

Mary Taylor, CPA
Auditor of State

CITY OF ALLIANCE
STARK COUNTY

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Mary Taylor, CPA

Auditor of State

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

City of Alliance
Stark County
504 East Main Street
Alliance, Ohio 44601

To the City Council:

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 Alliance, Stark County, Ohio, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 11, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City'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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 11, 2010.

We intend this report solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 11, 2010



Mary Taylor, CPA

Auditor of State

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

City of Alliance
Stark County
504 East Main Street
Alliance, Ohio 44601

To the City Council:

Compliance

We have audited the compliance of City of Alliance, Stark County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2009. The summary of auditor's results section of the accompanying Schedule of Findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City'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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Alliance complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The City's management 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's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be 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.

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 11, 2010.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 11, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Federal Awards Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 11, 2010

CITY OF ALLIANCE
STARK COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
Community Development Block Grants/Entitlement Grants	N/A	14.218	\$ 703,714
Community Development Block Grant Revolving Loan Program	N/A	14.218	33,351
ARRA - Community Development Block Grant Entitlement Grants	N/A	14.253	<u>177,917</u>
<i>Total Community Development Block Grant</i>			914,982
<i>Passed through the Ohio Department of Development</i>			
ARRA - Neighborhood Stabilization Program	1311334820	14.256	<u>10,665</u>
Total U.S. Department of Housing and Urban Development			<u>925,647</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Area Agency on Aging</i>			
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	10B	93.044	4,834
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Health and the City of Canton Health Department</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	N/A	10.557	142,612
<u>U.S. DEPARTMENT OF TRANSPORTATION - FEDERAL HIGHWAY ADMINISTRATION</u>			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	N/A	20.205	17,210
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct</i>			
Bulletproof Vest Partnership Program	N/A	16.607	1,400
<i>Passed through Stark County</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program, Grants to Units of Local Government	N/A	16.804	<u>37,403</u>
Total U.S. Department of Justice			<u>38,803</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct</i>			
Assistance to Firefighters Grant	N/A	97.044	<u>41,297</u>
Total			<u>\$ 1,170,403</u>

The accompanying notes are an integral part of this schedule.

**CITY OF ALLIANCE
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Alliance's (the City's) federal award program expenditures. The Schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of Development. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2009 is as follows:

Beginning loans receivable balance as of January 1, 2009	\$38,759
Loans made	2,617
Loan principal repaid	5,506
Ending loans receivable balance as of December 31, 2009	\$35,870
Cash balance on hand in the revolving loan fund as of December 31, 2009	\$125,376
Administrative costs expended during 2009	0

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2009, the City estimates \$0 to be uncollectable.

NOTE D - MATCHING REQUIREMENTS

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

**CITY OF ALLIANCE
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grants – CFDA #14.218 and #14.253
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

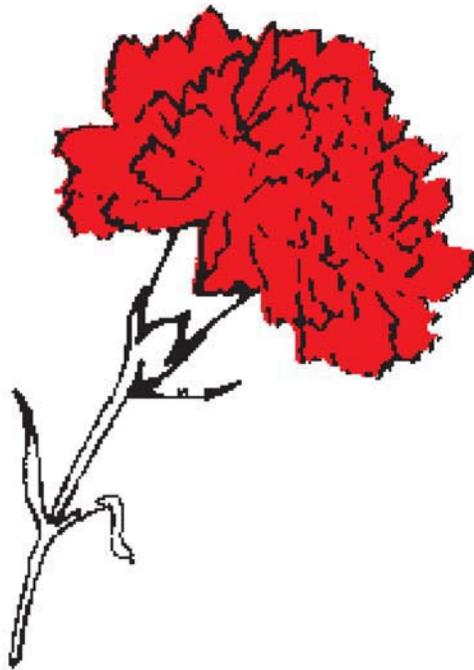
None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

City of Alliance, Ohio

“The Carnation City”



Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

KEVIN KNOWLES
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

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INTRODUCTORY SECTION

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CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

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The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



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June 11, 2010

Honorable Citizens of Alliance
and Members of City Council
Alliance, Ohio 44601

Transmittal Letter

The Comprehensive Annual Financial Report (CAFR) of the City of Alliance, Ohio (the "City") is hereby presented. This CAFR represents the official report of the City of Alliance's operations and financial position for the year ended December 31, 2009, and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Alliance's MD&A can be found immediately following the Independent Accountants' Report.

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*". In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Alliance (the primary government) and its potential component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Alliance, this includes the departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services. The City has no component units for 2009.

The City of Alliance

The City of Alliance is located primarily in the northeastern portion of Stark County, with a small area in the southwestern portion of Mahoning County, in Northeastern Ohio on the headwaters of the Mahoning River. The City is approximately 18 miles northeast of Canton, the Stark County seat, approximately 55 miles southeast of Cleveland and approximately 79 miles northwest of Pittsburgh, Pennsylvania. It was incorporated as a village in 1854, and became a city in 1889.

The City is in the Canton Metropolitan Statistical Area (MSA) comprised of the Ohio counties of Carroll and Stark and being the 101st largest of 280 MSA's in the United States (based on the 2000 census). The City's population of 23,253 placed it as the third largest City in the County. The City's area is 7.952 square miles, of which approximately 7.875 square miles are located in Stark County and .077 square miles are located in Mahoning County.

The City is served by diversified transportation facilities, including five State and U.S. highways, which provide easy access to Interstate Highways 76, 77, and 80 (the Ohio Turnpike). It is adjacent to areas served by Norfolk-Southern Corp., and Amtrak, which provides freight and passenger rail services through a station located in the City. Passenger air service is available at the Akron-Canton Regional Airport located 25 miles west of the City, the Youngstown Municipal Airport located 35 miles northeast of the City and Cleveland Hopkins International Airport located 55 miles northwest of the City.

Public Transportation is provided by Stark Area Regional Transit Authority (SARTA) which offers fixed route and curb service within and between the cities of Stark County.

The City is provided with banking and financial services by six commercial banks and banking associations operating a total of eight offices within the City (each with principal offices located elsewhere) and five credit unions.

Two daily newspapers serve the City. The City is within the broadcast area of numerous television stations and AM and FM radio stations. Time Warner Cable provides multi-channel cable TV service.

Mt. Union College, a private four-year college with a total enrollment of approximately 2,400 students is located in the City. In 2005, Stark State College of Technology opened a branch location in the City. In addition, within commuting distance are several public and private two-year and four-year colleges and universities, including the University of Akron, Kent State University, Northeastern Ohio College of Medicine located in Rootstown Township, Portage County, Walsh University located in Plain Township, Stark County, Malone College located in the City of Canton, and Stark State College of Technology located in Jackson Township, Stark County.

The City is served by Alliance Community Hospital (ACH), a 204 bed facility non-profit hospital founded in 1901. Another 78 nursing home/transitional care beds are found in the attached, long-term care facility, Community Care Center. ACH is fully accredited by the Joint Commission on Accreditation of Health care Organizations (JCAHO) and offers a quality medical staff of more than 150 active and covering physicians.

Various recreational and cultural facilities are immediately available to City residents. The City operates a park system of 13 parks and parklands encompassing 190 acres with facilities that include tennis courts, baseball diamonds and basketball and volleyball courts and soccer fields.

In 2005, recreational opportunities increased for the Alliance area residents when Alliance City Council approved legislation which transformed the long time Robertson Youth Center into a City owned and operated facility for the whole family. The City established an enterprise fund for the Robertson Community Center.

In addition, 2,700 acres of recreational areas including lakes, reservoirs, trails and parks are located in the surrounding areas. "Carnation Days", an annual festival, is celebrated throughout the City for ten days each August. Activities include a festival pageant, a parade, concessions and games, musical events, and arts and crafts.

A Senior Citizens Center is located in the City. It offers a multitude of services and social activities for people over sixty and retirees of the community.

The City is also home to the "Carnation City Players" that produces and presents theatrical productions in the Firehouse Theater several times each season.

Water service within the City is provided by the City's water system and is purchased directly by consumers. Sewage collection and disposal is handled by the City's sewage system. Through the City's electric aggregation, First Energy (formerly the Ohio Edison Company) provides electricity and through the City's gas aggregation, natural gas is provided by Columbia Gas of Ohio, Inc. The local provider of telephone service is AT&T.

City Government

The City operates under and is governed by the mayor-council form of government in accordance with general laws. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws.

Legislative authority is vested in a seven-member Council, of whom three are elected at-large and four are elected from wards, for two-year terms. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President, who is elected by the voters for a two-year term.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The other elected officials are the City Auditor, the City Treasurer, and the City Director of Law, each elected to a four-year term, and the Clerk of Courts and Judge, each elected to a six-year term.

The Mayor appoints the directors of City departments. The major appointed official is the Director of Public Service and Safety. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees and the City Income Tax Administrator who is appointed by the City Auditor. The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

Financial Matters

The City's fiscal year corresponds with the calendar year. The main sources of City revenue have been from property and income taxes, charges for services, and State distributions. The responsibilities for the major functions of the City are divided among the Mayor, the City Auditor and the Council.

The City Auditor is the City's fiscal and chief accounting officer. Among his duties are to keep the books and accurate statements of all moneys received and expended and of all taxes and assessments; at the end of each fiscal year, or more often if requested by the Council, to examine all accounts of City officers and departments; and not to allow the amount set aside for any other purpose, or the amount appropriated for any one item to be drawn upon for any other purpose, or a voucher to be paid unless sufficient funds are in the City treasury to the credit of the fund on which the voucher is drawn. The City Treasurer is responsible for receiving, maintaining custody of and disbursing all City funds.

Investments and deposits of City funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all subdivisions. An investment board, comprised of the Mayor, the City Auditor, the Law Director, the Treasurer and a member of the business community, is responsible for those investments and deposits. Under recent and current practices, investments are made primarily in money market mutual funds, a repurchase agreement and Star Ohio (State Treasury Asset Reserve of Ohio), an investment pool for all Ohio political subdivisions, under the custody and management of the Treasurer of the State of Ohio.

Other important financial functions include general financial recommendations and planning by the Mayor; budget preparation by the Mayor with assistance of the City Auditor; and express approval of appropriations by the Council. For property taxation purposes, assessment of real property is by the Stark and Mahoning County Auditors subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials in Stark and Mahoning Counties.

Financial Outlook

The City's economy continues to show the effects of the prior years economic slowdown. The unemployment rate is higher than the State of Ohio and the United States. See the discussion in the MD&A relating to the economic factors affecting the City.

Long-Term Financial Planning

See the discussion in the MD&A for details relating to the City's long-term financial planning.

Financial Information

The City's accounting system is organized on a "fund basis" in which each fund is a distinct self balancing accounting entity. The City's day-to-day accounting and budgetary records are maintained on a basis other than GAAP. For financial reporting purposes, the accounting records are converted to the modified and full accrual basis for all applicable funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when measurable and incurred. The basis of accounting and presentation of the various funds utilized by the City are fully described in Note 2 of the basic financial statements.

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance; all are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department and fund. Any budgetary modifications at this level may only be made by resolution of the City Council.

The City's fully automated financial system also maintains budgetary control through its purchase order/encumbrance feature. The purchase order, required before making purchases, creates the encumbrance against the current budget. Purchase orders which result in an overrun of budget are not released until additional appropriations are made available through Council ordinance. This procedure is followed when money is available to allow an increase in appropriations. If no money is available, the purchase is canceled.

The City Auditor continually monitors the encumbrances and expenditures against the budget appropriations and against the County Auditor's certificate of estimated resources. Using the budget prepared by the City the preceding July and including the carry over balances less carry over encumbrances at year end, the County Auditor arrives at and issues the certificate of estimated resources for the City. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's Certificate.

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, the City utilizes a computerized financial accounting and reporting system. Enhancements to the present internal accounting controls and procedures are continually evaluated by the City Auditor. The City Auditor oversees the appropriateness of internal control, develops procedures to enhance internal control and consults with outside auditors to insure that the City remains at a sound financial level of operation.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss resulting from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed using the concept of reasonable assurance. This concept recognizes that the cost of a control should not exceed the benefits likely to be derived from its implementation, and that the evaluation of costs and benefits should require estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Alliance, Ohio has received a Certificate of Achievement for the last ten consecutive years (1999-2008). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

Ohio Auditor of State "Making Your Tax Dollars Count" Award

Ohio Auditor of State Mary Taylor's office presented the City with the "Making Your Tax Dollars Count" award for the year ending December 31, 2008. Fewer than five percent of all Ohio government agencies are eligible for this award in any year. This was the second year that the City has received this prestigious award.

In order to earn the recognition, a governmental unit must meet the following criteria; (1) the entity must publish and submit a Comprehensive Annual Financial Report (CAFR); (2) there must be no findings or issues present in the audit report; and (3) there must be no other financial concerns involving the entity. The award is valid for a period of one year only. We believe that the City should meet the requirements for eligibility in 2009 based upon the submission of the 2009 CAFR and the results of the 2009 audit.

Independent Audit

The financial records, books of accounts and transactions of the City of Alliance, Ohio, for the year ended December 31, 2009 have been audited by the Auditor of State Mary Taylor's Office. The Auditor's opinion has been included in this report.

Acknowledgments

I would like to express my sincerest gratitude to the dedicated staff of the City of Alliance Auditor's office for their effort in the compilation of this report, as well as their continued commitment to providing the City of Alliance with accurate fiscal reporting. I would like to recognize the Administration, City Council, and all departments of the City of Alliance for their cooperation throughout this process.

Also, the City would like to express its appreciation to Julian & Grube for their assistance with the preparation of this Comprehensive Annual Financial Report.

Respectfully Submitted,

A handwritten signature in black ink that reads "Kevin G. Knowles". The signature is written in a cursive style with a large initial "K".

