u>	<u>78,328</u>	<u>328</u>
Expenditures			
Current			
General government	7,500	3,160	4,340
Debt service	<u>321,201</u>	<u>321,201</u>	<u>-</u>
Total expenditures	<u>328,701</u>	<u>324,361</u>	<u>4,340</u>
Excess of revenues over (under) expenditures	(250,701)	(246,033)	4,668
Other financing sources			
Operating transfers - in	<u>262,932</u>	<u>262,932</u>	<u>-</u>
Total other financing sources	<u>262,932</u>	<u>262,932</u>	<u>-</u>
Excess of revenues and other sources over expenditures	12,231	16,899	4,668
Fund balance - January 1	<u>33,291</u>	<u>33,291</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ 45,522</u></u>	<u><u>50,190</u></u>	<u><u>4,668</u></u>

CITY OF KENT, OHIO

Capital Projects Fund

The Capital Projects 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 transfers from the Income Tax Fund.

CITY OF KENT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (non-GAAP Budgetary Basis)
 Capital Projects Fund

Year ended December 31, 1999

	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Expenditures			
Capital outlays	<u>1,817,641</u>	<u>1,218,759</u>	<u>598,882</u>
Total expenditures	<u>1,817,641</u>	<u>1,218,759</u>	<u>598,882</u>
Other financing sources			
Operating transfers - in	<u>1,817,641</u>	<u>1,817,641</u>	<u>-</u>
Total other financing sources	<u>1,817,641</u>	<u>1,817,641</u>	<u>-</u>
Excess of other sources over expenditures	-	598,882	598,882
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>-</u>	<u>598,882</u>	<u>598,882</u>

CITY OF KENT, OHIO

Enterprise Funds

Enterprise Funds are set up to account for the acquisition and operation of governmental facilities and services that are entirely or predominantly self-supporting from user charges. The City of Kent operates the following enterprise activities:

Solid Waste Fund	To account for solid waste collection services provided to the residential and commercial users of the City.
Storm Water Drainage Fund	To account for storm water drainage services provided to the residential and commercial users of the City.
Sewer Fund	To account for sanitary sewer services provided to the residential and commercial users of the City.
Water Fund	To account for the provision of water services to the residents and commercial users of the City.

All activities necessary to provide the above services are accounted for in each particular fund including, but not limited to, administration, operations, maintenance, financing, related debt service, invoicing and collection.

CITY OF KENT, OHIO
 Combining Balance Sheet - All Enterprise Funds
 December 31, 1999
 (with comparative totals for 1998)

ASSETS	Totals	
	1999	1998
Current Assets		
Cash and cash equivalents	2,379,760	4,828,513
Receivables		
Accounts	449,425	1,005,129
Other	27,286	49,515
Less allowance for doubtful accounts	(40,692)	(91,795)
Receivables, net	1,138,081	962,849
Due from other funds	8,213	8,213
Inventories	11,456	16,357
Prepaid items	6,473	28,527
Total current assets	6,326,728	5,844,459
Assets whose use is limited	288,499	527,140
Restricted cash and cash equivalents	-	7,425
Unamortized bond issuance costs	-	77,173
Fixed assets in service		
Land and land improvements	1,257,061	1,599,970
Buildings, structures and improvements	13,609,056	37,712,775
Machinery and equipment	2,733,018	6,757,960
Less accumulated depreciation	(7,064,922)	(15,718,342)
Fixed assets in service, net	10,535,113	30,364,009
Construction in progress	1,811,163	3,472,187
Total assets	41,137,305	40,299,409
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Current portion of long-term debt	265,000	520,000
Accounts payable	318,364	133,114
Capital contracts payable	192,398	385,910
Due to other funds	512,100	1,250,759
Accrued wages and benefits	333,765	708,660
Total current liabilities	1,621,627	2,998,443
Payable from restricted assets	-	7,425
Debt, net of current maturities	-	-
General obligation bonds payable	3,945,000	4,225,000
Mortgage revenue bonds payable	-	265,000
Total debt, net of current maturities	3,945,000	4,490,000
Total liabilities	7,434,488	7,495,868
Fund equity		
Contributed capital - City of Kent and others	983,009	11,613,624
Retained earnings (deficit)	12,872,060	22,089,193
Total fund equity	13,855,069	33,702,817
Total liabilities and fund equity	15,476,696	40,299,409

CITY OF KENT, OHIO

Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) -
All Enterprise Funds

Year ended December 31, 1999

(with comparative totals for 1998)

