

**CITY OF KENT
PORTAGE COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Members of Council
City of Kent
325 South Depeyster Street
Kent, Ohio 44240

We have reviewed the *Independent Auditor's Report* of the City of Kent, Portage County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 13, 2012

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**CITY OF KENT
PORTAGE COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of City Council
City of Kent, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of Kent, Ohio's basic financial statements and have issued our report thereon dated May 11, 2012, wherein we noted the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated the December 31, 2010 fund balances of the governmental funds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Kent, Ohio, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Kent, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Kent, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Kent, Ohio's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Kent, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City of Kent, Ohio, in a separate letter dated May 11, 2012.

This report is intended solely for the information and use of management, members of City Council, the Audit Committee, others within the entity, 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, CPA, Inc.
Certified Public Accountant

May 11, 2012

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

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Members of City Council
City of Kent, Ohio

Compliance

We have audited the City of Kent, Portage County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Kent, Ohio's major federal programs for the year ended December 31, 2011. The City of Kent, Ohio's major federal programs are 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 of 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of the City of Kent, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Kent, Ohio's internal control over compliance.

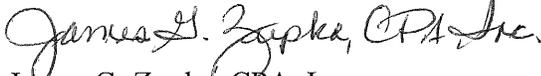
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Ohio, as of and for the year ended December 31, 2011, and have issued our report thereon dated May 11, 2012, which contained unqualified opinions on those financial statements, wherein we noted the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated the December 31, 2010 fund balances of the governmental funds. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, members of City Council, the Audit Committee, others within the entity, 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, CPA, Inc.
Certified Public Accountants

May 11, 2012

CITY OF KENT, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Receipts Recognized	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed through the Ohio Department of Development</i>				
Community Development Block Grant - Entitlement	14.218	B-09-MC-39-0026	\$ 115,948	\$ 115,948
Community Development Block Grant - Entitlement	14.218	B-10-MC-39-0026	166,920	166,920
Community Development Block Grant - Entitlement	14.218	B-11-MC-39-0026	<u>39,770</u>	<u>26,323</u>
			322,638	309,191
<i>Passed through the Ohio Department of Development and Portage County</i>				
Neighborhood Stabilization Program Grant	14.218	B-Z-08-062-1	<u>130,405</u>	<u>125,141</u>
Total U.S. Department of Housing and Urban Development			<u>453,043</u>	<u>434,332</u>
<u>U.S. Environmental Protection Agency</u>				
<i>Passed through the Ohio Environmental Protection Agency</i>				
ARRA - Capitalization Grant for Clean Water RLF - Plum Creek Restoration	66.458	WPCLF CS-390486-0014	<u>134,176</u>	<u>134,176</u>
Total U.S. Environmental Protection Agency			<u>134,176</u>	<u>134,176</u>
<u>U.S. Department of Homeland Security</u>				
<i>Direct Program</i>				
Assistance to Firefighters Grant Program - Fire Protection and Safety	97.044	EMW-2010-FO-07806	<u>186,789</u>	<u>186,789</u>
Total U.S. Department of Homeland Security			<u>186,789</u>	<u>186,789</u>
<u>U.S. Department of Energy</u>				
<i>Passed through State of Ohio</i>				
ARRA - Energy Efficiency and Conservation Block Grant	81.128	ARRA-EECBG-10-14	<u>0</u>	<u>501,517</u>
Total U.S. Department of Energy			<u>0</u>	<u>501,517</u>
<u>U.S. Department of Transportation</u>				
<i>Passed through the Ohio Department of Transportation</i>				
Highway Planning and Construction - Crain Avenue Bridge	20.205	PID 88527	128,159	128,159
East Summit Street Improvements	20.205	PID 84546	65,342	65,342
Summit Street Resurfacing	20.205	PID 88259	32,134	32,134
Spaulding Drive Bridge	20.205	PID 81651	<u>537,375</u>	<u>537,375</u>
Total U.S. Department of Transportation			<u>763,010</u>	<u>763,010</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,537,018</u>	<u>\$ 2,019,824</u>

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, 2011

NOTE 1: GENERAL

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

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: PROGRAM INCOME

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, 2011 was \$333,271. The program income represents interest revenue earned from the revolving loans and bank accounts and repayment of loans of \$11,750. These amounts were subject to single audit procedures.

**CITY OF KENT, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

2011(i)	Type of Financial Statement Opinion	Unqualified
2011(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2011(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2011(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2011(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2011(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2011(v)	Type of Major Programs' Compliance Opinions	Unqualified
2011(vi)	Are there any reportable findings under .510?	No
2011(vii)	Major Programs (list): Community Development Block Grant - Entitlement - CFDA #14.218 Neighborhood Stabilization Program Grant - CFDA #14.218 ARRA - Energy Efficiency and Conservation Block Grant - CFDA #81.128	
2011(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2011(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

CITY OF KENT, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

The prior audit report, as of December 31, 2010, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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CITY OF KENT, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2011

CITY OF KENT, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2011

Issued by The Department of Budget and Finance

DAVID A. COFFEE
Director of Budget and Finance

INTRODUCTORY SECTION

City of Kent, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011
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CITY OF KENT, OHIO

OFFICE OF THE CITY MANAGER

May 11, 2012

Members of City Council
City Manager
Citizens of Kent, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Kent (the City) for the fiscal year ended December 31, 2011, is herein submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management of the City is responsible for establishing and maintaining an internal control structure that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Kent's financial statements in conformity with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that the cost of the internal control structure should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. Disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial records, books of accounts and transactions of the City of Kent, Ohio, for the year ended December 31, 2011, have been audited by the independent auditing firm of James G. Zupka, Certified Public Accountants, Incorporated. The independent auditor's 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.

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

PROFILE OF THE GOVERNMENT

The City of Kent, Ohio, is located in Portage County, approximately fifteen miles northeast of the City of Akron and six miles west of the City of Ravenna, the county seat. The City is the largest of four cities in this industrial and agricultural county. It is principally noted as the home of Kent State University, which had a 2011 enrollment of approximately 26,938 students at the main campus in Kent and 42,185 students region-wide. The City covers an area of approximately 9.29 square miles. The City's 2010 population of 28,904 reflects a 3.6 percent growth as compared to the 2000 population of 27,906. Also of note in the 2010 census is the City of Kent's neighboring township to the south, Brimfield Township, which posted a 30 percent increase from the 2000 to 2010 census that has at least in part been related to the expansions and projects evidenced in the City of Kent and the continued growth of Kent State University.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

Although the local economy continued to demonstrate signs of a recovery, the City of Kent maintained a conservative fiscal strategy in order to protect reserve balances and sustain City services at existing levels without any new or increased taxes or fees in 2011. The City's commitment to aggressive cost cutting measures over the last 6 years, along with revenue stabilization derived from Kent State University and the new economic initiatives in downtown Kent have enabled the City to hold the line on its budget in 2011 and emerge from the economic recession in an encouragingly stable financial position.

While Kent State University remains the City's largest employer, job growth occurring in the private sector resulted in Kent State University's income tax contributions dropping from 40.8% to 39.6% of total municipal income tax revenues from 2010 to 2011. The City's financial condition is still heavily influenced by the University's buffering effect on the City's tax base from the more volatile highs and lows of private business cycles -- but the private sector job growth is a welcomed and notable diversification.

In 2011 Kent State University set a new student enrollment record, adding another 820 students to the previous hundred year enrollment record set in 2010. Kent State University international student enrollment is up 35% and graduate school enrollment is up 3%, securing Kent State University's position as the second largest public university in Ohio. Kent State University reported record financial performance in 2011 which they are using in part to finance critical campus infrastructure projects. The University updated their capital improvement plan in 2011, laying out a modified \$150 million facility investment and bond financing plan that is scheduled to be issued in 2012.

While the City has not been immune to the broader economic downturn, it has witnessed some positive indicators of an emerging economic recovery. Fiscal year 2011 marked another year of income tax rebound, largely from newly emerging business sectors rather than Kent State University or the other top ten income tax contributors in Kent who as a group remained relatively flat. This diversification of income tax revenues is a long term financial goal and the job creation resulting from the early phases of the downtown redevelopment have pushed the City's 2011 income tax receipts to the highest level since 2008. Total income tax receipts for the City in 2011 (not including the Franklin and Brimfield JEDD agreements explained below), exceeded the prior year by 2.48%, or \$258,734.

Investments in Kent

In 2011 Kent State University continued the largest capital re-investment program in the history of the University, including commencing demolition for the construction of the Esplanade extension and holding the ground breaking for the new Kent State University hotel and conference center. In addition to significant building improvements planned on-campus, Kent State made record levels of investment off campus in 2011 to improve the connection between the University and the Central Business District. These investments will transform the campus and the campus community connection, generating significant construction related jobs (\$250,000 to \$500,000/year in income taxes during construction) and producing an expected 300-400 new permanent jobs in the City.

Elsewhere in the Kent community new construction values were trending in opposite directions in 2011. Single family residential construction remained at near record lows but interest in new multi-family properties were at all time highs with over 4,000 new housing units in the pipeline for construction over the next 1-3 years. The majority of these housing projects are student oriented but at least one project is a new senior living facility. The proposed multi-family units will produce \$50-\$75 million in new investments with corresponding new construction related income taxes.

Likewise, the commercial construction rebound that began in 2009 continued in 2011, accelerating Kent's economic recovery. Construction permits in 2011 were up 94%, with a corresponding increase in permit revenues up 435% or \$788,000 in new revenues. Over a dozen new small businesses opened or expanded in Kent in 2011, but the highlight of job growth in 2011 was the opening of the new MAC Trailer manufacturing facility in Kent, bringing in 100 to 250 above average paying jobs in the next 2 years. MAC Trailer is the largest manufacturing investment in Kent in the last 30 years.

On the public side, the City continued to aggressively pursue Federal, State and Regional grant funds for infrastructure improvement projects with great success. As a result, the City is repairing more bridges, streets and sidewalks than it has in decades. Over the last 4 years the City was awarded (or was a partner in grant awards) amounting to over \$42 million in stimulus/grant funds, which has enabled the City to leverage grant funds to City funds at an impressive 3:1 ratio.

The Fairchild Avenue Bridge project construction was well underway by the end of 2011, with the new bridge opened to traffic and the old bridge under demolition for its reconstruction as a pedestrian/biking trail connection. The majority of the adjoining roadway approaches to the bridge have been realigned to match the location and elevation of the new bridge, and the hike and bike trail connections have been completed. The project remains on budget and on schedule for completion in 2013.

Investment was not limited to new construction in 2011; it also included the continued demolition of blighted and non-productive properties that will be replaced with new residential and commercial properties as appropriate. For the residential properties, the City accessed Federal grant funds to take down two condemned structures and replace them with affordable housing to help stabilize distressed City neighborhoods.

Major Initiatives

Phases I and II of the Phoenix Project in downtown Kent were completed and operating in 2011, with 80% of Phase III opened by the end of the year. This popular project offers an eclectic mix of small local retail, restaurants, and office space. It includes the first off-campus University business enterprise, the Tannery, a professional marketing, advertising and media services company (staffed by students), as well as a new fashion school retail outlet. Phase III, which includes the extension of Acorn Alley and the construction of another 50,000 square feet of office, retail and condominiums, began in late 2010 and was nearly complete by the end of 2011. Phase III welcomed the new Laziza's restaurant, Tree City Coffee House, Zoupwerks restaurant, and the Wild Earth Outfitters store among other small retail shops.

The success of the Phoenix Project reaffirmed the value of the City and Kent State's commitment to construct a mixed use redevelopment project that will include 56,000 square feet of new retail and restaurants, a 95 room hotel, a 15,000 square foot conference center, 75,000 square feet of office space, and 18 residential units strategically located at the edge of central business district and the expanded edge of the University campus in downtown Kent. Two major corporate tenants, Davey Tree and Ametek Corporation, finalized their 15 year lease commitments in 2011 to occupy 60,000 square feet of office space and bring 100 to 150 professional jobs into downtown Kent in mid-2012 when the first phases of construction are expected to be complete. During 2011 the City, PARTA and the University broke ground on the respective mixed use, transit center and hotel projects with the construction scheduled to be complete by March 2013.

In 2011 the City also negotiated a deal to purchase the old Franklin Hotel property and sell it for restoration and redevelopment. This long term blighted property is expected to re-open in 2012 bringing with it new jobs and completing the transformation of the downtown business district. In related downtown news, the City finalized the terms for a land swap agreement with Portage County to relocate the County Municipal Court operations to a new \$15 million courthouse building on Main Street in downtown Kent. The City will take possession of the old courthouse building in 2012 and market the prime real estate for redevelopment.

The City continued to work with Franklin and Brimfield townships in 2011 to recruit new businesses and expand business development opportunities within the JEDD boundaries. As a result of these partnerships, the City received \$267,540 as its combined share of JEDD income taxes in 2011, which amounts to a 32.7% increase compared to the 2010 combined income tax collections from the JEDDs.

As part of the City's neighborhood enrichment initiatives, Kent State University partnered with the City to fund a new Community-University Liaison position that served as a focal point for improving communication and neighbor relations in rental neighborhoods around the University. The City continued to expand the regulatory tools available for stabilizing rental neighborhoods including passage of a vacant property ordinance and updating the City's zoning code.

Long-term Financial Planning

During 2011, the City continued to update and implement the five-year capital improvement program that ensures the City's ability to meet the infrastructure needs of the community in future years. In addition to the capital plan, City Council continued to support strategic land acquisitions in 2011 that advanced critical economic development priorities. City staff also continued to pursue efficiency and productivity improvements resulting in budget cuts and savings amounting to \$250,000 in 2011.

In 2011 City Council approved a multi-year utility rate stabilization plan to ensure adequate long term funding for critical infrastructure investment needs while remaining sensitive to the ability of customers to pay for those needs. This multi-year rate plan represents a significant commitment to preserving the long term viability of the utility infrastructure that is needed to serve residents, business and the environment for decades to come.

Cash Management Policies and Practices

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

The City's investment policy is to manage and invest the public's funds with regard to the following criteria: Safety of principal is the foremost objective for the City. All investments are executed in a manner that seeks to ensure preservation of capital in the overall portfolio. Liquidity is the second objective, and the City's investment portfolio maturities are structured in such a manner so as to meet all of its cash operating requirements that can be reasonably anticipated. Finally, the City's investment portfolio is managed so as to achieve a competitive yield that is compatible with the risk and cash flow requirements of the portfolio.

The Director of Budget and Finance is authorized by this policy to invest interim and active monies not in excess of \$10 million with any one eligible financial institution designated as a public depository at any one time in select instruments as defined and authorized by the Ohio Revised Code, Chapter 135. The institutions are required by state statute to maintain a collateral pool of assets whose carrying value exceeds their total public deposits by at least five percent. All investment activity, including operational practices and compliance with the policies and procedures defined in the Investment Policy are overseen by the City's Treasury Investment Board. The Treasury Investment Board is comprised of the City Manager, the Director of Budget and Finance and the Director of Law. The total interest earned during 2011 was \$254,522.

Risk Management

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Kent received this honor for its Comprehensive Annual Financial Report for 2010. This was the twenty-fourth consecutive year that the government has received this prestigious award. A Certificate of Achievement is valid for a period of only one year. The City believes this report conforms to the Certificate of Achievement program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

Additionally, the City was presented the Ohio Auditor of State Award with Distinction for excellence in financial reporting for its Comprehensive Annual Financial Report for the fiscal year ended 2010. This was the first year the City was presented with this award.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dave Ruller". The signature is stylized with a large, looped "D" and "R".

Dave Ruller
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kent
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emmer

Executive Director

CITY OF KENT, OHIO
ELECTED OFFICIALS - 2011

MAYOR/COUNCIL PRESIDENT	Jerry T. Fiala
COUNCIL MEMBER AT LARGE	Michael A. DeLeone
COUNCIL MEMBER AT LARGE	Robin G. Turner
COUNCIL MEMBER AT LARGE	Erik D. Valenta

CITY COUNCIL MEMBERS BY WARDS:

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

CITY OF KENT, OHIO

APPOINTED OFFICIALS - 2011

OFFICE OF CITY MANAGER

City Manager

David A. Ruller

OFFICE OF COUNCIL

Clerk of Council

Linda M. Copley

DEPARTMENT OF LAW

Law Director

James R. Silver

DEPARTMENT OF PUBLIC SERVICES

Service Director

Eugene K. Roberts

City Engineer

James S. Bowling

Water Plant Supervisor

Steve D. Hardesty, Sr.

Sewer Plant Supervisor

Robert W. Brown

Utilities Manager

Jack E. Hogue

Facilities Manager

Gerald G. Shanley

DEPARTMENT OF BUDGET AND FINANCE

Director of Budget and Finance

David A. Coffee

Controller

Brian L. Huff

DEPARTMENT OF PUBLIC SAFETY

Safety Director

William C. Lillich

Fire Chief

James A. Williams

Police Chief

Michelle A. Lee

DEPARTMENT OF COMMUNITY DEVELOPMENT

Community Development Director

Gary S. Locke

Economic Development Director

Daniel D. Smith

DEPARTMENT OF HEALTH

Health Commissioner

Jeffrey S. Neistadt

Deputy Health Commissioner

John B. Bradshaw

DEPARTMENT OF PARKS AND RECREATION

Director of Parks and Recreation

John J. Idone

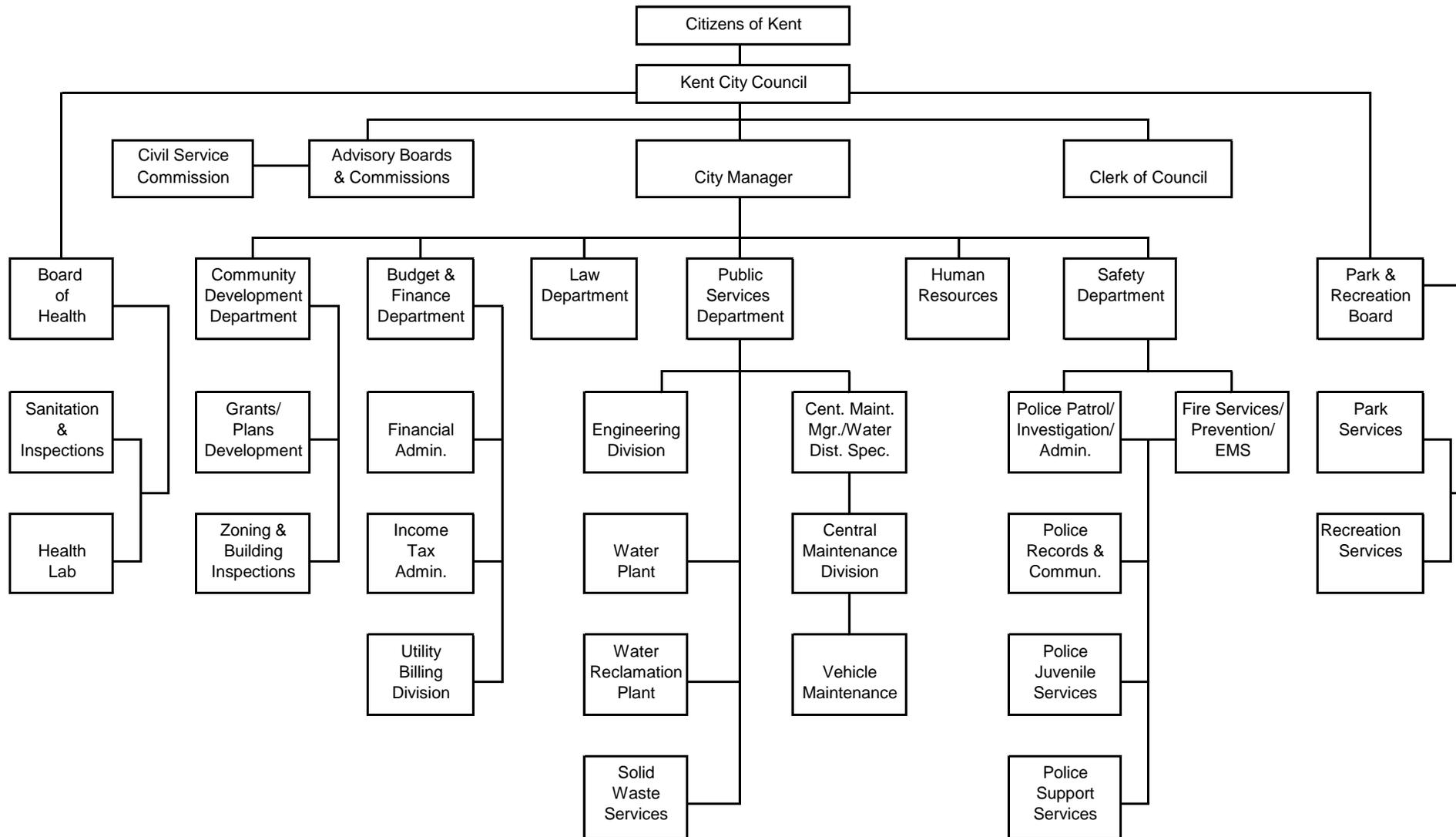
Parks Supervisor

Charles S. Tuttle

Recreation Supervisor

Nancy R. Rice

CITY OF KENT, OHIO ORGANIZATIONAL CHART



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FINANCIAL SECTION

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Kent, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Portage County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kent, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kent, Ohio, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Street Construction, Maintenance and Repair Fund, Parks and Recreation Fund, Income Tax Fund, Income Tax Safety Fund, and Fire and Emergency Medical Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and restated the December 31, 2010 fund balances of the governmental funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2012, on our consideration of the City of Kent, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kent, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


James G. Zupka, CPA, Inc.
Certified Public Accountants

May 11, 2012

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The discussion and analysis of the City of Kent's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2011 are:

- Total assets of the City exceeded its liabilities at the close of the most recent year by \$118,746,962 (*net assets*). Of this amount, \$19,742,644 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to its citizens and creditors.
- Total net assets increased by \$1,140,302 or 0.97 percent over 2010. Of this amount, governmental activities increased by \$1,567,720 and business-type activities decreased by \$427,418.
- Total capital assets increased by \$2,970,212 or 3.15 percent as compared to 2010. Governmental capital assets increased by \$3,691,538 and business-type capital assets decreased by \$721,326.
- Total current assets increased \$2,878,928 or 7.02 percent as compared to 2010. This increase reflects the net change between an increase of \$3,001,114 attributable to governmental activities and a decrease of \$122,186 attributable to business-type activities.
- Total liabilities increased \$4,708,838 or 26.54 percent as compared to 2010. This increase is comprised of an increase in the governmental activities' liabilities of \$5,124,932 and a decrease in the liabilities of the business-type activities of \$416,094.

Overview of the Financial Statements

This discussion and analysis will serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses. The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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

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

The government-wide financial statements can be found starting on page 17 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found starting on page 20 of this report.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, the Sewer Fund, the Solid Waste Fund and the Storm Water Drainage Fund, all of which are considered to be major funds. The Internal Service Fund is also presented on the proprietary fund financial statements. The basic proprietary fund financial statements can be found starting on page 30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 34 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 35 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual budgetary comparisons for all nonmajor funds. This information can be found starting on page 70 of this report.

Government-wide Financial Analysis

Statement of Net Assets and the Statement of Activities. While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2011. The *Statement of Net Assets* and the *Statement of Activities* include assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into consideration all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and changes in those assets. The changes in assets statement is important because it tells whether, for the City as a whole, the financial position has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The *Statement of Net Assets* and the *Statement of Activities* are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning of Year and at Year's End

The City of Kent as a Whole

Table 1 provides a summary of the City's net assets for 2011 compared to 2010.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$35,934,757	\$32,933,643	\$7,979,244	\$8,101,430	\$43,914,001	\$41,035,073
Capital Assets, Net	43,040,225	39,348,687	54,243,284	54,964,610	97,283,509	94,313,297
<i>Total Assets</i>	<u>78,974,982</u>	<u>72,282,330</u>	<u>62,222,528</u>	<u>63,066,040</u>	<u>141,197,510</u>	<u>135,348,370</u>
Current and Other Liabilities	13,808,339	8,367,503	1,160,197	1,353,595	14,968,536	9,721,098
Long-Term Liabilities:						
Due Within One Year	1,020,827	1,023,249	437,993	427,955	1,458,820	1,451,204
Due In More Than One Year	2,326,743	2,640,225	3,696,449	3,929,183	6,023,192	6,569,408
<i>Total Liabilities</i>	<u>17,155,909</u>	<u>12,030,977</u>	<u>5,294,639</u>	<u>5,710,733</u>	<u>22,450,548</u>	<u>17,741,710</u>
Invested in Capital Assets, Net of Related Debt	37,887,705	34,486,661	49,593,173	50,033,315	87,480,878	84,519,976
Restricted	11,523,440	10,583,375	0	0	11,523,440	10,583,375
Unrestricted	12,407,928	15,181,317	7,334,716	7,321,992	19,742,644	22,503,309
<i>Total Net Assets</i>	<u>\$61,819,073</u>	<u>\$60,251,353</u>	<u>\$56,927,889</u>	<u>\$57,355,307</u>	<u>\$118,746,962</u>	<u>\$117,606,660</u>

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City, total assets exceed total liabilities by \$118,746,962 at the close of the most recent year.

The largest portion of the City's net assets (73.67 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, infrastructure, equipment and vehicles); less any related outstanding debt issued to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (\$11,523,440 or 9.70 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$19,742,644 or 16.63 percent) may be used to meet the government's ongoing obligations to its citizens and creditors.

Total assets increased by \$5,849,140 from 2010 to 2011. The change in assets corresponds primarily to increases in due from other government receivables, prepaid items, and capital assets net of accumulated depreciation of \$1,918,987. The City actively pursues grant funding for various projects throughout the City. As a result, the several capital projects have been partially funded through grants. The significant increase in prepaid items is a result of the City prepaying \$4,000,000 for a 50-year operating lease with the Portage Area Regional Transit Authority (PARTA). The lease permits the City to utilize two levels of a parking deck for City-wide parking. The parking deck is currently under construction and the lease will begin once construction is complete. Capital assets increased as a result of various land purchases for downtown development along with further construction on the State Route 59 Signalization Improvements project, the Alley 4 Reconstruction project, and a number of smaller projects still in the construction phase.

Total liabilities increased \$4,708,838, which corresponds to an increase of \$5,124,932 in governmental activities and a decrease of \$416,094 in the business-type funds. The City issued an additional \$4,000,000 in Bond Anticipation Notes (BANs) in the governmental activities. The proceeds from these BANs were used to prepay the City's lease payments for the next 50 years. This increase in BANs was the main contributor to the increase in liabilities for 2011.

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

The total net assets of the City increased \$1,140,302 from 2010 to 2011. The primary reason for this overall change is that the City had another year where, on a full accrual accounting basis, current year total revenues exceeded total expenses due in part to capitalized expenses for capital assets.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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

Table 2
Changes in Net Assets

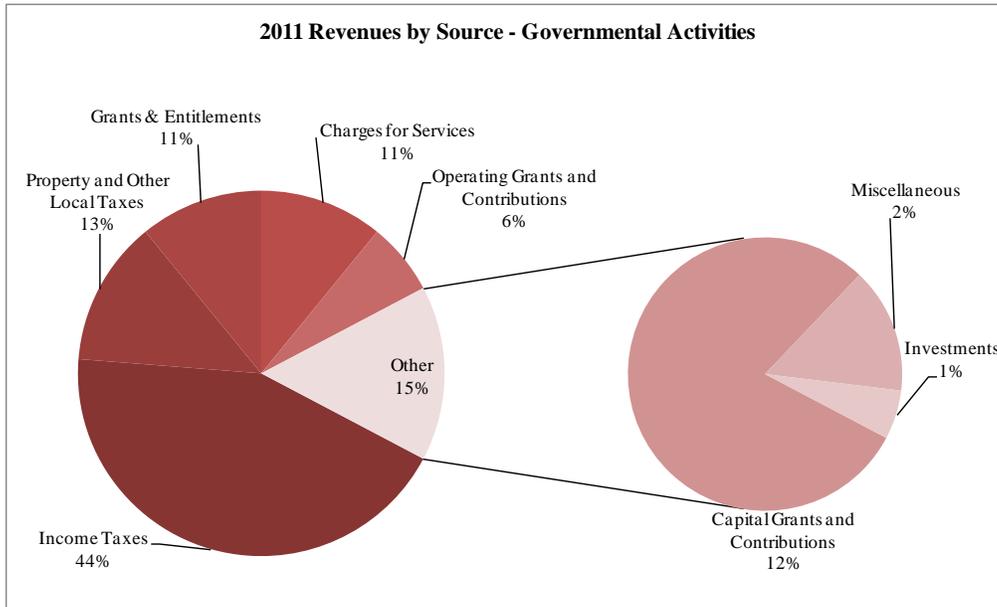
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services	\$2,739,285	\$2,267,760	\$7,288,302	\$7,166,957	\$10,027,587	\$9,434,717
Operating Grants and Contributions	1,602,580	1,569,539	193,046	12,500	1,795,626	1,582,039
Capital Grants and Contributions	3,088,711	905,353	415,020	1,267,638	3,503,731	2,172,991
General Revenues:						
Income Taxes	10,962,364	10,800,430	0	0	10,962,364	10,800,430
Property and Other Local Taxes	3,238,998	3,219,661	0	0	3,238,998	3,219,661
Grants and Entitlements	2,735,703	2,446,005	0	0	2,735,703	2,446,005
Investments	221,008	232,274	33,514	76,543	254,522	308,817
Miscellaneous	574,177	301,344	130,253	106,032	704,430	407,376
Total Revenues	25,162,826	21,742,366	8,060,135	8,629,670	33,222,961	30,372,036
Program Expenses						
Security of Persons and Property	11,155,689	10,595,357	0	0	11,155,689	10,595,357
Public Health and Welfare	666,053	632,398	0	0	666,053	632,398
Leisure Time Activities	1,611,324	1,438,323	0	0	1,611,324	1,438,323
Community Development	3,002,485	1,787,031	0	0	3,002,485	1,787,031
Transportation	3,732,080	3,713,225	0	0	3,732,080	3,713,225
General Government	3,090,494	2,852,097	0	0	3,090,494	2,852,097
Interest and Fiscal Charges	196,981	143,384	0	0	196,981	143,384
Water	0	0	3,239,611	3,306,197	3,239,611	3,306,197
Sewer	0	0	4,139,302	3,985,170	4,139,302	3,985,170
Solid Waste	0	0	434,718	453,846	434,718	453,846
Storm Water Drainage	0	0	813,922	664,552	813,922	664,552
Total Expenses	23,455,106	21,161,815	8,627,553	8,409,765	32,082,659	29,571,580
Increase in Net Assets						
Before Transfers	1,707,720	580,551	(567,418)	219,905	1,140,302	800,456
Transfers	(140,000)	0	140,000	0	0	0
Increase in Net Assets	1,567,720	580,551	(427,418)	219,905	1,140,302	800,456
Net Assets Beginning of Year	60,251,353	59,670,802	57,355,307	57,135,402	117,606,660	116,806,204
Net Assets End of Year	\$61,819,073	\$60,251,353	\$56,927,889	\$57,355,307	\$118,746,962	\$117,606,660

Governmental Activities

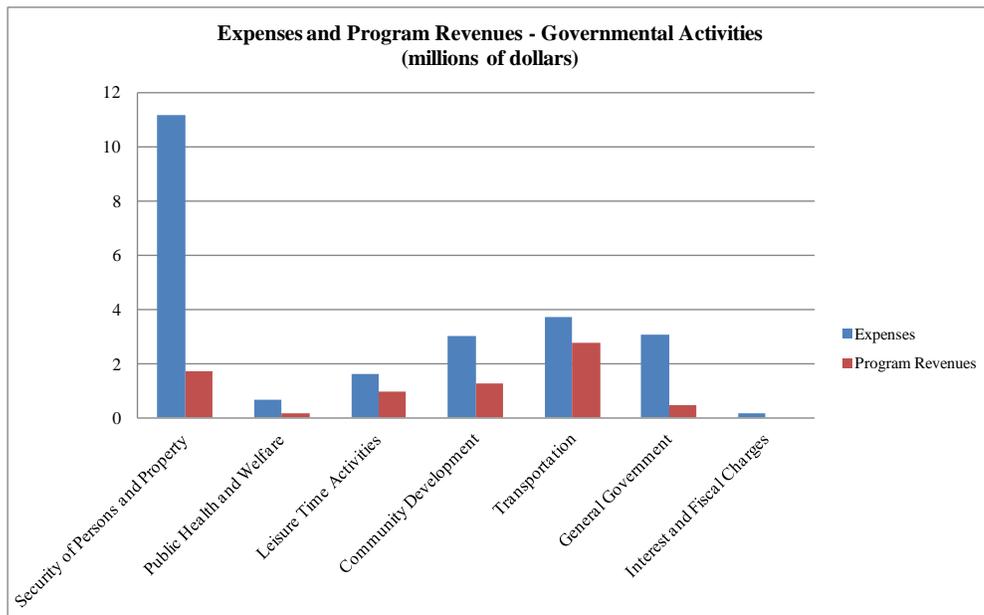
Governmental activities increased the City's net assets by \$1,567,720 during 2011.