Kevin G. Knowles
City Auditor

CITY OF ALLIANCE, OHIO

City Officials

December 31, 2009

Mayor	Toni E. Middleton
President of Council	John Benincasa
Councilman - Ward I	Roger Rhome
Councilman - Ward II	Phyllis Phillips
Councilman - Ward III	Roy Clunk
Councilman - Ward IV	Larry Thompson
Council-at-Large	Alan Andreani
Council-at-Large	Steve Okey
Council-at-Large	Susan Ryan
Clerk of Council	Gerald T. Yost
Law Director	Andrew Zumbar
Judge	Robert G. Lavery
Clerk of Court	Mary Anne Carper
Civil Service	Joyce Lamb, James Puckett, Renee Young

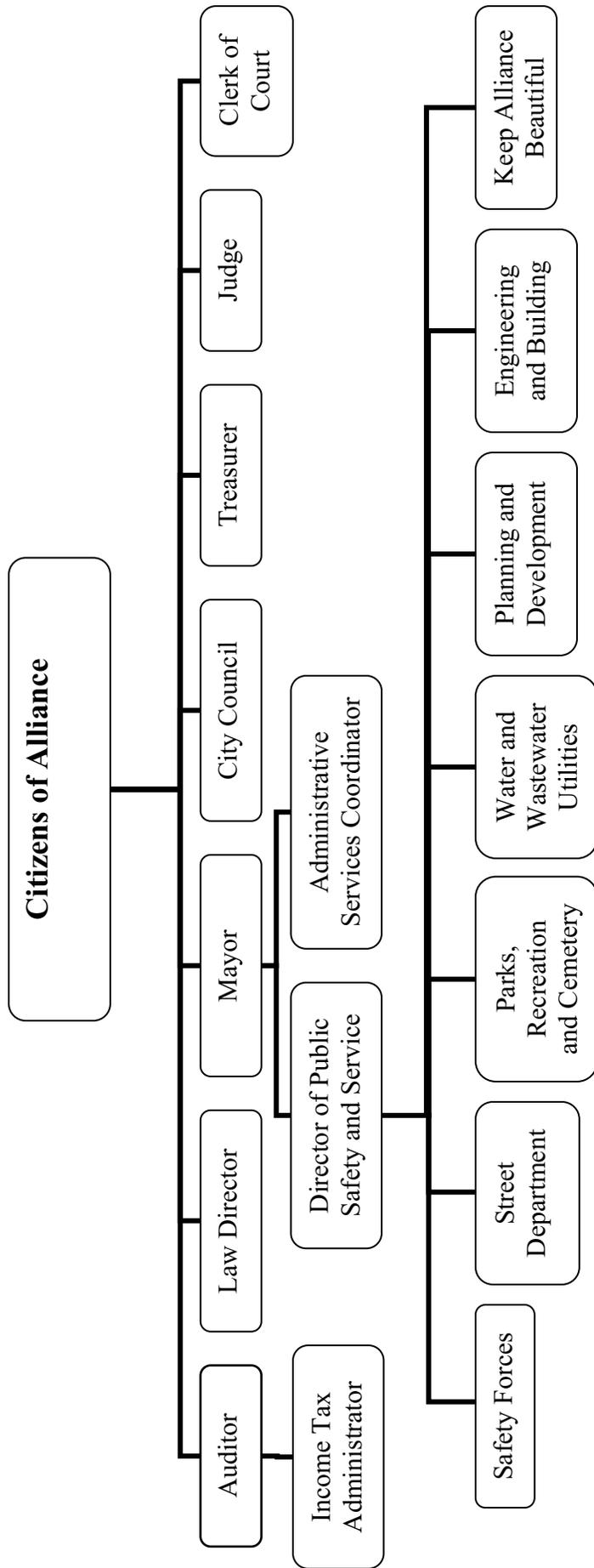
Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

Director of Public Safety and Service	John B. Blaser
Fire Chief	James Cochran
Police Chief	Scott Griffith
Director of Parks, Cemetery and Public Lands	Kimberly Cox
Director of Recreation	Brook Riley
Water Plant	Dean Reynolds
Wastewater Plant	Joe Amabeli
Water and Wastewater Distribution	Michael Dreger
Utility Billing and Collection	William Mucklo
Health and Human Services	Randy Flint
Keep Alliance Beautiful	Mona Henderson
Planning and Development	Vince Marion
Senior Citizens Center	Helen Miller
Street Department	Kenneth Rhome
Engineering	Curtis Bungard

City of Alliance, Ohio Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alliance
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emery".

Executive Director



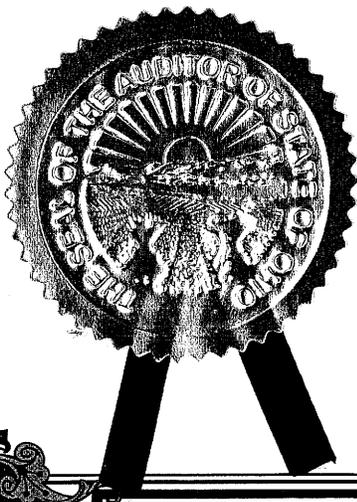
Certificate of Recognition

*Auditor of State Mary Taylor, CPA
Making Your Tax Dollars Count!*

City of Alliance

*The 2008 Comprehensive Annual Financial Report (CAFR)
reflects your commitment to accurate and efficient financial reporting.*

*Thank you for your dedication to
protecting taxpayer dollars in your community.*



Mary Taylor

*Mary Taylor, CPA
Auditor of State*

FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Alliance
Stark County
504 East Main Street
Alliance, Ohio 44601

To the City Council:

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 Alliance, Stark County, Ohio, (the City) as of and for the year ended December 31, 2009, 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'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 Alliance, Stark County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Revolving Loan Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 11, 2010

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

The management's discussion and analysis of the City of Alliance's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- The total net assets of the City increased \$1,707,180. Net assets of governmental activities decreased \$150,773 or 0.51% over 2008 and net assets of business-type activities increased \$1,857,953 or 10.66% over 2008.
- General revenues accounted for \$12,009,375 or 76.48% of total governmental activities revenue. Program specific revenues accounted for \$3,692,314 or 23.52% of total governmental activities revenue.
- The City had \$15,852,462 in expenses related to governmental activities; \$3,692,314 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$12,160,148 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,009,375.
- The general fund had revenues of \$11,026,480 in 2009. This represents a decrease of \$49,904 from 2008 revenues. The expenditures and other financing uses of the general fund, which totaled \$11,179,310 in 2009, decreased \$315,066 from 2008. The net decrease in fund balance for the general fund was \$152,830 or 6.19%, from \$2,469,846 in 2008 to \$2,317,016 in 2009.
- The revolving loan major fund had \$83,572 in revenues and \$66,390 in expenditures in 2009. The fund balance for the revolving loan fund increased \$17,182 or 0.45%, from \$3,777,612 in 2008 to \$3,794,794 in 2009.
- The debt service major fund had \$357,556 in revenues and other financing sources and \$487,581 in expenditures in 2009. The fund balance for the debt service fund decreased \$130,025 or 33.90%, from \$383,562 in 2008 to \$253,537 in 2009.
- Net assets for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$1,857,953 from a net asset balance of \$17,428,812 in 2008 to a net asset balance of \$19,286,765 in 2009.
- The water fund had \$4,460,193 in operating revenues and \$3,798,071 in operating expenses in 2009. The water fund also had non-operating revenues of \$345,581 and non-operating expenses of \$658,732. The net assets of the water fund increased \$348,971 or 4.96%.
- The sewer fund had \$4,618,220 in operating revenues and \$3,368,851 in operating expenses in 2009. The sewer fund also had non-operating revenues of \$119,579, non-operating expenses of \$109,987 and capital contributions of \$313,745. The net assets of the sewer fund increased \$1,572,706 or 15.89%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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 finances. 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 remains 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.

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental Activities - Most of the City's programs and services are reported here including police, fire, street and highway maintenance, HUD program operations, community and economic development and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, and community center operations are reported here.

The statement of net assets and the statement of activities can be found on pages 39-41 of this report.

Reporting the City's Most Significant Funds

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.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 24.

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 fund 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 the 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, the 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 a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund, revolving loan fund, and the debt service fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 42-45 of this report, budgetary comparison for the general fund and the revolving loan fund (a major special revenue fund) can be found on pages 46-51 of this report, and further detail on the City's major and nonmajor governmental funds can be found in Note 2 of this report.

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, and community center operations. The City reports the water and sewer funds as major enterprise funds. These major funds are presented separately in the proprietary fund financial statements. The Robertson Community Center fund is considered a nonmajor fund. The Internal Service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The Internal Service fund is used to account for a self-insurance program for medical and dental benefits. The basic proprietary fund financial statements can be found on pages 52-55 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those 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 City has one agency fund to account for monies received from cable franchise fees. The statement of fiduciary net assets can be found on page 56 of this report.

Notes to the Basic 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. These notes to the basic financial statements can be found on pages 57-89 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets at December 31, 2009 compared to December 31, 2008:

	Net Assets					
	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>	Business-Type Activities <u>2009</u>	Business-Type Activities <u>2008</u>	Total <u>2009</u>	Total <u>2008</u>
<u>Assets</u>						
Current and other assets	\$ 16,034,121	\$ 17,030,763	\$ 11,823,588	\$ 11,962,041	\$ 27,857,709	\$ 28,992,804
Capital assets, net	<u>20,140,286</u>	<u>19,799,197</u>	<u>23,360,035</u>	<u>22,424,836</u>	<u>43,500,321</u>	<u>42,224,033</u>
Total assets	<u>36,174,407</u>	<u>36,829,960</u>	<u>35,183,623</u>	<u>34,386,877</u>	<u>71,358,030</u>	<u>71,216,837</u>
<u>Liabilities</u>						
Long-term liabilities						
outstanding	4,487,987	4,790,328	15,417,027	16,320,059	19,905,014	21,110,387
Other liabilities	<u>2,137,670</u>	<u>2,340,109</u>	<u>479,831</u>	<u>638,006</u>	<u>2,617,501</u>	<u>2,978,115</u>
Total liabilities	<u>6,625,657</u>	<u>7,130,437</u>	<u>15,896,858</u>	<u>16,958,065</u>	<u>22,522,515</u>	<u>24,088,502</u>
<u>Net Assets</u>						
Invested in capital						
assets, net of related debt	18,500,286	17,764,197	8,804,341	6,945,805	27,304,627	24,710,002
Restricted	8,369,261	9,310,729	1,320,056	1,363,352	9,689,317	10,674,081
Unrestricted	<u>2,679,203</u>	<u>2,624,597</u>	<u>9,162,368</u>	<u>9,119,655</u>	<u>11,841,571</u>	<u>11,744,252</u>
Total net assets	<u>\$ 29,548,750</u>	<u>\$ 29,699,523</u>	<u>\$ 19,286,765</u>	<u>\$ 17,428,812</u>	<u>\$ 48,835,515</u>	<u>\$ 47,128,335</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2009, the City's assets exceeded liabilities by \$48,835,515. At year-end, net assets were \$29,548,750 and \$19,286,765 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2009, capital assets represented 60.96% of total assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2009, were \$18,500,286 and \$8,804,341 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2009, 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 its separate governmental and business-type activities.

A portion of the City's governmental net assets, \$8,369,261, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$2,679,203 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

The table below shows the changes in net assets for 2009 and 2008.

Change in Net Assets

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>	Business-Type Activities <u>2009</u>	Business-Type Activities <u>2008</u>	Total <u>2009</u>	Total <u>2008</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 1,266,937	\$ 1,546,685	\$ 9,154,346	\$ 8,580,808	\$ 10,421,283	\$ 10,127,493
Operating grants and contributions	2,218,181	2,104,881	-	-	2,218,181	2,104,881
Capital grants and contributions	207,196	326,119	313,745	24,295	520,941	350,414
Total program revenues	<u>3,692,314</u>	<u>3,977,685</u>	<u>9,468,091</u>	<u>8,605,103</u>	<u>13,160,405</u>	<u>12,582,788</u>
General revenues:						
Property taxes	984,883	1,331,701	-	-	984,883	1,331,701
Income taxes	8,540,876	8,844,311	340,765	349,905	8,881,641	9,194,216
Unrestricted grants	1,714,806	1,458,034	-	-	1,714,806	1,458,034
Gain from sale of assets	-	-	109,180	-	109,180	-
Interest	21,096	154,923	15,215	124,004	36,311	278,927
Miscellaneous	747,714	495,455	-	-	747,714	495,455
Total general revenues	<u>12,009,375</u>	<u>12,284,424</u>	<u>465,160</u>	<u>473,909</u>	<u>12,474,535</u>	<u>12,758,333</u>
Total revenues	<u>15,701,689</u>	<u>16,262,109</u>	<u>9,933,251</u>	<u>9,079,012</u>	<u>25,634,940</u>	<u>25,341,121</u>
Expenses:						
General government	2,917,013	3,086,862	-	-	2,917,013	3,086,862
Security of persons and property	8,416,988	8,407,092	-	-	8,416,988	8,407,092
Public health services	952,822	965,155	-	-	952,822	965,155
Transportation	1,636,141	1,787,268	-	-	1,636,141	1,787,268
Community environment	969,055	783,718	-	-	969,055	783,718
Basic utility services	56,427	62,750	-	-	56,427	62,750
Leisure time activities	793,909	769,611	-	-	793,909	769,611
Interest	110,107	114,938	-	-	110,107	114,938
Water	-	-	4,498,029	3,974,057	4,498,029	3,974,057
Sewer	-	-	3,523,095	3,629,692	3,523,095	3,629,692
Robertson Community Center	-	-	54,174	76,277	54,174	76,277
Total expenses	<u>15,852,462</u>	<u>15,977,394</u>	<u>8,075,298</u>	<u>7,680,026</u>	<u>23,927,760</u>	<u>23,657,420</u>
Change in net assets	<u>(150,773)</u>	<u>284,715</u>	<u>1,857,953</u>	<u>1,398,986</u>	<u>1,707,180</u>	<u>1,683,701</u>
Net assets at beginning year	<u>29,699,523</u>	<u>29,414,808</u>	<u>17,428,812</u>	<u>16,029,826</u>	<u>47,128,335</u>	<u>45,444,634</u>
Net assets at end of year	<u>\$ 29,548,750</u>	<u>\$ 29,699,523</u>	<u>\$ 19,286,765</u>	<u>\$ 17,428,812</u>	<u>\$ 48,835,515</u>	<u>\$ 47,128,335</u>

CITY OF ALLIANCE, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Governmental Activities

Governmental activities net assets decreased \$150,773 in 2009.

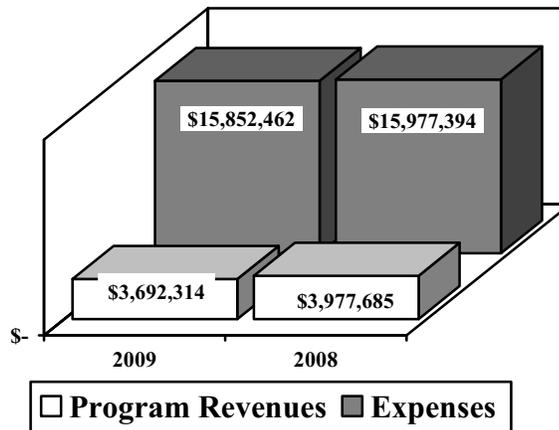
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$8,416,988 of the total expenses of the City. These expenses were partially funded by \$14,278 in direct charges to users of the services. General government expenses totaled \$2,917,013. General government expenses were partially funded by \$984,588 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,218,181 in operating grants and contributions and \$207,196 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$853,054 subsidized transportation and \$995,772 subsidized community environment. Total capital grants and contributions of \$207,196 subsidized transportation programs.

General revenues totaled \$12,009,375, and amounted to 76.48% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$9,525,759. The decrease of \$346,818 in property taxes is the result of a 10 year tax increment financing (TIF) agreement that ended during 2008. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$1,714,806.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF ALLIANCE, OHIO

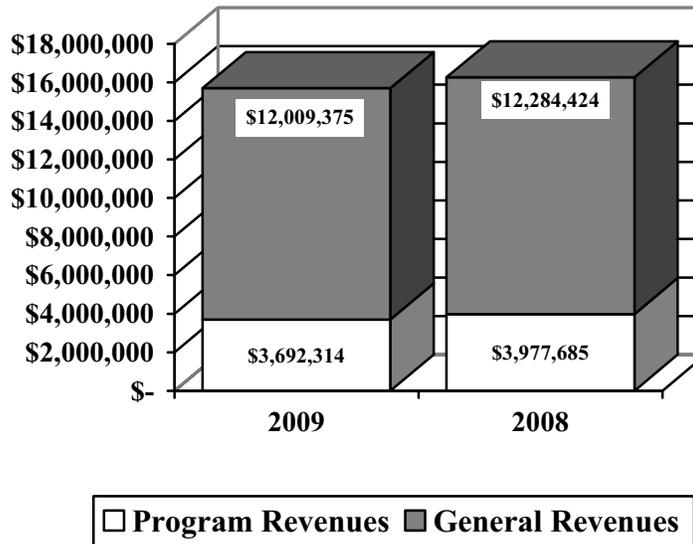
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Governmental Activities

	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>
Program Expenses:				
General government	\$ 2,917,013	\$ 1,901,803	\$ 3,086,862	\$ 2,121,885
Security of persons and property	8,416,988	8,261,380	8,407,092	8,182,463
Public health services	952,822	593,306	965,155	618,883
Transportation	1,636,141	575,891	1,787,268	419,022
Community environment	969,055	(109,685)	783,719	(222,362)
Basic utility services	56,427	56,427	62,750	62,750
Leisure time activities	793,909	770,919	769,611	738,155
Interest	110,107	110,107	114,938	78,913
Total Expenses	\$ 15,852,462	\$ 12,160,148	\$ 15,977,395	\$ 11,999,709

The dependence upon general revenues for governmental activities is apparent, with 76.71% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2009 and 2008.