	1999				1998	
	Solid Waste Fund	Storm Water Drainage Fund	Sewer Fund	Water Fund	1999	1998
Operating revenues						
Charges for services	\$ 305,290	-	3,336,268	2,684,056	6,325,614	5,985,472
Other	30	-	13,286	38,450	51,766	20,536
Total operating revenues	305,320	-	3,349,554	2,722,506	6,377,380	6,006,008
Operating expenses						
Personal services	34,867	-	1,228,115	1,082,759	2,345,741	2,272,106
Benefits	10,442	-	355,780	297,987	664,209	619,176
Utilities	-	-	204,231	143,515	347,746	402,415
Contractual services	248,998	139,203	224,349	172,317	784,867	585,331
Supplies and materials	8,270	-	135,521	219,260	363,051	384,328
Depreciation	3,432	-	604,822	384,678	992,932	958,805
Other	8,385	-	105,509	100,900	214,794	303,002
Total operating expenses	314,394	139,203	2,858,327	2,401,416	5,713,340	5,525,163
Operating income (loss)	(9,074)	(139,203)	491,227	321,090	664,040	480,845
Nonoperating revenues (expenses)						
Interest revenue	-	-	126,797	138,189	264,986	289,392
Interest expense	-	-	(281,750)	(29,613)	(311,363)	(338,645)
Amortization of bond issuance costs	-	-	(7,016)	-	(7,016)	(7,016)
Refund of workers' compensation premium	-	-	-	-	-	60,680
Gain on disposition of fixed assets	3,969	-	-	-	3,969	84,864
Loss on disposition of fixed assets	-	-	(26,461)	(75,042)	(101,503)	(11,011)
Net nonoperating revenues (expenses)	3,969	-	(188,430)	33,534	(150,927)	78,264
Net income (loss)	(5,105)	(139,203)	302,797	354,624	513,113	559,109
Retained earnings (deficit) - January 1	(379,216)	-	9,437,860	12,517,436	21,576,080	21,016,971
Retained earnings (deficit) - December 31	\$ (384,321)	(139,203)	9,740,657	12,872,060	22,089,193	21,576,080

CITY OF KENT, OHIO
 Combining Statement of Cash Flows -
 All Enterprise Funds
 Year ended December 31, 1999
 (with comparative totals for 1998)

	Solid Waste		Storm Water		Sewer		Water		Totals	
	Fund	Fund	Drainage	Fund	Fund	Fund	Fund	Fund	1999	1998
Cash flows from operating activities										
Cash received from users	\$ 303,898	-	-	3,189,215	2,668,574	6,161,687	6,131,544			
Cash payments to suppliers for goods and services	(266,897)	(93,325)	(93,325)	(985,890)	(653,844)	(1,999,956)	(2,304,979)			
Cash payments to employees for services	(34,907)	-	-	(1,215,649)	(1,084,354)	(2,334,910)	(2,188,649)			
Other operating revenue	30	-	-	13,286	38,450	51,766	20,536			
Net cash provided (used) by operating activities	2,124	(93,325)	(93,325)	1,000,962	968,826	1,878,587	1,658,452			
Cash flows from non-capital financing activities										
Refund of workers' compensation premium	-	-	-	-	-	-	60,680			
Loan from other fund	55,000	180,000	180,000	-	-	235,000	-			
Net cash provided by noncapital financing activities	55,000	180,000	180,000	-	-	235,000	60,680			
Cash flows from capital and related financing activities										
Capital contributions	-	-	-	63,741	36,202	99,943	1,306,363			
Purchase of capital assets	-	-	-	(111,492)	(79,275)	(190,767)	(119,126)			
Construction of capital assets	-	-	-	(372,435)	(1,101,120)	(1,473,555)	(2,465,120)			
Principal paid on outstanding capital debt	-	-	-	(270,000)	(250,000)	(520,000)	(490,000)			
Interest paid on outstanding capital debt	-	-	-	(281,750)	(29,613)	(311,363)	(338,645)			
Proceeds from sale of equipment	-	-	-	12,252	95,564	107,816	96,107			
Net cash used by capital and related financing activities	-	-	-	(959,684)	(1,328,242)	(2,287,926)	(2,010,421)			
Cash flows from investing activities										
Interest on investments	-	-	-	118,188	135,493	253,681	294,294			
Net cash provided by investing activities	-	-	-	118,188	135,493	253,681	294,294			
Net increase (decrease) in cash and cash equivalents	57,124	86,675	86,675	159,466	(223,923)	79,342	3,005			
Cash and cash equivalents - January 1	49,964	-	-	2,420,932	2,892,182	5,363,078	5,360,073			
Cash and cash equivalents - December 31	\$ 107,088	86,675	86,675	2,580,398	2,668,259	5,442,420	5,363,078			

CITY OF KENT, OHIO
 Combining Statement of Cash Flows -
 All Enterprise Funds - Continued

	Storm Water			Totals		
	Solid Waste Fund	Drainage Fund	Sewer Fund	Water Fund	1999	1998
Reconciliation of operating income to net cash provided by operating activities						
Operating income (loss)	\$ (9,074)	(139,203)	491,227	321,090	664,040	480,845
Adjustment to reconcile operating income to net cash provided by operating activities						
Depreciation	3,432	-	604,822	384,678	992,932	958,805
Provision for uncollectible accounts	-	-	(1,131)	(1,026)	(2,157)	21,516
Change in assets and liabilities						
(Increase) decrease in accounts receivable	(1,392)	-	(145,922)	(14,456)	(161,770)	124,556
(Increase) decrease in inventories	-	-	(2,450)	(1,976)	(4,426)	246
Decrease in prepaid items	99	-	6,837	8,436	15,372	14,354
Increase (decrease) in accounts payable	9,099	45,878	35,113	273,675	363,765	(25,327)
Increase (decrease) in wages and benefits payable	(40)	-	12,466	(1,595)	10,831	83,457
Net cash provided by operating activities	\$ 2,124	(93,325)	1,000,962	968,826	1,878,587	1,658,452

Noncash investing, capital and financing activities

In 1999, the Solid Waste Fund transferred \$13,230 of contributed capital assets to another government. These assets had a book value of \$9,261, resulting in a gain of \$3,969. The Sewer Fund and the Water Fund acquired fixed assets valued at \$194,100 and \$105,350, respectively, via capital contributions from developers. Per GASB 31, the Water Fund had a decrease in fair value over cost of investments of \$4,353.