Several types of revenues fund the City's governmental activities, with municipal income tax being the largest contributor. As presented in the above table, income tax revenues showed a moderate increase of \$161,934 or 1.50 percent, reflecting a gradual economic recovery trend that began in mid-2010 and continued through most of 2011. The City's total governmental revenue increased by \$3,420,460 in 2011 as compared to 2010, the main increase is related to Capital Grants and Contributions primarily for the State Route 59 Signalization Improvement project.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited



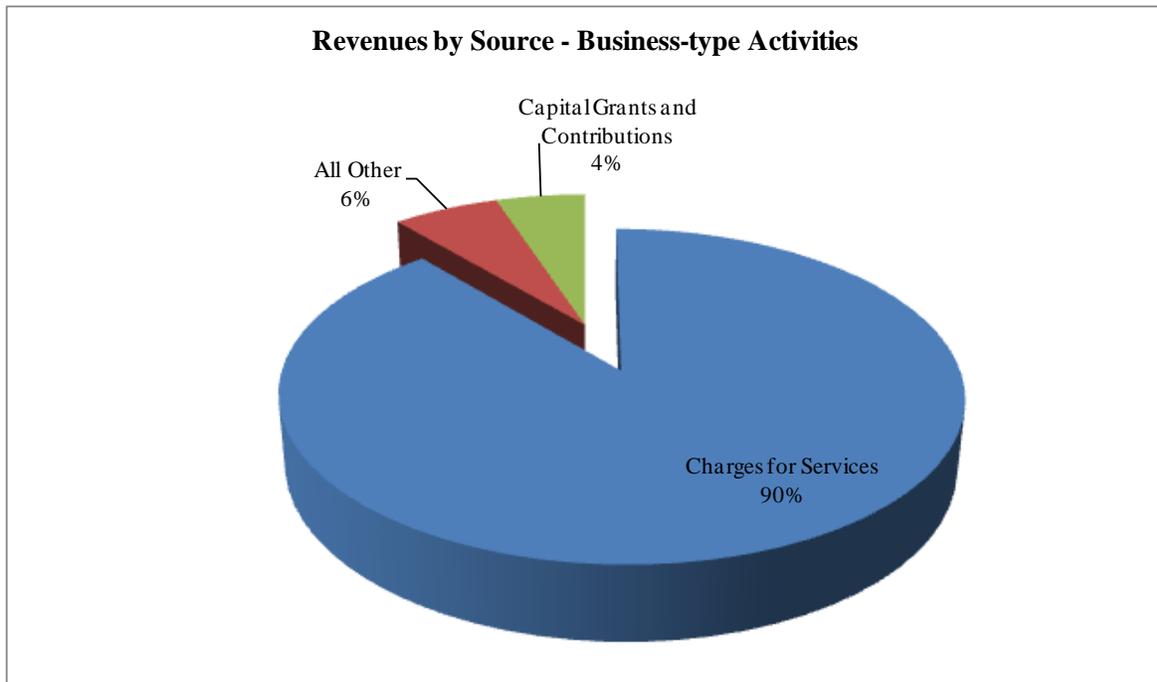
Expenses in the governmental activities increased by \$2,293,291 or 10.84 percent. Most of this increase corresponds to multiple redevelopment expenses related to the City's Urban Renewal Plan along with a negotiated wage and benefit increase of 2.5 percent, which increased citywide payroll expenses, the single largest component of the City's expenses. During 2011, the largest program area for the City is security of persons and property at 47.56 percent which includes police, fire and emergency medical services. The next largest program area is transportation at 15.91 percent, of which \$1.51 million or 40.39 percent of the total transportation expenses are attributable to depreciation on the City's roads and bridges. General government is the third largest program area at 13.18 percent and accounts for the basic operations of the City including council, mayor, city manager, human resources, finance, law, engineering, service administration and civil service.



City of Kent, Ohio
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Business-Type Activities

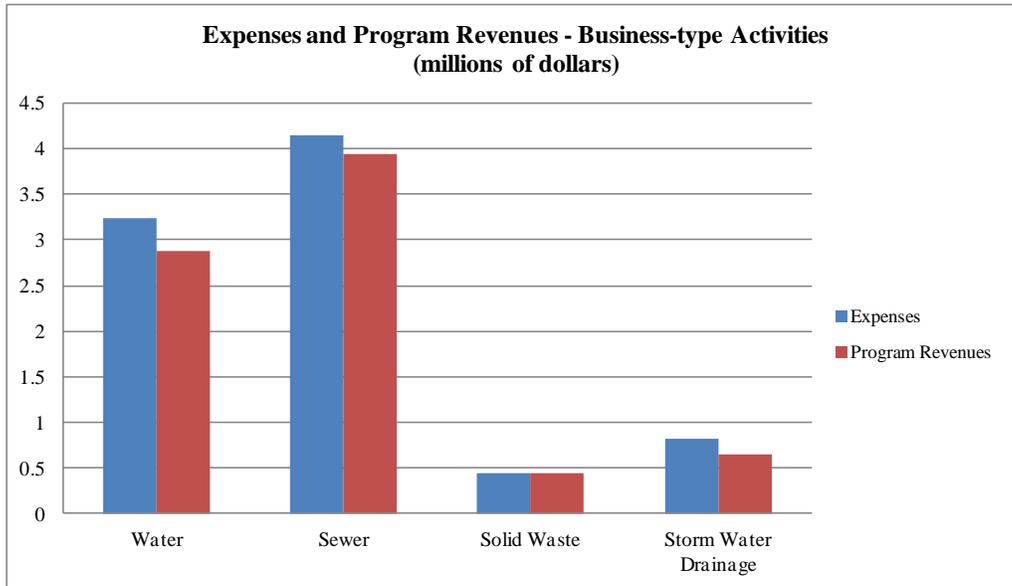
Business-type activities of the City, which include water, sewer, solid waste and storm water drainage operations, decreased the City's net assets by \$427,418.



Charges for services account for 90.42 percent of total business-type revenues. The increase in charges for services, \$121,345 or 1.69 percent, is largely explained by the timing effect of previous water and sewer rate revisions implemented in 2010 and the resulting impact on annual comparisons. The City also continued its program to upgrade the water meter reading system, resulting in further reduction in the number of estimated reads. The reduction in estimated meter reads translates to more accurate readings that reflect actual usage, which has a positive impact on charges for services. Capital grants and contributions significantly decreased by \$852,618, mostly due to a decrease in capital grants related to the grant funding provided through the Ohio Water Development Authority (OWDA). The OWDA grant funds were used to fund the Plum Creek Restoration project which is in the final construction phase.

Expenses in the business-type activities grew by \$217,788 or 2.59 percent, which roughly equates to negotiated wage increases and additionally includes market increases in cost of goods and services associated with these operations.

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Program revenues approximate program expenses for the solid waste business-type activity.

Financial Analysis of the City of Kent's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,165,894, which represents a decrease of \$3,106,486 or 15.32 percent as compared to 2010. Of the total amount, \$606,825 constitutes *unassigned and assigned fund balance*, which is available at the government's discretion. The remainder of the fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by external constraints or committed by internal constraints.

Fund balance for the City's General Fund declined by \$2,391,429 due to operating expenditures exceeding revenues. This also reflects the City's drawdown of its General Fund during 2011 to facilitate the purchase of several parcels of land for downtown re-development. Several of these parcels have been retained by the City as owner/lessor with corresponding execution of long term lease agreements with developers as opposed to the sale of the parcels to developers.

Fund balance for the City's Capital Projects Fund decreased by \$923,879 due a significant increases in several expenditures. The increases are mainly due to the City's downtown development project such as the City purchasing an abandoned historic hotel and then sold to a local developer for redevelopment with the City carrying a short term note for financing the majority of the purchase money.

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Fund balance for the City's Muni PI Tax Increment Equivalent Fund decreased by \$422,919. The City has issued BANs for the purpose of additional downtown development in a designated Tax Increment Financing district. The use of the proceeds from the BANs had begun in 2011.

The net change in fund balances for the City's other major governmental funds are unremarkable. There were no significant changes in revenues and expenditures as compared to 2010.

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

The following table lists unrestricted net assets and change in net assets for all of the proprietary funds.

	Water	Sewer	Solid Waste	Storm Water Drainage
Unrestricted Net Assets	\$2,731,589	\$2,513,946	(\$224,741)	\$2,625,049
Change in Net Assets	(139,843)	(35,951)	145,819	(138,690)

In the Water and Sewer Funds, which are the two largest enterprise funds, the unrestricted net assets represent 87.71 percent and 64.79 percent of the total current operating expenses, respectively. In response to projected operating losses for 2012 and subsequent years, City Council approved a multi-year utility rate stabilization plan to ensure adequate long term funding for critical infrastructure investment needs while remaining sensitive to the ability of customers to pay for those needs. This multi-year rate plan represents a significant commitment to preserving the long term viability of the utility infrastructure that is needed to serve residents, business and the environment for decades to come. Consequently, a Water rate increase of 9% was approved in 2011 to become effective with the first billing after January 15, 2012. Further rate ordinance revisions for Sewer and Solid Waste were left pending at year end subject to further review by Council. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights. The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2011, the City amended its General Fund budget on various occasions. All recommendations for budget changes are reviewed by the Finance Committee of City Council prior to presentation to Council for ordinance enactment of the changes.

For the General Fund expenditures and other financing uses, the original budget amount was \$10,330,646 and the final amended budget was \$11,102,533, an increase of \$771,887. Actual expenditures were \$9,674,370 or \$1,428,163 less than were budgeted. Conservative budget practices and vacancies in some positions were the principal reason budget funds were not spent.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets (net of accumulated depreciation) for governmental and business-type activities as of December 31, 2011, was \$97,283,509. The City's investment in capital assets increased by \$3,691,538 or 9.38 percent for governmental activities and decreased by \$721,326 or 1.31 percent for business-type activities when comparing 2011 to 2010.

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

Table 3 compares capital assets as of December 31, 2011 to balances at December 31, 2010.

Table 3
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$7,711,276	\$6,059,282	\$1,787,536	\$1,787,536	\$9,498,812	\$7,846,818
Buildings, Structures and Improvements	5,936,384	5,937,049	5,756,630	6,103,579	11,693,014	12,040,628
Machinery and Equipment	2,549,186	2,533,839	1,686,643	1,742,957	4,235,829	4,276,796
Construction in Progress	10,433,343	8,147,369	3,320,918	2,791,661	13,754,261	10,939,030
Infrastructure						
Roads, Bridges, Walks	15,234,082	16,272,076	0	0	15,234,082	16,272,076
Traffic Signals	1,175,954	399,072	0	0	1,175,954	399,072
Water	0	0	10,189,366	10,261,803	10,189,366	10,261,803
Sewer	0	0	20,623,147	21,160,576	20,623,147	21,160,576
Storm Water	0	0	10,879,044	11,116,498	10,879,044	11,116,498
<i>Total Capital Assets</i>	<u>\$43,040,225</u>	<u>\$39,348,687</u>	<u>\$54,243,284</u>	<u>\$54,964,610</u>	<u>\$97,283,509</u>	<u>\$94,313,297</u>

Long-term Debt. At December 31, 2011, the City's bonds, notes and loans outstanding were \$14.68 million.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$1,370,000	\$1,530,000	\$0	\$0	\$1,370,000	\$1,530,000
Special Assessment Bonds	334,000	361,000	0	0	334,000	361,000
OPWC Loans	231,053	246,026	82,108	84,592	313,161	330,618
OWDA Loans	0	0	3,833,003	4,051,703	3,833,003	4,051,703
Loans Payable	375,123	455,101	0	0	375,123	455,101
Notes Payable	7,715,000	3,625,000	735,000	795,000	8,450,000	4,420,000
Total	<u>\$10,025,176</u>	<u>\$6,217,127</u>	<u>\$4,650,111</u>	<u>\$4,931,295</u>	<u>\$14,675,287</u>	<u>\$11,148,422</u>

The City's total long-term debt decreased by \$503,135 or 7.48 percent. This decrease in long-term debt for 2011 is primarily due to scheduled debt service payments.

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Short-term debt significantly increased by \$4,030,000. The notes payable of \$3,715,000 in the governmental activities are for the construction and renovation of the main fire station, renovation of administration offices and the development of downtown and the notes payable of \$4,000,000 is for the prepayment of a 50-year operating lease with PARTA for the use of two levels in a parking deck. The note payable of \$735,000 in the business-type activities was used to finance a capital sewer project and will be repaid through user charges.

The City's bond rating as of its last review by Moody's Investor Services is Aa2. Factors noted as contributing to the City's favorable rating were its history of prudent budget management and long-term financial planning.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$27,561,952 at December 31, 2011.

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

Current Financial Related Activities

The City has experienced encouraging indicators of a gradual but steady economic recovery at the local level despite mixed signals at the national level. Without question, the City has continued to derive significant revenue stabilization from its largest employer, Kent State University, as an employer, a purchaser of goods and services in the City, and as a producer of new technologies and a catalyst for new local businesses that have been added to the City's tax base. Of particular note however is the welcomed growth and diversification in jobs taking place in the City's private sector.

The commercial construction rebound that began in 2009 continued in 2011, adding substantially to The City's economic recovery. Construction permits in 2011 were up 94%, with a corresponding increase in permit revenues up 435% or \$788,000 in new revenues. Over a dozen new small businesses opened or expanded in The City in 2011, but the highlight of job growth in 2011 was the opening of the new MAC Trailer manufacturing facility in The City, bringing in 100 to 250 above average paying jobs in the next 2 years. MAC Trailer is the largest manufacturing investment in The City in the last 30 years. Additionally, Phases I and II of the Phoenix Project in downtown Kent were completed and operating in 2011, with 80% of Phase III opened by the end of the year. Phase III welcomed the new Laziza's restaurant, Tree City Coffee House, Zoupwerks restaurant, and the Wild Earth Outfitters store among other small retail shops.

The City and Kent State University's commitment to construct a mixed use redevelopment project resulted in tangible results as well in 2011. Construction began on multiple buildings that will include 56,000 square feet of new retail and restaurants, a 95 room hotel, a 15,000 square foot conference center, 75,000 square feet of office space, and 18 residential units strategically located at the edge of central business district and the expanded edge of the University campus in downtown Kent. Two major corporate tenants, Davey Tree and Ametek Corporation, finalized their 15 year lease commitments in 2011 to occupy 60,000 square feet of office space and bring 100 to 150 professional jobs into downtown Kent in mid-2012 when the first phases of construction are expected to be complete. During 2011 the City, PARTA and the University broke ground on the respective mixed use, transit center and hotel projects with the construction scheduled to be complete by March 2013.

In 2011 the City also negotiated a deal to purchase the old Franklin Hotel property and sell it for restoration and redevelopment. This long term blighted property is expected to re-open in 2012 bringing with it new jobs and completing the transformation of the downtown business district. In related downtown news, the

City of Kent, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

City finalized the terms for a land swap agreement with Portage County to relocate the County Municipal Court operations to a new \$15 million courthouse building on Main Street in downtown Kent. The City will take possession of the old courthouse building in 2012 and market the prime real estate for redevelopment.

On the public side, the City continued to aggressively pursue Federal, State and Regional grant funds for infrastructure improvement projects with great success. As a result, the City is repairing more bridges, streets and sidewalks than it has in decades. Over the last 4 years the City was awarded (or was a partner in grant awards) amounting to over \$42 million in stimulus/grant funds, which has enabled the City to leverage grant funds to City funds at a 3:1 ratio.

The City continued to work with Franklin and Brimfield townships in 2011 to recruit new businesses and expand business development opportunities within the JEDD boundaries. As a result of these partnerships, the City received \$267,540 as its combined share of JEDD income taxes in 2011, which amounts to a 32.7% increase compared to the 2010 combined income tax collections from the JEDDs. Also of note is that income tax rate increases became effective on January 1, 2012 for each of the JEDDs. The Kent-Franklin JEDD rate increased from 1% to 2% and the Kent-Brimfield JEDD increased from 0.75% to 1.0%.

In yet another revenue enhancing action in 2011, the City Council approved a multi-year utility rate stabilization plan to ensure adequate long term funding for critical infrastructure investment needs while remaining sensitive to the ability of customers to pay for those needs. This multi-year rate plan represents a significant commitment to preserving the long term viability of the utility infrastructure that is needed to serve residents, business and the environment for decades to come.

During 2011, the City continued to update and implement the five-year capital improvement program that ensures the City's ability to meet the infrastructure needs of the community in future years. In addition to the capital plan, City Council continued to support strategic land acquisitions in 2011 that advanced critical economic development priorities. City staff also continued to pursue efficiency and productivity improvements and to hold vacant positions open wherever possible, resulting in budget cuts and savings in excess of \$250,000 in 2011.

The City continues to possess sufficient funds to meet its requirements for cash outlay in the coming year, and possesses the financial capacity in addition to management direction to ensure that its obligations are met for the years to come.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, employees, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Budget and Finance Department, City of Kent, 325 South Depeyster Street, Kent, Ohio 44240, telephone (330) 678-8102.

Basic Financial Statements

City of Kent, Ohio
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$17,808,574	\$7,638,505	\$25,447,079
Cash Surrender Value of Life Insurance Policies	752,759	0	752,759
Receivables:			
Interest Receivable	31,538	4,906	36,444
Accounts Receivable	0	1,740,306	1,740,306
Other Receivable	365,373	18,834	384,207
Income Taxes Receivable	1,876,195	0	1,876,195
Property Taxes Receivable	3,041,610	0	3,041,610
Other Local Taxes Receivable	67,482	0	67,482
Loans Receivable	333,272	0	333,272
Notes Receivable	360,000	0	360,000
Utilization Fee Receivable	0	14,206	14,206
Special Assessments Receivable	1,058,405	1,126,603	2,185,008
Less Allowance for Doubtful Accounts	0	(387,828)	(387,828)
Receivables, Net	<u>7,133,875</u>	<u>2,517,027</u>	<u>9,650,902</u>
Internal Balances	2,439,673	(2,439,673)	0
Due From Other Governments	3,346,583	210,637	3,557,220
Inventories	275,588	36,238	311,826
Prepaid Items	4,037,491	16,510	4,054,001
Assets Held for Resale	4,000	0	4,000
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	136,214	0	136,214
Capital Assets, Non-Depreciable	18,144,619	5,108,454	23,253,073
Capital Assets, Depreciable, Net	<u>24,895,606</u>	<u>49,134,830</u>	<u>74,030,436</u>
<i>Total Assets</i>	<u>78,974,982</u>	<u>62,222,528</u>	<u>141,197,510</u>
Liabilities			
Accounts Payable	278,025	111,101	389,126
Capital Contracts Payable	1,254,457	30,223	1,284,680
Retainage Payable	324,433	83,098	407,531
Accrued Wages and Benefits	936,067	196,878	1,132,945
Matured Compensated Absences Payable	40,765	0	40,765
Unearned Revenue	2,769,746	0	2,769,746
Accrued Interest Payable	52,910	1,633	54,543
Claims Payable	397,958	0	397,958
Notes Payable	7,737,764	737,264	8,475,028
Payable from Restricted Assets	16,214	0	16,214
Long-Term Liabilities:			
Due Within One Year	1,020,827	437,993	1,458,820
Due In More Than One Year	<u>2,326,743</u>	<u>3,696,449</u>	<u>6,023,192</u>
<i>Total Liabilities</i>	<u>17,155,909</u>	<u>5,294,639</u>	<u>22,450,548</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	37,887,705	49,593,173	87,480,878
Restricted for:			
Capital Projects	2,390,108	0	2,390,108
Debt Service	483,475	0	483,475
Streets and Highways	2,033,700	0	2,033,700
Income Tax	2,221,408	0	2,221,408
Community Development Block Grant	1,063,727	0	1,063,727
Parks and Recreation	1,084,005	0	1,084,005
Fire & EMS	1,177,659	0	1,177,659
Community Development	467,011	0	467,011
Other Purposes	602,347	0	602,347
Unrestricted	<u>12,407,928</u>	<u>7,334,716</u>	<u>19,742,644</u>
<i>Total Net Assets</i>	<u>\$61,819,073</u>	<u>\$56,927,889</u>	<u>\$118,746,962</u>

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

City of Kent, Ohio
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Security of Persons and Property	\$11,155,689	\$1,419,667	\$133,319	\$186,789
Public Health and Welfare	666,053	160,213	11,926	0
Leisure Time Activities	1,611,324	709,428	13,549	250,000
Community Development	3,002,485	250,093	657,956	380,851
Transportation	3,732,080	28,985	785,830	1,980,191
General Government	3,090,494	170,899	0	290,880
Interest and Fiscal Charges	196,981	0	0	0
<i>Total Governmental Activities</i>	<u>23,455,106</u>	<u>2,739,285</u>	<u>1,602,580</u>	<u>3,088,711</u>
Business-Type Activities				
Water	3,239,611	2,741,795	0	134,295
Sewer	4,139,302	3,566,055	180,546	194,121
Solid Waste	434,718	424,599	12,500	0
Storm Water Drainage	813,922	555,853	0	86,604
<i>Total Business-Type Activities</i>	<u>8,627,553</u>	<u>7,288,302</u>	<u>193,046</u>	<u>415,020</u>
<i>Total</i>	<u>\$32,082,659</u>	<u>\$10,027,587</u>	<u>\$1,795,626</u>	<u>\$3,503,731</u>

General Revenues

Property and Other Local Taxes Levied for:

General Purposes

Other Purposes

Income Taxes

Grants and Entitlements not Restricted
to Specific Programs

Investments

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

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

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activity	Total
(\$9,415,914)	\$0	(\$9,415,914)
(493,914)	0	(493,914)
(638,347)	0	(638,347)
(1,713,585)	0	(1,713,585)
(937,074)	0	(937,074)
(2,628,715)	0	(2,628,715)
(196,981)	0	(196,981)
<u>(16,024,530)</u>	<u>0</u>	<u>(16,024,530)</u>
0	(363,521)	(363,521)
0	(198,580)	(198,580)
0	2,381	2,381
0	(171,465)	(171,465)
<u>0</u>	<u>(731,185)</u>	<u>(731,185)</u>
<u>(16,024,530)</u>	<u>(731,185)</u>	<u>(16,755,715)</u>
1,620,411	0	1,620,411
1,618,587	0	1,618,587
10,962,364	0	10,962,364
2,735,703	0	2,735,703
221,008	33,514	254,522
574,177	130,253	704,430
(140,000)	140,000	0
<u>17,592,250</u>	<u>303,767</u>	<u>17,896,017</u>
1,567,720	(427,418)	1,140,302
<u>60,251,353</u>	<u>57,355,307</u>	<u>117,606,660</u>
<u>\$61,819,073</u>	<u>\$56,927,889</u>	<u>\$118,746,962</u>

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

City of Kent, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General	Street Construction, Maintenance and Repair	Parks and Recreation	Income Tax	Income Tax Safety	Fire and Emergency Medical Services
Assets						
Equity in Pooled Cash and Cash Equivalents	\$5,319,528	\$747,013	\$992,227	\$3,908,200	\$188,156	\$1,018,174
Receivables:						
Property Taxes Receivable	1,483,850	0	1,109,858	0	0	0
Income Taxes Receivable	367,830	87,578	0	198,598	436,503	436,503
Other Taxes Receivable	67,482	0	0	0	0	0
Interest Receivable	27,428	0	0	4,093	0	0
Loans Receivable	0	0	0	0	0	0
Notes Receivable	0	0	0	0	0	0
Other Receivable	365,373	0	0	0	0	0
Special Assessments Receivable	0	528,781	0	0	0	0
Receivables, Net	<u>2,311,963</u>	<u>616,359</u>	<u>1,109,858</u>	<u>202,691</u>	<u>436,503</u>	<u>436,503</u>
Due from Other Funds	1,116,039	0	0	1,977,080	0	0
Due from Other Governments	1,463,235	379,548	315,503	0	0	0
Inventories	14,666	260,922	0	0	0	0
Prepaid Items	28,725	5,159	860	4	0	2,688
Assets Held for Resale	0	0	0	0	0	0
Restricted Cash:						
Equity in Pooled Cash and Cash Equivalents	0	16,214	0	0	0	0
Total Assets	<u>\$10,254,156</u>	<u>\$2,025,215</u>	<u>\$2,418,448</u>	<u>\$6,087,975</u>	<u>\$624,659</u>	<u>\$1,457,365</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$175,238	\$8,617	\$11,142	\$247	\$0	\$16,675
Capital Contracts Payable	0	0	24,632	0	0	266
Accrued Wages and Benefits	354,002	39,360	40,641	8,955	255,194	221,565
Retainage Payable	0	0	20,917	0	0	0
Due to Other Funds	0	0	200,000	0	0	0
Matured Compensated Absences Payable	40,765	0	0	0	0	0
Unearned Revenue	1,350,812	0	1,010,948	0	0	0
Deferred Revenue	1,105,251	754,370	407,064	78,086	171,630	171,630
Accrued Interest Payable	0	0	0	0	0	0
Notes Payable	0	0	0	0	0	0
Payable from Restricted Assets	0	16,214	0	0	0	0
Total Liabilities	<u>3,026,068</u>	<u>818,561</u>	<u>1,715,344</u>	<u>87,288</u>	<u>426,824</u>	<u>410,136</u>
Fund Balances						
Nonspendable	1,159,430	266,081	860	4	0	2,688
Restricted	0	940,573	702,244	0	197,835	1,044,541
Committed	0	0	0	6,000,683	0	0
Assigned	2,863,740	0	0	0	0	0
Unassigned (Deficit)	3,204,918	0	0	0	0	0
Total Fund Balances	<u>7,228,088</u>	<u>1,206,654</u>	<u>703,104</u>	<u>6,000,687</u>	<u>197,835</u>	<u>1,047,229</u>
Total Liabilities and Fund Balances	<u>\$10,254,156</u>	<u>\$2,025,215</u>	<u>\$2,418,448</u>	<u>\$6,087,975</u>	<u>\$624,659</u>	<u>\$1,457,365</u>