Governmental Activities – General and Program Revenues



Business-Type Activities

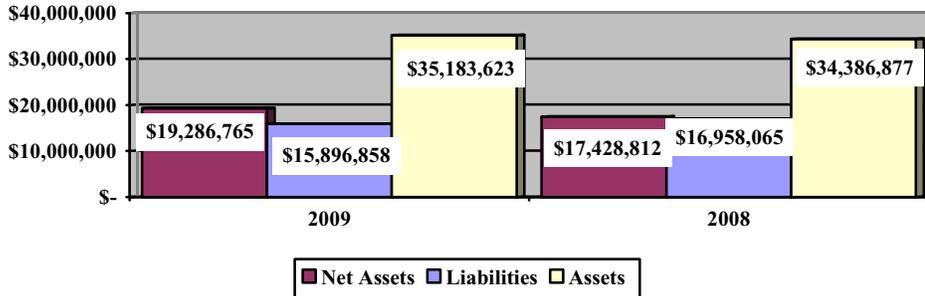
Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$9,468,091, general revenues of \$465,160 and expenses of \$8,075,298 for 2009.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business - Type Activities



Financial Analysis of the Government'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, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 42) reported a combined fund balance of \$9,974,672 which is \$733,487 lower than last year's total of \$10,708,159. The revolving loan fund balance includes \$2,008,846 reserved for loans receivable. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2009 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/09</u>	Fund Balances <u>12/31/08</u>	Increase/ <u>(Decrease)</u>
Major Funds:			
General	\$ 2,317,016	\$ 2,469,846	\$ (152,830)
Revolving Loan	3,794,794	3,777,612	17,182
Debt Service	253,537	383,562	(130,025)
Other Nonmajor Governmental Funds	<u>3,609,325</u>	<u>4,077,139</u>	<u>(467,814)</u>
Total	<u>\$ 9,974,672</u>	<u>\$ 10,708,159</u>	<u>\$ (733,487)</u>

General Fund

The City's general fund balance decreased \$152,830.

CITY OF ALLIANCE, OHIO

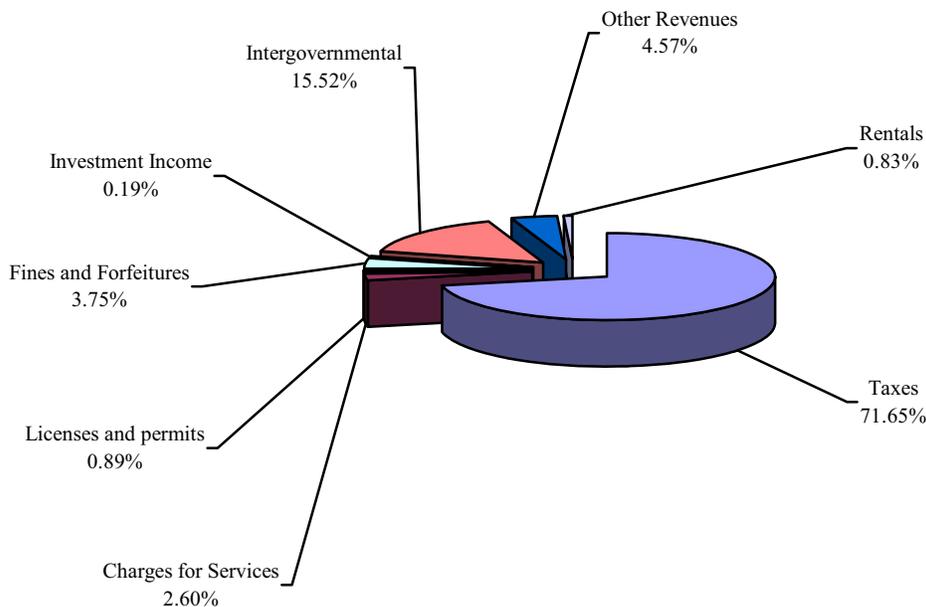
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

The table that follows assists in illustrating the revenues of the general fund.

	<u>2009 Amount</u>	<u>2008 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 7,899,241	\$ 8,276,544	\$ (377,303)	(4.56) %
Charges for services	286,138	219,980	66,158	30.07 %
Licenses and permits	98,552	132,650	(34,098)	(25.71) %
Fines and forfeitures	413,992	414,506	(514)	(0.12) %
Investment income	21,096	144,509	(123,413)	(85.40) %
Intergovernmental	1,711,284	1,376,230	335,054	24.35 %
Rentals	91,888	197,934	(106,046)	(53.58) %
Other	<u>504,289</u>	<u>314,031</u>	<u>190,258</u>	60.59 %
Total	<u>\$ 11,026,480</u>	<u>\$ 11,076,384</u>	<u>\$ (49,904)</u>	(0.45) %

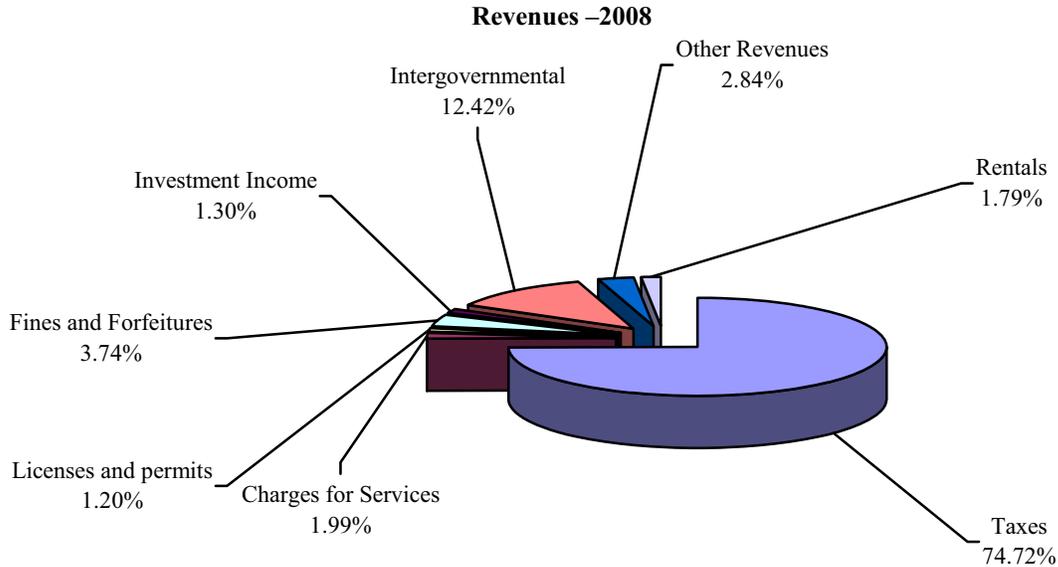
Revenues of the general fund decreased \$49,904 or 0.45%. Tax revenues decreased \$377,303 or 4.56%. The decrease is the result of a poor economy which caused a decrease in individual income tax withholdings during the year. Investment income decreased \$123,413 or 85.40%. This decrease is due mainly to decreased interest rates earned on investments during 2009. The decrease of \$106,046 or 53.58% in rentals is due to a decline in oil and gas well revenue. Intergovernmental revenue increased \$335,054 or 24.35% due mainly to an increase of roughly \$470,000 in estate tax receipts. All other revenue remained comparable to 2008.

Revenues – 2009



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**



The table that follows assists in illustrating the expenditures of the general fund.

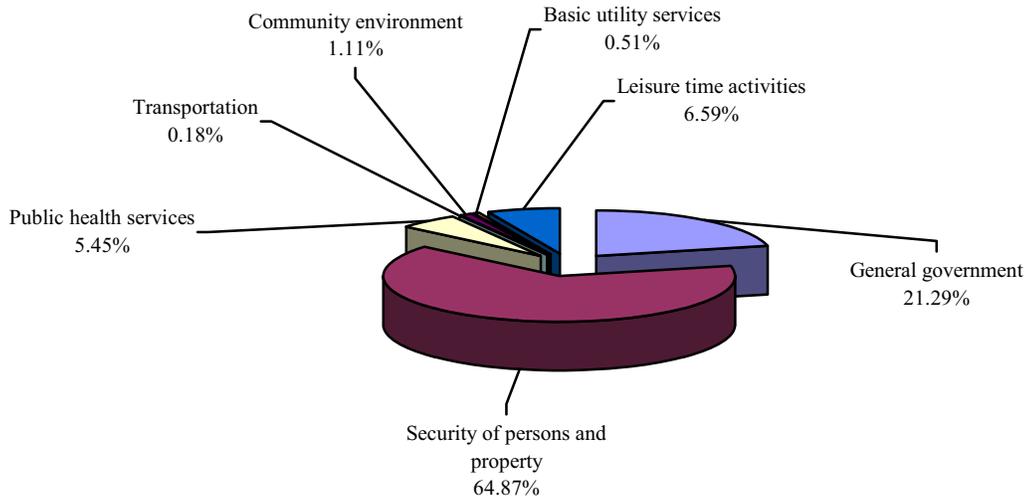
	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 2,223,292	\$ 2,449,634	\$ (226,342)	(9.24) %
Security of persons and property	6,775,267	6,839,482	(64,215)	(0.94) %
Public health services	569,095	570,327	(1,232)	(0.22) %
Transportation	18,409	26,862	(8,453)	(31.47) %
Community environment	115,926	119,034	(3,108)	(2.61) %
Leisure time activities	687,874	707,879	(20,005)	(2.83) %
Basic utility services	<u>53,228</u>	<u>56,634</u>	<u>(3,406)</u>	(6.01) %
Total	<u>\$ 10,443,091</u>	<u>\$ 10,769,852</u>	<u>\$ (326,761)</u>	(3.03) %

Expenditures of the general fund decreased \$326,761 or 3.03%. The most significant decrease was in the area of general government. General government expenditures decreased \$226,342 or 9.24% due mainly to a decrease in income tax abatements and refunds as well as decreases in fringe benefits and contractual services in many departments. All other major expenditures remained comparable to 2008.

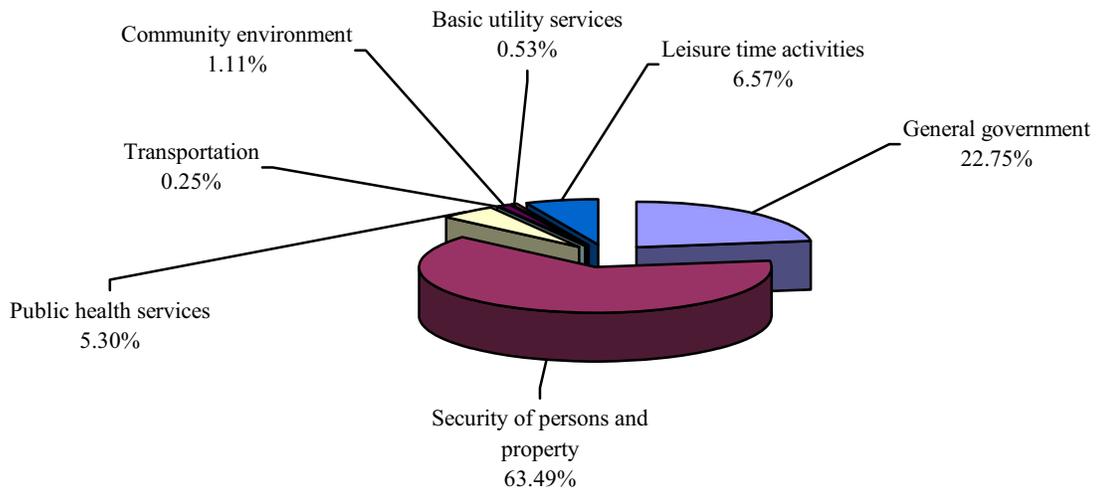
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Expenditures – 2009



Expenditures – 2008



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Revolving Loan Fund

The revolving loan major fund had \$83,572 in revenues and \$66,390 in expenditures in 2009. The fund balance for the revolving loan fund increased \$17,182 or 0.45%, from \$3,777,612 in 2008 to \$3,794,794 in 2009. The increase in fund balance is the result of changes in loan activity in the City.

Debt Service Fund

The debt service major fund had \$357,556 in revenues and other financing sources and \$487,581 in expenditures in 2009. The fund balance for the debt service fund decreased \$130,025 or 33.90%, from \$383,562 in 2008 to \$253,537 in 2009. This decrease can be attributed to principal and interest expenditures exceeding special assessment revenues and transfers in during 2009.

Budgeting Highlights – General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$11,248,650 were lower than the final budget amount of \$11,462,048. Actual expenditures and other financing uses of \$11,509,720 were lower than the final budget amount of \$12,617,306. The decrease of \$1,107,586 from final budgeted amounts to actual expenditures and other financing uses is due to a decrease in transfers out and decreased spending in the following departments: auditor's office, income tax, land and buildings, general administration, police and fire. Budgeted expenditures and other financing uses were increased \$787,182 from the original to the final budget. This increase is due mainly to an increase of \$559,055 in transfers out. Budgeted revenues and other financing sources were increased \$201,248 from the original to the final budget.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds. The only interfund activities reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

The City's business-type funds (as presented on the statement of net assets on page 52) reported a combined net assets of \$19,262,416, which is \$1,943,436 above last year's total of \$17,318,980.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

The schedule below indicates the net assets and the total change in net assets as of December 31, 2009 for all major and nonmajor business-type funds.