CITY OF KENT, OHIO

Internal Service Fund

Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

**Health and Life
Insurance Fund**

**To account for health and life insurance premiums and claims
for employees of the City.**

CITY OF KENT, OHIO

Balance Sheet - Health and Life Insurance Fund

December 31, 1999

(with comparative totals for 1998)

	<u>1999</u>	<u>1998</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 90,707	44,451
Prepaid items	450	450
Total current assets	<u>91,157</u>	<u>44,901</u>
Other assets - cash surrender value of life insurance policies	<u>866,668</u>	<u>837,116</u>
Total assets	<u>\$ 957,825</u>	<u>882,017</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts payable	\$ 22,261	25,509
Claims payable	<u>100,316</u>	<u>141,671</u>
Total current liabilities	<u>122,577</u>	<u>167,180</u>
Total liabilities	<u>122,577</u>	<u>167,180</u>
Fund equity		
Retained earnings	<u>835,248</u>	<u>714,837</u>
Total fund equity	<u>835,248</u>	<u>714,837</u>
Total liabilities and fund equity	<u>\$ 957,825</u>	<u>882,017</u>

CITY OF KENT, OHIO

Statement of Revenues, Expenses and Changes in Retained Earnings -
Health and Life Insurance Fund

Year ended December 31, 1999

(with comparative totals for 1998)

	<u>1999</u>	<u>1998</u>
Operating revenues		
Charges for services	\$ 1,470,778	1,245,233
Total operating revenues	<u>1,470,778</u>	<u>1,245,233</u>
Operating expenses		
Claims	1,132,073	1,051,964
Premiums	272,636	242,801
Total operating expenses	<u>1,404,709</u>	<u>1,294,765</u>
Operating income (loss)	<u>66,069</u>	<u>(49,532)</u>
Nonoperating revenues		
Interest revenue	54,342	55,780
Net nonoperating revenues	<u>54,342</u>	<u>55,780</u>
Net income	120,411	6,248
Retained earnings - January 1	<u>714,837</u>	<u>708,589</u>
Retained earnings - December 31	<u>\$ 835,248</u>	<u>714,837</u>

CITY OF KENT, OHIO
Statement of Cash Flows -
Health and Life Insurance Fund
Year ended December 31, 1999
(with comparative totals for 1998)

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities		
Cash received from users	\$ 1,470,778	1,245,233
Cash payments to suppliers for goods and services	(1,449,312)	(1,265,897)
Net cash provided (used) by operating activities	<u>21,466</u>	<u>(20,664)</u>
Cash flows from investing activities		
Payments for investments	(29,552)	(65,642)
Interest on investments	54,342	55,780
Net cash provided (used) by investing activities	<u>24,790</u>	<u>(9,862)</u>
Net increase (decrease) in cash and cash equivalents	46,256	(30,526)
Cash and cash equivalents - January 1	<u>44,451</u>	<u>74,977</u>
Cash and cash equivalents - December 31	<u>\$ 90,707</u>	<u>44,451</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating income (loss)	\$ 66,069	(49,532)
Adjustment to reconcile operating loss to net cash used by operating activities		
Change in assets and liabilities		
Increase (decrease) in accounts payable	(3,248)	6,289
Increase (decrease) in claims payable	(41,355)	22,579
Net cash provided (used) by operating activities	<u>\$ 21,466</u>	<u>(20,664)</u>

CITY OF KENT, OHIO

Agency Fund

Agency Funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.

**Trust and Agency
Escrow Fund**

To hold in trust those funds 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

Statement of Changes in Assets and Liabilities -
Trust and Agency Escrow Fund

Year ended December 31, 1999

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1999</u>
ASSETS				
Cash and cash equivalents	\$ <u>267,522</u>	<u>103,205</u>	<u>66,121</u>	<u>304,606</u>
LIABILITIES				
Accounts payable	\$ <u>267,522</u>	<u>103,205</u>	<u>66,121</u>	<u>304,606</u>



CITY OF KENT, OHIO

General Fixed Asset Account Group

The General Fixed Asset Account Group is a self-balancing group designed to account for the fixed assets owned by the City exclusive of those relating to Proprietary Fund operations.

CITY OF KENT, OHIO

Schedule of General Fixed Assets by Source

December 31, 1999

	<u>Gross</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
General fixed assets			
Land	\$ 2,422,164	-	2,422,164
Buildings, structures and improvements	6,134,751	(1,788,834)	4,345,917
Machinery and equipment	<u>7,447,209</u>	<u>(4,479,993)</u>	<u>2,967,216</u>
Total general fixed assets	<u>\$ 16,004,124</u>	<u>(6,268,827)</u>	<u>9,735,297</u>
Investment in general fixed assets from			
General fund revenue	\$ 4,831,644		
Special revenue funds	10,407,917		
Federal grants	349,423		
Donations	<u>415,140</u>		
Total investment in general fixed assets	<u>\$ 16,004,124</u>		