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

Capital Projects	Muni PI Tax Increment Equivalent	Other Governmental Funds	Total Governmental Funds
\$2,233,212	\$1,042,917	\$2,247,339	\$17,696,766
0	0	447,902	3,041,610
349,183	0	0	1,876,195
0	0	0	67,482
0	0	17	31,538
0	0	333,272	333,272
360,000	0	0	360,000
0	0	0	365,373
86,370	0	443,254	1,058,405
<u>795,553</u>	<u>0</u>	<u>1,224,445</u>	<u>7,133,875</u>
0	0	0	3,093,119
1,060,687	0	127,610	3,346,583
0	0	0	275,588
0	4,000,000	55	4,037,491
0	0	4,000	4,000
0	0	120,000	136,214
<u>\$4,089,452</u>	<u>\$5,042,917</u>	<u>\$3,723,449</u>	<u>\$35,723,636</u>
\$13,736	\$0	\$29,176	\$254,831
1,043,890	185,669	0	1,254,457
0	0	16,350	936,067
303,516	0	0	324,433
325,000	0	439,573	964,573
0	0	0	40,765
0	0	407,986	2,769,746
939,205	0	586,234	4,213,470
5,522	39,900	0	45,422
2,492,680	5,245,084	0	7,737,764
0	0	0	16,214
<u>5,123,549</u>	<u>5,470,653</u>	<u>1,479,319</u>	<u>18,557,742</u>
0	4,000,000	55	5,429,118
0	0	2,244,075	5,129,268
0	0	0	6,000,683
0	0	0	2,863,740
<u>(1,034,097)</u>	<u>(4,427,736)</u>	<u>0</u>	<u>(2,256,915)</u>
<u>(1,034,097)</u>	<u>(427,736)</u>	<u>2,244,130</u>	<u>17,165,894</u>
<u>\$4,089,452</u>	<u>\$5,042,917</u>	<u>\$3,723,449</u>	<u>\$35,723,636</u>

*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2011*

Total Governmental Fund Balances	\$17,165,894
Amounts reported for governmental activities in the statement of net assets are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,040,225
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Special Assessments	1,058,405
Delinquent Property Taxes	271,864
Intergovernmental	1,680,969
Charges for Services	104,527
Miscellaneous Revenue	360,000
Municipal Income Taxes	737,705
Total	4,213,470
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	754,542
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(7,488)
Long-term liabilities, including bonds and compensated absences, are not due and payable in the current period therefore are not reported in the funds:	
General Obligation Bonds	(1,370,000)
Special Assessment Bonds	(334,000)
OPWC Loans	(231,053)
Loans Payable	(375,123)
Compensated Absences	(1,037,394)
Total	(3,347,570)
Net Assets of Governmental Activities	<u>\$61,819,073</u>

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

City of Kent, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Street Construction, Maintenance and Repair	Parks and Recreation	Income Tax	Income Tax Safety	Fire and Emergency Medical Services
Revenues						
Property and Other Local Taxes	\$1,620,493	\$198,570	\$1,020,814	\$0	\$0	\$0
Income Taxes	2,099,065	500,930	0	1,188,690	2,503,258	2,503,258
Charges for Services	1,310,237	28,985	475,923	0	0	0
Fees, Licenses and Permits	375,622	0	233,505	0	0	0
Fines and Forfeitures	177,409	0	0	0	0	0
Intergovernmental	2,713,341	791,688	149,645	0	24,601	186,789
Special Assessments	0	63,110	0	0	0	0
Interest	131,109	0	0	39,218	0	0
Miscellaneous	23,280	17,958	21,983	0	20	14,835
<i>Total Revenues</i>	<u>8,450,556</u>	<u>1,601,241</u>	<u>1,901,870</u>	<u>1,227,908</u>	<u>2,527,879</u>	<u>2,704,882</u>
Expenditures						
Current:						
Security of Persons and Property	4,658,145	0	0	0	2,580,705	2,468,224
Public Health and Welfare	544,860	0	0	0	0	0
Leisure Time Activities	0	0	1,401,566	0	0	0
Community Development	1,638,185	0	0	0	0	0
Transportation	0	1,406,391	0	0	0	0
General Government	2,287,545	0	0	388,729	0	0
Capital Outlay	1,573,250	0	377,504	0	0	242,376
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>10,701,985</u>	<u>1,406,391</u>	<u>1,779,070</u>	<u>388,729</u>	<u>2,580,705</u>	<u>2,710,600</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,251,429)</u>	<u>194,850</u>	<u>122,800</u>	<u>839,179</u>	<u>(52,826)</u>	<u>(5,718)</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Assets	0	5,741	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	(140,000)	0	0	(418,522)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(140,000)</u>	<u>5,741</u>	<u>0</u>	<u>(418,522)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(2,391,429)</u>	<u>200,591</u>	<u>122,800</u>	<u>420,657</u>	<u>(52,826)</u>	<u>(5,718)</u>
<i>Fund Balances (Deficit) Beginning of Year, Restated</i>	<u>9,619,517</u>	<u>1,006,063</u>	<u>580,304</u>	<u>5,580,030</u>	<u>250,661</u>	<u>1,052,947</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$7,228,088</u></u>	<u><u>\$1,206,654</u></u>	<u><u>\$703,104</u></u>	<u><u>\$6,000,687</u></u>	<u><u>\$197,835</u></u>	<u><u>\$1,047,229</u></u>

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

				<i>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2011</i>	
Capital Projects	Muni PI Tax Increment Equivalent	Other Governmental Funds	Total Governmental Funds		
\$0	\$0	\$412,245	\$3,252,122	Net Change in Fund Balances - Total Governmental Funds	(\$3,106,486)
1,989,818	0	0	10,785,019	Amounts reported for governmental activities in the statement of activities are different because	
0	0	0	1,815,145	Governmental funds report capital outlays as expenditures.	
0	0	128,135	737,262	However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
0	0	5,190	182,599	Capital Outlay	5,912,555
2,288,045	0	539,937	6,694,046	Depreciation	(2,184,376)
42,203	0	49,250	154,563	Total	3,728,179
0	4,497	12,998	187,822	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(36,641)
102,111	0	33,990	214,177	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
<u>4,422,177</u>	<u>4,497</u>	<u>1,181,745</u>	<u>24,022,755</u>	Delinquent Property Taxes	(13,124)
				Intergovernmental	694,513
				Special Assessments	(116,129)
				Income Tax	177,345
				Charges for Services	4,280
				Miscellaneous Revenues	360,000
				Total	1,106,885
				Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	281,951
				In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	819
				Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	33,953
				The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	(440,940)
				<i>Change in Net Assets of Governmental Activities</i>	<u>\$1,567,720</u>

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,520,842	\$ 1,520,842	\$ 1,618,910	\$ 98,068
Intergovernmental	2,135,770	2,205,771	2,365,987	160,216
Interest	120,457	124,405	129,762	5,357
Fees, Licenses and Permits	348,688	360,116	375,622	15,506
Fines and Forfeits	163,315	168,668	175,930	7,262
Charges for Services	1,099,324	1,135,355	1,184,241	48,886
Miscellaneous	25,011	25,831	26,943	1,112
Total Revenues	<u>5,413,407</u>	<u>5,540,988</u>	<u>5,877,395</u>	<u>336,407</u>
Expenditures				
Current:				
Security of Persons and Property	5,604,688	5,458,828	4,678,476	780,352
Public Health and Welfare	542,840	592,007	540,140	51,867
Community Development	1,409,854	1,841,434	1,672,986	168,448
General Government	2,633,264	2,745,264	2,317,768	427,496
Total Expenditures	<u>10,190,646</u>	<u>10,637,533</u>	<u>9,209,370</u>	<u>1,428,163</u>
Excess of Revenues Over (Under) Expenditures	(4,777,239)	(5,096,545)	(3,331,975)	1,764,570
Other Financing Sources (Uses)				
Sale of Assets	2,500	2,500	2,500	-
Advances In	280,950	420,891	95,891	(325,000)
Advances Out	-	(325,000)	(325,000)	-
Transfer In	2,100,000	2,100,000	2,100,000	-
Transfers Out	(140,000)	(140,000)	(140,000)	-
Total Other Financing Sources (Uses)	<u>2,243,450</u>	<u>2,058,391</u>	<u>1,733,391</u>	<u>(325,000)</u>
Net Change in Fund Balance	(2,533,789)	(3,038,154)	(1,598,584)	1,439,570
Fund Balance - Beginning of Year	6,446,241	6,446,241	6,446,241	-
Recovery of Prior Year Encumbrances	-	-	31,921	31,921
Fund Balance - End of Year	<u>\$ 3,912,452</u>	<u>\$ 3,408,087</u>	<u>\$ 4,879,578</u>	<u>\$ 1,471,491</u>

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 199,664	\$ 198,899	\$ 198,704	\$ (195)
Intergovernmental	734,843	732,030	731,310	(720)
Charges for Services	29,125	29,014	28,985	(29)
Special Assessments	66,197	65,944	65,879	(65)
Miscellaneous	15,262	15,204	15,189	(15)
Total Revenues	<u>1,045,091</u>	<u>1,041,091</u>	<u>1,040,067</u>	<u>(1,024)</u>
Expenditures				
Current:				
Transportation	<u>1,601,046</u>	<u>1,601,046</u>	<u>1,493,581</u>	<u>107,465</u>
Excess of Revenues Over (Under) Expenditures	(555,955)	(559,955)	(453,514)	106,441
Other Financing Sources				
Sale of Capital Assets	5,741	5,741	5,741	-
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Other Financing Sources	<u>505,741</u>	<u>505,741</u>	<u>505,741</u>	<u>-</u>
Net Change in Fund Balance	(50,214)	(54,214)	52,227	106,441
Fund Balance - Beginning of Year	659,310	659,310	659,310	-
Recovery of Prior Year Encumbrances	-	-	15,685	15,685
Fund Balance - End of Year	<u>\$ 609,096</u>	<u>\$ 605,096</u>	<u>\$ 727,222</u>	<u>\$ 122,126</u>

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Parks and Recreation Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,131,762	\$ 1,131,762	\$ 1,020,814	\$ (110,948)
Intergovernmental	141,180	125,721	142,296	16,575
Fees, Licenses and Permits	231,674	206,307	233,505	27,198
Charges for Services	472,190	420,488	475,923	55,435
Miscellaneous	22,579	20,107	22,758	2,651
Total Revenues	<u>1,999,385</u>	<u>1,904,385</u>	<u>1,895,296</u>	<u>(9,089)</u>
Expenditures				
Current:				
Leisure Time Activities	<u>2,295,626</u>	<u>2,295,626</u>	<u>1,908,514</u>	<u>387,112</u>
Excess of Revenues Over (Under) Expenditures	(296,241)	(391,241)	(13,218)	378,023
Other Financing (Uses)				
Advances Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balance	(316,241)	(411,241)	(33,218)	378,023
Fund Balance - Beginning of Year	746,882	746,882	746,882	-
Recovery of Prior Year Encumbrances	-	-	3,203	3,203
Fund Balance - End of Year	<u>\$ 430,641</u>	<u>\$ 335,641</u>	<u>\$ 716,867</u>	<u>\$ 381,226</u>

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Income Tax Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$10,419,156	\$10,419,156	\$10,711,488	\$ 292,332
Interest	49,131	49,131	50,509	1,378
Total Revenues	<u>10,468,287</u>	<u>10,468,287</u>	<u>10,761,997</u>	<u>293,710</u>
Expenditures				
Current:				
General Government	468,376	468,376	392,957	75,419
Excess of Revenues Over Expenditures	9,999,911	9,999,911	10,369,040	369,129
Other Financing Sources (Uses)				
Advances In	30,000	30,000	30,000	-
Transfer Out	(9,996,189)	(9,996,189)	(9,996,189)	-
Total Other Financing Sources (Uses)	<u>(9,966,189)</u>	<u>(9,966,189)</u>	<u>(9,966,189)</u>	<u>-</u>
Net Change in Fund Balance	33,722	33,722	402,851	369,129
Fund Balance - Beginning of Year	3,499,019	3,499,019	3,499,019	-
Fund Balance - End of Year	<u>\$ 3,532,741</u>	<u>\$ 3,532,741</u>	<u>\$ 3,901,870</u>	<u>\$ 369,129</u>

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Income Tax Safety Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 24,601	\$ 601
Miscellaneous	-	-	20	20
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>24,621</u>	<u>621</u>
Expenditures				
Current:				
Security of Persons & Property	<u>2,381,955</u>	<u>2,567,540</u>	<u>2,562,119</u>	<u>5,421</u>
Excess of Revenues Over (Under) Expenditures	(2,357,955)	(2,543,540)	(2,537,498)	6,042
Other Financing Sources				
Transfers In	<u>2,492,063</u>	<u>2,492,063</u>	<u>2,492,063</u>	-
Net Change in Fund Balance	134,108	(51,477)	(45,435)	6,042
Fund Balance - Beginning of Year	<u>125,050</u>	<u>125,050</u>	<u>125,050</u>	-
Fund Balance - End of Year	<u><u>\$ 259,158</u></u>	<u><u>\$ 73,573</u></u>	<u><u>\$ 79,615</u></u>	<u><u>\$ 6,042</u></u>

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

City of Kent, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 Fire and Emergency Medical Services Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 348,483	\$ 187,998	\$ 186,789	\$ (1,209)
Miscellaneous	5,920	3,194	3,173	(21)
Total Revenues	<u>354,403</u>	<u>191,192</u>	<u>189,962</u>	<u>(1,230)</u>
Expenditures				
Current:				
Security of Persons & Property	<u>2,794,568</u>	<u>2,914,457</u>	<u>2,845,764</u>	<u>68,693</u>
Excess of Revenues Over (Under) Expenditures	(2,440,165)	(2,723,265)	(2,655,802)	67,463
Other Financing Sources				
Transfers In	<u>2,492,063</u>	<u>2,492,063</u>	<u>2,492,063</u>	<u>-</u>
Net Change in Fund Balance	51,898	(231,202)	(163,739)	67,463
Fund Balance - Beginning of Year	476,142	476,142	476,142	-
Recovery of Prior Year Encumbrances	-	-	12,650	12,650
Fund Balance - End of Year	<u>\$ 528,040</u>	<u>\$ 244,940</u>	<u>\$ 325,053</u>	<u>\$ 80,113</u>

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

City of Kent, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities					Governmental Activities - Internal Service Fund
	Water	Sewer	Solid Waste	Storm Water Drainage	Total	
Assets						
<i>Current Assets</i>						
Equity in Pooled Cash and Cash Equivalents	\$2,380,430	\$2,023,264	\$234,616	\$3,000,195	\$7,638,505	\$111,808
Receivables:						
Interest Receivable	2,321	2,585	0	0	4,906	0
Accounts Receivable	679,871	847,245	62,936	150,254	1,740,306	0
Other Receivable	0	0	1,412	17,422	18,834	0
Utilization Fee Receivable	3,995	10,211	0	0	14,206	0
Special Assessments Receivable	489,000	305,090	0	332,513	1,126,603	0
Less Allowance for Doubtful Accounts	(162,365)	(202,967)	(10,620)	(11,876)	(387,828)	0
Receivables, Net	<u>1,012,822</u>	<u>962,164</u>	<u>53,728</u>	<u>488,313</u>	<u>2,517,027</u>	<u>0</u>
Due from Other Governments	30,091	180,546	0	0	210,637	0
Inventories	24,231	12,007	0	0	36,238	0
Prepaid Items	12,852	3,314	16	328	16,510	0
<i>Total Current Assets</i>	<u>3,460,426</u>	<u>3,181,295</u>	<u>288,360</u>	<u>3,488,836</u>	<u>10,418,917</u>	<u>111,808</u>
<i>Noncurrent Assets</i>						
Cash Surrender Value of Life Insurance Policies	0	0	0	0	0	752,759
Capital Assets, Non-Depreciable	1,819,111	1,128,067	0	2,161,276	5,108,454	0
Capital Assets, Depreciable, Net	12,920,941	25,317,914	775	10,895,200	49,134,830	0
<i>Total Noncurrent Assets</i>	<u>14,740,052</u>	<u>26,445,981</u>	<u>775</u>	<u>13,056,476</u>	<u>54,243,284</u>	<u>752,759</u>
<i>Total Assets</i>	<u>18,200,478</u>	<u>29,627,276</u>	<u>289,135</u>	<u>16,545,312</u>	<u>64,662,201</u>	<u>864,567</u>
Liabilities						
<i>Current Liabilities</i>						
Accounts Payable	58,555	26,669	24,802	1,075	111,101	23,194
Capital Contracts Payable	99	136	0	29,988	30,223	0
Retainage Payable	0	0	0	83,098	83,098	0
Accrued Wages and Benefits	79,160	95,166	2,896	19,656	196,878	0
Claims Payable	0	0	0	0	0	397,958
Due to Other Funds	512,100	428,980	481,466	706,000	2,128,546	0
Accrued Interest Payable	0	1,633	0	0	1,633	0
Notes Payable	0	737,264	0	0	737,264	0
Compensated Absences Payable	74,683	106,183	3,487	22,099	206,452	0
OWDA/OPWC Loans	34,712	191,862	0	4,967	231,541	0
<i>Total Current Liabilities</i>	<u>759,309</u>	<u>1,587,893</u>	<u>512,651</u>	<u>866,883</u>	<u>3,726,736</u>	<u>421,152</u>
<i>Long-Term Liabilities</i>						
Compensated Absences Payable	4,240	6,318	450	1,871	12,879	0
OWDA/OPWC Loans	516,766	3,089,663	0	77,141	3,683,570	0
<i>Total Long-Term Liabilities</i>	<u>521,006</u>	<u>3,095,981</u>	<u>450</u>	<u>79,012</u>	<u>3,696,449</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,280,315</u>	<u>4,683,874</u>	<u>513,101</u>	<u>945,895</u>	<u>7,423,185</u>	<u>421,152</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	14,188,574	22,429,456	775	12,974,368	49,593,173	0
Unrestricted	2,731,589	2,513,946	(224,741)	2,625,049	7,645,843	443,415
<i>Total Net Assets</i>	<u>\$16,920,163</u>	<u>\$24,943,402</u>	<u>(\$223,966)</u>	<u>\$15,599,417</u>	<u>\$57,239,016</u>	<u>\$443,415</u>

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

(311,127)
\$56,927,889

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

City of Kent, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities					Governmental Activities - Internal Service Fund
	Water	Sewer	Solid Waste	Storm Water Drainage	Total	
Operating Revenues						
Charges for Services	\$2,741,795	\$3,566,055	\$424,599	\$555,853	\$7,288,302	\$2,007,691
Miscellaneous	103,083	26,130	0	1,040	130,253	677
<i>Total Operating Revenues</i>	<u>2,844,878</u>	<u>3,592,185</u>	<u>424,599</u>	<u>556,893</u>	<u>7,418,555</u>	<u>2,008,368</u>
Operating Expenses						
Personal Services	1,284,251	1,541,490	43,920	337,203	3,206,864	0
Benefits	435,828	511,853	14,517	99,816	1,062,014	0
Utilities	181,175	245,123	0	0	426,298	0
Contractual Services	198,841	446,912	367,461	107,067	1,120,281	0
Materials and Supplies	467,724	297,954	3,554	1,531	770,763	0
Claims	0	0	0	0	0	2,435,209
Premiums	0	0	0	0	0	456,038
Other Operating Expenses	20,791	25,000	1,606	2,234	49,631	0
Depreciation	525,806	811,523	222	243,096	1,580,647	0
<i>Total Operating Expenses</i>	<u>3,114,416</u>	<u>3,879,855</u>	<u>431,280</u>	<u>790,947</u>	<u>8,216,498</u>	<u>2,891,247</u>
<i>Operating Income (Loss)</i>	<u>(269,538)</u>	<u>(287,670)</u>	<u>(6,681)</u>	<u>(234,054)</u>	<u>(797,943)</u>	<u>(882,879)</u>
Non Operating Revenues (Expenses)						
Intergovernmental	0	180,546	12,500	0	193,046	0
Interest	12,687	12,067	0	8,760	33,514	33,186
Interest and Fiscal Charges	(17,287)	(135,015)	0	0	(152,302)	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>(4,600)</u>	<u>57,598</u>	<u>12,500</u>	<u>8,760</u>	<u>74,258</u>	<u>33,186</u>
<i>Income (Loss) Before</i>						
<i>Contributions and Transfers</i>	(274,138)	(230,072)	5,819	(225,294)	(723,685)	(849,693)
Capital Contributions from Tap-in Fees	104,204	194,121	0	600	298,925	0
Capital Grants	30,091	0	0	86,004	116,095	0
Transfers In	0	0	140,000	0	140,000	150,000
<i>Change in Net Assets</i>	<u>(139,843)</u>	<u>(35,951)</u>	<u>145,819</u>	<u>(138,690)</u>	<u>(168,665)</u>	<u>(699,693)</u>
<i>Net Assets Beginning of Year</i>	<u>17,060,006</u>	<u>24,979,353</u>	<u>(369,785)</u>	<u>15,738,107</u>		<u>1,143,108</u>
<i>Net Assets End of Year</i>	<u>\$16,920,163</u>	<u>\$24,943,402</u>	<u>(\$223,966)</u>	<u>\$15,599,417</u>		<u>\$443,415</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

(258,753)
(\$427,418)

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

City of Kent, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities					Governmental Activities - Internal Service Fund
	Water	Sewer	Solid Waste	Storm Water Drainage	Total	
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows from Operating Activities						
Cash Received from Customers	\$2,653,212	\$3,475,248	\$424,618	\$548,519	\$7,101,597	\$2,007,691
Cash Payments for Employee Services and Benefits	(1,728,641)	(2,087,667)	(59,438)	(411,701)	(4,287,447)	0
Cash Payments to Suppliers for Goods and Services	(812,617)	(991,059)	(423,387)	(107,523)	(2,334,586)	(2,626,407)
Other Operating Revenues	103,083	26,130	0	1,040	130,253	677
Other Operating Expenses	(20,791)	(25,000)	(1,606)	(2,234)	(49,631)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>194,246</u>	<u>397,652</u>	<u>(59,813)</u>	<u>28,101</u>	<u>560,186</u>	<u>(618,039)</u>
Cash Flows from Noncapital Financing Activities						
Intergovernmental	0	0	12,500	0	12,500	0
Transfers In	0	0	140,000	0	140,000	150,000
Advance Out	0	0	0	(30,000)	(30,000)	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>0</u>	<u>152,500</u>	<u>(30,000)</u>	<u>122,500</u>	<u>150,000</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	(244,866)	(413,203)	0	(295,872)	(953,941)	0
Capital Grants	0	0	0	134,176	134,176	0
Proceeds of Notes	0	735,000	0	0	735,000	0
Premium on Notes	0	2,911	0	0	2,911	0
Principal Paid on OWDA\OPWC Loans	(33,672)	(185,028)	0	(2,484)	(221,184)	0
Interest Paid on OWDA\OPWC Loans	(17,287)	(125,198)	0	0	(142,485)	0
Special Assessments	38,402	88,047	0	40,417	166,866	0
Tap-In Fees	132,259	260,259	0	600	393,118	0
Principal Paid on Notes	0	(795,000)	0	0	(795,000)	0
Interest Paid on Notes	0	(12,343)	0	0	(12,343)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(125,164)</u>	<u>(444,555)</u>	<u>0</u>	<u>(123,163)</u>	<u>(692,882)</u>	<u>0</u>
Cash Flows from Investing Activities						
Interest on Investments	11,503	10,784	0	8,760	31,047	0
<i>Net Cash Provided by Investing Activities</i>	<u>11,503</u>	<u>10,784</u>	<u>0</u>	<u>8,760</u>	<u>31,047</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	80,585	(36,119)	92,687	(116,302)	20,851	(468,039)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,299,845</u>	<u>2,059,383</u>	<u>141,929</u>	<u>3,116,497</u>	<u>7,617,654</u>	<u>579,847</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,380,430</u>	<u>\$2,023,264</u>	<u>\$234,616</u>	<u>\$3,000,195</u>	<u>\$7,638,505</u>	<u>\$111,808</u>

(continued)

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

City of Kent, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2011

	Business-Type Activities				Total	Governmental Activities - Internal Service Fund
	Water	Sewer	Solid Waste	Storm Water Drainage		
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities						
Operating Income (Loss)	(\$269,538)	(\$287,670)	(\$6,681)	(\$234,054)	(\$797,943)	(\$882,879)
<i>Adjustments:</i>						
Depreciation	525,806	811,523	222	243,096	1,580,647	0
Premium charged for Life Insurance Policies	0	0	0	0	0	11,665
(Increase) Decrease in Assets:						
Accounts Receivable	(88,583)	(90,807)	1,431	(7,334)	(185,293)	0
Other Receivable	0	0	(1,412)	0	(1,412)	0
Materials and Supplies Inventory	(6,454)	3,666	0	0	(2,788)	0
Prepaid Items	3,292	2,299	(1)	0	5,590	0
Increase (Decrease) in Liabilities:						
Accounts Payable	38,285	(7,035)	(52,371)	1,075	(20,046)	5,994
Claims Payable	0	0	0	0	0	247,181
Accrued Wages	3,411	(21,670)	(146)	1,348	(17,057)	0
Compensated Absences Payable	(11,973)	(12,654)	(855)	23,970	(1,512)	0
<i>Total Adjustments</i>	<u>463,784</u>	<u>685,322</u>	<u>(53,132)</u>	<u>262,155</u>	<u>1,358,129</u>	<u>264,840</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$194,246</u>	<u>\$397,652</u>	<u>(\$59,813)</u>	<u>\$28,101</u>	<u>\$560,186</u>	<u>(\$618,039)</u>

Schedule of Non-Cash Investing, Capital, and Financing Activities:

The Water Fund's net effect of receivable accruals (due from other governments) in the amount of (\$30,091), impacted capital grants during 2011. In addition, the Storm Water Drainage Fund's net effect of receivable accruals (due from other governments) in the amount of \$48,172, impacted capital grants during 2011.

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

City of Kent, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Escrow Fund
December 31, 2011

Assets

Cash and Cash Equivalents	<u><u>\$626,398</u></u>
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Liabilities

Accounts Payable	<u><u>\$626,398</u></u>
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The notes to the basic financial statements are an integral part of this statement

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Description of the City and Reporting Entity

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

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

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

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB Statements and Interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

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

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

Income Tax Fund - This fund accounts for the revenue received from the municipal income tax that is not restricted by City Charter, the expenditures relative to the administration of income tax collections, and transfers to support the operations of other funds as defined by annual Council appropriations.

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

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

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

Muni PI Tax Increment Equivalent Fund - This fund accounts for the accumulation of resources (mostly bond anticipation note proceeds) that will be used for the development of the City's downtown.

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

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

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

Solid Waste Fund - This fund is used to account for solid waste collection services provided to the residential and commercial customers of the City.

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

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

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

C. Measurement Focus

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

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

D. Basis of Accounting

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

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

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

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

Unearned/Deferred Revenue Unearned/Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue, although none were reported in 2011.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

E. Cash and Cash Equivalents

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

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

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

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 2011 amounted to \$131,109, which includes \$88,450 assigned from other City funds.

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

F. Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City capitalization threshold is \$2,500 for 2011. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

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

I. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Due to/from other funds." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

J. Compensated Absences

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

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

K. Accrued Liabilities and Long-term Obligations

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

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

L. Fund Balance

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

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by City Council.

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted as “Other Purposes” are mainly attributed to the Wireless 911 program, the food service program, the revolving housing program, and several other minor grant funds.

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

N. Operating Revenues and Expenses

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

O. Contributions of Capital

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

P. Interfund Activity

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2011.

R. Estimates

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

S. Budgetary Process

All funds, except agency and internal service funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level, department, and object level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

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

Note 3 – Changes in Accounting Principles and Prior Period Adjustment

Changes in Accounting Principles

For fiscal year 2011, the City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The implementation of this Statement resulted in the reclassification of fund balances on the City's governmental fund financial statements.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of this Statement did not have an effect on the City's financial statements.

Prior Period Adjustments

Fund reclassifications are required in order to report funds in accordance with GASB Statement No. 54. In prior periods, the City had reported all income tax revenues in the Income Tax fund and transfer out those revenues to various funds according to City Charter and annual appropriation measure. As a result of the implementation of GASB Statement No. 54, the inflows previously reported as transfers are now recognized as revenue in the various funds according to City Charter. These fund reclassifications had the following effect on the City's governmental fund balances as previously reported:

	General	Street Construction Maintenance and Repair	Income Tax	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects
Fund Balance, December 31, 2010	\$ 9,395,380	\$ 953,850	\$ 6,579,346	\$ (3,017)	\$ 799,269	\$ (325,828)
Fund Reclassifications:						
Inflows (transfers) converted to income tax revenues	224,137	52,213	(999,316)	253,678	253,678	215,610
Restated Fund Balance, December 31, 2010	<u>\$ 9,619,517</u>	<u>\$ 1,006,063</u>	<u>\$ 5,580,030</u>	<u>\$ 250,661</u>	<u>\$ 1,052,947</u>	<u>\$ (110,218)</u>

Note 4 – Accountability and Compliance

Fund Deficits

Start-up costs associated with the City's recycling program (initiated in 1990) resulted in deficit net assets in the Solid Waste fund. Disposition of Solid Waste fund capital assets in 1995 resulted in a loss of \$90,575 that contributed to increasing the deficit to \$446,384 at December 31, 2001. In 2001, City Council approved a substantial rate increase that was effective in January 2002. The combination of increased revenues and revised service levels resulted in a reduction of the deficit net assets over the last several years. However, recent increases in the curbside collection contract caused a decrease in net assets of \$20,999 for 2010 and in 2011 the City provided a General Fund transfer in the amount of \$140,000 which assisted in decreasing the overall fund deficit to \$223,966 at December 31, 2011.

In addition, the City's Capital Projects Fund and Muni PI Tax Increment Equivalent Fund all reported deficit fund balances for 2011. These fund deficits resulted from accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis);
4. Investments reported at fair value (GAAP) rather than cost (budget basis).

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

	General	Street Construction, Maintenance and Repair	Parks and Recreation	Income Tax	Income Tax Safety	Fire and Emergency Medical Services
Fund Balance - Budget Basis	\$4,879,578	\$727,222	\$716,867	\$3,901,870	\$79,615	\$325,053
Net Adjustment						
Revenue Accruals	4,891,237	995,907	1,425,361	2,179,771	436,503	436,503
Deferred Revenue	(2,456,063)	(754,370)	(1,418,012)	(78,086)	(171,630)	(171,630)
Expenditure Accruals	(570,005)	(47,977)	(297,332)	(9,202)	(255,194)	(238,506)
Assets Held for Resale	0	0	0	0	0	0
Inventories/Prepays	43,391	266,081	860	4	0	2,688
Investment Valuation	2,353	0	0	902	0	0
Encumbrances	437,597	19,791	275,360	5,428	108,541	693,121
Fund Balance - GAAP Basis	<u>\$7,228,088</u>	<u>\$1,206,654</u>	<u>\$703,104</u>	<u>\$6,000,687</u>	<u>\$197,835</u>	<u>\$1,047,229</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 6 - Deposits and Investments

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Cash on Hand

At December 31, 2011, the City had \$1,055 in undeposited cash on hand, which is included on the balance sheet of the City as part of “Equity in Pooled Cash and Cash Equivalents”.