	<u>Net Assets</u> <u>12/31/09</u>	<u>Net Assets</u> <u>12/31/08</u>	<u>Increase</u>
Major Funds:			
Water	\$ 7,384,207	\$ 7,035,236	\$ 348,971
Sewer	11,468,174	9,895,468	1,572,706
Nonmajor:			
Robertson Community Center	<u>410,035</u>	<u>388,276</u>	<u>21,759</u>
Total	<u>\$ 19,262,416</u>	<u>\$ 17,318,980</u>	<u>\$ 1,943,436</u>

Water

The City's water fund increased \$348,971 or 4.96% during 2009 from a net asset balance of \$7,035,236 in 2008 to \$7,384,207 in 2009.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating Revenues</u>				
Charges for services	\$ 4,431,481	\$ 4,315,874	\$ 115,607	2.68 %
Other	<u>28,712</u>	<u>27,913</u>	<u>799</u>	2.86 %
Total operating revenues	<u>\$ 4,460,193</u>	<u>\$ 4,343,787</u>	<u>\$ 116,406</u>	2.68 %
<u>Operating Expenses</u>				
Salaries and benefits	\$ 1,299,897	\$ 1,279,699	\$ 20,198	1.58 %
Fringe benefits	567,831	610,358	(42,527)	(6.97) %
Contractual services	623,023	557,693	65,330	11.71 %
Materials and supplies	712,776	609,631	103,145	16.92 %
Depreciation	581,533	563,734	17,799	3.16 %
Other	<u>13,011</u>	<u>3,387</u>	<u>9,624</u>	284.15 %
Total operating expenses	<u>\$ 3,798,071</u>	<u>\$ 3,624,502</u>	<u>\$ 173,569</u>	4.79 %
<u>Non-operating revenues</u>				
Municipal income tax	\$ 340,765	\$ 349,905	\$ (9,140)	(2.61) %
Investment income	<u>4,816</u>	<u>45,445</u>	<u>(40,629)</u>	(89.40) %
Total non-operating revenues	<u>\$ 345,581</u>	<u>\$ 395,350</u>	<u>\$ (49,769)</u>	(12.59) %
<u>Non-operating expenses</u>				
Interest and fiscal charges	<u>\$ 658,732</u>	<u>\$ 422,139</u>	<u>\$ 236,593</u>	56.05 %
Total non-operating expenses	<u>\$ 658,732</u>	<u>\$ 422,139</u>	<u>\$ 236,593</u>	56.05 %

Operating revenues of the water fund increased \$116,406 or 2.68%. This increase is the result of an increase to water rates during the year. Operating expenses increased \$173,569 or 4.79% due to increases in contractual services and materials and supplies. Interest and fiscal charges increased \$236,593 or 56.05% due to costs associated with the City's water revenue bonds.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Sewer

The City's sewer fund increased \$1,572,706 or 15.89% during 2009 from a net asset balance of \$9,895,468 in 2008 to \$11,468,174 in 2009.

	<u>2009</u>	<u>2008</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
	<u>Amount</u>	<u>Amount</u>		
<u>Operating Revenues</u>				
Charges for services	\$ 4,575,911	\$ 4,140,060	\$ 435,851	10.53 %
Licenses and permits	38,195	30,218	7,977	26.40 %
Other	<u>4,114</u>	<u>10,450</u>	<u>(6,336)</u>	(60.63) %
Total operating revenues	<u>\$ 4,618,220</u>	<u>\$ 4,180,728</u>	<u>\$ 437,492</u>	10.46 %
<u>Operating Expenses</u>				
Salaries and benefits	\$ 1,517,616	\$ 1,487,515	\$ 30,101	2.02 %
Fringe benefits	548,233	678,940	(130,707)	(19.25) %
Contractual services	556,128	704,446	(148,318)	(21.05) %
Materials and supplies	310,122	315,062	(4,940)	(1.57) %
Depreciation	406,237	395,303	10,934	2.77 %
Other	<u>30,515</u>	<u>3,387</u>	<u>27,128</u>	800.94 %
Total operating expenses	<u>\$ 3,368,851</u>	<u>\$ 3,584,653</u>	<u>\$ (215,802)</u>	(6.02) %
<u>Non-operating revenues</u>				
Intergovernmental	\$ -	\$ 24,295	\$ (24,295)	(100.00) %
Gain on disposal of capital assets	109,180	-	109,180	100.00 %
Capital contributions	313,745	-	313,745	100.00 %
Investment income	<u>10,399</u>	<u>78,559</u>	<u>(68,160)</u>	(86.76) %
Total non-operating revenues	<u>\$ 433,324</u>	<u>\$ 102,854</u>	<u>\$ 330,470</u>	321.30 %
<u>Non-operating expenses</u>				
Interest and fiscal charges	\$ 109,987	\$ 120,893	\$ (10,906)	(9.02) %
Loss on disposal of capital assets	<u>-</u>	<u>885</u>	<u>(885)</u>	100.00 %
Total non-operating expenses	<u>\$ 109,987</u>	<u>\$ 121,778</u>	<u>\$ (11,791)</u>	(9.68) %

Operating revenues of the sewer fund increased \$437,492 or 10.46%. This increase can mainly be attributed to a 3% rate increase from the prior year. Operating expenses decreased \$215,802 or 6.02% due to decreased spending in fringe benefits and contractual services. The City received \$313,745 in Ohio Public Works Commission (OPWC) grants during the year that were used for sewer construction projects. Investment income decreased \$68,160 due to a decrease in interest rates earned on investments during 2009.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2009, the City had \$43,500,321 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$20,140,286 was reported in governmental activities and \$23,360,035 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosure.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

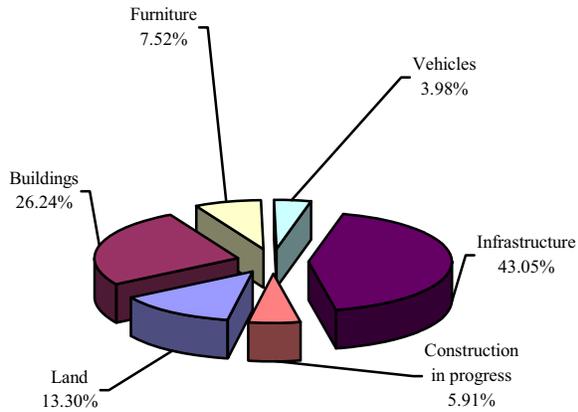
The following table shows December 31, 2009 balances compared to December 31, 2008:

**Capital Assets at December 31
(Net of Depreciation)**

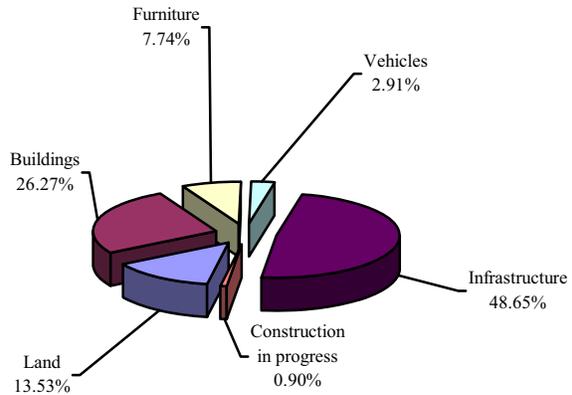
	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>	Business-Type Activities <u>2009</u>	Business-Type Activities <u>2008</u>	Total <u>2009</u>	Total <u>2008</u>
Land	\$ 2,678,287	\$ 2,678,287	\$ 869,941	\$ 869,941	\$ 3,548,228	\$ 3,548,228
Buildings, structures and improvements	5,284,813	5,200,917	5,584,953	5,860,198	10,869,766	11,061,115
Furniture, fixtures and equipment	1,515,074	1,533,403	1,628,567	1,417,496	3,143,641	2,950,899
Vehicles	800,887	576,360	-	-	800,887	576,360
Infrastructure	8,670,702	9,632,978	-	-	8,670,702	9,632,978
Land improvements	-	-	549,952	503,785	549,952	503,785
Water and sewer lines	-	-	13,383,814	13,639,581	13,383,814	13,639,581
Construction in progress	<u>1,190,523</u>	<u>177,252</u>	<u>1,342,808</u>	<u>133,835</u>	<u>2,533,331</u>	<u>311,087</u>
Total	<u>\$ 20,140,286</u>	<u>\$ 19,799,197</u>	<u>\$ 23,360,035</u>	<u>\$ 22,424,836</u>	<u>\$ 43,500,321</u>	<u>\$ 42,224,033</u>

The following graphs show the breakdown of governmental capital assets by category at December 31, 2009 and December 31, 2008.

Capital Assets - Governmental Activities 2009



Capital Assets - Governmental Activities 2008



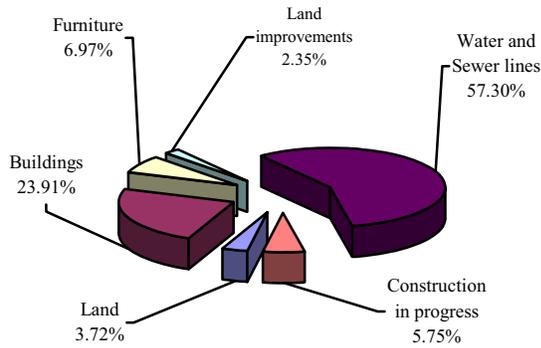
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, right-of-way, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 43.05% of the City's total governmental capital assets.

CITY OF ALLIANCE, OHIO

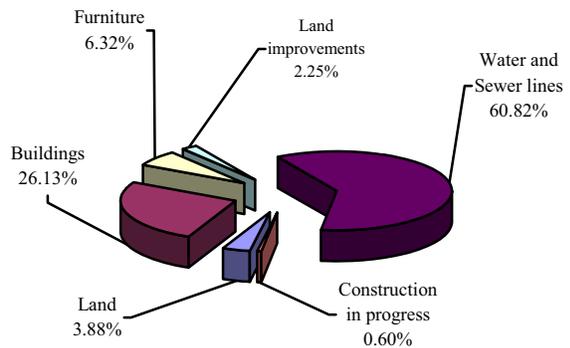
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2009 and December 31, 2008.

Capital Assets - Business-type Activities 2009



Capital Assets - Business-type Activities 2008



The City's largest business-type capital asset category is the sewer and water lines. This item plays a vital role in the income producing ability of the business-type activities. The net book value of the City's water and sewer lines (cost less accumulated depreciation) represents approximately 57.30% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2009 and 2008:

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
General obligation bonds	\$ 1,335,000	\$ 1,680,000
Special assessment bonds	305,000	355,000
Police and fire pension liability	<u>373,276</u>	<u>381,312</u>
 Total long-term obligations	 <u><u>\$ 2,013,276</u></u>	 <u><u>\$ 2,416,312</u></u>

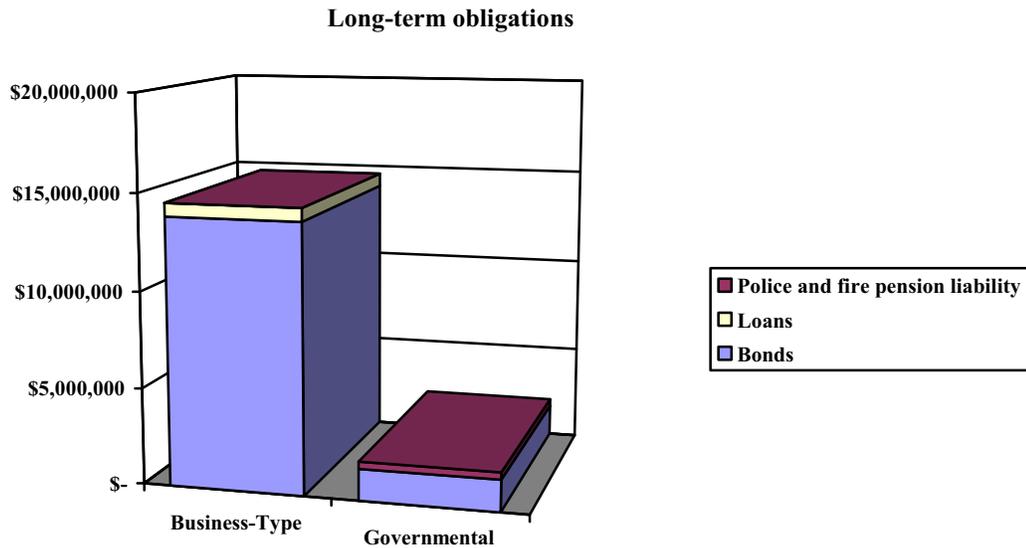
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Business-type Activities <u>2009</u>	Business-type Activities <u>2008</u>
Revenue bonds	\$ 12,132,188	\$ 12,950,665
General obligation bonds	<u>1,740,000</u>	<u>2,173,540</u>
Total bonds	<u>13,872,188</u>	<u>15,124,205</u>
OPWC loans	<u>683,506</u>	<u>354,826</u>
Total loans	<u>683,506</u>	<u>354,826</u>
Total long-term obligations	<u>\$ 14,555,694</u>	<u>\$ 15,479,031</u>

See Note 10 in the basic financial statements for additional disclosures and detail regarding the City's debt activity.

A comparison of the long-term obligations by category is depicted in the chart below.



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Economic Condition and Outlook

Beginning in the year 2000, the City experienced a significant economic slowdown with the loss of several major industrial and manufacturing companies (American Steel Foundries, Mobile Consulting, and Alliance Machine).

In an effort to address and prevent any further loss of jobs and address sagging general fund revenues, several plans were undertaken to strengthen economic development. The City created a new Industrial Park and created a Tax Increment Financing District to add and upgrade infrastructure to foster development. The City also entered into a Cooperative Economic Development Agreement (CEDA) with an adjacent township to encourage economic growth in and around the City.

The City, with approval from the Stark County Board of Commissioners and a joint resolution between the Alliance City Council, the Alliance City School Board of Education and the Marlinton Local School Board of Education, operates an Ohio Enterprise Zone Agreement. The City also offers a Community Reinvestment Area Tax Abatement Program (CRA). The abatement is equal to 100% of the value of the eligible real property investment for a term up to fifteen (15) years. These programs are designed to provide incentives for commercial and industrial expansions and new construction. Abatements are also offered for property taxes on the increased values of real estate attributable to the improvements and tangible personal property taxes on items such as machinery equipment and inventory.

The Industrial Park was opened in 2002 with the ground breaking of a 340,000 square foot facility occupied by Robertson's Heating and Supply Company. During 2002, the City annexed approximately 154 acres of land that is currently being developed as a single-family and multi-family development. The City of Alliance Planning and Economic Development Director, Stark Development Board and the Alliance Area Development Foundation, a non-profit organization, have all been operating with the goal of retaining companies, enhancing company growth, and capturing new business for the Alliance area.

By 2003, the industrial park was completed and housed Winkle Industries, an industry leader in magnetic handling equipment. In 2004, Robertson Heating and Supply Company, a leading global distributor of heating and plumbing supplies relocated and in 2005, Terry's Tire Town, a global retailer and wholesaler of auto and truck tires along with Trilogy Plastics, a nationally recognized rotational molder, specializing in custom plastics molding had completed construction of their facilities and relocated to the industrial park.

Alliance Castings LLC, a division of ACF, celebrated on March 9, 2004, the opening of a new factory in the former American Steel Foundries building in Alliance. The company is involved in the manufacturing of rail car undercarriage parts. Employment has grown from 350 associates since the start up to approximately 600 employees in 2008. In addition, Alliance Castings made an investment of over \$17 million in their new business. The State of Ohio provided both Ohio Enterprise Bond Fund financing and 166 Direct Loan financing. Additionally, the State provided a ten year, 70% Job Creation Tax Credit in addition to City of Alliance's local income tax incentive agreements.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Due to dramatically reduced revenues the City began experiencing as a result of significant business and industry closings, job losses and a stagnant economy, a Blue Ribbon Committee was formed by Mayor Middleton in July 2004 to examine the City of Alliance's finances through a study of all areas of the City's operations, including revenues and expenditures. The committee recommended several general fund short term and long term solutions.

- A \$500,000 loan from Master Capital & Water Funds to the General Fund.
- Change in the Reallocation of the Income Tax Split in 2005, 2006 and 2007: to increase the General Fund's share from 79% to 86%
- Increase the income tax from 1.75% to 2.00% which was adopted by the residents of Alliance in May 2007 and went into effect July 1, 2007.
- The motor vehicle tax was increased \$5.00 per vehicle in January 2006 to support the construction, maintenance and repairs of the city's streets and highways.

In addition to the \$500,000.00 loan, the general fund derived an additional \$1,672,262 of support as a result of the 3 year Income Tax Reallocation.

Current Outlook

Despite the City's cost cutting efforts, it appears the City will continue to have a difficult budget situation for the near future. This is due to other revenues such as shared support from the State and interest earnings continuing to remain stagnant, or declining while operating costs continue to increase due to inflationary pressures.