CITY OF KENT, OHIO

Schedule of General Fixed Assets by Function and Activity

December 31, 1999

	Land	Buildings, Structures and Improvements	Machinery and Equipment	Total
Security of persons and property				
Safety Director	\$ -	-	26,346	26,346
Fire	17,000	530,359	2,117,837	2,665,196
Police	1,700	213,393	1,361,479	1,576,572
Total security of persons and property	<u>18,700</u>	<u>743,752</u>	<u>3,505,662</u>	<u>4,268,114</u>
Public health and welfare	36,630	-	28,677	65,307
Leisure time activities	1,577,081	480,285	465,461	2,522,827
Community development	-	370,595	128,431	499,026
Transportation	280,428	3,007,820	2,670,297	5,958,545
General government				
Civil service	-	11,319	12,389	23,708
Council	-	185,297	59,711	245,008
Engineering	-	33,955	234,048	268,003
Finance administration	-	534,092	116,477	650,569
Law	-	11,318	12,654	23,972
Manager	-	22,637	30,838	53,475
Service administration	509,325	733,681	182,564	1,425,570
Total general government	<u>509,325</u>	<u>1,532,299</u>	<u>648,681</u>	<u>2,690,305</u>
Total general fixed assets allocated to functions	2,422,164	6,134,751	7,447,209	16,004,124
Accumulated depreciation	<u>-</u>	<u>(1,788,834)</u>	<u>(4,479,993)</u>	<u>(6,268,827)</u>
Net general fixed assets allocated to functions	<u>\$ 2,422,164</u>	<u>4,345,917</u>	<u>2,967,216</u>	<u>9,735,297</u>

CITY OF KENT, OHIO

Schedule of Changes in General Fixed Assets by Function and Activity

Year ended December 31, 1999

	Fixed Assets January 1, 1999	Additions	Deductions	Fixed Assets December 31, 1999
Security of persons and property				
Safety Director	\$ 25,468	878	-	26,346
Fire	2,787,737	1,799	(124,340)	2,665,196
Police	1,376,329	424,620	(224,377)	1,576,572
Total security of persons and property	<u>4,189,534</u>	<u>427,297</u>	<u>(348,717)</u>	<u>4,268,114</u>
Public health and welfare	64,590	1,700	(983)	65,307
Leisure time activities	2,325,223	221,987	(24,383)	2,522,827
Community development	506,915	2,442	(10,331)	499,026
Transportation	5,716,740	266,742	(24,937)	5,958,545
General government				
Civil service	22,963	745	-	23,708
Council	244,034	974	-	245,008
Engineering	275,132	28,251	(35,380)	268,003
Finance administration	639,586	21,532	(10,549)	650,569
Law	29,256	2,830	(8,114)	23,972
Manager	67,043	3,285	(16,853)	53,475
Service administration	1,439,411	3,521	(17,362)	1,425,570
Total general government	<u>2,717,425</u>	<u>61,138</u>	<u>(88,258)</u>	<u>2,690,305</u>
Total general fixed assets allocated to functions	15,520,427	981,306	(497,609)	16,004,124
Accumulated depreciation	<u>(5,878,276)</u>	<u>(869,187)</u>	<u>478,636</u>	<u>(6,268,827)</u>
Net general fixed assets allocated to functions	<u>\$ 9,642,151</u>	<u>112,119</u>	<u>(18,973)</u>	<u>9,735,297</u>

CITY OF KENT, OHIO

General Government Revenue by Source (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Fees, Licenses, and Permits</u>	<u>Intergovernmental Revenue</u>	<u>Charges for Services</u>	<u>Fines and Forfeits</u>	<u>Special Assessments</u>	<u>Interest</u>	<u>Miscellaneous Revenue</u>	<u>Total</u>
1990	\$ 7,842,173	145,847	2,251,330	375,914	249,646	242,054	668,652	67,099	11,842,715
1991	8,205,727	120,830	2,488,814	391,424	238,142	227,562	534,776	58,240	12,265,515
1992	8,518,526	171,877	2,071,814	482,159	246,072	234,716	349,953	145,365	12,220,482
1993	8,888,566	171,462	2,511,247	480,322	231,492	281,745	320,270	139,223	13,024,327
1994	9,011,745	135,346	3,273,344	475,802	299,133	142,291	356,688	236,109	13,930,458
1995	9,563,804	215,398	3,008,709	554,722	448,483	168,473	519,978	968,050	15,447,617
1996	9,937,708	172,204	3,782,230	555,781	359,628	177,847	500,984	376,652	15,863,034
1997	10,265,609	228,748	3,752,674	566,867	299,169	168,743	553,740	208,339	16,043,889
1998	11,096,845	248,234	3,540,752	591,432	472,835	131,322	679,171	374,474	17,135,065
1999	11,224,208	314,955	3,430,043	636,896	373,008	298,228	698,951	175,517	17,151,806

\$

Notes: (1) Includes General, Special Revenue, Debt Service and Capital Project Funds.