Deposits

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

At December 31, 2011, the carrying value of the City’s deposits was \$20,893,820, of which \$9,900,597 was non-negotiable certificates of deposit. The cash balances per the banks were \$20,688,723, of which \$7,782,532 was insured by Federal depository insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$12,906,191 was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent but not in the City’s name.

Investments

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all of its investments at fair value. At December 31, 2011, fair value was \$3,721 above the City’s net cost for investments. Fair value is determined by quoted market prices and other acceptable pricing methodologies.

Interest Rate Risk. As a means of limiting its exposure to fair value of losses caused by rising interest rates, the City’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt obligations. The City holds one investment which matures on December 1, 2020. The \$361,903 investment in municipal bonds was specifically approved by the Treasury Investment Board of the City.

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

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

As of December 31, 2011, the City had the following investment and investment maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>
Municipal Bonds	\$361,903	Aa2	December 1, 2020
U.S. Debt Securities	3,202,073	AAA	Various Maturities
Negotiable Certificate of Deposit	<u>1,750,840</u>	N/A	August 5, 2013
Total Investments	<u><u>\$5,314,816</u></u>		

Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments to the Statement of Net Assets as of December 31, 2011.

Investments	\$5,314,816
Carrying amount of the City's Deposits	20,893,820
Cash on Hand	<u>1,055</u>
Total	<u><u>\$26,209,691</u></u>
 <i>Governmental Activities</i>	
Governmental Funds	
Equity in Pooled Cash and Cash Equivalents	\$17,696,766
Restricted Cash	136,214
Internal Service Funds	
Equity in Pooled Cash and Cash Equivalents	<u>111,808</u>
Total Governmental Activities	<u><u>17,944,788</u></u>
 <i>Business-Type Activities</i>	
Enterprise Funds	
Equity in Pooled Cash and Cash Equivalents	<u>7,638,505</u>
 <i>Agency Funds</i>	
	<u>626,398</u>
Total	<u><u>\$26,209,691</u></u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 7 – Fund Balances

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

Fund Balances	General	Street Construction, Maintenance & Repair	Parks and Recreation	Income Tax	Income Tax Safety	Fire and Emergency Medical Services	Capital Projects	Muni PI Tax Increment Equivalent	Other Governmental Funds	Total
<i>Nonspendable</i>										
Prepaid Items	\$ 28,725	\$ 5,159	\$ 860	\$ 4	\$ -	\$ 2,688	\$ -	\$ 4,000,000	\$ 55	\$ 4,037,491
Inventories	14,666	260,922	-	-	-	-	-	-	-	275,588
Interfund Balances	1,116,039	-	-	-	-	-	-	-	-	1,116,039
Total Nonspendable	1,159,430	266,081	860	4	-	2,688	-	4,000,000	55	5,429,118
<i>Restricted for</i>										
Police Pension	-	-	-	-	-	-	-	-	1,685	1,685
Fire Pension	-	-	-	-	-	-	-	-	1,686	1,686
Public Safety	-	-	-	-	197,835	1,044,541	-	-	57,562	1,299,938
Other Law Enforcement	-	-	-	-	-	-	-	-	396,769	396,769
JAG Grant	-	-	-	-	-	-	-	-	48,007	48,007
Data Communication	-	-	-	-	-	-	-	-	-	-
Professional Development	-	-	-	-	-	-	-	-	-	-
Streets and Highways	-	940,573	-	-	-	-	-	-	98,483	1,039,056
Parks and Recreation	-	-	702,244	-	-	-	-	-	-	702,244
Food Services	-	-	-	-	-	-	-	-	42,784	42,784
Revolving Housing	-	-	-	-	-	-	-	-	73,558	73,558
Swimming Pool Inspections	-	-	-	-	-	-	-	-	7,064	7,064
Community Development	-	-	-	-	-	-	-	-	1,468,768	1,468,768
Debt Service	-	-	-	-	-	-	-	-	47,709	47,709
Total Restricted	-	940,573	702,244	-	197,835	1,044,541	-	-	2,244,075	5,129,268
<i>Committed to</i>										
Public Facilities and Programs	-	-	-	2,221,408	-	-	-	-	-	2,221,408
Other Purposes	-	-	-	3,779,275	-	-	-	-	-	3,779,275
Total Committed	-	-	-	6,000,683	-	-	-	-	-	6,000,683
<i>Assigned to</i>										
Fiscal Year 2012 Appropriations	2,636,411	-	-	-	-	-	-	-	-	2,636,411
Other Purposes	227,329	-	-	-	-	-	-	-	-	227,329
Total Assigned	2,863,740	-	-	-	-	-	-	-	-	2,863,740
<i>Unassigned (Deficit)</i>										
	3,204,918	-	-	-	-	-	(1,034,097)	(4,427,736)	-	(2,256,915)
Total Fund Balances	\$ 7,228,088	\$ 1,206,654	\$ 703,104	\$ 6,000,687	\$ 197,835	\$ 1,047,229	\$ (1,034,097)	\$ (4,427,736)	\$ 2,244,130	\$ 17,165,894

Note 8 - Income Taxes

During 2011, the City levied income tax of 2 percent on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside the City; however, credit is allowed for income taxes paid to other municipalities, up to a maximum of 2 percent.

Note 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 2010 levy was based was \$348,564,220.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Real property taxes received by the City in a calendar year are levied on January 1 of the preceding calendar year on assessed values as of January 1 of the preceding year, the lien date. The assessed value of real property (including public utility real property) is established by the County Auditor at 35 percent of estimated true value. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. A revaluation was completed in 2006. Public utility personal property is assessed at 88 percent of actual value (1997-2004) and 67 percent of actual value (2005-2008). General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006, both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.50 percent for 2007, 6.25 percent for 2008 and completely phased out for periods after 2008.

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.

Note 10 – Interfund Balances and Transfers

As of December 31, 2011, individual funds due to/from other funds that resulted from various interfund transactions were as follows:

	PAYABLE FUND							
	<i>Governmental Activities</i>			<i>Business-Type Activities</i>				
	Parks and Recreation	Capital Projects	Nonmajor	Water	Sewer	Solid Waste	Storm Water Drainage	Total
RECEIVABLE FUND								
<i>Governmental Activities</i>								
General	\$200,000	\$325,000	\$439,573	\$0	\$0	\$151,466	\$0	\$1,116,039
Income Tax	0	0	0	512,100	428,980	330,000	706,000	\$1,977,080
Total	<u>\$200,000</u>	<u>\$325,000</u>	<u>\$439,573</u>	<u>\$512,100</u>	<u>\$428,980</u>	<u>\$481,466</u>	<u>\$706,000</u>	<u>\$3,093,119</u>

Interfund balances are used primarily to provide capital to expand the utility infrastructure which facilitates new development. The balances are also used to provide the initial cash for expenditure driven grant funds.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Transfers made during the year ended December 31, 2011 were as follows:

	TRANSFERS OUT		
	<i>Governmental activities</i>		
	General	Income Tax	Total
TRANSFERS IN			
<i>Governmental Activities</i>			
Nonmajor	\$0	\$268,522	\$268,522
Internal Service Fund	0	150,000	\$150,000
Total Governmental Activities	\$0	\$418,522	\$418,522
<i>Business-Type Activities</i>			
Solid Waste	\$140,000		\$140,000
Total Business-Type Activities	\$140,000	\$0	\$140,000

Transfers are primarily from the Income Tax Fund to various funds within the City to help finance the various programs accounted for in other funds. The General Fund transferred \$140,000 to the Solid Waste Fund for additional funding for operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities. On the governmental fund financial statements, transfers from the Income Tax Fund that were made in accordance with the City's codified ordinances have been reclassified as income tax revenues in the respective governmental funds. The reclassifications were a result of the City's implementation of GASB Statement No. 54 in 2011.

Note 11 – Risk Management

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

The claims liability of \$397,958 reported in the fund at December 31, 2011, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. Changes in the fund's claims liability amount in 2010 and 2011 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$ 94,865	\$ 1,770,149	\$ 1,714,237	\$ 150,777
2011	150,777	2,435,209	2,188,028	397,958

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from the previously noted risks have not exceeded commercial insurance coverage in the past three fiscal years. During 2011, the City contracted with several companies for various types of insurance as follows:

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 12 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$6,059,282	\$1,651,994	\$0	\$7,711,276
Construction in Progress	8,147,369	3,672,365	(1,386,391)	10,433,343
<i>Total Capital Assets, Not Being Depreciated</i>	<u>14,206,651</u>	<u>5,324,359</u>	<u>(1,386,391)</u>	<u>18,144,619</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	11,154,352	343,228	0	11,497,580
Machinery and Equipment	11,036,924	555,671	(227,882)	11,364,713
Infrastructure:				
Roads	33,094,715	249,466	0	33,344,181
Bridges	2,949,089	0	0	2,949,089
Sidewalks	54,014	0	0	54,014
Traffic Signals	561,998	826,222	0	1,388,220
<i>Total Capital Assets, Being Depreciated</i>	<u>58,851,092</u>	<u>1,974,587</u>	<u>(227,882)</u>	<u>60,597,797</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(5,217,303)	(343,893)	0	(5,561,196)
Machinery and Equipment	(8,503,085)	(503,683)	191,241	(8,815,527)
Infrastructure:				
Roads	(19,125,072)	(1,230,534)	0	(20,355,606)
Bridges	(652,757)	(55,981)	0	(708,738)
Sidewalks	(47,913)	(945)	0	(48,858)
Traffic Signals	(162,926)	(49,340)	0	(212,266)
<i>Total Accumulated Depreciation</i>	<u>(33,709,056)</u>	<u>(2,184,376) *</u>	<u>191,241</u>	<u>(35,702,191)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,142,036</u>	<u>(209,789)</u>	<u>(36,641)</u>	<u>24,895,606</u>
Governmental Activities Capital Assets, Net	<u>\$39,348,687</u>	<u>\$5,114,570</u>	<u>(\$1,423,032)</u>	<u>\$43,040,225</u>

* Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$429,140
Public Health and Welfare	2,097
Leisure Time Activities	167,734
Community Development	11,426
Transportation	1,507,382
General Government	66,597
Total Depreciation Expense	<u>\$2,184,376</u>

City of Kent, Ohio
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For the Year Ended December 31, 2011
(Continued)

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$1,787,536	\$0	\$0	\$1,787,536
Construction in Progress	2,791,661	726,376	(197,119)	3,320,918
<i>Total Capital Assets, Not Being Depreciated</i>	<u>4,579,197</u>	<u>726,376</u>	<u>(197,119)</u>	<u>5,108,454</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings, Structures and Improvements	14,601,776	0	0	14,601,776
Machinery and Equipment	10,405,841	123,305	0	10,529,146
Infrastructure:				
Water Mains	15,389,461	197,119	0	15,586,580
Sanitary Sewers	27,347,267	9,640	0	27,356,907
Storm Water Drainage Lines	14,882,723	0	0	14,882,723
<i>Total Capital Assets, Being Depreciated</i>	<u>82,627,068</u>	<u>330,064</u>	<u>0</u>	<u>82,957,132</u>
Less Accumulated Depreciation:				
Buildings, Structures and Improvements	(8,498,197)	(346,949)	0	(8,845,146)
Machinery and Equipment	(8,662,884)	(179,619)	0	(8,842,503)
Infrastructure:				
Water Mains	(5,127,658)	(269,556)	0	(5,397,214)
Sanitary Sewers	(6,186,691)	(547,069)	0	(6,733,760)
Storm Water Drainage Lines	(3,766,225)	(237,454)	0	(4,003,679)
<i>Total Accumulated Depreciation</i>	<u>(32,241,655)</u>	<u>(1,580,647) *</u>	<u>0</u>	<u>(33,822,302)</u>
Total Capital Assets, Being Depreciated, Net	<u>50,385,413</u>	<u>(1,250,583)</u>	<u>0</u>	<u>49,134,830</u>
Business-Type Activities Capital Assets, Net	<u><u>\$54,964,610</u></u>	<u><u>(\$524,207)</u></u>	<u><u>(\$197,119)</u></u>	<u><u>\$54,243,284</u></u>

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

Business-Type Activities	
Water Fund	\$525,806
Sewer Fund	811,523
Solid Waste Fund	222
Storm Water Drainage Fund	243,096
	<u>\$1,580,647</u>

Note 13 - Pension and Other Post-employment Benefits

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

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

OPERS provides retirement, disability, survivor, and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting www.opers.org/investments/cafr, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. The 2011 member contribution rates were 10.00 percent for members in state and local classifications other than law enforcement and public safety. The 2011 total employer contribution rate for local government employers was 14.00 percent of covered payroll. The City's required contribution rate was allocated to fund pension benefits for members of: the Traditional Plan was 10.00 percent during calendar year 2011; the Combined Plan was 7.95 percent during calendar year 2011. The City's required contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were \$1,017,236, \$1,008,819, and \$977,022, respectively. As of December 31, 2011, 100 percent of the City's required contributions have been made for 2010, 2009, and 96.49 percent has been made for 2011.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting www.opers.org/investments/CAFR, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority to require public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits. The 2011 local government employer contribution rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for local government employers. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. The portion of the 2011 employer contribution rate (identified above) that was used to fund health care for: the Traditional Plan was 4.00 percent during calendar year 2011; and the Combined Plan was 6.05 percent during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's 2011, 2010, and 2009 contributions that were used to fund post-employment benefits amounted to \$301,214, \$424,863, and \$448,665, respectively. As of December 31, 2011, the City has contributed 100 percent of its required post-employment contributions for 2010 and 2009, and 96.49 percent has been made for 2011.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.00 percent for police officers and firefighters, respectively. The City's contributions to OP&F for the years ending December 31, 2011, 2010, and 2009 were \$612,086, \$591,145, and \$579,701 for police and \$614,992, \$570,884, and \$566,465 for firefighters, respectively. As of December 31, 2011, the City has contributed 71.10 percent and 73.43 percent respectively for the police officers and firefighters required contributions with the unpaid portion being recorded as a liability in the City's financial statements. 100.00 percent of the required contributions have been made for 2010 and 2009.

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by the OP&F is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401 (h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401 (h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401 (h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

City of Kent, Ohio
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For the Year Ended December 31, 2011
(Continued)

The portion of the City's contributions that was used to pay post-employment benefits for December 31, 2011, 2010, and 2009 was \$211,876, \$204,627, and \$200,666 for police and \$172,967, \$160,561, and \$159,318 for firefighters, respectively. As of December 31, 2011, the City has contributed 71.10 percent and 73.43 percent, respectively, for the police officers and firefighters required contributions. 100.00 percent of the required contributions have been made for 2010 and 2009.

Other Postemployment Benefits

Plan Description – The City administers a single-employer defined benefit life insurance plan. The plan provides other post-employment benefits (OPEB) in the form of life insurance benefits to 72 retirees employed by the City prior to June 2005. The benefits, benefit levels and employer contributions are governed by the City. The activity of the plan is reported in the City's Internal Service Fund. Life insurance benefits are only provided to the aforementioned retirees. All members of the plan have retired and the benefits provided have been set at a flat amount.

Funding Policy – The City's annual contributions to the plan for fiscal year ended December 31, 2011, were \$11,665. The plan requires no matching contributions from the employees during or after their period of employment. The City is funding the plan on a pay as you go basis.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over the lesser of the average remaining life expectancy of the group or a period not to exceed thirty years. As of December 31, 2009 (the latest information available), the alternative measurement method was performed to determine the funded status of the plan as well as the City's ARC. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligations to the plan:

Annual required contribution	\$ 11,665
Contributions made	11,665
Change in Net OPEB obligation	-
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ -

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011, 2010, and 2009 were as follows:

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 22,089	100%	\$ -
2010	21,236	100	-
2011	11,665	100	-

City of Kent, Ohio
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For the Year Ended December 31, 2011
(Continued)

Funded Status and Funding Progress – As of December 31, 2009 (the latest information available), the actuarial accrued liability for life insurance benefits was \$356,645, of which \$31,548 was funded through actual plan assets. There is no covered payroll since the plan is closed and all of the members are retired.

The funded status of the plan as of December 31, 2009 (the latest information available), was as follows:

Actuarial Accrued Liability	\$356,645
Actual Value of Plan Assets	<u>31,548</u>
Unfunded Actuarial Accrued Liability	<u><u>\$325,097</u></u>
 Fund Ratio (Actual Value of Plan Assets/AAL)	 8.85%

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

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

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

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

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

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

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 14 – Other Employee Benefits

A. Compensated Absences

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

The total obligation for vacation and compensatory time accrual for the City, including salary-related payments, amounted to \$1,132,858 as of December 31, 2011.

Accumulated Unpaid Sick Leave Sick leave for City employees is accrued at rates from 119.6 to 195 hours per year. Employees may convert 50 percent of their current year accumulated sick leave into a lump-sum payment within certain limitations. Employees who retire after 10 years of service may convert 50 percent of their accumulated sick leave days into a lump-sum payment within certain limitations. The obligation for sick leave accrual was calculated using the termination payments method and amounted to \$97,569 as of December 31, 2011.

B. Other Benefits

City employees are contractually entitled to severance pay equal to one month of their salary if they retire with at least 10 years of service. The severance pay obligation was calculated using the termination payments method and amounted to \$26,298 as of December 31, 2011.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 15 - Construction and Other Commitments

As of December 31, 2011, the City had capital contracts and retainage payables of \$1,578,890 and \$113,321 in governmental funds and business-type funds, respectively.

	<u>Contract Amount</u>
Governmental	
SR 59 Signalization Improvement	936,787
Portage Hike & Bike Trail - Tannery Section	16,159
Summit Street Improvement	8,639
2011 Resurfacing	50,200
2010 Street Program	19,908
2009 Street Program	33,609
Downtown Development	214,497
Alley 5 Parking Lot	18,009
Alley 4 Reconstruction	142,642
Erie/Depyester Reconstruction	40,142
KSU Esplanade Project	63,795
Riveredge Park Access Project	10,977
River Bend Parking Lot	9,940
Various Capital Purchases	13,586
	\$1,578,890
Business-Type	
Plum Creek Restoration	\$83,098
Other Projects	30,223
	\$113,321
Total	\$1,692,211

Operating Lease where City is Lessee

On August 3, 2011, the City entered into a 50-year lease agreement with the Portage Area Regional Transit Authority (PARTA). The lease agreement required the City to prepay all rentals and costs payable for the lease of two upper levels of the parking facility in the amount of \$4,000,000. The prepayment of the lease term is necessary to provide additional funding to PARTA for the construction of the parking facility. The first lease year shall commence when the parking facility is complete and operable. As of December 31, 2011, the parking facility is still under construction.

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Operating Lease where City is Lessor

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

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

<u>Years</u>	
2012	\$30,001
2013	30,001
2014	30,001
2015	30,001
2016	30,001
Thereafter	<u>300,070</u>
Total	<u><u>\$450,075</u></u>

Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2011, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
Major Funds:	
General	\$ 227,329
Street Construction, Maintenance and Repair	17,820
Parks and Recreation	225,127
Income Tax	5,180
Fire and Emergency Medical Services	583,262
Capital Projects	602,225
Muni PI Tax Increment Equivalent	27,637
Nonmajor Funds:	
Special Revenue Funds	<u>537,722</u>
Total	<u><u>\$ 2,226,302</u></u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 16 – Long-term Obligations

Changes in bonds and other long-term obligations of the City during 2011 were as follows:

	Principal Outstanding 12/31/10	Additions	Deletions	Principal Outstanding 12/31/11	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
\$3,000,000 Various Purpose 1998 4.35% - 5.20%	\$1,530,000	\$0	\$160,000	\$1,370,000	\$170,000
Special Assessment Bonds:					
\$561,000 Street Improvements 2000 5.50% - 6.00%	361,000	0	27,000	\$334,000	29,000
Ohio Public Works Commission Loans					
\$512,940 Fairchild Avenue Improvements 1999 0.00%	205,176	0	12,823	192,353	25,647
\$86,000 Elm-Mae-Morris Improvements 2001 0.00%	40,850	0	2,150	38,700	4,300
<i>Total Ohio Public Works Commission Loans</i>	<u>246,026</u>	<u>0</u>	<u>14,973</u>	<u>231,053</u>	<u>29,947</u>
Loans Payable	455,101	0	79,978	375,123	17,201
Compensated Absences	1,071,347	806,302	840,255	1,037,394	774,679
Total Governmental Activities	<u>\$3,663,474</u>	<u>\$806,302</u>	<u>\$1,122,206</u>	<u>\$3,347,570</u>	<u>\$1,020,827</u>
Business-Type Activities					
Ohio Water Development Authority Loans					
\$485,851 Kent-Ravenna Interconnect 2003 3.65%	\$353,967	\$0	\$21,717	\$332,250	\$22,517
\$4,372,503 Sanitary Sewer Improvements 2003 3.66%	3,466,553	0	185,028	3,281,525	191,862
\$271,200 Franklin Hills Waterline 2007 2.00%	231,183	0	11,955	219,228	12,195
<i>Total Ohio Water Development Authority Loans</i>	<u>4,051,703</u>	<u>0</u>	<u>218,700</u>	<u>3,833,003</u>	<u>226,574</u>
Ohio Public Works Commission Loans					
\$46,694 Elm-Mae-Morris Improvements 2005 0.00%	38,522	0	1,167	37,355	2,335
\$52,650 Drainage Area Q - Phase 3 2007 0.00%	46,070	0	1,317	44,753	2,632
<i>Total Ohio Public Works Commission Loans</i>	<u>84,592</u>	<u>0</u>	<u>2,484</u>	<u>82,108</u>	<u>4,967</u>
Compensated Absences	220,843	204,288	205,800	219,331	206,452
Total Business-Type Activities	<u>\$4,357,138</u>	<u>\$204,288</u>	<u>\$426,984</u>	<u>\$4,134,442</u>	<u>\$437,993</u>

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011 are as follows:

Governmental Activities									
Years	General Obligation Bonds		Special Assessment Bonds		OPWC	Loans Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2012	\$170,000	\$70,815	\$29,000	\$20,040	\$29,947	\$17,201	\$12,142	\$246,148	\$102,997
2013	175,000	62,400	31,000	18,300	29,947	17,531	17,498	253,478	98,198
2014	185,000	53,300	32,000	16,440	29,947	18,428	16,601	265,375	86,341
2015	195,000	43,680	34,000	14,520	29,947	19,371	15,658	278,318	73,858
2016	205,000	33,540	37,000	12,480	29,947	20,362	14,667	292,309	60,687
2017-2021	440,000	34,580	171,000	26,460	81,318	118,543	56,601	810,861	117,641
2022-2026	0	0	0	0	0	152,133	23,012	152,133	23,012
2027	0	0	0	0	0	11,554	123	11,554	123
Total	\$1,370,000	\$298,315	\$334,000	\$108,240	\$231,053	\$375,123	\$156,302	\$2,310,176	\$562,857

Business-Type Activities					
Years	OWDA Loans		OPWC	Total	
	Principal	Interest	Principal	Principal	Interest
2012	\$226,574	\$134,612	\$4,967	\$231,541	\$134,612
2013	234,735	126,451	4,967	239,702	126,451
2014	243,193	117,993	4,967	248,160	117,993
2015	251,960	109,227	4,967	256,927	109,227
2016	261,045	100,140	4,967	266,012	100,140
2017-2021	1,453,531	352,397	24,835	1,478,366	352,397
2022-2026	1,153,788	83,480	24,835	1,178,623	83,480
2027-2028	8,177	82	7,603	15,780	82
Total	\$3,833,003	\$1,024,382	\$82,108	\$3,915,111	\$1,024,382

The general long-term obligation resulting from special assessment projects is 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 periods ranging from ten to twenty years, with interest equal to the interest on the bonds issued to finance the improvements. Loans payable relate to land that was purchased in the downtown redevelopment district. These loans payable will be paid from the General Fund.

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

The City has the ability to issue \$10.1 million of additional debt without obtaining voter approval.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 17 – Note Obligations

A summary of note transactions for the year ended December 31, 2011 follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Governmental Activities				
2010, 1.25%	\$2,725,000	\$0	\$2,725,000	\$0
2010, 1.25%	900,000	0	900,000	0
2011, 1.00%	0	3,715,000	0	3,715,000
2011, 1.50%	0	4,000,000	0	4,000,000
Unamortized Premium	15,338	44,426	37,000	22,764
<i>Total Governmental Activities</i>	<u>3,640,338</u>	<u>7,759,426</u>	<u>3,662,000</u>	<u>7,737,764</u>
Business-Type Activities				
Sewer Fund				
2010, 1.25%	795,000	0	795,000	0
2011, 1.00%	0	735,000	0	735,000
Unamortized Premium	3,364	2,911	4,011	2,264
<i>Total Sewer Fund</i>	<u>798,364</u>	<u>737,911</u>	<u>799,011</u>	<u>737,264</u>
Total	<u><u>\$4,438,702</u></u>	<u><u>\$8,497,337</u></u>	<u><u>\$4,461,011</u></u>	<u><u>\$8,475,028</u></u>

On October 11, 2011, the City issued \$4.450 million in various purpose notes at an interest rate of 1.00 percent with a maturity date of October 10, 2012. The notes are backed by the full faith and credit of the City of Kent. However, it is the intention of the City that all enterprise obligations be paid from operating income. The note liabilities are reflected in the funds which received the proceeds. The notes were issued at a premium of \$17,657. A portion of the premium was offset against the corresponding interest expense, and the unamortized balance is reported as part of the carrying value of the notes in the respective funds. At December 31, 2011, a portion of the proceeds from the note issuances has not been fully disbursed for capital outlays. Only the portion that has been spent as of December 31, 2011, is included in the City's net assets invested in capital asset, net of related debt.

On May 18, 2011, the City issued \$4.000 million in various purpose notes at an interest rate of 1.50 percent with a maturity date of May 17, 2012. The notes are backed by the full faith and credit of the City of Kent. The note liability is reflected in the fund which received the proceeds. The notes were issued at a premium of \$29,680. A portion of the premium was offset against the corresponding interest expense, and the unamortized balance is reported as part of the carrying value of the notes in the respective funds. The proceeds of the notes were used for the prepayment of a 50-year operating lease with PARTA for the use of two levels in a parking facility. The parking facility will not be the City's asset and consequently the proceeds will not be used for capital-related outlays.

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 18 – Conduit Debt

The City is party to certain conduit debt obligations:

<u>Type</u>	<u>On Behalf of</u>	<u>Principal Outstanding December 31, 2011</u>	<u>Year Issued</u>
Multi-Family Housing Revenue Bonds	Silver Meadows Apartments	<u>\$8,925,000</u>	1999

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

Note 19 - Contingent Liabilities

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

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

Note 20 - Jointly Governed Organization

Northeast Ohio Public Energy Council The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the nine-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting the Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

Note 21 – Joint Ventures

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

City of Kent, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

In 2011, the City received \$237,264 in income tax distributions from the JEDD. The joint venture is considered a separate reporting entity by the City's management. Accordingly, the joint venture's financial statements have not been included in the City's financial statements. The JEDD's financial statements can be obtained by contacting the City's Finance Department.

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

In 2011, the City received \$30,277 in income tax distributions from the JEDD. The joint venture is considered a separate reporting entity by the City's management. Accordingly, the joint venture's financial statements have not been included in the City's financial statements. The JEDD's financial statements can be obtained by contacting the City's Finance Department.



Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

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

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

Justice Assistance Grant (JAG) Fund – This fund accounts for a Federal Grant received from the U.S. Department of Justice and will be utilized for several programs including K-9 acquisition and training, bike patrol, police citizen’s academy, and community police training and neighborhood policing activity.