The City of Alliance is facing loss of revenue as a result of rising unemployment rates in the area and the loss of retail and industrial businesses. Unemployment rates in Stark County reached 12.2% in December 2009 according to US Department of Labor statistics. Two of the City's largest employers made announcements that will negatively impact income tax revenue and water fee income. In April, Alliance Castings announced their plans to temporarily idle the plant. In October of 2009, PTC Alliance, filed for Chapter 11 of the US Bankruptcy code. PTC Alliance remains in operation and is attempting to reorganize. They had previously announced layoffs earlier in the year of over 100 employees. These occurrences are reflective of the overall economy and could improve as the economy recovers.

In 2009, the general fund balance declined for a second consecutive year, finishing at \$1,340,975 on a cash basis. Expenditures and other financing uses exceed revenues by \$261,070. General fund expenditures and other financing uses were \$11,509,720, an increase of .12% compared to 2008. The City had a 27th payroll in 2009 which contributed approximately \$250,000 to the increase of expenditures. The remaining factors accounted for employee retirement payouts, worker's compensation cost increases, and subsidies to the Cemetery and Keep Alliance Beautiful funds.

As a result, it is anticipated that further cost containment efforts and revenue enhancement actions will be necessary through the remainder of 2010 and beyond. In 2010, Alliance City Council passed Ordinance 16-10 which will temporarily change the standard income tax allocation. The general fund will receive an additional 6% or approximately \$500,000 to assist in appropriations.

2010 general fund original appropriations totaled \$11,308,031 compared to 11,830,124 in 2009. City Administration and departments have worked diligently to contain costs. As a result of binding conciliation as dictated by the State Employee Relations Board (SERB), Police Supervisors, Patrolmen, Dispatch and Fire Unions all received a 2% pay increase in 2009 and 2010. These increases were offset somewhat by health care concessions. Police Part-Time Patrol received a 1% increase in 2009 and 2010. Four unions within the City have accepted wage freezes in 2009 and 2010. Four unions have not come to terms as of yet and are operating under the terms of their 2008 contracts.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Long-Term Financial Planning

The City will continue pursuing opportunities for development and economic growth through annexations, Tax Increment Financing (TIF), Cooperative Economic Development Areas (CEDA) and Joint Economic Development Districts (JEDD). The City's Planning and Development Department looks to provide assistance to local businesses through its Urban Development Action Grant (UDAG) program. The combination of these efforts target improving the City's tax base.

In 2009, Moody's Investors Service affirmed the City's A2 bond rating and removed the negative outlook due to the City's modest debt position. In 2008, the City completed the refinancing of the 1998 Waterworks System Revenue Refunding Bonds. The refunding issue will save the City over \$1,100,000 over the life of the old bond issue. The City will continue employing innovative and creative measures to reduce expenses in light of the struggling local economy.

Water & Sewer Rate Increases

The City increased water & sewer rates in 2009. The 3% water rate increase was necessary to meet the rate covenant of the Trust Indenture as made by the City for the Series 2008 Water Works System Revenue Refunding Bonds (these bonds were sold to refund and retire the series 1990, series 1991 and 1998 Waterworks bonds) to provide adequate funds to operate and maintain and perform replacements and capital improvements, and to make timely payments on debt service. Since January 1, 2005, users outside the limits of the City are surcharged at 75% of the inside the City rate.

To meet the rate covenant of the Trust Indenture as made by the City for the Sewerage System Revenue Refunding Bonds, to provide adequate funds to operate, maintain, perform replacements, and capital improvements and to make timely payments on the Debt Service, a 5% sewer rate increase was required. A surcharge of 75% on the debt service portion only of the sewer rate by users in areas outside the City as well.

The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements. The City has contracted the services of Arcadis to complete the Water/Sewer rate study to determine potential increases for 2010 and beyond.

Waste Water Treatment Plant Clarifier Rehab Project Phase III

Phase III of the wastewater treatment clarifier rehabilitation project was completed in 2009. The City received a \$174,195 grant from the Ohio Publics Work Commission (OPWC) to fund the \$ 300,000 project. The project will improve the quality of the water leaving the plant.

Waste Water Treatment Plant Raw Influent Screw Lift Pump Replacement Project

The waste water treatment plant raw influent screw lift pump replacement project was completed in 2009. The original pumps were beyond their original life expectancy and became a maintenance concern. The potential failure of any of the three pumps would seriously impact the operations of the plant. The screw lift pumps were replaced with submerged centrifugal pumps. The City of Alliance received a \$585,000 interest free loan from the Ohio Public Works Commission (OPWC) as well as a grant for \$270,000 to help fund the project.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Parks Department Projects funded by \$250,000 ODNR Grant

The City of Alliance park system received a grant of \$250,000 from the Ohio Department of Natural Resources (ODNR) to fund a variety of capital improvements completed in 2009. The five projects include restrooms, concession stand and storage area in Destination Playground at Rodman Park; the renovation of the playground at Western Electric mini-park; a grass infield installed at Butler-Rodman Park; and paving in Memorial Park.

“Forgotten Lands” Project

Law Director Andrew Zumbar in conjunction with the Board of Tax Revision, Alliance Area Development Foundation's (AADF's) partner the Greater Alliance Development Corporation (GADC) launched the “Forgotten Lands” effort in Alliance. The City has established a process whereby vacant, neglected lots that in many cases have delinquent tax bills can be acquired by responsible owners.

Street Improvement Project

The City completed its 2009 street resurfacing project at cost of \$972,425. This included improvements to parking lots at Memorial Park, Butler-Rodman and Silver Park paid from the master capital improvement fund.

Major Initiatives

Expansion, attracting new business and maintaining the City's infrastructure remain an ongoing commitment. In an effort to continue to provide cost effective, quality services the City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements.

Neighborhood Stabilization Program

The City of Alliance will receive \$922,584 from the United States Department of Housing and Urban Development (HUD) for the Neighborhood Stabilization Program. The City will contribute \$742,000 to help fund the Alliance for Children and Families Inc. \$3.1 million dollar construction of a 10-family housing campus in an effort to support homeless families and reintroduce them back into the community. \$88,384 of the funding will be for demolition of condemned structures throughout the City of Alliance.

Renovation of Dr. Martin Luther King, Jr. Memorial Viaduct

The Stark County Area Transportation Study (SCATS) will help fund the City's renovation of the Dr. Martin Luther King, Jr. Viaduct. SCATS will provide \$742,080 in grant money that along with the City's contribution of Community Development Block Funds of \$300,000, will cover the anticipated expense. Improvements include replacing the chain-link fence along the edges of the viaduct, new lighting, improved signage, repairs to parapet walls, painting structural steel and resurfacing the deck.

City Cemetery Building to be replaced after arson

A new Alliance City Cemetery building will be constructed in 2010 to replace the previous cemetery building destroyed by a July 2009 arson. The estimated cost of \$140,000 will be covered by the City's insurance policy. The City began replacing lost equipment related to the fire in 2009.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

City to Investigate UV Light Water Treatment

City Council voted unanimously to investigate the possibility of integrating ultraviolet light (UV) oxidation in the water treatment process. If implemented, the process would eliminate up to 90% of 2-methylisoborneol (MIB) a chemical by-product of algae blooms responsible for taste and odor issues in treated water. This is strictly an aesthetic issue with the water. From a regulatory standpoint, there are no problems with the City's drinking water. The anticipated cost of this system would range somewhere between \$1 to \$1.5 million.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate accountability for the money it receives. Any questions concerning any of the information provided in this report or requests for additional information should be addressed to the Alliance City Auditor, Kevin Knowles. You may also visit our website at <http://www.cityofalliance.com> or email us at auditor@allianceoh.gov.

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 7,409,627	\$ 6,707,348	\$ 14,116,975
Receivables (net of allowances for uncollectibles):			
Municipal income taxes	2,604,208	108,509	2,712,717
Property and other taxes.	1,356,764	-	1,356,764
Accounts	59,897	1,832,293	1,892,190
Special assessments	1,239,080	-	1,239,080
Intergovernmental	1,133,052	-	1,133,052
Loans.	2,044,716	-	2,044,716
Internal balances	(24,349)	24,349	-
Prepayments	21,107	20,856	41,963
Materials and supplies inventory.	47,654	448,064	495,718
Deferred charges.	-	315,457	315,457
Restricted assets:			
Equity in pooled cash and cash equivalents.	-	682,495	682,495
Cash and cash equivalents with fiscal agents	142,365	1,684,217	1,826,582
Capital assets:			
Land and construction in progress.	3,868,810	2,212,749	6,081,559
Depreciable capital assets, net	16,271,476	21,147,286	37,418,762
Total capital assets.	<u>20,140,286</u>	<u>23,360,035</u>	<u>43,500,321</u>
Total assets.	<u>36,174,407</u>	<u>35,183,623</u>	<u>71,358,030</u>
Liabilities:			
Accounts payable.	157,854	168,106	325,960
Accrued wages and benefits	107,138	37,708	144,846
Claims payable	139,726	-	139,726
Due to other governments	562,426	131,574	694,000
Accrued interest payable.	13,844	142,443	156,287
Unearned revenue.	1,156,682	-	1,156,682
Long-term liabilities:			
Due within one year	1,125,169	1,837,223	2,962,392
Due in more than one year	3,362,818	13,579,804	16,942,622
Total liabilities	<u>6,625,657</u>	<u>15,896,858</u>	<u>22,522,515</u>
Net assets:			
Invested in capital assets, net of related debt	18,500,286	8,804,341	27,304,627
Restricted for:			
Capital projects.	1,447,623	-	1,447,623
Debt service	661,027	637,561	1,298,588
Transportation projects	265,771	-	265,771
Public health service programs	728,398	-	728,398
Community environment programs	4,521,279	-	4,521,279
Security programs	394,189	-	394,189
Police and fire pension	59,322	-	59,322
Other purposes	291,652	-	291,652
Replacement and surplus reserve	-	682,495	682,495
Unrestricted.	2,679,203	9,162,368	11,841,571
Total net assets	<u>\$ 29,548,750</u>	<u>\$ 19,286,765</u>	<u>\$ 48,835,515</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 2,917,013	\$ 984,588	\$ 30,622	\$ -
Security of persons and property.	8,416,988	14,278	141,330	-
Public health services	952,822	162,113	197,403	-
Transportation	1,636,141	-	853,054	207,196
Community environment.	969,055	82,968	995,772	-
Basic utility services.	56,427	-	-	-
Leisure time activities.	793,909	22,990	-	-
Interest and fiscal charges.	110,107	-	-	-
Total governmental activities	<u>15,852,462</u>	<u>1,266,937</u>	<u>2,218,181</u>	<u>207,196</u>
Business-type Activities:				
Water	4,498,029	4,460,193	-	-
Sewer	3,523,095	4,618,220	-	313,745
Robertson Community Center.	54,174	75,933	-	-
Total business-type activities	<u>8,075,298</u>	<u>9,154,346</u>	<u>-</u>	<u>313,745</u>
Total primary government.	<u>\$ 23,927,760</u>	<u>\$ 10,421,283</u>	<u>\$ 2,218,181</u>	<u>\$ 520,941</u>

General Revenues:

Property taxes levied for:	
General purposes.	
Police pension	
Fire pension	
Municipal income taxes levied for:	
General purposes.	
Transportation projects	
Capital improvements	
Water department	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Gain on sale of capital assets.	
Miscellaneous	
Total general revenues.	
Change in net assets.	
Net assets at beginning of year.	
Net assets at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,901,803)	\$ -	\$ (1,901,803)
(8,261,380)	-	(8,261,380)
(593,306)	-	(593,306)
(575,891)	-	(575,891)
109,685	-	109,685
(56,427)	-	(56,427)
(770,919)	-	(770,919)
(110,107)	-	(110,107)
<u>(12,160,148)</u>	<u>-</u>	<u>(12,160,148)</u>
-	(37,836)	(37,836)
-	1,408,870	1,408,870
<u>-</u>	<u>21,759</u>	<u>21,759</u>
-	1,392,793	1,392,793
<u>(12,160,148)</u>	<u>1,392,793</u>	<u>(10,767,355)</u>
830,777	-	830,777
77,053	-	77,053
77,053	-	77,053
7,092,500	-	7,092,500
566,359	-	566,359
882,017	-	882,017
-	340,765	340,765
1,714,806	-	1,714,806
21,096	15,215	36,311
-	109,180	109,180
<u>747,714</u>	<u>-</u>	<u>747,714</u>
12,009,375	465,160	12,474,535
(150,773)	1,857,953	1,707,180
<u>29,699,523</u>	<u>17,428,812</u>	<u>47,128,335</u>
<u>\$ 29,548,750</u>	<u>\$ 19,286,765</u>	<u>\$ 48,835,515</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General Fund	Revolving Loan Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents . . .	\$ 1,356,683	\$ 1,793,730	\$ 111,172	\$ 3,165,389	\$ 6,426,974
Receivables (net of allowance for uncollectibles):					
Municipal income taxes.	2,143,046	-	-	461,162	2,604,208
Property and other taxes.	1,136,534	-	-	220,230	1,356,764
Accounts	59,897	-	-	-	59,897
Intergovernmental	564,641	-	-	563,463	1,128,104
Special assessments.	774,630	-	419,976	44,474	1,239,080
Loans.	-	2,008,846	-	35,870	2,044,716
Prepayments.	15,736	-	-	5,371	21,107
Materials and supplies inventory	12,401	-	-	35,253	47,654
Restricted assets:					
Cash and cash equivalents with fiscal agent . .	-	-	142,365	-	142,365
Total assets	<u>\$ 6,063,568</u>	<u>\$ 3,802,576</u>	<u>\$ 673,513</u>	<u>\$ 4,531,212</u>	<u>\$ 15,070,869</u>
Liabilities:					
Accounts payable	\$ 107,303	\$ -	\$ -	\$ 50,551	\$ 157,854
Accrued wages and benefits.	92,508	221	-	14,409	107,138
Compensated absences payable.	2,666	-	-	-	2,666
Intergovernmental payable	506,064	7,561	-	48,801	562,426
Deferred revenue	2,071,353	-	419,976	618,102	3,109,431
Unearned revenue.	966,658	-	-	190,024	1,156,682
Total liabilities	<u>3,746,552</u>	<u>7,782</u>	<u>419,976</u>	<u>921,887</u>	<u>5,096,197</u>
Fund Balances:					
Reserved for encumbrances.	11,650	10,000	-	300,904	322,554
Reserved for prepayments	15,736	-	-	5,371	21,107
Reserved for loans receivable	-	2,008,846	-	35,870	2,044,716
Reserved for materials and supplies inventory . . .	12,401	-	-	35,253	47,654
Unreserved, undesignated, reported in:					
General fund.	2,277,229	-	-	-	2,277,229
Special revenue funds.	-	1,775,948	-	2,234,113	4,010,061
Debt service fund	-	-	253,537	-	253,537
Capital projects funds.	-	-	-	997,814	997,814
Total fund balances	<u>2,317,016</u>	<u>3,794,794</u>	<u>253,537</u>	<u>3,609,325</u>	<u>9,974,672</u>
Total liabilities and fund balances.	<u>\$ 6,063,568</u>	<u>\$ 3,802,576</u>	<u>\$ 673,513</u>	<u>\$ 4,531,212</u>	<u>\$ 15,070,869</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total governmental fund balances \$ 9,974,672

Amounts reported for governmental activities on 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. 20,140,286