CITY OF KENT, OHIO

General Government Expenditures By Function (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Development	Transportation	General Government	Capital Outlays	Debt Service	<u>Total</u>
1990	\$ 4,221,847	309,873	507,942	903,889	794,639	1,514,657	2,060,784	141,600	10,455,231
1991	4,800,215	346,622	524,547	671,512	956,774	1,820,480	2,370,092	157,141	11,647,383
1992	4,921,799	365,111	506,374	799,814	996,237	1,815,357	2,161,519	169,851	11,736,062
1993	5,140,570	367,218	581,019	833,332	991,660	1,931,608	1,998,366	956,825	12,800,598
1994	5,559,042	369,873	689,015	975,122	1,142,409	2,238,373	3,400,659	176,098	14,550,591
1995	5,618,153	362,258	670,684	1,392,519	1,162,392	2,506,238	2,937,126	168,025	14,817,395
1996	5,834,900	379,258	799,162	1,604,129	1,183,541	2,587,758	4,922,511	159,878	17,471,137
1997	6,181,814	384,446	843,018	1,596,340	1,257,393	2,358,076	2,073,682	201,704	14,896,473
1998	6,522,907	415,147	869,507	1,633,099	1,161,164	2,562,947	4,032,289	368,799	17,565,859
1999	6,927,110	421,313	829,725	1,331,444	1,147,096	2,524,234	2,065,938	339,211	15,586,071

Notes: (1) Includes General, Special Revenue, Debt Service and Capital Project Funds.

CITY OF KENT, OHIO

Property Tax Levies and Collections

Last Ten Fiscal Years

Collection Year	Current Tax Levy	Total Tax Collections (1)	Percent of Levy Collected	Accumulated Outstanding Delinquent Taxes (2)	Percent of Accumulated Delinquent Taxes to Total Tax Levy
1990	\$ 1,374,216	1,371,413	99.8	118,781	8.6
1991	1,392,625	1,398,406	100.4	120,031	8.6
1992	1,504,154	1,487,432	98.9	116,123	7.7
1993	1,520,914	1,543,607	101.5	103,363	6.8
1994	1,537,402	1,561,468	101.6	96,616	6.3
1995	1,655,061	1,714,983	103.6	70,753	4.3
1996	1,666,273	1,696,819	101.8	73,189	4.4
1997	1,864,376	1,856,717	99.6	94,912	5.1
1998	1,993,259	2,026,685	101.7	80,678	4.0
1999	1,993,007	2,004,367	100.6	109,342	5.5

Notes: (1) Current and delinquent collection information was not separately available from Portage County, Ohio, County Auditor records. Total tax collections include penalties and interest collected on delinquent taxes, as well as amounts received from the State of Ohio for the homestead and rollback reduction.

(2) Exclusive of penalties and interest assessed on delinquent taxes.

Source: Portage County, Ohio; County Auditor.

CITY OF KENT, OHIO

Assessed Valuations and Estimated True Values of Taxable Property

Last Ten Fiscal Years

<u>Tax Year/Collection Year</u>	<u>Assessed Valuations</u>				<u>Estimated True Value</u>
	<u>Real Property (1)</u>	<u>Public Utility Property (2)</u>	<u>Tangible Personal Property</u>	<u>Total</u>	
1990/1991	\$ 136,953,090	16,255,340	31,484,297	184,692,727	391,294,543
1991/1992	157,252,830	16,796,130	31,477,549	205,526,509	449,293,800
1992/1993	158,525,701	16,339,550	32,307,578	207,172,829	452,930,574
1993/1994	160,687,810	16,708,610	33,668,914	211,065,334	459,108,029
1994/1995	183,720,460	17,009,640	33,057,408	233,787,508	524,915,600
1995/1996	186,723,210	14,172,320	35,158,058	236,053,588	533,494,886
1996/1997	188,992,523	13,661,270	37,194,204	239,847,997	539,978,637
1997/1998	215,205,680	13,265,220	39,816,452	268,287,352	614,873,371
1998/1999	218,165,746	12,787,660	39,435,714	270,389,120	623,330,703
1999/2000	222,384,732	12,732,900	39,539,156	274,656,788	635,384,949

The current assessed valuation is computed at the following percentages of estimated true value: real property - 35%; public utilities - 100%; tangible personal property machinery and equipment - 25%; and tangible personal property inventory - 25%.

Notes: (1) Other than public utility property.

(2) Real and tangible personal public utility property.

Source: Portage County, Ohio; County Auditor.

CITY OF KENT, OHIO

Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)

Last Ten Fiscal Years

Tax Year/Collection Year	City	Portage County	Franklin Township	Kent City School District	Total
1990/1991	\$ 9.14	10.32	.40	74.30	94.16
1991/1992	9.14	10.34	.40	74.25	94.13
1992/1993	9.14	10.32	.40	74.25	94.11
1993/1994	9.44	10.30	-	74.15	93.89
1994/1995	9.44	10.17	-	83.02	102.63
1995/1996	9.44	10.92	-	82.98	103.34
1996/1997	9.44	12.72	-	87.60	109.76
1997/1998	9.44	12.72	-	87.42	109.58
1998/1999	9.44	12.72	-	86.70	108.86
1999/2000	9.44	12.72	-	86.50	108.66

CITY OF KENT, OHIO

Special Assessment Billings and Collections

Last Ten Fiscal Years

Collection <u>Year</u>	<u>Current</u>	<u>Delinquent (1)</u>	<u>Total Billed</u>	<u>Collected Amount</u>	<u>Percent of Total Collected</u>
1990	\$ 200,615 (2)	38,362 (2)	238,977	189,189	79.17
1991	175,007 (2)	58,194 (2)	233,201	198,301	85.03
1992	217,467 (2)	47,754	265,221	222,399	83.85
1993	193,732	51,542	245,274	252,740	103.04
1994	199,171	56,016	255,187	201,068	78.79
1995	186,181	56,580	242,761	180,236	74.24
1996	181,807	71,311	253,118	180,884	71.46
1997	125,486	73,005	198,491	163,824	82.53
1998	135,878	26,790	162,668	139,897	86.00
1999	95,499	15,583	111,082	86,609	77.97

Notes: (1) Source: Portage County, Ohio; County Auditor.