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

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

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

Nonmajor Debt Service Fund

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

General Obligation Debt Service Fund

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

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,199,630	\$47,709	\$2,247,339
Receivables:			
Property Taxes Receivable	447,902	0	447,902
Interest Receivable	17	0	17
Loans Receivable	333,272	0	333,272
Special Assessment Receivable	0	443,254	443,254
Receivables, Net	<u>781,191</u>	<u>443,254</u>	<u>1,224,445</u>
Due from Other Governments	127,610	0	127,610
Prepaid Items	55	0	55
Assets held for Resale	4,000	0	4,000
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	120,000	0	120,000
<i>Total Assets</i>	<u><u>\$3,232,486</u></u>	<u><u>\$490,963</u></u>	<u><u>\$3,723,449</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$29,176	\$0	\$29,176
Accrued Wages and Benefits	16,350	0	16,350
Due to Other Funds	439,573	0	439,573
Unearned Revenue	407,986	0	407,986
Deferred Revenue	142,980	443,254	586,234
<i>Total Liabilities</i>	<u>1,036,065</u>	<u>443,254</u>	<u>1,479,319</u>
Fund Balances			
Nonspendable	55	0	55
Restricted	2,196,366	47,709	2,244,075
<i>Total Fund Balances</i>	<u>2,196,421</u>	<u>47,709</u>	<u>2,244,130</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$3,232,486</u></u>	<u><u>\$490,963</u></u>	<u><u>\$3,723,449</u></u>

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Property and Other Local Taxes	\$412,245	\$0	\$412,245
Fees, Licenses and Permits	128,135	0	128,135
Fines and Forfeitures	5,190	0	5,190
Intergovernmental	539,937	0	539,937
Special Assessments	0	49,250	49,250
Interest	12,998	0	12,998
Miscellaneous	32,020	1,970	33,990
<i>Total Revenues</i>	<u>1,130,525</u>	<u>51,220</u>	<u>1,181,745</u>
Expenditures			
Current:			
Security of Persons and Property	489,948	0	489,948
Public Health and Welfare	120,155	0	120,155
Community Development	443,854	0	443,854
Transportation	57,143	0	57,143
General Government	0	1,970	1,970
Capital Outlay	88,752	0	88,752
Debt Service:			
Principal Retirement	0	201,973	201,973
Interest and Fiscal Charges	0	100,235	100,235
<i>Total Expenditures</i>	<u>1,199,852</u>	<u>304,178</u>	<u>1,504,030</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(69,327)</u>	<u>(252,958)</u>	<u>(322,285)</u>
Other Financing Sources (Uses)			
Transfers In	0	268,522	268,522
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>268,522</u>	<u>268,522</u>
<i>Net Change in Fund Balances</i>	(69,327)	15,564	(53,763)
<i>Fund Balances Beginning of Year</i>	2,265,748	32,145	2,297,893
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,196,421</u>	<u>\$47,709</u>	<u>\$2,244,130</u>

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	West Side Fire	State Highway	Food Service	Revolving Housing	State and Local Forfeits
Assets					
Equity in Pooled Cash and Cash Equivalents	\$72,739	\$84,335	\$43,501	\$74,656	\$8,249
Receivables:					
Property Taxes Receivable	243,740	0	0	0	0
Interest Receivable	0	0	0	0	0
Loans Receivable	0	0	0	0	0
Receivables, Net	<u>243,740</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Due from Other Governments	12,991	29,647	0	0	0
Prepaid Items	55	0	0	0	0
Assets held for Resale	0	0	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
<i>Total Assets</i>	<u><u>\$329,525</u></u>	<u><u>\$113,982</u></u>	<u><u>\$43,501</u></u>	<u><u>\$74,656</u></u>	<u><u>\$8,249</u></u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$703	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	14,474	0	717	1,098	0
Due to Other Funds	0	0	0	0	0
Unearned Revenue	222,014	0	0	0	0
Deferred Revenue	34,717	15,499	0	0	0
<i>Total Liabilities</i>	<u>271,908</u>	<u>15,499</u>	<u>717</u>	<u>1,098</u>	<u>0</u>
Fund Balances					
Nonspendable	55	0	0	0	0
Restricted	57,562	98,483	42,784	73,558	8,249
<i>Total Fund Balances</i>	<u>57,617</u>	<u>98,483</u>	<u>42,784</u>	<u>73,558</u>	<u>8,249</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$329,525</u></u>	<u><u>\$113,982</u></u>	<u><u>\$43,501</u></u>	<u><u>\$74,656</u></u>	<u><u>\$8,249</u></u>

Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911	Swimming Pool Inspections	JAG Grant
\$34,195	\$21,120	\$17,555	\$1,024,725	\$237,712	\$315,255	\$7,125	\$38,004
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	207,366	0	0	0	0
0	0	0	207,366	0	0	0	0
100	295	0	59,418	2,552	0	0	10,003
0	0	0	0	0	0	0	0
0	0	0	0	4,000	0	0	0
0	0	0	0	0	0	0	0
\$34,295	\$21,415	\$17,555	\$1,291,509	\$244,264	\$315,255	\$7,125	\$48,007
\$0	\$0	\$0	\$27,782	\$691	\$0	\$0	\$0
0	0	0	0	0	0	61	0
0	0	0	200,000	239,573	0	0	0
0	0	0	0	0	0	0	0
0	0	0	59,418	2,552	0	0	0
0	0	0	287,200	242,816	0	61	0
0	0	0	0	0	0	0	0
34,295	21,415	17,555	1,004,309	1,448	315,255	7,064	48,007
34,295	21,415	17,555	1,004,309	1,448	315,255	7,064	48,007
\$34,295	\$21,415	\$17,555	\$1,291,509	\$244,264	\$315,255	\$7,125	\$48,007

(Continued)

City of Kent, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2011

	Police Pension	Fire Pension	Urban Development Action Grant	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,685	\$1,686	\$217,088	\$2,199,630
Receivables:				
Property Taxes Receivable	102,081	102,081	0	447,902
Interest Receivable	0	0	17	17
Loans Receivable	0	0	125,906	333,272
Receivables, Net	<u>102,081</u>	<u>102,081</u>	<u>125,923</u>	<u>781,191</u>
Due from Other Governments	6,302	6,302	0	127,610
Prepaid Items	0	0	0	55
Assets held for Resale	0	0	0	4,000
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	120,000	120,000
<i>Total Assets</i>	<u><u>\$110,068</u></u>	<u><u>\$110,069</u></u>	<u><u>\$463,011</u></u>	<u><u>\$3,232,486</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$29,176
Accrued Wages and Benefits	0	0	0	16,350
Due to Other Funds	0	0	0	439,573
Unearned Revenue	92,986	92,986	0	407,986
Deferred Revenue	15,397	15,397	0	142,980
<i>Total Liabilities</i>	<u>108,383</u>	<u>108,383</u>	<u>0</u>	<u>1,036,065</u>
Fund Balances				
Nonspendable	0	0	0	55
Restricted	1,685	1,686	463,011	2,196,366
<i>Total Fund Balances</i>	<u>1,685</u>	<u>1,686</u>	<u>463,011</u>	<u>2,196,421</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$110,068</u></u>	<u><u>\$110,069</u></u>	<u><u>\$463,011</u></u>	<u><u>\$3,232,486</u></u>



City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	West Side Fire	State Highway	Food Service	Revolving Housing	State and Local Forfeits
Revenues					
Property and Other Local Taxes	\$223,997	\$0	\$0	\$0	\$0
Fees, Licenses and Permits	0	0	52,400	73,485	0
Fines and Forfeitures	0	0	0	0	443
Intergovernmental	30,170	64,190	0	0	0
Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>254,167</u>	<u>64,190</u>	<u>52,400</u>	<u>73,485</u>	<u>443</u>
Expenditures					
Current:					
Security of Persons and Property	225,254	0	0	0	2,545
Public Health and Welfare	0	0	45,796	70,458	0
Community Development	0	0	0	0	0
Transportation	0	57,143	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>225,254</u>	<u>57,143</u>	<u>45,796</u>	<u>70,458</u>	<u>2,545</u>
<i>Net Change in Fund Balances</i>	28,913	7,047	6,604	3,027	(2,102)
<i>Fund Balances Beginning of Year</i>	28,704	91,436	36,180	70,531	10,351
<i>Fund Balances End of Year</i>	<u>\$57,617</u>	<u>\$98,483</u>	<u>\$42,784</u>	<u>\$73,558</u>	<u>\$8,249</u>

Drug Law Enforcement	Enforcement and Education	Law Enforcement Trust	Community Development Block Grant	Neighborhood Stabilization	Wireless 911	Swimming Pool Inspections	JAG Grant
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	2,250	0
439	4,308	0	0	0	0	0	0
0	0	0	249,333	67,974	79,397	0	10,003
0	0	42	8,601	0	0	0	0
0	0	0	32,020	0	0	0	0
439	4,308	42	289,954	67,974	79,397	2,250	10,003
0	1,975	0	0	0	30,600	0	5,574
0	0	0	0	0	0	3,901	0
0	0	0	299,266	144,588	0	0	0
0	0	0	0	0	0	0	0
0	0	0	88,752	0	0	0	0
0	1,975	0	388,018	144,588	30,600	3,901	5,574
439	2,333	42	(98,064)	(76,614)	48,797	(1,651)	4,429
33,856	19,082	17,513	1,102,373	78,062	266,458	8,715	43,578
\$34,295	\$21,415	\$17,555	\$1,004,309	\$1,448	\$315,255	\$7,064	\$48,007

(Continued)

City of Kent, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2011

	Police Pension	Fire Pension	Urban Development Action Grant	Total Nonmajor Special Revenue Funds
Revenues				
Property and Other Local Taxes	\$94,124	\$94,124	\$0	\$412,245
Fees, Licenses and Permits	0	0	0	128,135
Fines and Forfeitures	0	0	0	5,190
Intergovernmental	19,435	19,435	0	539,937
Interest	0	0	4,355	12,998
Miscellaneous	0	0	0	32,020
<i>Total Revenues</i>	<u>113,559</u>	<u>113,559</u>	<u>4,355</u>	<u>1,130,525</u>
Expenditures				
Current:				
Security of Persons and Property	112,000	112,000	0	489,948
Public Health and Welfare	0	0	0	120,155
Community Development	0	0	0	443,854
Transportation	0	0	0	57,143
Capital Outlay	0	0	0	88,752
<i>Total Expenditures</i>	<u>112,000</u>	<u>112,000</u>	<u>0</u>	<u>1,199,852</u>
<i>Net Change in Fund Balances</i>	1,559	1,559	4,355	(69,327)
<i>Fund Balances Beginning of Year</i>	126	127	458,656	2,265,748
<i>Fund Balances End of Year</i>	<u>\$1,685</u>	<u>\$1,686</u>	<u>\$463,011</u>	<u>\$2,196,421</u>

Combining Statements

Fiduciary Funds

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

Agency Fund

Agency Escrow Fund – This fund holds 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
Combining Statement of Changes in Assets and Liabilities
Agency Escrow Fund
For the Year Ended December 31, 2011

	<u>Beginning Balance 12/31/10</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 12/31/11</u>
Assets				
Cash and Cash Equivalents	<u>\$599,698</u>	<u>\$191,196</u>	<u>\$164,496</u>	<u>\$626,398</u>
Liabilities				
Accounts Payable	<u>\$599,698</u>	<u>\$191,196</u>	<u>\$164,496</u>	<u>\$626,398</u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses and
Changes in Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual**

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Taxes	\$ 1,520,842	\$ 1,520,842	\$ 1,618,910	\$ 98,068
Intergovernmental	2,135,770	2,205,771	2,365,987	160,216
Interest	120,457	124,405	129,762	5,357
Fees, Licenses and Permits	348,688	360,116	375,622	15,506
Fines and Forfeits	163,315	168,668	175,930	7,262
Charges for Services	1,099,324	1,135,355	1,184,241	48,886
Miscellaneous	25,011	25,831	26,943	1,112
Total Revenues	5,413,407	5,540,988	5,877,395	336,407
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	1,482,909	1,532,909	1,203,970	328,939
Police				
Personal Services	3,391,072	3,191,072	2,837,803	353,269
Other Expenses	566,750	570,890	489,314	81,576
Total Police	3,957,822	3,761,962	3,327,117	434,845
Safety Director				
Personal Services	135,557	135,557	128,783	6,774
Other Expenses	28,400	28,400	18,606	9,794
Total Safety Director	163,957	163,957	147,389	16,568
Total Security of Persons and Property	5,604,688	5,458,828	4,678,476	780,352
Public Health & Welfare				
Personal Services	279,155	323,300	288,498	34,802
Other Expenses	263,685	268,707	251,642	17,065
Total Public Health and Welfare	542,840	592,007	540,140	51,867

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2011
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Community Development				
Community Development				
Personal Services	433,023	433,023	401,958	31,065
Other Expenses	198,500	483,370	447,176	36,194
Total Community Development	631,523	916,393	849,134	67,259
Economic Development				
Personal Services	106,670	106,670	96,935	9,735
Other Expenses	11,716	63,416	61,114	2,302
Total Economic Development	118,386	170,086	158,049	12,037
Building				
Personal Services	196,845	196,845	163,897	32,948
Other Expenses	38,850	78,850	65,698	13,152
Total Building	235,695	275,695	229,595	46,100
Public Planting				
Other Expenses	36,200	36,200	32,264	3,936
Main Street Program				
Personal Services	-	3,000	1,174	1,826
Other Expenses	75,000	79,000	78,300	700
Total Main Street Program	75,000	82,000	79,474	2,526
Land Banking				
Other Expenses	100,000	110,500	110,500	-
Permit Parking				
Other Expenses	16,500	16,510	16,506	4
Shade Tree				
Other Expenses	81,000	106,775	102,519	4,256
Capital Outlay	15,000	26,725	26,725	-
Total Shade Tree	96,000	133,500	129,244	4,256

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2011
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Urban Renewal				
Other Expenses	100,550	100,550	68,220	32,330
Total Urban Renewal	100,550	100,550	68,220	32,330
Total Community Development	1,409,854	1,841,434	1,672,986	168,448
General Government				
Service Administration				
Personal Services	53,456	53,456	51,770	1,686
Other Expenses	513,600	513,600	451,461	62,139
Capital Outlay	6,000	6,000	4,430	1,570
Total Service Administration	573,056	573,056	507,661	65,395
Rental Units				
Other Expenses	42,000	42,000	22,342	19,658
Engineering				
Personal Services	166,217	175,217	174,318	899
Other Expenses	115,850	115,850	96,330	19,520
Total Engineering	282,067	291,067	270,648	20,419
Law				
Personal Services	321,173	321,173	266,966	54,207
Other Expenses	114,800	262,800	262,454	346
Total Law	435,973	583,973	529,420	54,553
Budget and Finance				
Personal Services	179,136	179,136	128,793	50,343
Other Expenses	120,100	120,100	100,537	19,563
Total Budget and Finance	299,236	299,236	229,330	69,906

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2011
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Miscellaneous, Sundry and Contingency				
Other Expenses	255,300	210,300	88,074	122,226
Mayor's Office				
Personal Services	7,752	7,752	7,742	10
Other Expenses	2,250	2,250	1,943	307
Total Mayor's Office	10,002	10,002	9,685	317
City Council				
Personal Services	164,579	158,579	145,419	13,160
Other Expenses	18,200	20,800	18,543	2,257
	-	3,400	3,400	-
Total City Council	182,779	182,779	167,362	15,417
Community Support				
Other Expenses	74,000	74,000	68,442	5,558
City Manager				
Personal Services	241,481	236,481	223,072	13,409
Other Expenses	54,000	59,000	53,847	5,153
Total City Manager	295,481	295,481	276,919	18,562
Human Resources				
Personal Services	55,358	55,358	45,723	9,635
Other Expenses	17,018	17,018	13,027	3,991
Total Human Resources	72,376	72,376	58,750	13,626
Civil Service				
Personal Services	80,294	80,294	73,952	6,342
Other Expenses	30,700	30,700	15,183	15,517
Total Civil Service	110,994	110,994	89,135	21,859
Total General Government	2,633,264	2,745,264	2,317,768	427,496
Total Expenditures	10,190,646	10,637,533	9,209,370	1,428,163

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2011
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Excess of Revenues Over (Under) Expenditures	(4,777,239)	(5,096,545)	(3,331,975)	1,764,570
Other Financing Sources (Uses)				
Sale of Assets	2,500	2,500	2,500	-
Advances In	280,950	420,891	95,891	(325,000)
Advances Out	-	(325,000)	(325,000)	-
Transfers In	2,100,000	2,100,000	2,100,000	-
Transfers Out	(140,000)	(140,000)	(140,000)	-
Total Other Financing Sources (Uses)	<u>2,243,450</u>	<u>2,058,391</u>	<u>1,733,391</u>	<u>(325,000)</u>
Net Change in Fund Balance	(2,533,789)	(3,038,154)	(1,598,584)	1,439,570
Fund Balance - Beginning of Year	6,446,241	6,446,241	6,446,241	-
Recovery of Prior Year Encumbrances	-	-	31,921	31,921
Fund Balance - End of Year	<u>\$ 3,912,452</u>	<u>\$ 3,408,087</u>	<u>\$ 4,879,578</u>	<u>\$ 1,471,491</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 199,664	\$ 198,899	\$ 198,704	\$ (195)
Intergovernmental	734,843	732,030	731,310	(720)
Charges for Services	29,125	29,014	28,985	(29)
Special Assessments	66,197	65,944	65,879	(65)
Miscellaneous	15,262	15,204	15,189	(15)
Total Revenues	<u>1,045,091</u>	<u>1,041,091</u>	<u>1,040,067</u>	<u>(1,024)</u>
Expenditures				
Current:				
Transportation				
Public Service				
Personal Services	877,471	877,471	847,142	30,329
Other	723,575	723,575	646,439	77,136
Total Expenditures	<u>1,601,046</u>	<u>1,601,046</u>	<u>1,493,581</u>	<u>107,465</u>
Excess of Revenues Over (Under) Expenditures	(555,955)	(559,955)	(453,514)	106,441
Other Financing Sources				
Sale of Capital Assets	5,741	5,741	5,741	-
Transfers In	500,000	500,000	500,000	-
Total Other Financing Sources	<u>505,741</u>	<u>505,741</u>	<u>505,741</u>	<u>-</u>
Net Change in Fund Balance	(50,214)	(54,214)	52,227	106,441
Fund Balance - Beginning of Year	659,310	659,310	659,310	-
Recovery of Prior Year Encumbrances	-	-	15,685	15,685
Fund Balance - End of Year	<u>\$ 609,096</u>	<u>\$ 605,096</u>	<u>\$ 727,222</u>	<u>\$ 122,126</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Park and Recreation Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 1,131,762	\$ 1,131,762	\$ 1,020,814	\$ (110,948)
Intergovernmental	141,180	125,721	142,296	16,575
Fees, Licenses and Permits	231,674	206,307	233,505	27,198
Charges for Services	472,190	420,488	475,923	55,435
Miscellaneous	22,579	20,107	22,758	2,651
Total Revenues	<u>1,999,385</u>	<u>1,904,385</u>	<u>1,895,296</u>	<u>(9,089)</u>
Expenditures				
Current:				
Leisure Time Activities				
Parks & Recreation				
Personal Services	1,009,526	1,009,526	912,524	97,002
Other	517,100	517,100	468,660	48,440
Capital Outlay	769,000	769,000	527,330	241,670
Total Expenditures	<u>2,295,626</u>	<u>2,295,626</u>	<u>1,908,514</u>	<u>387,112</u>
Excess of Revenues Over (Under) Expenditures	(296,241)	(391,241)	(13,218)	378,023
Other Financing (Uses)				
Advances Out	(20,000)	(20,000)	(20,000)	-
Net Change in Fund Balance	(316,241)	(411,241)	(33,218)	378,023
Fund Balance - Beginning of Year	746,882	746,882	746,882	-
Recovery of Prior Year Encumbrances	-	-	3,203	3,203
Fund Balance - End of Year	<u>\$ 430,641</u>	<u>\$ 335,641</u>	<u>\$ 716,867</u>	<u>\$ 381,226</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Income Tax Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Income Taxes	\$10,419,156	\$10,419,156	\$10,711,488	\$ 292,332
Interest	49,131	49,131	50,509	1,378
Total Revenues	<u>10,468,287</u>	<u>10,468,287</u>	<u>10,761,997</u>	<u>293,710</u>
Expenditures				
Current:				
General Government				
Budget & Finance				
Personal Services	248,099	248,099	197,341	50,758
Other	220,277	220,277	195,616	24,661
Total Expenditures	<u>468,376</u>	<u>468,376</u>	<u>392,957</u>	<u>75,419</u>
Excess of Revenues Over Expenditures	9,999,911	9,999,911	10,369,040	369,129
Other Financing Sources (Uses)				
Advances In	30,000	30,000	30,000	-
Transfer Out	(9,996,189)	(9,996,189)	(9,996,189)	-
Total Other Financing Sources (Uses)	<u>(9,966,189)</u>	<u>(9,966,189)</u>	<u>(9,966,189)</u>	<u>-</u>
Net Change in Fund Balance	33,722	33,722	402,851	369,129
Fund Balance - Beginning of Year	3,499,019	3,499,019	3,499,019	-
Fund Balance - End of Year	<u>\$ 3,532,741</u>	<u>\$ 3,532,741</u>	<u>\$ 3,901,870</u>	<u>\$ 369,129</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Income Tax Safety Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 24,601	\$ 601
Miscellaneous	-	-	20	20
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>24,621</u>	<u>621</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	2,381,955	2,567,540	2,562,119	5,421
Excess of Revenues Over (Under) Expenditures	(2,357,955)	(2,543,540)	(2,537,498)	6,042
Other Financing Sources				
Transfers In	2,492,063	2,492,063	2,492,063	-
Net Change in Fund Balance	134,108	(51,477)	(45,435)	6,042
Fund Balance - Beginning of Year	125,050	125,050	125,050	-
Fund Balance - End of Year	<u>\$ 259,158</u>	<u>\$ 73,573</u>	<u>\$ 79,615</u>	<u>\$ 6,042</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire and Emergency Medical Services Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 348,483	\$ 187,998	\$ 186,789	\$ (1,209)
Miscellaneous	5,920	3,194	3,173	(21)
Total Revenues	<u>354,403</u>	<u>191,192</u>	<u>189,962</u>	<u>(1,230)</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	2,166,683	2,099,783	2,087,567	12,216
Other	397,885	397,885	362,389	35,496
Capital Outlay	230,000	416,789	395,808	20,981
Total Expenditures	<u>2,794,568</u>	<u>2,914,457</u>	<u>2,845,764</u>	<u>68,693</u>
Excess of Revenues Over (Under) Expenditures	(2,440,165)	(2,723,265)	(2,655,802)	67,463
Other Financing Sources				
Transfers In	2,492,063	2,492,063	2,492,063	-
Net Change in Fund Balance	51,898	(231,202)	(163,739)	67,463
Fund Balance - Beginning of Year	476,142	476,142	476,142	-
Recovery of Prior Year Encumbrances	-	-	12,650	12,650
Fund Balance - End of Year	<u>\$ 528,040</u>	<u>\$ 244,940</u>	<u>\$ 325,053</u>	<u>\$ 80,113</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Capital Projects Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 4,728,170	\$ 1,612,549	\$ 1,617,260	\$ 4,711
Special Assessments	124,296	42,391	42,515	124
Miscellaneous	185,863	63,389	63,574	185
Total Revenues	<u>5,038,329</u>	<u>1,718,329</u>	<u>1,723,349</u>	<u>5,020</u>
Expenditures				
Capital Outlay:				
Safety	400,000	355,000	340,670	14,330
Service	235,000	160,000	76,609	83,391
Community Development	-	50,000	16,120	33,880
Council	2,390,700	3,291,190	3,251,324	39,866
Finance Department	50,000	153,000	10,068	142,932
Total Capital Outlay	<u>3,075,700</u>	<u>4,009,190</u>	<u>3,694,791</u>	<u>314,399</u>
Debt Service:				
Principal	2,725,000	2,725,000	2,725,000	-
Interest & Fiscal Charges	43,098	43,098	42,194	904
Total Debt Service	<u>2,768,098</u>	<u>2,768,098</u>	<u>2,767,194</u>	<u>904</u>
Total Expenditures	<u>5,843,798</u>	<u>6,777,288</u>	<u>6,461,985</u>	<u>315,303</u>
Excess of Revenues Over (Under) Expenditures	(805,469)	(5,058,959)	(4,738,636)	320,323
Other Financing Sources				
Proceeds from Sale of Notes	2,485,000	2,485,000	2,485,000	-
Premium on Notes	9,875	9,875	9,875	-
Advances In	-	325,000	-	(325,000)
Transfers In	1,993,541	1,993,541	2,318,541	325,000
Total Other Financing Sources	<u>4,488,416</u>	<u>4,813,416</u>	<u>4,813,416</u>	<u>-</u>
Net Change in Fund Balance	3,682,947	(245,543)	74,780	320,323
Fund Balance - Beginning of Year	942,014	942,014	942,014	-
Recovery of Prior Year Encumbrances	-	-	58,566	58,566
Fund Balance - End of Year	<u>\$ 4,624,961</u>	<u>\$ 696,471</u>	<u>\$ 1,075,360</u>	<u>\$ 378,889</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Muni PI Tax Increment Equivalent Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ -	\$ 4,349	\$ 4,497	\$ 148
Expenditures				
Capital Outlay:				
Community Development	-	4,882,000	4,390,971	491,029
Debt Service:				
Principal	900,000	900,000	900,000	-
Interest & Fiscal Charges	14,164	36,000	35,958	42
Total Debt Service	914,164	936,000	935,958	42
Total Expenditures	914,164	5,818,000	5,326,929	491,071
Excess of Revenues Over (Under) Expenditures	(914,164)	(5,813,651)	(5,322,432)	491,219
Other Financing Sources				
Proceeds from Sale of Notes	900,000	5,230,000	5,230,000	-
Premium on Notes	15,000	34,551	34,551	-
Total Other Financing Sources	915,000	5,264,551	5,264,551	-
Net Change in Fund Balance	836	(549,100)	(57,881)	491,219
Fund Balance - Beginning of Year	887,492	887,492	887,492	-
Fund Balance - End of Year	\$ 888,328	\$ 338,392	\$ 829,611	\$ 491,219

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest	\$ 11,938	\$ 11,555	\$ 11,256	\$ (299)
Charges for Services	2,797,921	2,708,104	2,638,029	(70,075)
Special Assessments	42,665	41,296	40,227	(1,069)
Miscellaneous	106,865	103,434	100,758	(2,676)
Total Revenues	<u>2,959,389</u>	<u>2,864,389</u>	<u>2,790,270</u>	<u>(74,119)</u>
Expenses				
Current:				
Administrative Support				
Personal Services	366,940	372,940	322,230	50,710
Benefits	122,139	122,139	101,410	20,729
Contractual Services	53,588	53,690	49,111	4,579
Supplies and Materials	2,450	2,498	2,123	375
Other	1,150	1,000	60	940
Total Administrative Support	<u>546,267</u>	<u>552,267</u>	<u>474,934</u>	<u>77,333</u>
Service				
Personal Services	1,033,015	1,033,084	974,285	58,799
Benefits	362,152	362,083	330,716	31,367
Utilities	240,700	240,700	196,434	44,266
Contractual Services	151,000	135,470	118,592	16,878
Supplies and Materials	480,775	496,009	481,995	14,014
Other	56,500	56,796	6,217	50,579
Capital Outlay	610,000	634,000	130,885	503,115
Total Service	<u>2,934,142</u>	<u>2,958,142</u>	<u>2,239,124</u>	<u>719,018</u>
Debt Service:				
Principal	33,672	33,672	33,672	-
Interest & Fiscal Charges	17,289	17,289	17,288	1
Total Debt Service	<u>50,961</u>	<u>50,961</u>	<u>50,960</u>	<u>1</u>
Total Expenses	<u>3,531,370</u>	<u>3,561,370</u>	<u>2,765,018</u>	<u>796,352</u>
Excess of Revenues Over (Under) Expenses	(571,981)	(696,981)	25,252	722,233

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Fund
 For the Year Ended December 31, 2011
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources				
Capital Contributions - Tap-in Fees	132,259	132,259	132,259	-
Net Change in Fund Equity	(439,722)	(564,722)	157,511	722,233
Fund Equity - Beginning of Year	2,051,907	2,051,907	2,051,907	-
Recovery of Prior Year Encumbrances	-	-	19,437	19,437
Fund Equity - End of Year	\$ 1,612,185	\$ 1,487,185	\$ 2,228,855	\$ 741,670

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sewer Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Interest	\$ 10,340	\$ 10,340	\$ 10,565	\$ 225
Charges for Services	3,382,110	3,382,110	3,455,655	73,545
Special Assessments	91,715	91,715	93,709	1,994
Miscellaneous	19,861	19,861	20,293	432
Total Revenues	3,504,026	3,504,026	3,580,222	76,196
Expenses				
Current:				
Administrative Support				
Personal Services	366,940	372,940	322,230	50,710
Benefits	122,139	122,139	101,376	20,763
Contractual Services	50,488	50,589	41,742	8,847
Supplies and Materials	2,450	2,498	2,123	375
Other	150	-	-	-
Total Administrative Support	542,167	548,166	467,471	80,695
Service				
Personal Services	1,021,758	1,021,809	972,568	49,241
Benefits	355,807	355,756	333,921	21,835
Utilities	308,000	308,000	246,559	61,441
Contractual Services	242,850	227,983	215,086	12,897
Supplies and Materials	296,700	311,740	261,936	49,804
Other	55,900	43,227	3,512	39,715
Capital Outlay	874,000	1,035,000	410,459	624,541
Total Service	3,155,015	3,303,515	2,444,041	859,474
Health				
Personal Services	307,745	307,745	286,082	21,663
Benefits	86,128	86,128	71,491	14,637
Contractual Services	36,465	32,428	23,193	9,235
Supplies and Materials	16,600	22,537	22,007	530
Other	4,900	3,000	1,895	1,105
Capital Outlay	-	6,000	5,946	54
Total Health	451,838	457,838	410,614	47,224

(Continued)

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sewer Fund
 For the Year Ended December 31, 2011
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Debt Service:				
Principal Retirement	980,028	980,028	980,028	-
Interest & Fiscal Charges	137,759	137,759	137,541	218
Total Debt Service	<u>1,117,787</u>	<u>1,117,787</u>	<u>1,117,569</u>	218
Total Expenses	<u>5,266,807</u>	<u>5,427,306</u>	<u>4,439,695</u>	<u>987,611</u>
Excess of Revenues Over (Under) Expenses	(1,762,781)	(1,923,280)	(859,473)	1,063,807
Other Financing Sources				
Proceeds from Sale of Notes	735,000	735,000	735,000	-
Premium on Notes	2,911	2,911	2,911	-
Capital Contribution - Tap-in Fees	260,259	260,259	260,259	-
Total Other Financing Sources	<u>998,170</u>	<u>998,170</u>	<u>998,170</u>	<u>-</u>
Net Change in Fund Equity	(764,611)	(925,110)	138,697	1,063,807
Fund Equity - Beginning of Year	1,721,771	1,721,771	1,721,771	-
Recovery of Prior Year Encumbrances	-	-	17,136	17,136
Fund Equity - End of Year	<u>\$ 957,160</u>	<u>\$ 796,661</u>	<u>\$ 1,877,604</u>	<u>\$ 1,080,943</u>