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Municipal income taxes receivable	\$ 987,630	
Property and other taxes receivable	183,867	
Special assessments receivable	1,239,080	
Intergovernmental receivable	698,854	

Total 3,109,431

An internal service fund is used by management to charge the costs of the health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets. The net assets of the internal service fund, including internal balances of (\$24,349), are: 823,526

Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. (13,844)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:

General obligation bonds	(1,335,000)	
Special assessment bonds	(305,000)	
Police and fire pension liability	(373,276)	
Compensated absences	(2,472,045)	

Total (4,485,321)

Net assets of governmental activities \$ 29,548,750

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General Fund</u>	<u>Revolving Loan Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Municipal income taxes	\$ 7,072,527	\$ -	\$ -	\$ 1,444,078	\$ 8,516,605
Property and other taxes	826,714	-	-	153,640	980,354
Charges for services	286,138	-	-	-	286,138
Licenses, permits and fees	98,552	-	-	78,564	177,116
Fines and forfeitures	413,992	-	-	139,962	553,954
Intergovernmental	1,711,284	-	-	2,536,858	4,248,142
Special assessments	-	-	63,244	-	63,244
Investment income	21,096	83,471	-	4,669	109,236
Rental income	91,888	-	-	-	91,888
Contributions and donations	175	-	-	8,485	8,660
Other	504,114	101	-	426,832	931,047
Total revenues	<u>11,026,480</u>	<u>83,572</u>	<u>63,244</u>	<u>4,793,088</u>	<u>15,966,384</u>
Expenditures:					
Current:					
General government	2,223,292	-	-	165,774	2,389,066
Security of persons and property	6,775,267	-	-	1,046,063	7,821,330
Public health services	569,095	-	-	342,308	911,403
Transportation	18,409	-	-	945,441	963,850
Community environment	115,926	66,390	-	984,745	1,167,061
Leisure time activities	687,874	-	-	-	687,874
Basic utility services	53,228	-	-	-	53,228
Capital outlay	-	-	-	2,194,333	2,194,333
Debt service:					
Principal retirement	-	-	395,000	8,036	403,036
Interest and fiscal charges	-	-	92,581	16,109	108,690
Total expenditures	<u>10,443,091</u>	<u>66,390</u>	<u>487,581</u>	<u>5,702,809</u>	<u>16,699,871</u>
Excess (deficiency) of revenues over (under) expenditures	<u>583,389</u>	<u>17,182</u>	<u>(424,337)</u>	<u>(909,721)</u>	<u>(733,487)</u>
Other financing sources (uses):					
Transfers in	-	-	294,312	736,219	1,030,531
Transfers out	<u>(736,219)</u>	<u>-</u>	<u>-</u>	<u>(294,312)</u>	<u>(1,030,531)</u>
Total other financing sources (uses)	<u>(736,219)</u>	<u>-</u>	<u>294,312</u>	<u>441,907</u>	<u>-</u>
Net change in fund balances	(152,830)	17,182	(130,025)	(467,814)	(733,487)
Fund balances at beginning of year	<u>2,469,846</u>	<u>3,777,612</u>	<u>383,562</u>	<u>4,077,139</u>	<u>10,708,159</u>
Fund balances at end of year	<u>\$ 2,317,016</u>	<u>\$ 3,794,794</u>	<u>\$ 253,537</u>	<u>\$ 3,609,325</u>	<u>\$ 9,974,672</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

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, 2009

Net change in fund balances - total governmental funds \$ (733,487)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs 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.

Capital asset additions	\$ 1,891,704	
Current year depreciation	<u>(1,451,532)</u>	
Total		440,172

The net effect of various miscellaneous transactions involving capital assets is to decrease net assets. (99,083)

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

Municipal income taxes	24,271	
Property taxes	4,529	
Special assessments	(12,811)	
Intergovernmental	<u>(280,684)</u>	
Total		(264,695)

Repayments of bond principal and the police and fire pension liability are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets. 403,036

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,417)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (98,029)

An internal service fund used by management to charge the costs of health insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance of \$85,483 is allocated among the governmental activities. 202,730

Change in net assets of governmental activities \$ (150,773)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 7,191,730	\$ 7,381,993	\$ 7,191,730	\$ (190,263)
Property and other taxes	829,446	967,000	829,446	(137,554)
Charges for services	275,434	255,200	275,433	20,233
Licenses, permits and fees	98,553	98,455	98,552	97
Fines and forfeitures	413,282	410,000	413,283	3,283
Intergovernmental	1,779,499	1,704,600	1,779,529	74,929
Investment income	21,096	22,000	21,096	(904)
Rental income.	98,835	182,000	98,835	(83,165)
Contributions and donations.	175	1,000	175	(825)
Other	540,600	436,800	540,571	103,771
Total revenues	<u>11,248,650</u>	<u>11,459,048</u>	<u>11,248,650</u>	<u>(210,398)</u>
Expenditures:				
Current:				
General government:				
Mayor:				
Salaries and wages	84,542	84,542	83,239	1,303
Fringe benefits.	36,645	36,525	27,156	9,369
Contractual services	2,350	2,370	2,121	249
Materials and supplies.	2,000	2,100	2,094	6
Total mayor.	<u>125,537</u>	<u>125,537</u>	<u>114,610</u>	<u>10,927</u>
Senior Center:				
Salaries and wages	34,291	36,551	36,540	11
Fringe benefits.	16,015	16,435	15,829	606
Contractual services	200	200	200	-
Materials and supplies.	1,700	1,700	1,700	-
Total senior center.	<u>52,206</u>	<u>54,886</u>	<u>54,269</u>	<u>617</u>
Auditor:				
Salaries and wages	92,244	92,244	91,200	1,044
Fringe benefits.	40,193	40,193	39,227	966
Contractual services	31,300	31,500	24,576	6,924
Materials and supplies.	7,100	6,900	4,853	2,047
Other	50,200	50,200	629	49,571
Total auditor.	<u>221,037</u>	<u>221,037</u>	<u>160,485</u>	<u>60,552</u>
Treasurer:				
Salaries and wages	3,754	3,754	3,754	-
Fringe benefits.	768	768	740	28
Materials and supplies.	200	611	611	-
Total treasurer.	<u>4,722</u>	<u>5,133</u>	<u>5,105</u>	<u>28</u>
Law director:				
Salaries and wages	150,603	149,133	141,771	7,362
Fringe benefits.	46,571	52,541	50,433	2,108
Contractual services	3,700	3,700	2,790	910
Materials and supplies.	1,500	1,500	1,498	2
Total law director.	<u>202,374</u>	<u>206,874</u>	<u>196,492</u>	<u>10,382</u>
City council:				
Salaries and wages	30,261	30,261	30,261	-
Fringe benefits.	6,186	6,186	5,891	295
Total city council	<u>36,447</u>	<u>36,447</u>	<u>36,152</u>	<u>295</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Clerk of council:				
Salaries and wages	\$ 8,346	\$ 8,346	\$ 8,345	\$ 1
Fringe benefits.	1,593	1,593	1,535	58
Contractual services	13,000	12,496	7,939	4,557
Materials and supplies.	650	654	654	-
Total clerk of council.	<u>23,589</u>	<u>23,089</u>	<u>18,473</u>	<u>4,616</u>
Judge and probation:				
Salaries and wages	173,533	173,533	163,237	10,296
Fringe benefits.	70,518	70,543	66,938	3,605
Contractual services	17,800	17,800	11,247	6,553
Materials and supplies.	4,600	4,575	4,024	551
Total judge and probation.	<u>266,451</u>	<u>266,451</u>	<u>245,446</u>	<u>21,005</u>
Clerk of courts:				
Salaries and wages	193,693	193,693	184,906	8,787
Fringe benefits.	111,773	111,773	97,381	14,392
Contractual services	45,100	43,600	34,852	8,748
Materials and supplies.	18,500	20,000	18,743	1,257
Total clerk of courts.	<u>369,066</u>	<u>369,066</u>	<u>335,882</u>	<u>33,184</u>
Civil service:				
Salaries and wages	14,994	14,995	14,994	1
Fringe benefits.	2,839	2,839	2,691	148
Materials and supplies.	12,000	11,999	3,830	8,169
Total civil service.	<u>29,833</u>	<u>29,833</u>	<u>21,515</u>	<u>8,318</u>
Engineering:				
Salaries and wages	70,499	70,199	64,237	5,962
Fringe benefits.	31,216	32,062	26,552	5,510
Contractual services	14,203	14,203	10,422	3,781
Materials and supplies.	3,900	3,900	2,416	1,484
Total engineering.	<u>119,818</u>	<u>120,364</u>	<u>103,627</u>	<u>16,737</u>
County auditor and treasurer:				
Contractual services	22,000	25,200	24,638	562
Total county auditor and treasurer.	<u>22,000</u>	<u>25,200</u>	<u>24,638</u>	<u>562</u>
State examiner:				
Contractual services	15,000	15,000	15,000	-
Total state examiner.	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Maintenance:				
Contractual services	137,351	135,543	111,525	24,018
Materials and supplies.	400	400	73	327
Capital outlay.	10,000	10,000	8,212	1,788
Total maintenance.	<u>147,751</u>	<u>145,943</u>	<u>119,810</u>	<u>26,133</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Income tax:				
Salaries and wages	\$ 132,395	\$ 133,595	\$ 133,224	\$ 371
Fringe benefits.	56,689	56,689	56,105	584
Contractual services	49,300	48,100	38,671	9,429
Materials and supplies.	7,000	7,000	4,542	2,458
Capital outlay.	7,000	7,000	2,036	4,964
Other	390,000	390,000	212,117	177,883
Total income tax.	<u>642,384</u>	<u>642,384</u>	<u>446,695</u>	<u>195,689</u>
Land and buildings:				
Salaries and wages	75,001	75,001	51,461	23,540
Fringe benefits.	22,509	22,509	18,492	4,017
Contractual services	258,950	258,950	221,695	37,255
Total land and buildings.	<u>356,460</u>	<u>356,460</u>	<u>291,648</u>	<u>64,812</u>
General administration:				
Salaries and wages	33,887	33,887	32,811	1,076
Fringe benefits.	11,628	11,629	10,910	719
Contractual services	151,500	147,620	97,002	50,618
Materials and supplies.	10,000	11,250	11,086	164
Other	26,150	26,150	19,147	7,003
Total general administration.	<u>233,165</u>	<u>230,536</u>	<u>170,956</u>	<u>59,580</u>
Total general government.	<u>2,867,840</u>	<u>2,874,240</u>	<u>2,360,803</u>	<u>513,437</u>
Security of persons and property:				
Police:				
Salaries and wages	2,676,035	2,844,735	2,817,315	27,420
Fringe benefits.	633,926	637,326	627,037	10,289
Contractual services	197,906	194,480	178,669	15,811
Materials and supplies.	136,000	135,400	127,363	8,037
Total police.	<u>3,643,867</u>	<u>3,811,941</u>	<u>3,750,384</u>	<u>61,557</u>
Fire:				
Salaries and wages	1,801,824	1,819,824	1,816,453	3,371
Fringe benefits.	410,121	410,821	410,658	163
Contractual services	124,089	126,388	94,759	31,629
Materials and supplies.	50,350	50,850	35,679	15,171
Total fire.	<u>2,386,384</u>	<u>2,407,883</u>	<u>2,357,549</u>	<u>50,334</u>
Fire communications:				
Materials and supplies.	7,918	7,919	7,919	-
Total fire communications.	<u>7,918</u>	<u>7,919</u>	<u>7,919</u>	<u>-</u>
Safety administration:				
Salaries and wages	385,121	371,121	367,678	3,443
Fringe benefits.	167,104	167,104	159,362	7,742
Contractual services	323,200	320,000	294,454	25,546
Total safety administration.	<u>875,425</u>	<u>858,225</u>	<u>821,494</u>	<u>36,731</u>
Prisoner support:				
Contractual services	50,000	45,000	12,902	32,098
Total prisoner support.	<u>50,000</u>	<u>45,000</u>	<u>12,902</u>	<u>32,098</u>
Total security of persons and property	<u>6,963,594</u>	<u>7,130,968</u>	<u>6,950,248</u>	<u>180,720</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health services:				
Health control and prevention:				
Salaries and wages	\$ 64,628	\$ 67,528	\$ 65,244	\$ 2,284
Fringe benefits.	32,618	32,918	32,831	87
Contractual services	23,350	31,750	29,389	2,361
Materials and supplies.	9,700	300	291	9
Other	850	850	850	-
Total health control and prevention	<u>131,146</u>	<u>133,346</u>	<u>128,605</u>	<u>4,741</u>
Health administration:				
Salaries and wages	281,256	293,756	286,983	6,773
Fringe benefits.	103,152	103,652	103,380	272
Contractual services	9,440	10,440	9,927	513
Materials and supplies.	16,100	16,100	16,021	79
Other	46,000	42,800	42,131	669
Total health administration.	<u>455,948</u>	<u>466,748</u>	<u>458,442</u>	<u>8,306</u>
Total public health services	<u>587,094</u>	<u>600,094</u>	<u>587,047</u>	<u>13,047</u>
Community environment:				
Planning commission:				
Contractual services	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total planning commission.	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Tree care:				
Contractual services	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total tree care.	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Zoning and building:				
Salaries and wages	117,524	117,524	91,302	26,222
Fringe benefits.	22,248	22,248	16,418	5,830
Contractual services	14,305	16,355	5,238	11,117
Materials and supplies.	4,000	2,950	1,964	986
Total zoning and building.	<u>158,077</u>	<u>159,077</u>	<u>114,922</u>	<u>44,155</u>
Total community environment	<u>161,577</u>	<u>162,577</u>	<u>118,422</u>	<u>44,155</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	37,625	37,625	35,752	1,873
Fringe benefits.	17,247	17,247	16,425	822
Materials and supplies.	550	550	-	550
Total storm sewer	<u>55,422</u>	<u>55,422</u>	<u>52,177</u>	<u>3,245</u>
Total basic utility services.	<u>55,422</u>	<u>55,422</u>	<u>52,177</u>	<u>3,245</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Leisure time activities:				
Parks:				
Salaries and wages	\$ 327,523	\$ 372,023	\$ 370,060	\$ 1,963
Fringe benefits.	123,478	123,577	112,760	10,817
Contractual services	60,894	59,621	57,349	2,272
Materials and supplies.	28,900	25,411	20,320	5,091
Other	300	220	220	-
Total parks.	<u>541,095</u>	<u>580,852</u>	<u>560,709</u>	<u>20,143</u>
Recreation:				
Salaries and wages	91,613	91,607	91,584	23
Fringe benefits.	36,616	37,478	37,474	4
Contractual services	5,420	3,705	3,637	68
Materials and supplies.	10,000	11,455	11,400	55
Total recreation	<u>143,649</u>	<u>144,245</u>	<u>144,095</u>	<u>150</u>
Total leisure time activities.	<u>684,744</u>	<u>725,097</u>	<u>704,804</u>	<u>20,293</u>
Total expenditures	<u>11,320,271</u>	<u>11,548,398</u>	<u>10,773,501</u>	<u>774,897</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(71,621)</u>	<u>(89,350)</u>	<u>475,149</u>	<u>564,499</u>
Other financing sources (uses):				
Transfers in.	12,150	3,000	-	(3,000)
Transfers out	<u>(509,853)</u>	<u>(1,068,908)</u>	<u>(736,219)</u>	<u>332,689</u>
Total other financing sources (uses).	<u>(497,703)</u>	<u>(1,065,908)</u>	<u>(736,219)</u>	<u>329,689</u>
Net change in fund balance.	(569,324)	(1,155,258)	(261,070)	894,188
Fund balance at beginning of year	1,591,938	1,591,938	1,591,938	-
Prior year encumbrances appropriated	<u>10,107</u>	<u>10,107</u>	<u>10,107</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,032,721</u>	<u>\$ 446,787</u>	<u>\$ 1,340,975</u>	<u>\$ 894,188</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 83,471	\$ 105,000	\$ 83,471	\$ (21,529)
Other.	<u>369,886</u>	<u>260,000</u>	<u>369,886</u>	<u>109,886</u>
Total revenues.	<u>453,357</u>	<u>365,000</u>	<u>453,357</u>	<u>88,357</u>
Expenditures:				
Current				
Community environment:				
Salaries and wages	16,728	17,053	17,051	2
Fringe benefits.	3,630	5,485	2,545	2,940
Contractual services	10,000	16,810	12,241	4,569
Capital outlay.	<u>1,400,000</u>	<u>1,391,010</u>	<u>516,366</u>	<u>874,644</u>
Total expenditures	<u>1,430,358</u>	<u>1,430,358</u>	<u>548,203</u>	<u>882,155</u>
Net change in fund balance	(977,001)	(1,065,358)	(94,846)	970,512
Fund balance at beginning of year	<u>1,878,576</u>	<u>1,878,576</u>	<u>1,878,576</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 901,575</u>	<u>\$ 813,218</u>	<u>\$ 1,783,730</u>	<u>\$ 970,512</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2009