(2) Reduced by assessments defined by court order.

CITY OF KENT, OHIO

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Year	Population (1) (thousands)	Assessed Value (in thousands)	Gross Bonded Debt	Debt Service Monies Available	Bonded Debt Payable from Enterprise Revenue	Net Debt Supported by Special Assessments	Net General Obligation Bonded Debt Outstanding	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	28,835	\$ 184,693	10,066,386	10,496	8,991,856	1,064,034	-	-	-
1991	28,835	205,527	9,436,398	13,538	8,437,868	984,992	-	-	-
1992	28,835	207,173	8,580,000	15,324	7,680,000	884,676	-	-	-
1993	28,835	211,065	7,975,000	72,657	7,180,000	722,343	-	-	-
1994	28,835	233,788	7,455,000	211	6,780,000	674,789	-	-	-
1995	28,835	236,054	6,945,000	1,425	6,390,000	553,575	-	-	-
1996	28,835	239,848	6,390,000	13,342	5,955,000	421,658	-	-	-
1997	28,835	268,287	5,852,000	38,337	5,500,000	313,663	-	-	-
1998	28,835	270,389	8,269,000	33,291	5,010,000	225,709	3,000,000	0.01	104.04
1999	28,835	274,657	7,615,000	50,190	4,490,000	169,810	2,905,000	0.01	100.75

Notes: (1) Source: U.S. Bureau of Census, Census of Population - July 1984 estimated population - Federal 1990 Census.

CITY OF KENT, OHIO

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Year	Population (1) thousands	Assessed Value (in thousands)	Gross Bonded Debt	Debt Service Monies Available	Bonded Debt Payable from Enterprise Revenue	Net Debt Supported by Special Assessments	Net General Obligation Bonded Debt Outstanding	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	28,835	\$ 184,693	10,066,386	10,496	8,991,856	1,064,034	-	-	-
1991	28,835	205,527	9,436,398	13,538	8,437,868	984,992	-	-	-
1992	28,835	207,173	8,580,000	15,324	7,680,000	884,676	-	-	-
1993	28,835	211,065	7,975,000	72,657	7,180,000	722,343	-	-	-
1994	28,835	233,788	7,455,000	211	6,780,000	674,789	-	-	-
1995	28,835	236,054	6,945,000	1,425	6,390,000	553,575	-	-	-
1996	28,835	239,848	6,390,000	13,342	5,955,000	421,658	-	-	-
1997	28,835	268,287	5,852,000	38,337	5,500,000	313,663	-	-	-
1998	28,835	270,389	8,269,000	33,291	5,010,000	225,709	3,000,000	0.01	104.04
1999	28,835	274,657	7,615,000	50,190	4,490,000	169,810	2,905,000	0.01	100.75

Notes: (1) Source: U.S. Bureau of Census, Census of Population - July 1984 estimated population - Federal 1990 Census.

CITY OF KENT, OHIO

Computation of Direct and Overlapping Net Debt

December 31, 1999

<u>Jurisdiction</u>	Net General Obligation Bonded Debt <u>Outstanding (1)</u>	Percentage Applicable to <u>City of Kent</u>	Amount Applicable to <u>City of Kent</u>
City of Kent	\$ 2,905,000	100.00%	\$ 2,905,000
Kent City Schools (2)	21,316,183	69.32%	14,776,378
Portage County, Ohio (3)	<u>14,143,389</u>	12.21%	<u>1,726,908</u>
Total	\$ <u>38,364,572</u>		\$ <u>16,503,286</u>

Notes: (1) Excluding general obligation bonds supported by enterprise operations and special assessments.

(2) Source: Kent City Schools; Treasurer.

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

CITY OF KENT, OHIO

Ratio of Annual Debt Service Expenditures for General
Bonded Debt to Total General Government Expenditures

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service (1)</u>	<u>Total General Government Expenditures (2)</u>	<u>Ratio of Debt Service to Total General Government Expenditures</u>
1990	\$ 76,000	65,600	141,600	10,455,231	1.35
1991	76,000	81,141	157,141	11,647,383	1.35
1992	98,530	71,321	169,851	11,736,062	1.45
1993	105,000	63,728	168,728	12,800,598	1.32
1994	120,000	56,098	176,098	14,550,591	1.21
1995	120,000	48,025	168,025	14,817,395	1.13
1996	120,000	39,878	159,878	17,471,137	0.92
1997	83,000	31,645	114,645	14,896,473	0.77
1998	93,000	120,701	213,701	17,565,859	1.22
1999	134,000	161,554	295,554	15,586,071	1.90

Notes: (1) Excludes enterprise obligations, includes special assessments.

(2) Includes General, Special Revenue, Debt Service and Capital Project Funds.