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Solid Waste Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 12,270	\$ 12,184	\$ 12,500	\$ 316
Charges for Services	415,230	412,316	423,012	10,696
Total Revenues	<u>427,500</u>	<u>424,500</u>	<u>435,512</u>	<u>11,012</u>
Expenses				
Current:				
Service				
Personal Services	54,976	54,976	44,941	10,035
Benefits	18,836	18,836	14,497	4,339
Contractual Services	458,350	458,350	373,443	84,907
Supplies and Materials	9,000	9,000	3,554	5,446
Other	1,000	1,000	-	1,000
Total Expenses	<u>542,162</u>	<u>542,162</u>	<u>436,435</u>	<u>105,727</u>
Excess of Revenues Over (Under) Expenses	(114,662)	(117,662)	(923)	116,739
Other Financing Sources				
Transfers In	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Net Change in Fund Equity	25,338	22,338	139,077	116,739
Fund Equity - Beginning of Year	59,264	59,264	59,264	-
Recovery of Prior Year Encumbrances	-	-	1,487	1,487
Fund Equity - End of Year	<u>\$ 84,602</u>	<u>\$ 81,602</u>	<u>\$ 199,828</u>	<u>\$ 118,226</u>

City of Kent, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Storm Water Drainage Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest	\$ 21,597	\$ 8,401	\$ 8,760	\$ 359
Charges for Services	1,346,811	523,903	546,285	22,382
Special Assessments	53,662	20,874	21,766	892
Miscellaneous	18,180	7,072	7,374	302
Total Revenues	<u>1,440,250</u>	<u>560,250</u>	<u>584,185</u>	<u>23,935</u>
Expenses				
Current:				
Service				
Personal Services	315,935	321,935	313,069	8,866
Benefits	104,821	104,821	98,632	6,189
Contractual Services	51,000	51,000	23,474	27,526
Supplies and Materials	6,000	6,000	1,504	4,496
Other	1,000	1,000	-	1,000
Capital Outlay	1,555,000	1,761,000	314,402	1,446,598
Total Service	<u>2,033,756</u>	<u>2,245,756</u>	<u>751,081</u>	<u>1,494,675</u>
Debt Service:				
Principal Retirement	4,968	4,968	2,484	2,484
Total Expenses	<u>2,038,724</u>	<u>2,250,724</u>	<u>753,565</u>	<u>1,497,159</u>
Excess of Revenues Over (Under) Expenses	(598,474)	(1,690,474)	(169,380)	1,521,094
Other Financing Sources (Uses)				
Capital Contributions - Tap-in Fees	600	600	600	-
Capital Grant	134,176	134,176	134,176	-
Advances Out	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>104,776</u>	<u>104,776</u>	<u>104,776</u>	<u>-</u>
Net Change in Fund Equity	(493,698)	(1,585,698)	(64,604)	1,521,094
Fund Equity - Beginning of Year	2,733,039	2,733,039	2,733,039	-
Recovery of Prior Year Encumbrances	-	-	3,475	3,475
Fund Equity - End of Year	<u>\$ 2,239,341</u>	<u>\$ 1,147,341</u>	<u>\$ 2,671,910</u>	<u>\$ 1,524,569</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 West Side Fire Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 248,865	\$ 248,865	\$ 223,997	\$ (24,868)
Intergovernmental	23,196	5,196	30,170	24,974
Miscellaneous	-	-	-	-
Total Revenues	<u>272,061</u>	<u>254,061</u>	<u>254,167</u>	<u>106</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	239,918	239,918	205,047	34,871
Other	24,000	26,100	23,166	2,934
Total Expenditures	<u>263,918</u>	<u>266,018</u>	<u>228,213</u>	<u>37,805</u>
Net Change in Fund Balance	8,143	(11,957)	25,954	37,911
Fund Balance - Beginning of Year	35,632	35,632	35,632	-
Recovery of Prior Year Encumbrances	-	-	59	59
Fund Balance - End of Year	<u>\$ 43,775</u>	<u>\$ 23,675</u>	<u>\$ 61,645</u>	<u>\$ 37,970</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 State Highway Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 59,295	\$ (705)
Expenditures				
Current:				
Transportation				
Service				
Other	60,000	60,000	58,496	1,504
Net Change in Fund Balance	-	-	799	799
Fund Balance - Beginning of Year	80,218	80,218	80,218	-
Recovery of Prior Year Encumbrances	-	-	1,699	1,699
Fund Balance - End of Year	<u>\$ 80,218</u>	<u>\$ 80,218</u>	<u>\$ 82,716</u>	<u>\$ 2,498</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Food Service Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Fees, Licenses and Permits	\$ 49,000	\$ 49,000	\$ 52,400	\$ 3,400
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	50,933	50,933	45,219	5,714
Other	2,000	2,000	646	1,354
Total Expenditures	<u>52,933</u>	<u>52,933</u>	<u>45,865</u>	<u>7,068</u>
Net Change in Fund Balance	(3,933)	(3,933)	6,535	10,468
Fund Balance - Beginning of Year	36,916	36,916	36,916	-
Fund Balance - End of Year	<u>\$ 32,983</u>	<u>\$ 32,983</u>	<u>\$ 43,451</u>	<u>\$ 10,468</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Revolving Housing Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Fees, Licenses and Permits	\$ 75,000	\$ 73,000	\$ 73,485	\$ 485
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	82,276	82,276	68,785	13,491
Other	12,500	12,500	1,723	10,777
Total Expenditures	<u>94,776</u>	<u>94,776</u>	<u>70,508</u>	<u>24,268</u>
Net Change in Fund Balance	(19,776)	(21,776)	2,977	24,753
Fund Balance - Beginning of Year	71,565	71,565	71,565	-
Fund Balance - End of Year	<u>\$ 51,789</u>	<u>\$ 49,789</u>	<u>\$ 74,542</u>	<u>\$ 24,753</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 State and Local Forfeits Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Fines and Forfeits	\$ -	\$ -	\$ 443	\$ 443
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	\$ -	\$ 10,000	\$ 2,590	\$ 7,410
Net Change in Fund Balance	-	(10,000)	(2,147)	7,853
Fund Balance - Beginning of Year	10,351	10,351	10,351	-
Fund Balance - End of Year	<u>\$ 10,351</u>	<u>\$ 351</u>	<u>\$ 8,204</u>	<u>\$ 7,853</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Drug Law Enforcement Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Fines and Forfeits	\$ -	\$ -	\$ 759	\$ 759
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	-	25,000	-	25,000
Net Change in Fund Balance	-	(25,000)	759	25,759
Fund Balance - Beginning of Year	33,436	33,436	33,436	-
Fund Balance - End of Year	\$ 33,436	\$ 8,436	\$ 34,195	\$ 25,759

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Enforcement and Education Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Fines and Forfeits	\$ 6,000	\$ 4,000	\$ 4,148	\$ 148
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	-	15,000	1,975	13,025
Net Change in Fund Balance	6,000	(11,000)	2,173	13,173
Fund Balance - Beginning of Year	18,947	18,947	18,947	-
Fund Balance - End of Year	\$ 24,947	\$ 7,947	\$ 21,120	\$ 13,173

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law Enforcement Trust Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Interest	\$ 50	\$ 50	\$ 42	\$ (8)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Capital Outlay	-	15,000	-	15,000
Net Change in Fund Balance	50	(14,950)	42	14,992
Fund Balance - Beginning of Year	17,513	17,513	17,513	-
Fund Balance - End of Year	\$ 17,563	\$ 2,563	\$ 17,555	\$ 14,992

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Community Development Block Grant Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 293,163	\$ 301,669	\$ 322,638	\$ 20,969
Interest	7,815	8,042	8,601	559
Miscellaneous	55,577	57,190	61,165	3,975
Total Revenues	<u>356,555</u>	<u>366,901</u>	<u>392,404</u>	<u>25,503</u>
Expenditures				
Current:				
Community Development				
Community Development				
Personal Services	24,400	35,382	33,440	1,942
Other	338,600	508,700	303,019	205,681
Capital Outlay	162,555	252,555	120,999	131,556
Total Expenditures	<u>525,555</u>	<u>796,637</u>	<u>457,458</u>	<u>339,179</u>
Net Change in Fund Balance	(169,000)	(429,736)	(65,054)	364,682
Fund Balance - Beginning of Year	854,467	854,467	854,467	-
Recovery of Prior Year Encumbrances	-	-	29,449	29,449
Fund Balance - End of Year	<u>\$ 685,467</u>	<u>\$ 424,731</u>	<u>\$ 818,862</u>	<u>\$ 394,131</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Neighborhood Stabilization Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 315,464	\$ 130,405	\$ 130,405	\$ -
Expenditures				
Current:				
Community Development				
Community Development				
Other	-	420	316	104
Capital Outlay	-	28,000	21,477	6,523
Total Expenditures	<u>-</u>	<u>28,420</u>	<u>21,793</u>	<u>6,627</u>
Excess of Revenues Over (Under) Expenditures	315,464	101,985	108,612	6,627
Other Financing (Uses)				
Advances Out	(260,950)	(75,891)	(75,891)	-
Total Other Financing (Uses)	<u>(260,950)</u>	<u>(75,891)</u>	<u>(75,891)</u>	<u>-</u>
Net Change in Fund Balance	54,514	26,094	32,721	6,627
Fund Balance - Beginning of Year	14,895	14,895	14,895	-
Recovery of Prior Year Encumbrances	-	-	26,508	26,508
Fund Balance - End of Year	<u>\$ 69,409</u>	<u>\$ 40,989</u>	<u>\$ 74,124</u>	<u>\$ 33,135</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Wireless 911 Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 90,000	\$ 87,500	\$ 87,448	\$ (52)
Expenditures				
Current:				
Security of Persons and Property				
Police				
Other	71,000	71,000	33,313	37,687
Capital Outlay	200,000	200,000	188,000	12,000
Total Expenditures	<u>271,000</u>	<u>271,000</u>	<u>221,313</u>	<u>49,687</u>
Net Change in Fund Balance	(181,000)	(183,500)	(133,865)	49,635
Fund Balance - Beginning of Year	261,120	261,120	261,120	-
Fund Balance - End of Year	<u>\$ 80,120</u>	<u>\$ 77,620</u>	<u>\$ 127,255</u>	<u>\$ 49,635</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Swimming Pool Inspections Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$ 3,000	\$ 2,250	\$ 2,250	\$ -
Expenditures				
Current:				
Public Health and Welfare				
Health				
Personal Services	3,918	4,318	3,884	434
Other	400	400	-	400
Total Expenditures	<u>4,318</u>	<u>4,718</u>	<u>3,884</u>	<u>834</u>
Net Change in Fund Balance	(1,318)	(2,468)	(1,634)	834
Fund Balance - Beginning of Year	8,759	8,759	8,759	-
Fund Balance - End of Year	<u>\$ 7,441</u>	<u>\$ 6,291</u>	<u>\$ 7,125</u>	<u>\$ 834</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 JAG Grant Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Expenditures				
Current:				
Security of Persons and Property:				
Police and Others:				
Personal Services	\$ -	\$ 14,755	\$ 171	\$ 14,584
Other	-	15,417	9,652	5,765
Total Expenditures	<u>-</u>	<u>30,172</u>	<u>9,823</u>	<u>20,349</u>
Net Change in Fund Balance	-	(30,172)	(9,823)	20,349
Fund Balance - Beginning of Year	43,749	43,749	43,749	-
Fund Balance - End of Year	<u>\$ 43,749</u>	<u>\$ 13,577</u>	<u>\$ 33,926</u>	<u>\$ 20,349</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police Pension Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 104,569	\$ 104,569	\$ 94,124	\$ (10,445)
Intergovernmental	9,533	8,733	19,434	10,701
Total Revenues	<u>114,102</u>	<u>113,302</u>	<u>113,558</u>	<u>256</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>-</u>
Net Change in Fund Balance	2,102	1,302	1,558	256
Fund Balance - Beginning of Year	<u>127</u>	<u>127</u>	<u>127</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 2,229</u></u>	<u><u>\$ 1,429</u></u>	<u><u>\$ 1,685</u></u>	<u><u>\$ 256</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fire Pension Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 104,569	\$ 104,569	\$ 94,124	\$ (10,445)
Intergovernmental	9,533	8,733	19,435	10,702
Total Revenues	<u>114,102</u>	<u>113,302</u>	<u>113,559</u>	<u>257</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>-</u>
Net Change in Fund Balance	2,102	1,302	1,559	257
Fund Balance - Beginning of Year	<u>127</u>	<u>127</u>	<u>127</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 2,229</u></u>	<u><u>\$ 1,429</u></u>	<u><u>\$ 1,686</u></u>	<u><u>\$ 257</u></u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Urban Development Action Grant Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest	\$ 2,025	\$ 4,166	\$ 4,391	\$ 225
Miscellaneous	49,975	102,834	108,384	5,550
Total Revenues	<u>52,000</u>	<u>107,000</u>	<u>112,775</u>	<u>5,775</u>
Expenditures				
Current:				
Community Development				
City Manager				
Other	125,000	100,000	-	100,000
Net Change in Fund Balance	(73,000)	7,000	112,775	105,775
Fund Balance - Beginning of Year	104,313	104,313	104,313	-
Fund Balance - End of Year	<u>\$ 31,313</u>	<u>\$ 111,313</u>	<u>\$ 217,088</u>	<u>\$ 105,775</u>

City of Kent, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Special Assessments	\$ 51,220	\$ 51,220	\$ 51,220	\$ -
Expenditures				
Current:				
General Government				
Budget and Finance				
Other	3,500	3,500	1,970	1,530
Debt Service:				
Principal	216,947	216,947	201,973	14,974
Interest & Fiscal Charges	100,235	100,235	100,235	-
Total Debt Service	<u>317,182</u>	<u>317,182</u>	<u>302,208</u>	<u>14,974</u>
Total Expenditures	<u>320,682</u>	<u>320,682</u>	<u>304,178</u>	<u>16,504</u>
Excess of Revenues Over (Under) Expenditures	(269,462)	(269,462)	(252,958)	16,504
Other Financing Sources				
Transfers In	<u>268,522</u>	<u>268,522</u>	<u>268,522</u>	<u>-</u>
Net Change in Fund Balance	(940)	(940)	15,564	16,504
Fund Balance - Beginning of Year	<u>32,145</u>	<u>32,145</u>	<u>32,145</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 31,205</u></u>	<u><u>\$ 31,205</u></u>	<u><u>\$ 47,709</u></u>	<u><u>\$ 16,504</u></u>

STATISTICAL SECTION

City of Kent, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S9 – S16
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S17 – S23
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S24 – S25
Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S26 – S35

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Kent, Ohio

Net Assets by Component Accrual Basis of Accounting Last Nine Years

Table 1

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$37,887,705	\$34,486,661	\$32,644,284	\$30,315,249	\$26,951,296	\$17,826,725	\$15,071,440	\$10,945,438	\$7,742,185
Restricted	11,523,440	10,583,375	11,445,419	11,802,606	11,305,339	10,128,602	9,822,372	9,923,375	10,425,385
Unrestricted	12,407,928	15,181,317	15,581,099	16,110,251	16,802,244	14,267,218	13,419,546	14,674,034	14,770,661
Total Governmental Activities Net Assets	61,819,073	60,251,353	59,670,802	58,228,106	55,058,879	42,222,545	38,313,358	35,542,847	32,938,231
Business Type - Activities									
Invested in Capital Assets, Net of Related Debt	49,593,173	50,033,315	49,221,658	48,345,006	48,198,941	48,635,444	47,751,884	45,884,269	41,824,749
Unrestricted	7,334,716	7,321,992	7,913,744	8,708,998	9,447,211	7,491,831	6,855,253	5,798,379	5,632,183
Total Business-Type Activities Net Assets	56,927,889	57,355,307	57,135,402	57,054,004	57,646,152	56,127,275	54,607,137	51,682,648	47,456,932
Primary Government									
Invested in Capital Assets, Net of Related Debt	87,480,878	84,519,976	81,865,942	78,660,255	75,150,237	66,462,169	62,823,324	56,829,707	49,566,934
Restricted	11,523,440	10,583,375	11,445,419	11,802,606	11,305,339	10,128,602	9,822,372	9,923,375	10,425,385
Unrestricted	19,742,644	22,503,309	23,494,843	24,819,249	26,249,455	21,759,049	20,274,799	20,472,413	20,402,844
Total Primary Government Net Assets	\$118,746,962	\$117,606,660	\$116,806,204	\$115,282,110	\$112,705,031	\$98,349,820	\$92,920,495	\$87,225,495	\$80,395,163

City of Kent, Ohio

Changes in Net Assets Accrual Basis of Accounting Last Nine Years

Table 2

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues									
Governmental Activities:									
Charges for Services:									
Security of Persons and Property	\$1,419,667	\$1,472,354	\$1,345,473	\$1,473,544	\$1,296,839	\$1,242,357	\$895,878	\$787,397	\$572,818
Public Health and Welfare	160,213	151,774	163,857	162,688	154,456	160,183	208,339	202,513	168,914
Leisure Time Activities	709,428	483,292	519,474	485,958	483,382	440,288	392,615	335,721	245,281
Community Development	250,093	58,576	59,667	74,398	72,749	76,504	243,509	234,795	209,881
Transportation	28,985	38,632	40,256	420	420	2,350	2,033	3,971	7,789
General Government	170,899	63,132	71,777	98,375	90,659	193,686	433,944	397,637	340,826
Subtotal - Charges for Services	2,739,285	2,267,760	2,200,504	2,295,383	2,098,505	2,115,368	2,176,318	1,962,034	1,545,509
Operating Grants and Contributions:									
Security of Persons and Property	133,319	50,659	236,658	109,737	174,223	40,670	58,165	90,360	45,007
Public Health and Welfare	11,926	9,977	8,564	8,467	9,786	8,404	4,893	8,568	2,651
Leisure Time Activities	13,549	0	0	0	0	0	0	11,961	8,023
Community Development	657,956	704,125	337,839	487,756	289,541	670,627	743,594	705,128	711,927
Transportation	785,830	804,778	793,252	821,735	853,067	740,864	771,546	961,337	618,533
General Government	0	0	0	0	0	0	23,055	50,599	76,269
Subtotal - Operating Grants and Contributions	1,602,580	1,569,539	1,376,313	1,427,695	1,326,617	1,460,565	1,601,253	1,827,953	1,462,410
Capital Grants and Contributions:									
Security of Persons and Property	186,789	0	0	0	0	38,303	0	0	0
Leisure Time Activities	250,000	32,297	7,001	892,074	0	0	0	0	0
Community Development	380,851	0	0	0	0	0	0	0	119,116
Transportation	1,980,191	873,056	1,998,656	1,930,197	991,738	1,811,785	797,717	898,967	0
General Government	290,880	0	0	0	0	0	0	0	0
Subtotal - Capital Grants and Contributions	3,088,711	905,353	2,005,657	2,822,271	991,738	1,850,088	797,717	898,967	119,116
Total Governmental Activities Program Revenues	7,430,576	4,742,652	5,582,474	6,545,349	4,416,860	5,426,021	4,575,288	4,688,954	3,127,035
Business-Type Activities:									
Charges for Services:									
Water	2,741,795	2,706,968	2,635,679	2,491,836	2,764,094	2,718,143	2,817,816	2,800,642	2,742,512
Sewer	3,566,055	3,491,363	3,433,218	3,173,156	3,606,844	3,534,247	3,519,931	3,514,419	3,471,812
Solid Waste	424,599	419,696	400,690	377,726	397,071	390,015	390,057	409,650	403,039
Storm Water Drainage	555,853	548,930	560,039	558,382	574,530	559,376	538,781	492,517	531,238
Subtotal - Charges for Services	7,288,302	7,166,957	7,029,626	6,601,100	7,342,539	7,201,781	7,266,585	7,217,228	7,148,601
Operating Grants and Contributions:									
Water	0	0	0	0	0	0	627	4,549	6,588
Sewer	180,546	0	0	0	0	0	12,730	79,484	14,514
Solid Waste	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	2,789
Subtotal - Operating Grants and Contributions	193,046	12,500	12,500	12,500	12,500	12,500	25,857	96,533	23,891
Capital Grants and Contributions									
Water	134,295	127,177	91,076	42,052	732,442	277,139	590,769	277,022	773,838
Sewer	194,121	57,438	111,524	39,693	156,177	270,058	1,172,094	3,122,967	1,654,812
Solid Waste	0	0	0	0	0	0	0	0	0
Storm Water Drainage	86,604	1,083,023	586,939	201,215	342,499	573,081	605,128	0	678,898
Subtotal - Capital Grants and Contributions	415,020	1,267,638	789,539	282,960	1,231,118	1,120,278	2,367,991	3,399,989	3,107,548
Total Business-Type Activities Program Revenues	7,896,368	8,447,095	7,831,665	6,896,560	8,586,157	8,334,559	9,660,433	10,713,750	10,280,040
Total Primary Government Program Revenues	\$15,326,944	\$13,189,747	\$13,414,139	\$13,441,909	\$13,003,017	\$13,760,580	\$14,235,721	\$15,402,704	\$13,407,075

(Continued)

City of Kent, Ohio

Changes in Net Assets (continued) Accrual Basis of Accounting Last Nine Years

Table 2

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental Activities:									
Security of Persons and Property	\$11,155,689	\$10,595,357	\$10,369,569	\$10,048,146	\$9,767,636	\$9,323,964	\$9,088,539	\$9,075,391	\$7,925,699
Public Health and Welfare	666,053	632,398	620,303	624,117	567,464	565,274	547,160	561,554	492,345
Leisure Time Activities	1,611,324	1,438,323	1,382,046	1,349,541	1,304,088	1,316,911	1,202,921	1,242,072	793,778
Community Development	3,002,485	1,787,031	1,771,093	1,809,918	1,806,399	1,909,670	1,850,436	1,959,483	1,822,724
Transportation	3,732,080	3,713,225	3,462,831	3,511,591	3,242,973	2,181,729	2,056,046	1,958,035	1,540,000
General Government	3,090,494	2,852,097	2,848,297	2,758,218	2,697,076	2,751,222	2,747,645	2,825,076	2,394,007
Interest and Fiscal Charges	196,981	143,384	215,996	258,757	276,968	279,179	245,952	242,475	256,440
<i>Total Governmental Activities Expenses</i>	<i>23,455,106</i>	<i>21,161,815</i>	<i>20,670,135</i>	<i>20,360,288</i>	<i>19,662,604</i>	<i>18,327,949</i>	<i>17,738,699</i>	<i>17,864,086</i>	<i>15,224,993</i>
Business-Type Activities									
Water	3,239,611	3,306,197	3,339,193	3,310,242	3,075,261	2,898,864	2,936,749	2,899,516	2,660,267
Sewer	4,139,302	3,985,170	4,062,437	3,881,883	3,758,029	3,819,961	3,511,561	3,397,853	3,441,320
Solid Waste	434,718	453,846	479,740	430,779	449,101	429,551	362,930	371,803	396,039
Storm Water Drainage	813,922	664,552	287,644	275,168	261,035	240,410	215,725	237,800	232,269
<i>Total Business-Type Activities Expenses</i>	<i>8,627,553</i>	<i>8,409,765</i>	<i>8,169,014</i>	<i>7,898,072</i>	<i>7,543,426</i>	<i>7,388,786</i>	<i>7,026,965</i>	<i>6,906,972</i>	<i>6,729,895</i>
<i>Total Primary Government Program Expenses</i>	<i>32,082,659</i>	<i>29,571,580</i>	<i>28,839,149</i>	<i>28,258,360</i>	<i>27,206,030</i>	<i>25,716,735</i>	<i>24,765,664</i>	<i>24,771,058</i>	<i>21,954,888</i>
Net (Expense)/Revenue									
Governmental Activities	(\$16,024,530)	(\$16,419,163)	(\$15,087,661)	(\$13,814,939)	(\$15,245,744)	(\$12,901,928)	(\$13,163,411)	(\$13,175,132)	(\$12,097,958)
Business-Type Activities	(731,185)	37,330	(337,349)	(1,001,512)	1,042,731	945,773	2,633,468	3,806,778	3,550,145
<i>Total Primary Government Net (Expense)/Revenue</i>	<i>(\$16,755,715)</i>	<i>(\$16,381,833)</i>	<i>(\$15,425,010)</i>	<i>(\$14,816,451)</i>	<i>(\$14,203,013)</i>	<i>(\$11,956,155)</i>	<i>(\$10,529,943)</i>	<i>(\$9,368,354)</i>	<i>(\$8,547,813)</i>
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Taxes:									
Property and Other Local Taxes Levied For:									
General Purposes	\$1,620,411	\$1,626,108	\$1,639,561	\$1,645,714	\$1,672,891	\$1,688,373	\$1,579,658	\$1,588,087	\$1,482,922
Other Purposes	1,618,587	1,593,553	1,578,221	1,539,836	1,580,977	1,517,163	1,442,769	1,462,646	1,425,001
Income Taxes	10,962,364	10,800,430	10,402,223	10,508,828	10,577,734	10,147,407	10,149,597	9,705,339	9,743,877
Grants and Entitlements not Restricted to									
Specific Programs	2,735,703	2,446,005	2,403,218	2,430,874	2,653,962	2,203,538	2,308,746	2,173,408	2,642,496
Investment Earnings	221,008	232,274	443,814	781,307	1,158,296	1,083,312	615,028	354,751	369,743
Gain on Sale of Capital Assets	0	0	0	0	0	0	0	26,173	0
Miscellaneous	574,177	301,344	165,543	77,607	284,815	171,322	99,965	261,338	407,711
Transfers	(140,000)	0	0	0	0	0	0	(170,000)	(225,000)
<i>Total Governmental Activities</i>	<i>17,592,250</i>	<i>16,999,714</i>	<i>16,632,580</i>	<i>16,984,166</i>	<i>17,928,675</i>	<i>16,811,115</i>	<i>16,195,763</i>	<i>15,401,742</i>	<i>15,846,750</i>
Business-Type Activities									
Investment Earnings	33,514	76,543	187,029	353,880	415,999	320,134	225,528	94,364	100,152
Gain on Sale of Capital Assets	0	23,796	0	0	0	203,669	0	17,357	0
Miscellaneous	130,253	82,236	129,495	55,484	60,147	50,602	46,722	49,469	79,665
Transfers	140,000	0	0	0	0	0	0	170,000	225,000
<i>Total Business-Type Activities</i>	<i>303,767</i>	<i>182,575</i>	<i>316,524</i>	<i>409,364</i>	<i>476,146</i>	<i>574,405</i>	<i>272,250</i>	<i>331,190</i>	<i>404,817</i>
<i>Total Primary Government</i>	<i>17,896,017</i>	<i>17,182,289</i>	<i>16,949,104</i>	<i>17,393,530</i>	<i>18,404,821</i>	<i>17,385,520</i>	<i>16,468,013</i>	<i>15,732,932</i>	<i>16,251,567</i>
Change in Net Assets									
Governmental Activities	1,567,720	580,551	1,544,919	3,169,227	2,682,931	3,909,187	3,032,352	2,226,610	3,748,792
Business-Type Activities	(427,418)	219,905	(20,825)	(592,148)	1,518,877	1,520,178	2,905,718	4,137,968	3,954,962
<i>Total Primary Government Change in Net Assets</i>	<i>\$1,140,302</i>	<i>\$800,456</i>	<i>\$1,524,094</i>	<i>\$2,577,079</i>	<i>\$4,201,808</i>	<i>\$5,429,365</i>	<i>\$5,938,070</i>	<i>\$6,364,578</i>	<i>\$7,703,754</i>

City of Kent, Ohio

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

Table 3

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2011	\$10,962,364	\$3,238,998	\$14,201,362
2010	10,800,430	3,219,661	14,020,091
2009	10,402,223	3,217,782	13,620,005
2008	10,508,828	3,185,550	13,694,378
2007	10,577,734	3,253,868	13,831,602
2006	10,147,407	3,205,536	13,352,943
2005	10,149,597	3,022,427	13,172,024
2004	9,705,339	3,050,733	12,756,072
2003	9,743,877	2,907,923	12,651,800

City of Kent, Ohio

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

Table 4

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	\$1,159,430	\$2,529,366	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assigned	2,863,740	2,744,000	0	0	0	0	0	0	0	0
Unassigned	3,204,918	4,346,151	0	0	0	0	0	0	0	0
Reserved	0	0	1,639,853	1,831,388	623,091	326,376	307,588	732,394	638,866	1,054,925
Unreserved	0	0	7,792,430	7,993,656	9,467,823	8,690,503	8,128,983	8,131,289	8,228,294	7,885,318
Total General Fund	7,228,088	9,619,517	9,432,283	9,825,044	10,090,914	9,016,879	8,436,571	8,863,683	8,867,160	8,940,243
All Other Governmental Funds										
Nonspendable	4,269,688	187,302	0	0	0	0	0	0	0	0
Restricted	5,129,268	5,000,566	0	0	0	0	0	0	0	0
Committed	6,000,683	5,580,030	0	0	0	0	0	0	0	0
Unassigned (Deficit)	(5,461,833)	(115,035)	0	0	0	0	0	0	0	0
Reserved	0	0	2,212,363	2,237,630	2,348,967	1,994,925	2,542,837	2,375,454	2,841,313	5,026,575
Unreserved:										
Designated:										
Special Revenue funds										
For Public Facilities and Programs	0	0	2,162,966	2,120,760	2,030,076	1,965,565	1,866,936	1,798,054	1,752,668	1,698,184
Undesignated (Deficit), Reported in:										
Special Revenue funds	0	0	8,062,407	7,863,374	8,586,351	7,709,110	7,096,062	6,548,672	6,218,145	5,745,245
Capital Projects funds	0	0	(711,829)	(553,463)	(1,824,391)	(2,112,636)	(2,510,795)	(2,817,282)	(2,342,442)	(5,382,802)
Total All Other Governmental Funds	9,937,806	10,652,863	11,725,907	11,668,301	11,141,003	9,556,964	8,995,040	7,904,898	8,469,684	7,087,202
Total Governmental Funds	\$17,165,894	\$20,272,380	\$21,158,190	\$21,493,345	\$21,231,917	\$18,573,843	\$17,431,611	\$16,768,581	\$17,336,844	\$16,027,445