	Business-type Activities -Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 2,499,366	\$ 4,112,017	\$ 95,965	\$ 6,707,348	\$ 982,653
Restricted assets:					
Cash and cash equivalents with fiscal agents	1,046,656	-	-	1,046,656	-
Receivables (net of allowance for uncollectibles):					
Accounts	1,009,318	822,735	240	1,832,293	4,948
Municipal income taxes.	108,509	-	-	108,509	-
Prepayments.	10,281	10,281	294	20,856	-
Materials and supplies inventory	398,586	49,478	-	448,064	-
Deferred charges	272,375	43,082	-	315,457	-
Total current assets	<u>5,345,091</u>	<u>5,037,593</u>	<u>96,499</u>	<u>10,479,183</u>	<u>987,601</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents	682,495	-	-	682,495	-
Cash and cash equivalents with fiscal agents	637,561	-	-	637,561	-
Total restricted assets	<u>1,320,056</u>	<u>-</u>	<u>-</u>	<u>1,320,056</u>	<u>-</u>
Capital assets:					
Land and construction in progress	834,002	1,378,747	-	2,212,749	-
Depreciable capital assets, net	12,633,171	8,198,386	315,729	21,147,286	-
Total capital assets	<u>13,467,173</u>	<u>9,577,133</u>	<u>315,729</u>	<u>23,360,035</u>	<u>-</u>
Total noncurrent assets	<u>14,787,229</u>	<u>9,577,133</u>	<u>315,729</u>	<u>24,680,091</u>	<u>-</u>
Total assets	<u>20,132,320</u>	<u>14,614,726</u>	<u>412,228</u>	<u>35,159,274</u>	<u>987,601</u>
Liabilities:					
Current liabilities:					
Accounts payable.	75,067	92,544	495	168,106	-
Accrued wages and benefits	18,111	19,597	-	37,708	-
Compensated absences	131,999	206,615	-	338,614	-
Due to other governments	62,479	67,397	1,698	131,574	-
Accrued interest payable.	-	14,264	-	14,264	-
Claims payable.	-	-	-	-	139,726
Payable from restricted assets:					
Revenue bonds payable - current	918,477	-	-	918,477	-
Accrued interest payable	128,179	-	-	128,179	-
General obligation bonds payable - current	-	558,000	-	558,000	-
OPWC loans - current.	-	22,132	-	22,132	-
Total current liabilities	<u>1,334,312</u>	<u>980,549</u>	<u>2,193</u>	<u>2,317,054</u>	<u>139,726</u>
Long-term liabilities:					
Revenue bonds payable	11,213,711	-	-	11,213,711	-
General obligation bonds payable.	-	1,182,000	-	1,182,000	-
OPWC loans.	-	661,374	-	661,374	-
Compensated absences	200,090	322,629	-	522,719	-
Total long-term liabilities	<u>11,413,801</u>	<u>2,166,003</u>	<u>-</u>	<u>13,579,804</u>	<u>-</u>
Total liabilities	<u>12,748,113</u>	<u>3,146,552</u>	<u>2,193</u>	<u>15,896,858</u>	<u>139,726</u>
Net assets:					
Invested in capital assets, net of related debt.	1,334,985	7,153,627	315,729	8,804,341	-
Restricted for:					
Debt service	637,561	-	-	637,561	-
Replacement and surplus reserve.	682,495	-	-	682,495	-
Unrestricted	<u>4,729,166</u>	<u>4,314,547</u>	<u>94,306</u>	<u>9,138,019</u>	<u>847,875</u>
Total net assets	<u>\$ 7,384,207</u>	<u>\$ 11,468,174</u>	<u>\$ 410,035</u>	<u>19,262,416</u>	<u>\$ 847,875</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>24,349</u>	
Net assets of business-type activities				<u>\$ 19,286,765</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Operating revenues:					
Charges for services	\$ 4,431,481	\$ 4,575,911	\$ 43,970	\$ 9,051,362	\$ 2,016,335
Licenses and permits	-	38,195	-	38,195	-
Other	28,712	4,114	31,963	64,789	-
Total operating revenues	<u>4,460,193</u>	<u>4,618,220</u>	<u>75,933</u>	<u>9,154,346</u>	<u>2,016,335</u>
Operating expenses:					
Salaries and benefits	1,299,897	1,517,616	14,861	2,832,374	-
Fringe benefits	567,831	548,233	2,765	1,118,829	-
Contractual services	623,023	556,128	23,165	1,202,316	-
Materials and supplies	712,776	310,122	396	1,023,294	-
Depreciation	581,533	406,237	12,932	1,000,702	-
Claims	-	-	-	-	1,899,088
Other	13,011	30,515	55	43,581	-
Total operating expenses	<u>3,798,071</u>	<u>3,368,851</u>	<u>54,174</u>	<u>7,221,096</u>	<u>1,899,088</u>
Operating income	<u>662,122</u>	<u>1,249,369</u>	<u>21,759</u>	<u>1,933,250</u>	<u>117,247</u>
Nonoperating revenues (expenses):					
Interest revenue	4,816	10,399	-	15,215	-
Interest expense and fiscal charges	(658,732)	(109,987)	-	(768,719)	-
Gain on disposal of capital assets	-	109,180	-	109,180	-
Municipal income tax revenue	340,765	-	-	340,765	-
Total nonoperating revenues (expenses)	<u>(313,151)</u>	<u>9,592</u>	<u>-</u>	<u>(303,559)</u>	<u>-</u>
Income before capital contributions	348,971	1,258,961	21,759	1,629,691	117,247
Capital contributions	-	313,745	-	313,745	-
Change in net assets	348,971	1,572,706	21,759	1,943,436	117,247
Net assets at beginning of year	<u>7,035,236</u>	<u>9,895,468</u>	<u>388,276</u>		<u>730,628</u>
Net assets at end of year	<u>\$ 7,384,207</u>	<u>\$ 11,468,174</u>	<u>\$ 410,035</u>		<u>\$ 847,875</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				(85,483)	
Changes in net assets of business-type activities				<u>\$ 1,857,953</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,027,388	\$ 4,213,386	\$ 43,970	\$ 8,284,744	\$ -
Cash received from licenses and permits	-	38,195	-	38,195	-
Cash received from other operations.	26,361	4,114	31,723	62,198	-
Cash received from interfund services provided.	-	-	-	-	2,021,702
Cash payments for salaries and benefits.	(1,337,762)	(1,565,172)	(14,861)	(2,917,795)	-
Cash payments for fringe benefits.	(529,409)	(576,614)	(2,842)	(1,108,865)	-
Cash payments for contractual services	(619,886)	(557,076)	(30,149)	(1,207,111)	-
Cash payments for materials and supplies	(901,819)	(300,373)	(396)	(1,202,588)	-
Cash payments for claims	-	-	-	-	(1,868,896)
Cash payments for other expenses.	(13,011)	(22,879)	(55)	(35,945)	-
Net cash provided by operating activities	<u>651,862</u>	<u>1,233,581</u>	<u>27,390</u>	<u>1,912,833</u>	<u>152,806</u>
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	345,789	-	-	345,789	-
Net cash provided by noncapital financing activities	<u>345,789</u>	<u>-</u>	<u>-</u>	<u>345,789</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(392,562)	(1,441,019)	-	(1,833,581)	-
Cash received from capital contributions	-	313,745	-	313,745	-
Principal retirement on revenue bonds	(930,000)	-	-	(930,000)	-
Proceeds from loans	-	350,812	-	350,812	-
Principal retirement on general obligation bonds	-	(445,000)	-	(445,000)	-
Principal retirement on OPWC loans	-	(22,132)	-	(22,132)	-
Interest and fiscal charges.	(568,227)	(79,841)	-	(648,068)	-
Net cash used in capital and related financing activities	<u>(1,890,789)</u>	<u>(1,323,435)</u>	<u>-</u>	<u>(3,214,224)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received.	4,816	10,399	-	15,215	-
Net cash provided by investing activities.	<u>4,816</u>	<u>10,399</u>	<u>-</u>	<u>15,215</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(888,322)	(79,455)	27,390	(940,387)	152,806
Cash and cash equivalents at beginning of year	<u>5,754,400</u>	<u>4,191,472</u>	<u>68,575</u>	<u>10,014,447</u>	<u>829,847</u>
Cash and cash equivalents at end of year.	<u>\$ 4,866,078</u>	<u>\$ 4,112,017</u>	<u>\$ 95,965</u>	<u>\$ 9,074,060</u>	<u>\$ 982,653</u>

- - continued

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor- Robertson Community Center</u>	<u>Total</u>	
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 662,122	\$ 1,249,369	\$ 21,759	\$ 1,933,250	\$ 117,247
Adjustments:					
Depreciation	581,533	406,237	12,932	1,000,702	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable.	(406,444)	(362,525)	(240)	(769,209)	10,315
(Increase) in intergovernmental receivable.	-	-	-	-	(4,948)
(Increase) decrease in materials and supplies inventory .	(183,884)	14,038	-	(169,846)	-
Decrease in prepayments	13	13	-	26	-
Increase (decrease) in accounts payable	(5,331)	1,351	(8,211)	(12,191)	-
(Decrease) in accrued wages and benefits.	(37,865)	(47,556)	-	(85,421)	-
Increase in claims payable.	-	-	-	-	30,192
Increase (decrease) in due to other governments.	(70)	(5,863)	1,150	(4,783)	-
Increase (decrease) in compensated absences payable .	41,788	(21,483)	-	20,305	-
Net cash provided by operating activities.	<u>\$ 651,862</u>	<u>\$ 1,233,581</u>	<u>\$ 27,390</u>	<u>\$ 1,912,833</u>	<u>\$ 152,806</u>

Non-cash transactions:

During 2009, the sewer fund purchased \$26,225 in capital assets on account.
 During 2008, the water fund and sewer fund purchased \$21,700 and \$11,385, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2009

	Agency
Assets:	
Receivables:	
Accounts	\$ 22,043
Total assets	\$ 22,043
Liabilities:	
Due to others.	\$ 22,043
Total liabilities	\$ 22,043

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - DESCRIPTION OF THE CITY

The City of Alliance (the "City") is a statutory municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a part-time Council and full-time Mayor form of government. The Mayor, Council, Auditor, Treasurer, Judge, Clerk of Court and Law Director are elected.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Alliance, this includes those departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services.

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; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes for the organization. Based upon the foregoing criteria, the City has no component units.

The City is associated with the Stark County Council of Governments, the Stark County Regional Planning Commission, and the Stark Area Regional Transit Authority, which are defined as jointly governed organizations. The City does not have any financial interest in or responsibility for these organizations (see Note 15).

The City is also associated with the Alliance Area Development Foundation (the "Foundation"). The Foundation is a not-for-profit corporation. The board of trustees consists of contributing trustees and elected trustees. The contributing trustees select the elected trustees. In 2008, the Mayor was an elected trustee. The Foundation's goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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 pronouncements 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.

A. Basis of Presentation

The City's Basic Financial Statements ("BFS") 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. The activities of the internal service fund are eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. On the statement of activities, interfund services provided and used are not eliminated in the process of consolidation.

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-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw 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. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. 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 balance. The following are the City's major governmental funds:

General fund - The general fund is the City’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Revolving loan fund - The revolving loan fund accounts for revolving loans intended to spur economic development in the City.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Debt service fund - This fund accounts for the accumulation of financial resources for, and the payment of governmental funds long-term debt principal, interest and related costs.

Other governmental funds of the City are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds and (b) grants and other resources whose use is restricted to a particular purpose.

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

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

Water fund - This fund accounts for the provision of water treatment and distribution to residential and commercial users in the City.

Sewer fund - This fund accounts for sanitary sewer services provided to residential and commercial users in the City.

The nonmajor enterprise fund of the City is used to account for Robertson Community Center operations.

Internal service fund - The internal service fund accounts 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 the operations of a health self-insurance program.

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. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has one agency fund to account for monies received from cable franchise fees.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial 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 changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

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. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds also use the 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, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days following year-end.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 (See Note 6.C.). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6.A.). 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 a 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, local government funds and permissive tax), fines and forfeitures, fees, investment earnings, estate taxes and special assessments.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2009, but which were levied to finance year 2010 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2009, are recorded as deferred revenue on the governmental fund financial statements.

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that the appropriations cannot exceed estimated resources, as certified. All funds, except for agency funds are required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each department and fund. Budgetary modifications at this level may only be made by resolution of the City Council.

Tax Budget - At the first Council meeting in July, the Mayor presents the annual operating budget for the following year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the City Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the amended official certificate of estimated resources in effect when final appropriations were passed by Council. 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.

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations may not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of Council. During the year, several supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts passed during the year, including all amendments and modifications. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Encumbrances - As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the level adopted by Council. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures in the governmental fund financial statements.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

F. 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 records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During 2009, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio) and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2009.

Investment procedures are restricted by provisions of the Ohio Revised Code. Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2009 amounted to \$21,096, which includes \$16,949 assigned from other City funds.

Restricted cash and cash equivalents in the water fund represent balances set-aside for the water replacement and a water surplus reserve. These amounts are restricted in their use and are presented as "restricted assets: equity in pooled cash and cash equivalents" in the water fund.

The City utilizes a fiscal agent to hold monies set aside for current and future debt service payments under provisions of the bond indenture. The balances in these accounts are presented on the financial statements as "restricted assets: cash and cash equivalents with fiscal agents" and represent investments in a money market fund (First American U.S. Treasury Reserve Fund).

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the fund financial statements. Short-term interfund loans are classified as “interfund receivables” and “interfund payables”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets.

H. Inventories

Inventories of governmental funds are stated at cost while the inventories of the proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies. The costs of inventory items are recorded as expenditures in the governmental fund types and as expenses in the proprietary fund types when used.

I. Restricted Assets

Restricted assets in the governmental activities and enterprise funds include cash and cash equivalents set aside to satisfy bond indenture requirements for current and future debt payments and the replacement and improvement of capital assets originally acquired with bond proceeds.

J. Bond Issuance Costs, Bond Premium/Discount and Accounting Loss

On government-wide financial statements and in the enterprise funds, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Issuance costs are recorded as deferred charges on the statement of net assets.