CITY OF KENT, OHIO

Revenue Bond Coverage - Sewer Bonds

Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Total Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1990	\$ 3,103,680	2,096,013	1,007,667	190,000	528,278	718,278	1.40
1991	3,018,665	1,798,784	1,219,881	200,000	517,678	717,678	1.70
1992	2,817,491	1,813,742	1,003,749	385,000	427,955	812,955	1.23
1993	2,865,526	1,913,083	952,443	200,000	345,427	545,427	1.75
1994	3,196,491	2,093,679	1,102,812	210,000	338,328	548,328	2.01
1995	3,341,390	2,160,064	1,181,326	215,000	328,983	543,983	2.17
1996	3,309,536	2,223,796	1,085,740	225,000	318,878	543,878	2.00
1997	3,271,850	2,155,379	1,116,471	235,000	307,740	542,740	2.06
1998	3,257,363	2,233,873	1,023,490	255,000	295,520	550,520	1.86
1999	3,476,351	2,253,505	1,222,846	270,000	281,750	551,750	2.22

Notes: (1) Gross revenue is total operating revenue plus interest revenue.

(2) Total operating expenses are operating and maintenance expenses exclusive of depreciation.

CITY OF KENT, OHIO

Revenue Bond Coverage - Water Bonds

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Total Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal (3)</u>	<u>Interest</u>	<u>Total</u>	
1990	\$ 2,973,471	1,599,750	1,373,721	336,061	194,737	530,798	2.59
1991	3,038,368	1,769,608	1,268,760	353,988	168,522	522,510	2.43
1992	2,863,076	2,139,979	723,097	372,868	140,806	513,674	1.41
1993	2,877,653	2,042,985	834,668	300,000	110,137	410,137	2.04
1994	2,791,805	2,324,716	467,089	190,000	88,838	278,838	1.68
1995	2,791,736	2,149,234	642,502	175,000	77,913	252,913	2.54
1996	2,748,222	2,361,596	386,626	210,000	67,850	277,850	1.39
1997	2,743,794	2,021,631	722,163	220,000	55,775	275,775	2.62
1998	2,727,096	2,006,673	720,423	235,000	43,125	278,125	2.59
1999	2,860,695	2,016,738	843,957	250,000	29,613	279,613	3.02

Notes: (1) Gross revenue is total operating revenue plus interest revenue.

(2) Total operating expenses are operating and maintenance expenses exclusive of depreciation.

(3) Principal includes amounts which were paid by the trustees.

CITY OF KENT, OHIO

Demographic Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Public School Enrollment (2)</u>	<u>Unemployment Rate - County (3)</u>	<u>Unemployment Rate - City (4)</u>
1990	28,835	4,155	5.3	4.6
1991	28,835	4,107	6.1	5.2
1992	28,835	4,109	7.1	6.2
1993	28,835	4,101	5.8	6.7
1994	28,835	4,097	5.2	6.0
1995	28,835	4,173	4.2	4.8
1996	28,835	4,244	4.4	5.1
1997	28,835	4,152	4.0	4.7
1998	28,835	3,982	3.7	4.3
1999	28,835	3,990	4.0	4.6

Notes: (1) Source: U. S. Census Bureau - 1990 Federal Census.

(2) Kent Board of Education - includes special education and vocational education programs.

(3) Ohio Bureau of Employment Services - Portage County average annual rates.

(4) Ohio Bureau of Employment Services - City of Kent average annual rates.

CITY OF KENT, OHIO

Construction and Bank Deposits

Last Ten Fiscal Years

Fiscal Year	Commercial/Industrial - New Construction (1)		Commercial/Industrial - Alterations (1)		Residential - New Construction (1)		Residential - Alterations (1)		Bank Deposits (2) (in thousands)
	Number	Value	Number	Value	Number	Value	Number	Value	
1990	3	308,940	33	729,816	20	6,969,112	72	1,147,639	195,824
1991	2	684,434	35	1,152,960	29	4,509,000	90	866,695	200,740
1992	3	1,852,000	23	1,422,078	24	3,338,865	68	1,295,392	205,867
1993	8	1,368,000	51	2,500,131	30	3,590,597	67	595,387	243,585
1994	4	1,050,338	49	5,515,635	53	6,822,403	93	949,901	251,884
1995	2	555,000	31	2,301,000	33	3,640,704	67	647,640	245,027
1996	6	5,539,000	11	570,750	44	5,206,377	70	634,723	324,344
1997	4	1,935,000	27	4,043,100	54	7,892,836	40	693,001	351,734
1998	3	3,453,403	14	379,300	40	6,143,841	60	762,782	354,069
1999	9	5,172,000	25	4,773,000	69	10,994,000	120	1,004,000	N/A

Notes: (1) Source: City of Kent, Ohio; Department of Community Development.

(2) Source: Federal Deposit Insurance Corporation; Office of Corporate Communications.

N/A = Not Available

CITY OF KENT, OHIO

Principal Taxpayers

December 31, 1999

Taxpayer	Business Activity	1999 Assessed Valuation for Collection in 2000	Percentage of Total Assessed Valuation
Ohio Bell	Telephone Utility	\$ 4,816,800	1.75%
Ohio Edison	Electric Utility	3,792,460	1.38
Gougler Industries, Inc.	Manufacturer	3,779,620	1.37
AERC Holly Park	Apartment Residences	2,620,800	0.95
Klaben Ford, Inc.	Automobile Dealership	2,387,120	0.87
Silver Meadows Ltd.	Apartment Residences	2,186,910	0.80
W9/GLM Real Estate	Apartment Residences	2,008,210	0.73
Paul P. Tell Sr.	Apartment Residences	1,899,030	0.69
Park Ohio Holding	Manufacturer	1,797,320	0.65
Kent State Apartments	Apartment Residences	<u>1,649,730</u>	<u>0.60</u>
		\$ <u>26,938,000</u>	<u>9.81%</u>
Total Assessed Valuation		\$ <u>274,656,788</u>	

Source: Portage County, Ohio; County Treasurer.