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

City of Kent, Ohio

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

Table 5

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Taxes:										
Property and Other Local Taxes	\$3,252,122	\$3,188,957	\$3,191,649	\$3,181,717	\$3,268,463	\$3,115,248	\$2,998,573	\$3,053,539	\$2,876,964	\$2,705,651
Municipal Income Taxes	10,785,019	10,497,813	10,525,332	10,590,922	10,564,245	10,179,387	10,142,768	9,697,832	9,745,072	9,630,343
Charges for Services	1,815,145	1,710,682	1,782,466	1,782,566	1,727,130	1,373,609	1,458,020	1,239,502	988,417	849,472
Fees, Licenses and Permits	737,262	203,840	195,432	233,749	225,905	334,498	348,454	349,356	241,387	293,606
Fines and Forfeitures	182,599	215,091	232,475	273,217	234,768	245,442	369,844	373,176	315,705	339,937
Intergovernmental	6,694,046	4,933,568	5,776,055	6,794,713	4,406,113	3,848,989	3,988,310	4,759,878	4,145,984	4,457,224
Special Assessments	154,563	162,134	134,760	188,193	206,943	164,351	163,218	163,005	166,775	166,417
Interest	187,822	199,075	411,319	746,226	1,119,987	1,044,343	573,151	311,813	319,078	432,931
Miscellaneous	214,177	301,496	169,412	84,153	235,884	441,168	97,432	261,338	407,711	485,468
Total Revenues	24,022,755	21,412,656	22,418,900	23,875,456	21,989,438	20,747,035	20,139,770	20,209,439	19,207,093	19,361,049
Expenditures										
Current:										
Security of Persons and Property	10,283,338	10,132,948	9,769,228	9,604,565	9,177,854	8,871,722	8,574,921	8,566,950	7,977,881	7,801,668
Public Health and Welfare	665,015	624,153	614,382	622,121	561,623	564,743	545,881	557,405	520,443	517,827
Leisure Time Activities	1,401,566	1,316,516	1,311,301	1,282,314	1,233,477	1,237,456	1,141,268	1,175,458	979,959	955,279
Community Development	3,023,979	1,787,852	1,748,287	1,783,711	1,789,461	1,895,068	1,836,098	1,924,022	1,946,318	2,102,383
Transportation	2,185,911	1,859,655	1,871,613	1,650,958	1,471,685	1,299,412	1,400,731	1,455,517	1,424,857	1,365,439
General Government	2,972,845	2,772,347	2,740,057	2,623,065	2,533,830	2,627,620	2,568,272	2,659,253	2,424,777	2,616,445
Capital Outlay	5,912,555	3,764,921	4,171,122	5,569,791	2,160,125	2,646,181	2,714,605	3,732,130	2,264,048	4,382,589
Debt Service:										
Principal Retirement	201,973	209,947	198,947	217,947	211,947	204,947	188,947	187,947	181,947	170,947
Interest and Fiscal Charges	197,800	144,108	216,718	259,556	277,737	280,497	246,585	242,924	257,533	289,869
Total Expenditures	26,844,982	22,612,447	22,641,655	23,614,028	19,417,739	19,627,646	19,217,308	20,501,606	17,977,763	20,202,446
Excess of Revenues Over (Under) Expenditures	(2,822,227)	(1,199,791)	(222,755)	261,428	2,571,699	1,119,389	922,462	(292,167)	1,229,330	(841,397)

(Continued)

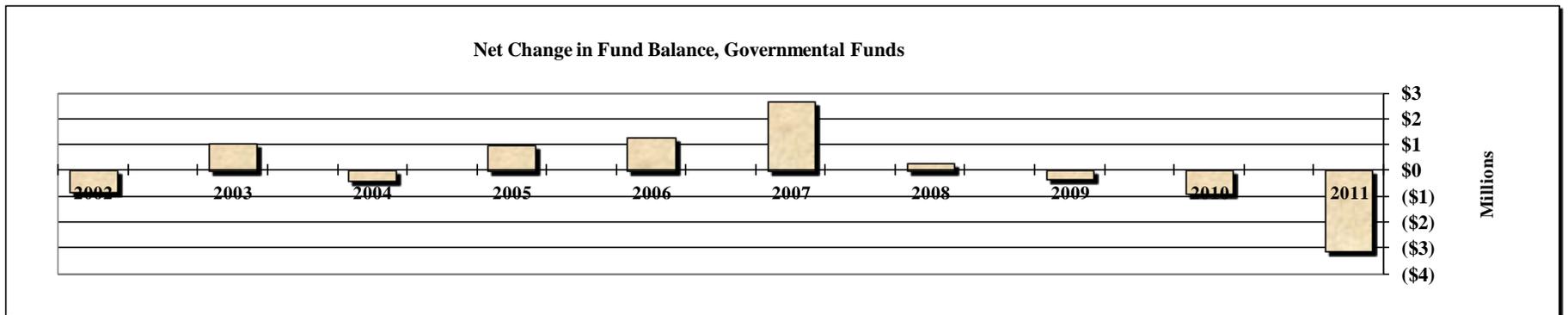
City of Kent, Ohio

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

Last Ten Years

Table 5

Other Financing Sources (Uses)										
Sale of Capital Assets	5,741	0	0	0	86,375	112,843	0	26,913	0	0
Note Premium	0	0	0	0	0	0	0	26,730	0	9,433
Loan Proceeds	0	455,101	0	0	0	0	0	0	0	0
Transfers In	268,522	10,178,069	9,834,480	10,643,237	10,188,942	9,599,347	9,579,181	8,995,666	9,273,113	8,640,696
Transfers Out	(558,522)	(10,319,189)	(9,946,880)	(10,643,237)	(10,188,942)	(9,599,347)	(9,549,181)	(9,165,666)	(9,498,113)	(8,640,696)
Total Other Financing Sources (Uses)	(284,259)	313,981	(112,400)	0	86,375	112,843	30,000	(116,357)	(225,000)	9,433
Net Change in Fund Balances	(\$3,106,486)	(\$885,810)	(\$335,155)	\$261,428	\$2,658,074	\$1,232,232	\$952,462	(\$408,524)	\$1,004,330	(\$831,964)
Debt Service as a Percentage of Noncapital Expenditures	1.91%	1.85%	2.25%	2.65%	2.84%	2.86%	2.64%	2.57%	2.80%	2.91%



City of Kent, Ohio

Governmental Funds' Tax Revenues by Source
Modified Accrual Basis of Accounting
Last Ten Years

Table 6

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>Total</u>
2011	\$10,785,019	\$3,252,122	\$14,037,141
2010	10,497,813	3,188,957	13,686,770
2009	10,525,332	3,191,649	13,716,981
2008	10,590,922	3,181,717	13,772,639
2007	10,564,245	3,268,463	13,832,708
2006	10,179,387	3,115,248	13,294,635
2005	10,142,768	2,998,573	13,141,341
2004	9,697,832	3,053,539	12,751,371
2003	9,745,072	2,876,964	12,622,036
2002	9,630,343	2,705,651	12,335,994

City of Kent, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

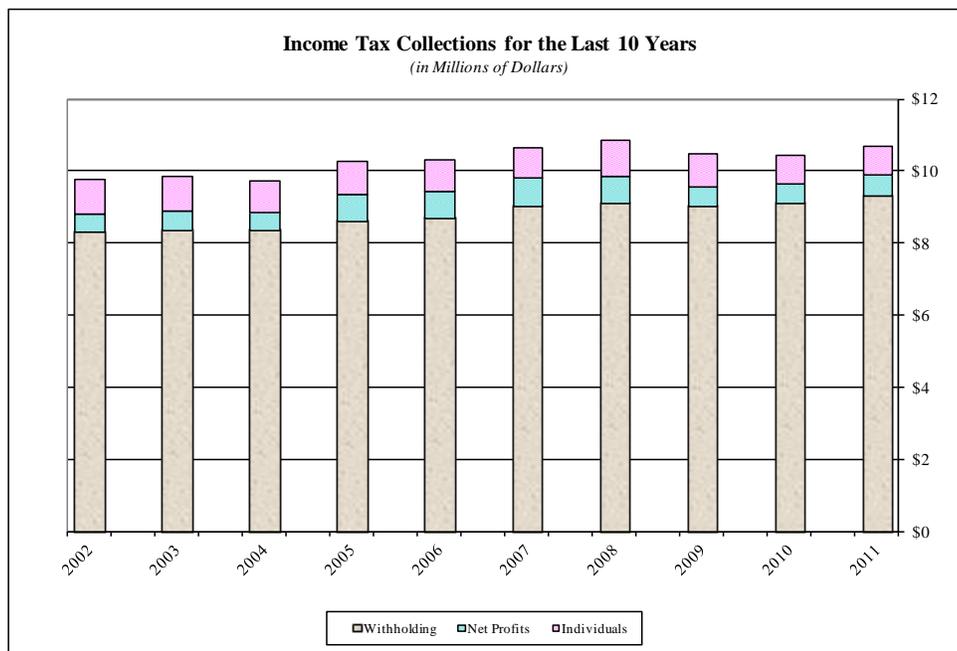
Last Ten Years

Table 7

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2011	2.00%	\$10,711,488	\$9,320,111	87.01%	\$568,412	5.31%	\$822,965	7.68%
2010	2.00	10,453,032	9,127,346	87.32	514,532	4.92	\$811,154	7.76
2009	2.00	10,482,215	9,014,860	86.00	563,146	5.37	\$904,209	8.63
2008	2.00	10,871,742	9,132,780	84.01	754,913	6.94	984,049	9.05
2007	2.00	10,660,344	9,027,152	84.68	816,743	7.66	816,449	7.66
2006	2.00	10,315,459	8,682,188	84.16	748,460	7.26	884,811	8.58
2005	2.00	10,305,383	8,613,458	83.58	772,397	7.50	919,528	8.92
2004	2.00	9,725,546	8,346,704	85.83	506,032	5.20	872,810	8.97
2003	2.00	9,858,757	8,358,858	84.79	558,370	5.66	941,529	9.55
2002	2.00	9,782,615	8,324,405	85.09	496,000	5.07	962,210	9.84

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

The City levies a 2.00% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City, however a 100 % credit, up to 2.00% is allowed for income taxes paid to other municipalities.



City of Kent, Ohio

Top Ten Income Tax Withholders

Current and Nine Years Ago

Table 8

2011		
Rank	Employer Name	
1	Kent State University	
2	Kent City Schools	
3	Davey Tree Expert Co., Inc.	
4	City of Kent	
5	Land-O-Lakes	
6	Ametek	
7	Smithers-Oasis Company	
8	Klaben Family Ford, Inc.	
9	Ametek Technical & Industrial	
10	ACS Industries	

2002		
2011 Rank	Rank	Employer Name
1	1	Kent State University
2	2	Kent City Schools
4	3	City of Kent
3	4	Davey Tree Expert Co., Inc.
5	5	Land-O-Lakes
6	6	Ametek, Inc.
7	7	Smithers-Oasis Company
8	8	Klaben Family Ford, Inc.
n/a	9	Kent Adhesive Products
n/a	10	Integrated Logistics Holding Co.

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

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

n/a - Information is not available.

City of Kent, Ohio

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

Last Ten Years

Table 9

Tax Year/ Collection Year	City of Kent Direct Rates						Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	West Side Fire Station	Recreation Fund	Police Pension Fund	Fire Pension Fund	Total City	Portage County	Kent City School District	
2010/2011	\$ 4.76	\$ 0.73	\$ 3.45	\$ 0.30	\$ 0.30	\$ 9.54	\$ 13.62	\$ 102.57	\$ 125.73
2009/2010	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.91	126.07
2008/2009	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58
2007/2008	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.18	125.34
2006/2007	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58
2005/2006	4.76	0.73	3.45	0.30	0.30	9.54	13.62	102.42	125.58
2004/2005	4.76	0.73	3.45	0.30	0.30	9.54	13.62	95.78	118.94
2003/2004	4.66	0.73	3.45	0.30	0.30	9.44	13.62	95.77	118.83
2002/2003	4.66	0.73	3.45	0.30	0.30	9.44	12.72	96.01	118.17
2001/2002	4.66	0.73	3.45	0.30	0.30	9.44	12.72	94.48	116.64

Source: Portage County, Ohio; County Auditor



City of Kent, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Table 10

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2011	\$245,769,930	\$97,888,310	\$981,880,686	\$4,896,150	\$7,307,687
2010	245,425,880	99,440,840	985,333,486	4,703,740	7,020,507
2009	256,434,590	100,457,690	1,019,692,229	4,346,170	6,486,821
2008	252,810,490	99,540,990	1,006,718,514	4,320,510	6,448,522
2007	247,212,070	102,158,740	998,202,314	7,473,970	11,155,179
2006	224,455,410	92,947,180	906,864,543	8,102,390	12,093,119
2005	218,255,087	93,118,010	889,637,420	9,530,700	10,830,341
2004	214,777,462	92,267,150	877,270,320	9,745,960	11,074,955
2003	185,232,675	87,820,073	780,150,709	10,064,210	11,436,602
2002	182,139,853	86,295,100	766,957,009	9,883,000	11,230,682

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

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

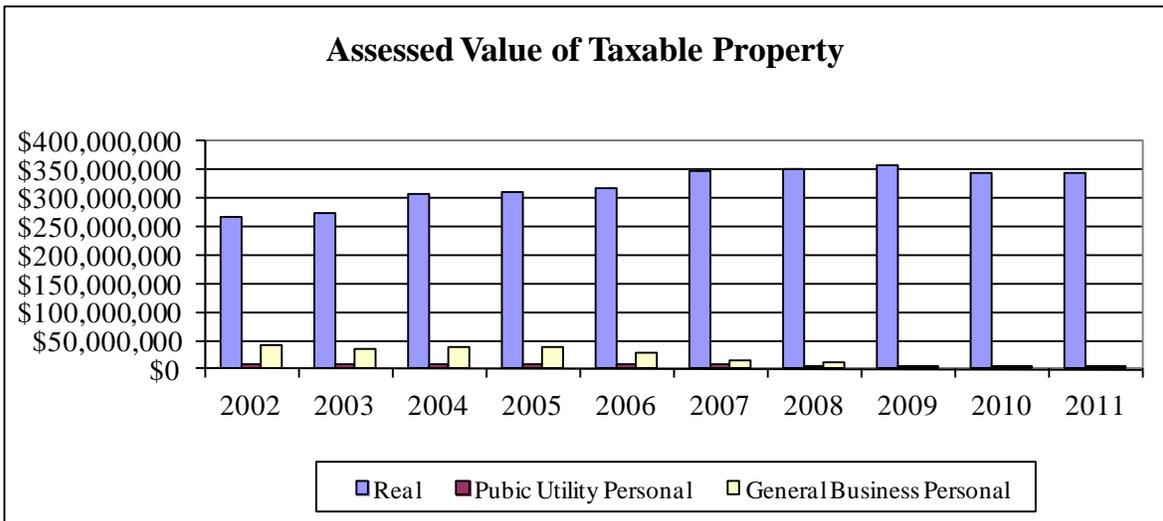
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by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

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

- (1) Other than public utility property
- (2) Real and tangible personal public utility property
- (3) This amount is calculated based on the following percentages:
 - Real property is assessed at 35% of actual value.
 - Public utility is assessed at 88% of actual value - 1996 through 2004.
 - Public utility is assessed at 67% of actual value - 2005 through 2009.
 - Tangible personal is assessed at 25% of true value for capital assets and 23% of true value for inventory.

Table 10

<u>Tangible Personal Property</u>					
<u>General Business</u>		<u>Total</u>			<u>Direct Tax Rate</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	
\$9,830	\$157,280	\$348,564,220	\$989,345,652	35.23%	9.54
549,540	8,792,640	350,120,000	1,001,146,633	34.97	9.54
1,043,340	16,693,440	362,281,790	1,042,872,489	34.97	9.54
10,845,518	173,528,288	367,517,508	1,186,695,325	34.74	9.54
15,448,700	123,589,600	372,293,480	1,132,947,093	30.97	9.54
28,023,818	149,460,363	353,528,798	1,068,418,025	33.09	9.54
37,133,989	148,535,956	358,037,786	1,049,003,717	34.13	9.44
38,007,178	152,028,712	354,797,750	1,040,373,987	34.10	9.44
36,373,796	145,495,184	319,490,754	937,082,495	34.09	9.44
42,935,640	171,742,560	321,253,593	949,930,250	33.82	9.44



City of Kent, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 11

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Tax Levy (1)</u>	<u>Accumulated Outstanding Delinquent Taxes</u>
2011	\$ 3,102,660	\$ 2,991,353	96.41%	\$ 114,216	\$ 3,105,569	100.09%	\$ 267,134
2010	3,110,607	2,971,714	95.53	98,660	3,070,374	98.71	284,989
2009	3,115,522	3,002,879	96.38	94,310	3,097,189	99.41	254,285
2008	3,165,432	3,072,009	97.05	88,462	3,160,471	99.84	228,150
2007	3,214,063	3,125,628	97.25	89,501	3,215,129	100.03	224,317
2006	3,001,119	2,943,312	98.07	87,851	3,031,163	101.00	238,914
2005	3,016,195	2,904,751	96.31	83,750	2,988,501	99.08	221,840
2004	2,990,557	2,908,664	97.26	130,128	3,038,792	101.61	193,334
2003	2,822,825	2,757,875	97.70	77,216	2,835,091	100.43	166,525
2002	2,633,533	2,534,329	96.23	68,297	2,602,626	98.83	159,168

Source: Portage County, Ohio; County Auditor

(1) Total tax collections include penalties and interest collected on delinquent taxes, as well as amounts received for the State of Ohio for the homestead and rollback reduction.

Note: The County Auditor does not provide delinquent taxes by the year they were levied.

City of Kent, Ohio

Principal Taxpayers – Real Estate Tax

2011 and 2002

Table 12

Taxpayer	2011	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Mikey Ryan	\$2,941,120	0.84 %
Draucker, Carl A.	2,623,460	0.75
Silver Meadows Ltd.	2,500,100	0.72
DSMP - Kent LLC	2,365,790	0.68
Whitehall Terrace Investors LLC	2,190,900	0.63
Douglas Partners LLC	2,126,710	0.61
New Indian Valley Ltd.	1,845,940	0.53
Fontaine Trailer Company	1,732,750	0.50
Davey Tree Expert Co	1,693,550	0.49
Inn at Golden Pond Ltd.	1,675,520	0.47
Total	\$21,695,840	6.22 %
Total Assessed Valuation	\$348,564,220	
Taxpayer	2002	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Douglas Partners		
Ohio Bell	\$4,653,280	1.47 %
Gougler Industries, Inc.	4,453,800	1.41 %
Ohio Edison	3,719,120	1.17 %
Silver Meadows Ltd.	3,452,050	1.09 %
W9/GLM Real Estate	2,885,120	0.91 %
Paul P. Tell Sr.	2,758,890	0.87 %
Mickey Ryan LLC *	2,620,800	0.83 %
Kent State Apartments	2,271,150	0.72 %
Klaben Ford, Inc.	2,251,180	0.71 %
Whitehall Associates, Inc.	2,176,020	0.69 %
Total	\$31,241,410	9.87 %
Total Assessed Valuation	\$316,712,780	

Source: Portage County, Ohio; County Treasurer

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

* Formerly AERC Holly Park

City of Kent, Ohio

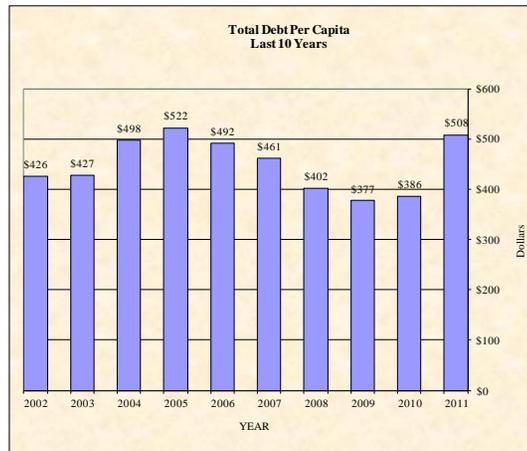
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Table 13

Year	Governmental Activities					Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Loans Payable	Bond Anticipation Notes	General Obligation Bonds	OPWC Loans	Bond Anticipation Notes	OWDA Loans			
2011	\$1,370,000	\$334,000	\$231,053	\$375,123	\$7,715,000	\$0	\$82,108	\$735,000	\$3,833,003	\$14,675,287	2.66%	\$508
2010	1,530,000	361,000	246,026	455,101	3,625,000	0	84,592	\$795,000	4,051,703	11,148,422	2.02	386
2009	1,685,000	386,000	275,973	0	2,965,000	0	89,559	\$855,000	4,262,805	10,519,337	2.51	377
2008	1,830,000	410,000	305,920	0	3,205,000	0	94,526	915,000	4,466,577	11,227,023	2.68	402
2007	1,970,000	458,000	335,867	0	3,445,000	0	96,324	1,910,000	4,657,673	12,872,864	3.07	461
2006	2,105,000	505,000	365,814	0	3,680,000	0	33,733	2,460,000	4,574,265	13,723,812	3.28	492
2005	2,235,000	550,000	395,761	0	3,920,000	0	33,733	3,010,000	4,410,631	14,555,125	3.47	522
2004	2,355,000	589,000	425,708	0	4,170,000	0	0	3,610,000	2,737,725	13,887,433	3.31	498
2003	2,475,000	627,000	455,655	0	4,405,000	0	0	2,910,000	1,041,602	11,914,257	2.84	427
2002	2,590,000	664,000	485,602	0	4,740,000	0	0	3,395,000	0	11,874,602	2.83	426

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



City of Kent, Ohio

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

Table 14

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2011	28,904	b	\$989,345,652	\$1,370,000	0.14 %	\$47.40
2010	28,904	b	1,001,146,633	1,530,000	0.15	52.93
2009	27,906	a	1,042,872,489	1,685,000	0.16	60.38
2008	27,906	a	1,186,695,325	1,830,000	0.15	65.58
2007	27,906	a	1,132,947,093	1,970,000	0.17	70.59
2006	27,906	a	1,068,418,025	2,105,000	0.20	75.43
2005	27,906	a	1,049,003,717	2,235,000	0.21	80.09
2004	27,906	a	1,040,373,987	2,355,000	0.23	84.39
2003	27,906	a	937,082,495	2,475,000	0.26	88.69
2002	27,906	a	949,930,250	2,590,000	0.27	92.81

Sources:

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

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Portage County, Ohio; County Auditor

(3) Includes all general obligation bonded debt with the exception of those general obligation issues that are supported by business-type activities.

City of Kent, Ohio

Pledged Revenue Coverage
Sewer System General Obligation Bonds
Last Ten Years

Table 15

Year	Sewer Operating Revenue and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Percent Coverage
				Principal	Interest	
2011	\$3,604,252	\$3,068,332	\$535,920	\$0	\$0	N/A
2010	3,528,384	2,957,522	570,862	0	0	N/A
2009	3,528,396	2,941,510	586,886	0	0	N/A
2008	3,302,650	2,783,653	518,997	0	0	N/A
2007	3,794,529	2,574,379	1,220,150	0	0	N/A
2006	3,682,389	2,596,987	1,085,402	0	0	N/A
2005	3,626,854	2,669,943	956,911	0	0	N/A
2004	3,577,423	2,708,742	868,681	0	0	N/A
2003	3,535,737	2,654,034	881,703	0	0	N/A
2002	3,773,337	2,529,934	1,243,403	315,000	233,405	2.27

(1) Direct operating expenses do not include depreciation and amortization expense.

Source: City Financial Records

City of Kent, Ohio

*Pledged Revenue Coverage
Special Assessments Bonds
Last Ten Years*

Table 16

<u>Year</u>	<u>Debt Service Assessments</u>	<u>Debt Service</u>		<u>Percent Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2011	\$49,250	\$27,000	\$21,660	1.01
2010	61,756	25,000	23,035	1.29
2009	36,593	24,000	24,355	0.76
2008	78,428	48,000	27,570	1.04
2007	76,950	47,000	30,730	0.99
2006	77,709	45,000	33,780	0.99
2005	80,410	39,000	36,375	1.07
2004	76,056	38,000	38,915	0.99
2003	82,795	37,000	41,390	1.06
2002	79,822	31,000	43,410	1.07

Source: City Financial Records

City of Kent, Ohio

Legal Debt Margin

Last Ten Years

Table 17

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total Assessed Property Value	\$348,564,220	\$350,120,000	\$362,281,790	\$367,517,508	\$372,293,480	\$353,528,798	\$358,037,786	\$354,797,750	\$319,490,754	\$321,253,593
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	36,599,243	36,762,600	38,039,588	38,589,338	39,090,815	37,120,524	37,593,968	37,253,764	33,546,529	33,731,627
Debt Outstanding:										
General Obligation Bonds - Governmental Activities	1,370,000	1,530,000	1,685,000	1,830,000	1,970,000	2,105,000	2,235,000	2,355,000	2,475,000	2,590,000
General Obligation Bonds - Business Type Activities	0	0	0	0	0	0	0	0	0	0
Special Assessment Bonds	334,000	361,000	386,000	410,000	458,000	505,000	550,000	589,000	627,000	664,000
Bond Anticipation Notes - Governmental Activities	7,715,000	3,625,000	2,965,000	3,205,000	3,445,000	3,680,000	3,920,000	4,170,000	4,405,000	4,740,000
Bond Anticipation Notes - Business Type Activities	735,000	795,000	855,000	915,000	1,910,000	2,460,000	3,010,000	3,610,000	2,910,000	3,395,000
Total Gross Indebtedness	10,154,000	6,311,000	5,891,000	6,360,000	7,783,000	8,750,000	9,715,000	10,724,000	10,417,000	11,389,000
Less:										
General Obligation Bonds - Business Type Activities	0	0	0	0	0	0	0	0	0	0
Special Assessment Bonds	(334,000)	(361,000)	(386,000)	(410,000)	(458,000)	(505,000)	(550,000)	(589,000)	(627,000)	(664,000)
Bond Anticipation Notes - Business Type Activities	(735,000)	(795,000)	(855,000)	(915,000)	(1,910,000)	(2,460,000)	(3,010,000)	(3,610,000)	(2,910,000)	(3,395,000)
General Obligation Bond Retirement Fund Balance	(47,709)	(32,145)	(18,424)	(30,186)	(27,328)	(38,108)	(39,179)	(44,130)	(44,847)	(40,116)
Total Net Debt Applicable to Debt Limit	9,037,291	5,122,855	4,631,576	5,004,814	5,387,672	5,746,892	6,115,821	6,480,870	6,835,153	7,289,884
Legal Debt Margin Within 10 ½ % Limitations	\$27,561,952	\$31,639,745	\$33,408,012	\$33,584,524	\$33,703,143	\$31,373,632	\$31,478,147	\$30,772,894	\$26,711,376	\$26,441,743
Legal Debt Margin as a Percentage of the Debt Limit	75.31%	86.07%	87.82%	87.03%	86.22%	84.52%	83.73%	82.60%	79.62%	78.39%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$19,171,032	\$19,256,600	\$19,925,498	\$20,213,463	\$20,476,141	\$19,444,084	\$19,692,078	\$19,513,876	\$17,571,991	\$17,668,948
Total Gross Indebtedness	10,154,000	6,311,000	5,891,000	6,360,000	7,783,000	8,750,000	9,715,000	10,724,000	10,417,000	11,389,000
Less:										
General Obligation Bonds - Business Type Activities	0	0	0	0	0	0	0	0	0	0
Special Assessment Bonds	(334,000)	(361,000)	(386,000)	(410,000)	(458,000)	(505,000)	(550,000)	(589,000)	(627,000)	(664,000)
Bond Anticipation Notes - Business Type Activities	(735,000)	(795,000)	(855,000)	(915,000)	(1,910,000)	(2,460,000)	(3,010,000)	(3,610,000)	(2,910,000)	(3,395,000)
General Obligation Bond Retirement Fund Balance	(47,709)	(32,145)	(18,424)	(30,186)	(27,328)	(38,108)	(39,179)	(44,130)	(44,847)	(40,116)
Net Debt Within 5 ½ % Limitations	9,037,291	5,122,855	4,631,576	5,004,814	5,387,672	5,746,892	6,115,821	6,480,870	6,835,153	7,289,884
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$10,133,741	\$14,133,745	\$15,293,922	\$15,208,649	\$15,088,469	\$13,697,192	\$13,576,257	\$13,033,006	\$10,736,838	\$10,379,064
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	52.86%	73.40%	76.76%	75.24%	73.69%	70.44%	68.94%	66.79%	61.10%	58.74%

Source: City Financial Records

City of Kent, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2011

Table 18

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Kent			
General Obligation Bonds	\$1,370,000	100.00 %	\$1,370,000
Overlapping			
Kent City School District (2)			
General Obligation Bonds	23,444,991	67.54	15,834,747
Portage County (3)			
General Obligation Bonds	15,761,688	9.65	1,521,003
<i>Total Overlapping Debt</i>	<u>39,206,679</u>		<u>17,355,750</u>
Total	<u><u>\$40,576,679</u></u>		<u><u>\$18,725,750</u></u>

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

(2) Source: Kent City Schools Treasurer

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

City of Kent, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 19

Year	Population (1)		Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	School Enrollment (2)	Portage County Unemployment Rate (3)	City of Kent Unemployment Rate (3)
2011	28,904	b	\$552,066,400	\$19,100	\$26,696	3,496	8.3%	7.7%
2010	28,904	b	552,066,400	19,100	26,696	3,314	9.8%	7.9%
2009	27,906	a	419,008,590	15,015	29,582	3,389	9.9%	7.5%
2008	27,906	a	419,008,590	15,015	29,582	3,638	7.8%	5.8%
2007	27,906	a	419,008,590	15,015	29,582	3,382	5.4%	4.5%
2006	27,906	a	419,008,590	15,015	29,582	3,415	5.1%	4.2%
2005	27,906	a	419,008,590	15,015	29,582	3,371	5.6%	4.6%
2004	27,906	a	419,008,590	15,015	29,582	3,427	5.8%	4.6%
2003	27,906	a	419,008,590	15,015	29,582	3,471	5.8%	4.3%
2002	27,906	a	419,008,590	15,015	29,582	3,547	5.4%	6.1%

(1) Source: U. S. Census

(a) 2000 Federal Census

(b) 2010 Federal Census

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

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

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

Note: Total Personal Income, Personal Income Per Capita, and Median Household Income for 2010 were the same as 2009 due to the unavailability of information.

City of Kent, Ohio

Principal Employers

Current and Nine Years Ago

Table 20

2011*		
Employer	Number of W-2's processed	Percentage of Total City W-2's processed
Kent State University	10,453	52.34%
Kent City Schools	895	4.48
Davey Tree Expert Co., Inc.	330	1.65
City of Kent	267	1.34
Land-O-Lakes	196	0.98
OHNH Emp LLC	169	0.85
Smithers-Oasis Company	129	0.65
Klaben Family Ford	96	0.48
Kent Adhesive Product	80	0.40
Don Joseph Inc	74	0.36
Total	<u>12,689</u>	<u>63.53%</u>
Total W-2's Processed	<u>19,972</u>	
2002		
Employer	Number of W-2's processed	Percentage of Total City W-2's processed
Kent State University	10,688	54.64%
Kent City Schools	939	4.80
City of Kent	267	1.37
Davey Tree	218	1.11
Ametek	187	0.96
Klaben Family Ford Inc.	139	0.71
Kent Adhesive Products	139	0.71
Smithers Oasis	143	0.73
Lank O Lakes	151	0.77
Gougler Industries	102	0.52
Total	<u>12,973</u>	<u>66.32%</u>
Total W-2's Processed	<u>19,560</u>	

* As of 2009, RITA cannot rank by w2's, switch to top W/H

N/A - not available

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

City of Kent, Ohio

City Government Employees by Function/Program

Last Ten Years

Table 21

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
City Council										
Councilman	9	9	9	9	9	9	9	9	9	9
Clerk of Council	1	1	1	1	1	1	1	1	1	1
Mayor										
Mayor/President of Council	1	1	1	1	1	1	1	1	1	1
City Manager										
City Manager	1	1	1	1	1	1	1	1	1	1
Executive Secretary to City Manager	1	1	1	1	1	1	1	1	1	1
Human Resources										
Human Resources Manager	1	1	1	1	1	1	1	1	1	1
Civil Service										
Civil Service Commissioner	3	3	3	3	3	3	3	3	3	3
Civil Service Coordinator	1	1	0	0	0	0	0	0	0	0
Administrative Assistant to Civil Service Commission	0	0	1	1	1	1	1	1	1	1
Law										
Director of Law	1	1	1	1	1	1	1	1	1	1
Assistant Law Director/Prosecutor	1	1	1	1	1	1	1	1	1	1
Assistant Law Director	1	1	1	1	1	1	1	1	1	1
Executive Secretary to Dir. Of Law	1	1	1	1	1	1	1	1	1	1
Finance Administration										
Director of Budget & Finance	1	1	1	1	1	1	1	1	1	1
Controller	1	1	1	1	1	1	1	1	1	1
Operations Analyst	1	1	1	1	1	1	1	1	1	1
Senior Account Clerk	1	1	1	1	1	1	1	1	1	1
Account Clerk	5	5	5	4	4	4	4	4	4	4
Administrative Assistant to Director of Budget & Finance	0	0	0	1	1	1	1	1	1	1
Tax Administration										
Income Tax Commissioner	0	0	0	1	1	1	1	1	1	1
Income Tax Auditor	1	1	1	1	1	1	1	1	1	2
Account Clerk	0	0	0	1	1	1	1	1	1	1
Service Administration										
Director of Public Service	1	1	1	1	1	1	1	1	1	1
Administrative Assistant to Director of Public Service	1	1	1	1	1	1	1	1	1	1
Account Clerk	1	1	1	1	1	1	1	1	1	1
Engineering Aide I	1	1	0	0	0	0	0	0	0	0

(Continued)

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 21

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Engineering										
Deputy Service Director/ Superintendent of Engineering	1	1	1	1	1	1	1	1	1	1
Senior Engineer	2	2	2	2	2	2	2	2	2	2
Senior Engineer (Part-time)	1	1	0	0	0	0	0	0	0	0
Design Engineer	0	0	1	1	1	1	1	1	1	1
Asst. Design Engineer (Part-time)	0	0	0	0	0	0	0	0	1	1
Engineering Technician	2	2	2	2	2	2	2	2	2	2
Engineering Aide I	0	0	1	1	1	1	1	1	0	0
Engineering Aide II	1	1	1	1	1	1	1	1	1	1
Co-op Student (Part-time)	0	0	0	0	0	0	0	0	1	1
Security of Persons and Property										
Safety Director										
Safety Director	1	1	1	1	1	1	1	1	1	1
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	2	2	2	2	2	2	2	2	2	2
Lieutenant	5	5	5	5	5	5	5	5	5	5
Technical Sergeant	4	4	4	4	4	4	4	4	4	4
Police Officer	27	27	27	27	27	27	27	27	27	27
Administrative Assistant to Chief	1	1	1	1	1	1	1	1	1	1
Secretary to Police Department	1	1	1	1	1	1	1	1	1	1
Records and Communications										
Coordinator - Dispatchers	3	3	3	3	3	3	3	3	3	3
Clerk-Dispatcher	7	7	7	7	7	7	7	7	7	7
Clerk-Dispatcher (Part-time)	3	3	3	3	3	3	3	3	3	3
Juvenile Services										
Juvenile Counselor	1	1	1	1	1	1	1	1	1	1
Police Officer	3	3	3	3	3	3	3	3	3	3
Support Services										
Compliance Officer	1	1	1	1	1	1	1	1	1	1
Detention Officer	6	6	6	6	6	6	6	6	6	6
Fire										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Fire Captain	3	3	3	3	3	3	3	3	3	3
Fire Lieutenant	3	3	3	3	3	3	3	3	3	3
Firefighter	27	27	27	27	27	27	27	24	24	24
Fireman - Paid on Call	3	3	3	3	3	3	3	3	3	9
Fire Services Specialist	1	1	1	1	1	1	1	1	1	1
Community Services - Fire										
Fire Lieutenant	2	2	2	2	2	2	2	1	1	1
Firefighter	0	0	0	0	0	0	0	1	1	1

(Continued)

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 21

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Central Maintenance										
Central Maintenance Manager	0	0	0	0	0	0	0	0	0	1
Cent. Maint. Mgr./Water Dist. Spec.	1	1	1	1	1	1	1	1	1	0
Assignment Supervisor	0	0	0	0	0	1	1	1	1	1
Chief Operator	3	3	3	3	3	0	0	0	0	0
Repair Operator	3	3	3	3	3	6	6	6	6	6
Service Technician/Gardener	1	1	1	1	1	1	1	1	0	0
Service Worker	11	11	11	11	11	11	11	11	12	12
Carpenter	1	1	1	1	1	1	1	1	1	1
Arborist Supervisor	1	1	1	1	1	1	1	0	0	1
Arborist	0	0	0	0	0	0	0	1	1	1
Account Clerk	1	1	1	1	1	0	0	0	0	0
Vehicle Maintenance										
Master Mechanic	1	1	1	1	1	1	1	1	1	1
Mechanic	3	3	3	3	3	3	3	3	3	3
Basic Utility Services										
Water Treatment Plant										
Supervisor - Water Plant	1	1	1	1	1	1	1	1	1	1
Water Laboratory Technician	1	1	1	1	1	1	1	1	1	1
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Water Plant Chief Operator	1	1	1	1	1	1	1	1	1	1
Water Plant Operator	5	5	5	5	5	5	5	5	5	5
Laborer (General Maintenance)	1	1	1	1	1	1	1	1	1	1
Wastewater Treatment Plant										
Supervisor - Wastewater Plant	1	1	1	1	1	1	1	1	1	1
Plant Mechanic	1	1	1	1	1	1	1	1	1	1
Wastewater Plant Operator	7	7	7	7	7	7	8	8	8	8
Chief Operator	1	1	1	1	1	1	1	1	1	1
Public Health Services										
Health										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy Health Commissioner	1	1	1	1	1	1	1	1	1	1
Public Health Sanitarian	2	2	2	2	2	2	2	2	2	2
Administrative Assistant to										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Laboratory Technician	2	2	2	2	2	2	2	2	2	2
Chemist	1	1	1	1	1	1	1	1	1	1
Secretary (Part-time)	1	1	1	1	1	1	1	1	1	1

(Continued)

City of Kent, Ohio

City Government Employees by Function/Program (continued)

Last Ten Years

Table 21

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Leisure Time Activities										
Parks and Recreation										
Director - Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Recreation	1	1	1	1	1	1	1	1	1	1
Supervisor - Parks	1	1	1	1	1	1	1	1	1	1
Clerk-Typist I	0	0	0	0	0	0	0	0	1	1
Account Clerk	1	1	1	1	1	1	1	1	0	0
Parks Maintenance Laborer	2	2	2	2	2	2	2	2	2	2
Senior Parks Crew Leader	1	1	1	1	1	1	1	1	1	1
Part-time and Seasonal	35	34	34	34	34	51	40	35	35	35
KABC Coordinator	1	1	1	1	1	1	0	0	0	0
K-6 Child Care (Full-Time)	1	1	1	0	0	0	0	0	0	0
K-6 Child Care (Part-Time)	16	16	16	17	17	0	0	0	0	0
Community Development										
Community Development										
Director of Community Development	1	1	1	1	1	1	1	1	1	1
Administrative Assistant to Director of Community Development	1	1	1	1	1	1	1	1	1	1
Grants & Neighborhood Programs Cord	1	1	1	0	0	0	0	0	0	0
Plans Administrator	0	0	0	1	1	1	1	1	1	1
Development Planner	1	1	1	1	1	1	1	1	1	1
Economic Development Coordinator	0	0	0	1	1	1	1	1	1	1
Development Engineer	1	1	1	1	1	1	1	1	1	1
Code Enforcement Officer (Part-time)	0	0	0	0	0	0	1	0	0	0
Substainability Planner (Part-time)	0	0	0	0	0	1	1	1	1	1
Building										
Building Services Supervisor	1	1	1	1	1	1	1	1	1	1
Specialized Inspectors (Part-time)	5	5	5	5	5	5	5	5	5	5
Code Enforcement Officer (Part-time)	0	0	0	1	1	1	0	0	0	0
Code Enforcement Officer (Full-time)	1	1	1	0	0	0	0	0	0	0
Account Clerk	1	1	1	1	1	1	1	1	1	1
Main Street Program										
Coordinator	1	1	1	1	1	0	0	0	0	0
Economic Development										
Economic Development Director	1	1	1	0	0	0	0	0	0	0
Totals All Departments	<u>279</u>	<u>278</u>	<u>278</u>	<u>280</u>	<u>280</u>	<u>280</u>	<u>269</u>	<u>260</u>	<u>261</u>	<u>269</u>
Full-Time	193	193	193	194	194	193	194	192	191	193
Part-Time	86	85	85	86	86	87	75	68	70	76

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

City of Kent, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 22

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Number of Buildings	1.5	1.5	1.5	2	2	2	2	2	2	2
Administrative Vehicles	4	4	4	6	6	3	3	3	3	3
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	25	25	26	28	25	29	29	30	29	29
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	13	13	15	14	14	13	13	13	10	9
Recreation										
Number of Buildings	9	8	7	6	6	6	6	6	6	6
Number of Parks	23	23	23	21	21	21	21	21	21	21
Park Acreage	354	354	354	354	354	344	344	344	344	344
Number of Baseball Diamonds	6	6	6	6	6	6	6	6	6	6
Number of Soccer Fields	15	15	10	8	8	8	8	8	8	8
Vehicles	11	11	10	10	10	13	11	11	11	13
Transportation										
Number of Buildings	3.75	3.75	3.75	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Salt Dome	1	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	90.00	90.00	89.90	89.90	89.90	89.90	88.50	87.10	85.90	85.20
Service Vehicles	55	55	55	29	27	30	27	26	26	26
Public Health and Welfare										
Number of Buildings	0.50	0.50	0.50	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Service Vehicles	5	5	6	4	3	3	3	3	3	3
Community Development										
Number of Buildings	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Service Vehicles	2	2	2	2	2	1	1	1	1	1
Water										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Water Lines (Linear Feet)	374,437	374,437	368,220	368,110	364,280	362,700	353,500	341,100	330,600	326,800
Vehicles	6	6	6	6	9	17	16	15	14	15
Sewer										
Treatment Plant	1	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Linear Feet)	334,132	334,132	332,090	332,090	332,090	330,600	330,600	322,500	320,000	314,600
Vehicles	5	5	5	5	9	12	12	12	12	11
Storm Water Drainage										
Storm Sewers (Linear Feet)	383,918	383,918	382,330	376,460	376,460	370,000	370,000	363,100	362,900	357,200

Source: City of Kent capital asset records

City of Kent, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 23

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
City Council and Clerk of Council										
Number of Ordinances/Resolutions Passed	127	119	139	222	121	145	154	161	191	133
Number of Passports Accepted (Began November 2002)	373	443	420	554	872	737	677	687	324	15
Civil Service										
City of Kent:										
Entry Level Examinations	3	7	9	4	4	5	5	6	8	6
Promotional Examinations	2	1	3	1	0	2	2	0	4	1
Kent City School District:										
Entry Level Examinations	2	1	1	3	2	3	5	1	5	4
Promotional Examinations	0	1	0	2	1	0	0	0	0	5
Budget and Finance Department										
Number of checks/vouchers issued	5,651	5,595	5,756	6,162	5,958	6,207	6,529	7,185	6,970	6,889
Number of W-2's issued	267	269	275	271	284	285	281	273	276	267
Budget and Finance Department - Income Tax										
Transaction Totals:										
Individual Returns	6,697	7,446	15,517	15,693	14,221	15,461	16,010	15,708	16,262	17,559
Business (Net Profit) Returns	1,471	1,523	2,794	4,354	4,210	4,326	4,436	4,293	4,149	3,756
Withholding Accounts	9,735	9,461	11,061	11,211	11,068	11,257	11,079	10,613	10,428	10,496
Total Transactions	17,903	18,430	29,372	31,258	29,499	31,044	31,525	30,614	30,839	31,811
Budget and Finance Department - Utility Billing										
Number of Bills Mailed	92,400	94,302	77,251	77,226	77,865	71,968	71,119	70,294	69,159	69,595
Numer of Delinquent Notices Sent	0 *	10,716	10,136	8,424	8,270	7,774	7,667	7,270	7,258	7,488
* as of 2011 no longer sent out										
Building Department Indicators										
Construction Permits Issued	229	155	196	234	228	220	205	200	209	156
Estimated Value of Construction	\$57,678,055	\$5,207,307	\$3,151,776	\$13,533,428	\$13,638,361	\$12,175,029	\$30,845,822	\$19,578,587	\$12,592,526	\$18,976,664
Number of permits issued	848	614	770	883	876	884	919	983	896	660
Amount of Revenue generated from permits	\$1,016,442	\$160,411	\$183,823	\$336,066	\$302,931	\$363,161	\$563,819	\$490,748	\$349,026	\$311,141
Number of contract registrations issued	190	208	254	193	238	244	264	290	383	235
Revenue generated from above 1,2,3	\$6,263	\$6,712	\$6,812	\$5,538	\$7,425	\$7,750	\$8,550	\$9,375	\$8,988	\$10,413
Number of Planning Commission Docket Items	25	27	13	15	23	29	27	23	23	35
Zoning Board of Appeals Docket Items	29	21	20	20	26	29	31	36	29	46

(Continued)

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 23

		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public Services Department - Engineering											
	Unit										
Total Number of Projects	EA	27	30	24	N/A	18	31	18	32	41	30
Total Dollars All Projects	\$	\$922,406	\$9,295,845	\$4,654,978	\$2,828,069	\$1,266,956	\$2,858,642	\$5,125,125	\$7,785,585	\$2,846,202	\$1,924,864
Total Professional Services Support	\$	\$1,737,999	\$2,165,201	\$1,291,834	\$1,266,667	\$374,225	\$794,863	\$826,852	\$735,051	\$2,025,029	\$550,963
Total Division Operating	\$	\$30,798	\$26,538	\$40,040	\$37,972	\$16,461	\$33,044	\$23,308	\$28,881	\$81,795	\$30,555
Public Services Department - Central Maintenance											
	Unit										
Street Repair (Curbs, aprons, berms, asphalt)	Hr.s	3,338	3,983	4,028	2,351	2,983	2,198	2,216	2,240	1,746	2,336
Paint Striping	Hr.s	808	1,121	871	853	858	860	1,199	813	1,108	1,187
Street Sweeper	Hr.s	993	1,148	1,132	1,128	1,059	1,145	955	817	1,120	1,342
Cold Patch	Hr.s	1,339	1,179	1,380	1,070	333	804	1,775	1,263	1,393	977
Snow & Ice Removal regular	Hr.s	1,588	5,758	2,375	1,426	1,617	667	1,014	1,062	1,455	992
Snow & Ice Removal overtime	Hr.s	1,501	2,665	2,028	3,052	2,276	611	2,103	2,380	3,084	1,829
Sewer and Sanitary calls for service	Ea	55	57	44	43	35	36	38	52	49	18
After hours Sewer Calls	Hr.s	74	62	65	67	13	9	4	2	13	3
Sewer Crew	Hr.s	1,809	2,012	2,089	2,737	1,432	829	843	964	1,260	1,106
Sewer jet, Vac-all, other services	Hr.s	1,808	2,012	2,089	2,737	1,432	829	843	964	1,260	1,106
Water Distribution Maintenance	Hr.s	5,624	8,124	7,981	7,234	4,955	3,989	4,661	4,868	5,013	5,663
Number of Water Breaks	Ea	12	44	32	37	33	29	29	19	25	18
Water Meter Reading	Hr.s	953	1,309	1,573	1,443	1,262	1,187	1,032	814	761	459
Landscaping, Tree Maint.(Stump-Chipper service)	Hr.s	3,972	4,193	5,753	5,246	2,586	3,894	4,448	5,854	4,432	5,761
Leaf collection	Hr.s	2,864	2,800	1,590	4,089	4,616	4,474	4,210	4,135	5,206	5,022
Holiday lights setup	Hr.s	48	56	48	96	77	110	224	397	320	312
Downtown Square events	Hr.s	585	576	532	430	246	257	253	287	269	343
Equipment repair	Hr.s	7,661	8,448	8,436	7,291	7,539	6,921	7,736	8,180	7,465	8,082
Sign department	Hr.s	1,110	1,054	1,077	1,108	1,217	1,787	1,685	1,465	1,608	2,105
Number of Trees Planted per year	Ea	244	N/A	191	123	99	186	71	95	193	90
Gallons of Caclium Chloride used (Year Jan-Dec)	Gal.s	5,525	8,512	7,140	9,440	5,300	900	600	15,538	13,836	1,350
Cost of Calcium Chloride Purchased	\$/Gal.	\$0.550	\$0.970	\$0.960	\$0.959	\$0.479	\$0.595	\$0.545	\$0.545	\$0.470	\$0.359
Tons of snow melting salt used (Year Jan-Dec)	Tons	3,196	3,687	4,188	8,723	5,048	1,860	4,416	4,678	6,216	4,131
Cost of salt purchased	\$/Ton	\$43.20	\$43.00	\$43.20	\$43.20	\$37.04	\$35.52	\$34.88	\$34.88	\$32.83	\$35.62
Public Services Department - Water Reclamation											
Wastewater rates (per 1st 300 cu. ft.)	\$	\$11.57	\$11.57	\$11.22	\$11.22	\$11.22	\$11.01	\$10.68	\$10.68	\$10.68	\$10.38
Total yearly flow	MG	832	756	989	923	854	920	1,029	1,029	1,014	920
Average daily flow	MGD	2.28	2.00	2.00	2.53	2.34	2.51	2.70	2.82	2.78	2.51
Sludge removed (dry tons)	\$/Ton	351	359	329	342	340	336	431	572	559	392
Treatment chemical cost	\$	\$56,750	\$64,699	\$66,548	\$53,000	\$52,000	\$62,500	\$54,200	\$44,000	\$52,100	\$46,000
Treatment electrical cost	\$	\$167,112	\$161,314	\$190,931	\$183,859	\$170,420	\$163,000	\$164,000	\$164,000	\$164,000	\$145,000

(Continued)

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 23

		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public Services Department - Water Treatment Plant											
	Unit										
Raw Water from wells	MG	988.01	1,000.70	932.00	932.00	1,001.53	1,015.49	1,058.77	1,053.20	1,100.84	1,133.21
Annual pumpage - finished water	MG	885.43	918.34	929.00	929.00	993.85	1,005.44	1,042.66	1,014.52	1,009.43	1,021.65
Lime	\$/Ton	\$138	\$124	\$124	\$124	\$124	\$113	\$101	\$84	\$70	\$67
Soda ash	\$/Ton	\$359	\$359	\$281	\$281	\$270	\$258	\$193	\$160	\$154	\$155
Chlorine	\$/Ton	\$510	\$510	\$510	\$510	\$450	\$540	\$540	\$426	\$420	\$380
Hydrofluosilicic acid	\$/Ton	\$702	\$720	\$484	\$484	\$340	\$309	\$236	\$246	\$252	\$254
Carbon dioxide	\$/Ton	\$150	\$150	\$176	\$176	\$176	\$86	\$86	\$86	\$86	\$86
Electric (wells, plant, booster stations, tanks)	Ttl. \$	\$158,764	\$178,180	\$178,266	\$178,266	\$163,208	\$135,023	\$161,554	\$144,777	\$129,536	\$131,481
Lime sludge production plant	CY	2,065.70	1,982.50	1,986.40	1,986.40	1,977.30	1,606.80	1,566.50	1,937.00	1,972.10	2,345.20
Lime sludge removed from plant and lagoons	CY	3,825.00	3,760.30	1,986.70	1,986.70	3,346.50	5,473.80	4,763.90	4,567.40	3,684.00	4,245.40
Lime	tons	716.17	733.08	639.90	639.90	700.70	751.10	772.53	808.77	812.10	800.22
Soda Ash	tons	295.49	291.45	288.80	288.80	284.70	268.96	321.14	290.55	189.02	190.97
Chlorine	tons	11.46	11.88	12.31	12.31	12.34	11.35	12.50	12.36	11.47	11.92
Carbon Dioxide	tons	41.69	41.40	38.34	38.34	38.71	36.72	43.89	50.09	49.63	42.85
Hydrofluosilicic acid	tons	16.27	17.14	16.06	16.06	17.15	18.00	19.96	18.72	18.44	18.68
Rainfall	inches	44.14	30.79	36.38	36.38	49.51	47.88	42.52	47.81	51.53	33.34
Police											
Total Calls for Services		19,470	20,669	21,765	21,674	19,937	19,491	21,284	25,041	25,010	22,661
Number of traffic citations issued		2,841	3,247	3,554	3,669	3,380	3,071	3,817	4,878	4,470	4,687
Number of parking citations issued		2,468	2,915	3,834	3,389	2,662	3,042	3,158	4,281	4,425	4,023
Number of criminal arrests		2,066	2,110	2,440	2,615	2,376	2,354	1,977	2,285	2,366	2,446
Number of accident reports completed		856	839	818	797	840	885	949	1,071	1,002	1,058
Part I Offenses (major offenses)		926	885	911	975	1,035	1,142	1,180	1,115	1,208	1,332
Animal Warden service calls		389	492	470	551	511	319	495	552	679	529
DUI arrests		237	214	302	306	253	364	341	436	293	307
Motor Vehicle Accidents		856	839	818	797	840	885	949	1,071	1,002	1,058
Property Damage Accidents		540	526	512	441	500	506	539	604	585	611
Fatalities from Motor Vehicle Accidents		0	0	0	0	0	3	1	3	0	1
Community Diversion Program Youths		48	55	70	70	75	80	85	87	52	62
Fire											
Fire Losses:											
City of Kent		\$111,800	\$183,850	\$1,048,500	\$467,350	\$292,500	\$444,600	\$991,885	\$186,500	\$420,000	\$217,075
Kent State University		\$150,000	\$0	\$150,000	\$200,500	\$0	\$6,000	\$871,000	\$0	\$0	\$50
Franklin Township		\$8,900	\$119,000	\$8,900	\$645,720	\$167,500	\$451,600	\$42,075	\$541,670	\$1,000,500	\$344,000
Other		\$0	\$0	\$0	\$27,500	\$0	\$0	\$0	\$0	\$0	\$0
Total Fire Losses		\$270,700	\$302,850	\$1,207,400	\$1,341,070	\$460,000	\$902,200	\$1,904,960	\$728,170	\$1,420,500	\$561,125

(Continued)

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 23

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Fire - continued										
Fire Calls:										
City of Kent	521	571	602	764	541	555	624	635	628	600
Kent State University	240	196	212	246	219	213	209	267	211	171
Franklin Township	138	140	118	154	142	135	143	164	142	137
Other	49	46	3	2	70	44	48	68	49	46
Total Fire Calls	948	953	935	1,166	972	947	1,024	1,134	1,030	954
Emergency Medical Services Calls:										
City of Kent	2,373	2,395	2,421	2,374	2,110	2,059	1,960	1,940	1,938	1,834
Kent State University	378	335	347	292	308	264	284	315	244	152
Franklin Township	368	351	341	411	400	339	372	356	334	291
Other	40	48	8	5	38	14	50	72	86	131
Total Emergency Medical Services Calls	3,159	3,129	3,117	3,082	2,856	2,676	2,666	2,683	2,602	2,408
Total Calls for Service (Fire & EMS)	4,095	4,082	4,052	4,248	3,828	3,623	3,690	3,817	3,632	3,362
Community Development										
Grants received due to Community Development Dept.	\$515,952	\$478,841	\$383,118	\$298,370	\$310,449	\$510,537	\$902,271	\$366,000	\$934,000	\$438,000
Grants received for other Departments	\$224,289	N/A								
Health Department										
Health Inspections:										
Food Service Operations	1,068	1,041	1,072	1,018	939	851	913	1,534	1,436	1,373
Housing	1,633	1,622	1,824	1,668	1,385	1,419	1,500	1,554	1,570	1,712
Swimming Pools	129	144	134	111	84	94	114	147	138	166
Nuisances	510	545	514	671	390	466	357	610	548	493
All Other	182	171	129	138	110	148	186	254	208	187
Total Inspections	3,522	3,523	3,673	3,606	2,908	2,978	3,070	4,099	3,900	3,931
Permits & Licenses Issued:										
Food Establishment Licenses	220	183	199	215	209	216	207	236	217	220
Housing Licenses	523	538	548	550	552	552	605	552	534	548
All Other Licenses	65	63	56	61	65	114	13	80	58	55
Total Permits & Licenses	808	784	803	826	826	882	825	868	809	823
Child Immunizations	114	80	123	195	112	89	75	106	172	81
Birth and Death Certificates Issued (Original & Copies)	3,593	3,034	2,982	3,047	3,080	3,048	3,219	3,220	3,060	N/A

(Continued)

City of Kent, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 23

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Recreation										
Program Revenue:										
Adult Leagues and Programs	\$36,846	\$35,475	\$28,723	\$28,025	\$32,151	\$39,747	\$38,192	\$36,989	\$37,252	\$35,569
Youth Leagues and Programs	77,707	93,878	84,106	70,853	77,612	77,267	76,989	57,069	40,051	23,486
Camps and Lessons	59,413	56,792	58,725	50,526	48,537	74,042	51,863	62,886	50,733	46,586
Preschool Programs	23,331	28,069	24,369	26,916	23,916	19,825	17,061	18,239	13,998	15,340
KABC Leagues	22,594	26,381	22,289	20,898	31,101	31,894	34,447	36,721	35,114	33,795
Special Events/Other	18,460	58,652	57,436	55,812	49,709	13,733	17,274	15,512	13,315	20,840
Non-Resident Fees	13,329	12,401	13,371	13,295	13,464	10,144	10,140	9,715	9,573	11,124
After School and Summer Programs	192,698	201,467	209,426	227,023	210,688	147,148	129,559	82,202	26,518	0
Total Program Revenue	\$444,378	\$513,115	\$498,445	\$493,348	\$487,178	\$413,800	\$375,525	\$319,333	\$226,554	\$186,740
Number of Participants:										
KABC (5-18 years old)	430	446	480	490	503	517	520	new program	new program	new program
Fall Soccer (4-12 years old)	360	410	368	364	353	388	320	325	350	300
Spring Soccer (4-12 years old)	453	424	431	399	484	426	455	545	422	350
School Age Child Care (6-12 years old)	93	110	110	120	120	110	70	50	40	N/A
Flag Football (6-12 years old)	118	94	85	96	91	81	85	85	80	40
Basketball	358	412	397	399	330	332	334	350	360	300
Lacrosse	80	85	70	60	62	52	59	50	new program	new program
Volleyball	37	37	45	51	42	46	N/A	N/A	N/A	N/A
Wrestling	16	15	34	31	30	30	N/A	N/A	N/A	N/A
Karate	133	120	24	25	30	30	N/A	N/A	N/A	N/A
Sports Camps	403	480	453	248	384	353	N/A	N/A	N/A	N/A
Preschool Kinderbound	21	22	21	21	21	18	N/A	N/A	N/A	N/A
Preschool Tiny Tots	20	18	18	13	15	15	N/A	N/A	N/A	N/A
Summer Day Camps - All	254	243	228	232	1,230	1,140	N/A	N/A	N/A	N/A
Ice Hockey	0	0	23	29	N/A	N/A	N/A	N/A	N/A	N/A
USTA	20	23	51	N/A						
Theater	54	63	58	46	N/A	N/A	N/A	N/A	N/A	N/A
Cheer	44	56	27	35	N/A	N/A	N/A	N/A	N/A	N/A
Adult Tennis	23	18	22	32	N/A	N/A	N/A	N/A	N/A	N/A
Adult Softball Teams	69	51	52	46	N/A	N/A	N/A	N/A	N/A	N/A
Adult Men's Basketball	95	111	N/A							
Black Squirrel Triathlon	273	197	N/A							
Art in the Park Artists	108	96	N/A							
Kids Nite Out	167	148	N/A							
Turkey Trot	385	242	N/A							

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





Dave Yost • Auditor of State

CITY OF KENT

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 26, 2012