CITY OF KENT, OHIO

Principal Employers - By Municipal Income Tax Withheld

December 31, 1999

Listed below are the ten largest employers by municipal income tax withheld:

Employer	Activity	Amount of Tax Withheld	Percentage of Total Municipal Income Tax Revenue
Kent State University	Higher Education	\$ 2,695,664	29.04%
Kent City Schools	Education	433,715	4.67
Ametek, Inc.	Manufacturer	191,492	2.06
Davey Tree Expert Co., Inc.	Tree Care	188,217	2.03
City of Kent	City Government	187,775	2.02
KWA, Inc.	Manufacturer	128,670	1.39
Klaben Family Ford, Inc.	Automobile Dealership	120,883	1.30
Land-O-Lakes	Dairy Products	107,252	1.15
Gougler Industries, Inc.	Manufacturer	99,202	1.07
Smithers-Oasis Company	Manufacturer	96,335	1.04
		<u>\$ 4,249,205</u>	<u>45.77%</u>
Total municipal income tax revenue		\$ <u>9,283,633</u> (1)	

Notes: (1) Reflects total gross municipal income tax collections.

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

CITY OF KENT, OHIO

Miscellaneous Statistics and Community Profile

LOCATION

Nearest major cities: Akron, Cleveland
Distance in miles: 15, 45
Major highway/north - south: State Route 43
Major highway/east - west: State Route 59
Nearest interstates: Interstate 76, 3 miles south - Ohio Turnpike, 7 miles north

PORTAGE COUNTY LABOR FORCE DECEMBER 1999

Employment: 79,700
Unemployment rate: 4.0%

EDUCATION

	<u>Schools</u>	<u>Teachers</u>	<u>Grades</u>	<u>Enrollment</u>
Elementary	5	-	K - 6	1,750
Middle school	1	-	7 - 8	780
High school	1	-	9 - 12	1,460
Private and parochial	1	-	K - 8	395
Vocational/technical	Co-operative with other communities			
Colleges	1 - graduate and undergraduate - 21,652			
Libraries	2			
Total volumes and other media	3,466,000			

TRANSPORTATION

Railroads

Name: CSX Transportation, Wheeling & Lake Erie Railroad

Motor Freight Lines

Name: 45 serve the area

Air

Name of local airport: Andrew Patton
Runway length: 3,950 feet
Distance: 3 miles west of city
Surface: Asphalt
Lighted: Yes
Instrument approach: Yes
Contact person: Commercial Aviation Corporation - 330/672-2640
Nearest scheduled service: Akron/Canton, Cleveland Hopkins
Distance in miles: 25, 45
Name of major airlines: American, Continental, Delta, Northwest, Pan Am, USAir, United

CITY OF KENT, OHIO

Miscellaneous Statistics and Community Profile

Water

Nearest port: Cleveland World Port
Distance in miles: 45

UTILITIES AND SERVICES

Natural gas supplier: The East Ohio Gas Company
Contact: 330/794-0790
Electricity supplier: Ohio Edison Company
Contact: 330/677-2700
Water supplier: Municipal
Contact: 330/678-8104
Source: Wells
Treatment capacity: 6.0 million gallons per day
Available capacity: 2.4 million gallons per day

SEWERS

Sanitary: Yes
Storm: Yes
Wastewater treatment plant: Municipal
Type: Advanced
Design capacity: 5.0 million gallons per day
Peak capacity: 10.0 million gallons per day

GREATER KENT AREA

YM/YWCA 1
Golf courses: 6
Other facilities: 9 theaters, 1 drive-in, 12 ballfields, 24 tennis courts, 2 bowling alleys, 1 indoor ice arena, 1 roller rink, 2 indoor swimming pools, 11 municipal parks

Churches: 26
Catholic: 2
Protestant: 24
Motels: 8
Rooms: 560
Shopping centers: 2
Department stores: 1
Restaurants: 65

FINANCIAL

Banks: 8
Credit Unions: 2

CITY OF KENT, OHIO

Miscellaneous Statistics and Community Profile

MEDICAL

Hospitals: 1
Beds: 218
Doctors: 27
Dentists: 16

GOVERNMENT

Type of government: Council - City Manager
Police Department: 58 full-time
Fire Department: 34 full-time
Fire insurance rating: 5
Date comprehensive plan revised: 1986
Zoning ordinance: Yes

COMMUNICATIONS

Newspapers: Record Courier, Akron Beacon Journal
Radio stations: WNIR/WKSU and Akron/Cleveland stations
Television stations: All Akron/Cleveland stations
Cable television: Yes, TCI Media, Incorporated

LOCAL CONTACTS

Chamber of Commerce: Daniel Smith
Address: 155 East Main Street
Kent, Ohio 44240
Phone: 330/673-9855

Kent Growth Corporation: Lewis Steinbrecher, City Manager
Address: City Building, 319 South Water Street
Kent, Ohio 44240
Phone: 330/678-8100

Economic Development: Michael T. Weddle, Economic Development Coordinator
Address: City Building, 319 South Water Street
Kent, Ohio 44240
Phone: 330/678-8100





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140
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800-282-0370
Facsimile 614-466-4490

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.

By: *Susan Babbitt*

Date: JUL 27 2000