Bond premiums/discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and enterprise funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt.

On the business-type fund financial statements, issuance costs and bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 10.B.

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and not capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$5,000.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general capital assets is also not capitalized. Improvements to fund capital assets are capitalized and depreciated over the remaining useful lives of the related capital assets.

Public domain ("infrastructure") general capital assets consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized.

All capital assets are depreciated except for land and construction in progress. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings, Structures and Improvements	10 - 40 years
Furniture, Fixtures and Equipment	5 - 15 years
Vehicles	5 - 20 years
Water and Sewer Lines	50 - 60 years
Infrastructure	5 - 50 years

M. Compensated Absences

Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for 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. An accrual for sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have resigned or retired will be paid.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing encumbrances outstanding, materials and supplies inventory, prepayments and loans receivable in the governmental fund financial statements.

O. Capitalization of Interest

The City's policy is to capitalize net interest costs on funds borrowed to finance proprietary fund construction projects until the project is substantially completed. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds.

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. Flow 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 nonoperating revenues/expenses in proprietary funds.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

R. 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 and compensated absences that will be paid from governmental funds are reported as a liability in the financial statements only to the extent that they are normally due for payment during the current year. Bonds, long-term notes and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. 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 improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net assets restricted for other purposes consist primarily of permissive motor vehicle license tax, Federal COPS Fast Program, Federal Equity Sharing Program and municipal court security.

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

NOTE 3 - ACCOUNTABILITY

Change in Accounting Principles

For 2009, the City has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", and GASB Statement No. 57 "Other Postemployment Benefit (OPEB) Measurements by Agent Employers and Agent Multiple-Employers".

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the City.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the City.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the City.

GASB Statement No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the City.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual presented for the general fund and the revolving loan fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures and other financing uses 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 reservation of fund balance (GAAP basis); and,
4. Revolving loan transactions are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following schedule summarizes the adjustments necessary to reconcile the budgetary basis to the GAAP basis statements for the general fund and the revolving loan fund.

Net Change in Fund Balance		Revolving
	General	Loan Fund
	<u> </u>	<u> </u>
Budget Basis	\$ (261,070)	\$ (94,846)
Net adjustment for revenues	(222,170)	(369,785)
Net adjustments for expenditures	314,702	471,813
Adjustments for encumbrances	<u>15,708</u>	<u>10,000</u>
 GAAP Basis	 <u>\$ (152,830)</u>	 <u>\$ 17,182</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Inactive deposits are public deposits that the City has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

The City's monies may be deposited or invested in the following securities:

1. 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 and interest by the United States;
2. 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;
3. 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Auditor or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash and Cash Equivalents with Fiscal Agents

The City utilizes a fiscal agent to hold monies set aside for current and future debt service payments under provisions of the bond indentures. These monies are invested in U.S. Government money market funds. The balances in these accounts are included in “investments” below.

B. Deposits with Financial Institutions

At December 31, 2009, the carrying amount of all City deposits was \$5,943,488. As of December 31, 2009, \$6,196,820 of the City’s bank balance of \$6,446,820 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by the Ohio Revised Code, the City’s deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

C. Investments

As of December 31, 2009, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
U.S. Government money market mutual fund	\$ 1,826,582	\$ 1,826,582
STAR Ohio	<u>8,855,982</u>	<u>8,855,982</u>
Total	<u>\$ 10,682,564</u>	<u>\$ 10,682,564</u>

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City’s investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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 to the City Auditor or qualified trustee.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The federal agency securities included in the U.S government money market mutual fund carry a rating of AAA by Standard & Poor's and Aaa by Moody's.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
U.S. Government money market mutual fund	\$ 1,826,582	17.10
STAR Ohio	<u>8,855,982</u>	<u>82.90</u>
Total	<u>\$ 10,682,564</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,943,488
Investments	<u>10,682,564</u>
Total	<u>\$ 16,626,052</u>
<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 7,551,992
Business-type activities	<u>9,074,060</u>
Total	<u>\$ 16,626,052</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 6 - RECEIVABLES

Receivables at December 31, 2009, consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues and special assessments. All receivables are deemed collectible in full, except for loans receivable which includes an allowance of \$487,977 for bankrupt accounts.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2010, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2009-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Alliance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 6 - RECEIVABLES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2009 was \$6.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 185,407,550
Commercial/industrial/mineral	107,111,390
Tangible personal property	738,973
Public utility	<u>6,134,700</u>
Total assessed value	<u><u>\$ 299,392,613</u></u>

B. Loans Receivable

Loans receivable represent the principal owed to the City for Community Development Block Grants and Urban Development Action Grants. The loans bear interest at annual rates between two and six percent. The loans are to be repaid over periods ranging from five to fifteen years. Total loans receivable at December 31, 2009 were \$2,044,716.

C. Income Tax

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds in 2009, after income tax department expenditures, are credited to the following funds: 79 percent to the general fund, 10 percent to the capital improvements fund (a nonmajor governmental fund), 7 percent to the street income tax construction fund (a nonmajor governmental fund) and 4 percent to the water fund. On the fund financial statements, total income tax revenue for 2009 was \$8,516,605 in the governmental funds and \$340,765 in the water fund.

D. Special Assessments

Special assessments include annually assessed demolition assessments and assessments for debt obligations.

Demolition special assessments are levied against all property owners which benefit from the demolitions while special assessments for debt obligations are levied against specific property owners who primarily benefited from the project.

The City's demolition assessments are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. At December 31, 2009, the total special assessment receivable of \$1,239,080 includes \$1,123,065 in delinquent receivables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

<u>Governmental activities:</u>	<u>Balance</u> 1/1/09	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/09
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,678,287	\$ -	\$ -	\$ 2,678,287
Construction in progress	<u>177,252</u>	<u>1,033,764</u>	<u>(20,493)</u>	<u>1,190,523</u>
Total capital assets, not being depreciated	<u>2,855,539</u>	<u>1,033,764</u>	<u>(20,493)</u>	<u>3,868,810</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	7,137,573	270,653	(31,363)	7,376,863
Furniture, fixtures and equipment	3,623,444	227,913	(48,366)	3,802,991
Vehicles	2,871,459	365,094	(61,298)	3,175,255
Infrastructure	<u>24,959,734</u>	<u>14,773</u>	<u>(21,270)</u>	<u>24,953,237</u>
Total capital assets, being depreciated	<u>38,592,210</u>	<u>878,433</u>	<u>(162,297)</u>	<u>39,308,346</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(1,936,656)	(165,499)	10,105	(2,092,050)
Furniture, fixtures and equipment	(2,090,041)	(219,959)	22,083	(2,287,917)
Vehicles	(2,295,099)	(109,231)	29,962	(2,374,368)
Infrastructure	<u>(15,326,756)</u>	<u>(956,843)</u>	<u>1,064</u>	<u>(16,282,535)</u>
Total accumulated depreciation	<u>(21,648,552)</u>	<u>(1,451,532)</u>	<u>63,214</u>	<u>(23,036,870)</u>
Total capital assets being depreciated, net	<u>16,943,658</u>	<u>(573,099)</u>	<u>(99,083)</u>	<u>16,271,476</u>
Governmental activities capital assets, net	<u>\$ 19,799,197</u>	<u>\$ 460,665</u>	<u>\$ (119,576)</u>	<u>\$ 20,140,286</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	
General government	\$ 416,428
Security of persons and property	240,350
Public health services	6,003
Transportation	709,154
Community environment	1,133
Basic utility services	1,349
Leisure time activities	<u>77,115</u>
Total depreciation expense - governmental activities	<u>\$ 1,451,532</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 7 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> 1/1/09	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/09
<i>Capital assets, not being depreciated:</i>				
Land	\$ 869,941	\$ -	\$ -	\$ 869,941
Construction in progress	<u>133,835</u>	<u>1,208,973</u>	<u>-</u>	<u>1,342,808</u>
Total capital assets, not being depreciated	<u>1,003,776</u>	<u>1,208,973</u>	<u>-</u>	<u>2,212,749</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,368,735	114,161	-	1,482,896
Buildings, structures and improvements	10,737,521	48,444	-	10,785,965
Water and sewer lines	25,425,348	225,288	-	25,650,636
Furniture, fixtures and equipment	<u>4,995,731</u>	<u>229,855</u>	<u>(34,867)</u>	<u>5,190,719</u>
Total capital assets, being depreciated	<u>42,527,335</u>	<u>617,748</u>	<u>(34,867)</u>	<u>43,110,216</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(864,950)	(67,994)	-	(932,944)
Buildings, structures and improvements	(4,877,323)	(323,689)	-	(5,201,012)
Water and sewer lines	(11,785,767)	(481,055)	-	(12,266,822)
Furniture, fixtures and equipment	<u>(3,578,235)</u>	<u>(127,964)</u>	<u>144,047</u>	<u>(3,562,152)</u>
Total accumulated depreciation	<u>(21,106,275)</u>	<u>(1,000,702)</u>	<u>144,047</u>	<u>(21,962,930)</u>
Total capital assets being depreciated, net	<u>21,421,060</u>	<u>(382,954)</u>	<u>109,180</u>	<u>21,147,286</u>
Business-type activities capital assets, net	<u>\$ 22,424,836</u>	<u>\$ 826,019</u>	<u>\$ 109,180</u>	<u>\$ 23,360,035</u>

Depreciation expense was charged to the enterprise funds as follows:

<u>Business-type activities:</u>	
Sewer	\$ 406,237
Water	581,533
Nonmajor:	
Robertson Community Center	<u>12,932</u>
Total depreciation expense - business-type activities	<u>\$ 1,000,702</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 8 - RISK MANAGEMENT

A. Liability Insurance

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. During 2009, the City contracted with Evans Insurance Company for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Occurrence</u>	<u>Limit - Aggregate</u>
General Liability	None	\$1,000,000	\$3,000,000
Wrongful Acts	\$5,000	1,000,000	1,000,000
Law Enforcement	5,000	1,000,000	1,000,000
Automobile Liability	250-500	1,000,000	1,000,000
Bond	250	None	50,000
Crime - Theft	250	None	10,000
Crime - Forgery/Computer Fraud	250	None	100,000
Property	2,500	None	59,095,091
Inland Marine	1,000	None	2,830,735
Electronic Data Processing	1,000	None	593,816
Excess Liability	10,000	2,000,000	2,000,000

The Excess Liability deduction only applies to liability not covered by primary General Liability, Auto Liability, etc. The Inland Marine limit includes scheduled, unscheduled and emergency portable equipment.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

B. Workers' Compensation

The City participates in the Ohio Municipal League Group Rating Plan (OML) for workers' compensation. The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the OML. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the OML. Each participant pays its workers' compensation premium to the State based on the rate for the OML rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the OML. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the OML. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Aultcomp provides administrative, cost control and actuarial services to the OML.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 8 - RISK MANAGEMENT - (Continued)

C. Health Insurance

The City has elected to provide health care coverage to its employees through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The City purchases stop-loss coverage that covers claims in excess of \$70,000 per employee. A third party administrator, Aultcare, reviews all claims which are then paid by the City.

The claims liability of \$139,726 reported in the self-insurance fund at December 31, 2009, is estimated by the third-party administrator and is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last three years follow:

	Balance at Beginning <u>of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at End <u>of Year</u>
2007	\$ 215,846	\$ 2,123,598	\$ (2,125,183)	\$ 214,261
2008	214,261	1,859,327	(1,964,054)	109,534
2009	109,534	1,899,088	(1,868,896)	139,726

NOTE 9 - INTERFUND TRANSACTIONS

Interfund transfers are used to 1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds, 4) to provide additional resources for current operations or debt service and 5) to return money to the fund from which it was originally provided once a grant/project is complete.

A summary of interfund transfers is as follows:

<u>Transfer to</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
Debt service	\$ -	\$ 294,312	\$ 294,312
Other governmental	736,219	-	736,219
Total	<u>\$ 736,219</u>	<u>\$ 294,312</u>	<u>\$ 1,030,531</u>

Transfers between governmental funds are eliminated on the government-wide financial statements.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities

Changes in the governmental long-term obligations of the City during 2009 were as follows:

	Balance Outstanding <u>1/1/09</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>12/31/09</u>	Amounts Due Within <u>One Year</u>
<u>Governmental activities</u>					
<i>General Obligation Bonds:</i>					
1998 Various Purpose Bonds	\$ 610,000	\$ -	\$ (55,000)	\$ 555,000	\$ 60,000
2004 Main Street Bonds	230,000	-	(115,000)	115,000	115,000
2004 Fire Truck Bonds	140,000	-	(45,000)	95,000	45,000
2004 West State Street Bonds	390,000	-	(30,000)	360,000	30,000
2004 West Main Street/Freshley Bonds	<u>310,000</u>	<u>-</u>	<u>(100,000)</u>	<u>210,000</u>	<u>105,000</u>
Total General Obligation Bonds	<u>1,680,000</u>	<u>-</u>	<u>(345,000)</u>	<u>1,335,000</u>	<u>355,000</u>
<i>Special Assessment Bonds:</i>					
1999 Various Purpose	<u>355,000</u>	<u>-</u>	<u>(50,000)</u>	<u>305,000</u>	<u>55,000</u>
Total Special Assessment Bonds	<u>355,000</u>	<u>-</u>	<u>(50,000)</u>	<u>305,000</u>	<u>55,000</u>
<i>Other Long-Term Obligation:</i>					
Police and Fire Pension Liability	381,312	-	(8,036)	373,276	8,380
Compensated Absences	<u>2,374,016</u>	<u>1,164,587</u>	<u>(1,063,892)</u>	<u>2,474,711</u>	<u>706,789</u>
Total Governmental Activities	<u>\$ 4,790,328</u>	<u>\$ 1,164,587</u>	<u>\$ (1,466,928)</u>	<u>\$ 4,487,987</u>	<u>\$ 1,125,169</u>

Series 1998 Various Purpose General Obligation Bonds

During 1998, the City issued general obligation bonds in the amount of \$1,065,000 for Union Avenue Streetscape Project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rates vary from 3.80% to 5.00%. The bonds mature on November 15, 2017. Principal and interest payments are made from the debt service fund.

Series 2004 Main Street Downtown Improvements General Obligation Bonds

During 2004, the City issued general obligation bonds in the amount of \$665,000 for Main Street Downtown improvements. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rates vary from 2.50% to 3.00%. The bonds mature on October 15, 2010. Principal and interest payments are made from the debt service fund.

Series 2004 Fire Truck General Obligation Bonds

During 2004, the City issued general obligation bonds in the amount of \$310,000 for the purchase of fire trucks for the City. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rates vary from 2.50% to 3.20%. The bonds mature on October 15, 2011. Principal and interest payments are made from the debt service fund.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 West State Street Improvement General Obligation Bonds

During 2004, the City issued general obligation bonds in the amount of \$490,000 for West State Street Improvements. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rates vary from 2.50% to 4.20%. The bonds mature on October 15, 2020. Principal and interest payments are made from the debt service fund.

Series 2004 West Main Street/Freshley Avenue General Obligation Bonds

During 2004, the City issued general obligation bonds in the amount of \$700,000 West Main Street/Freshley Avenue Improvements. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rates vary from 2.50% to 3.20%. The bonds mature on October 15, 2011. Principal and interest payments are made from the debt service fund.

Series 1999 Special Assessment Bonds

During 1999, the City issued special assessment general obligation bonds in the amount of \$570,000 for the Crossroads project. The special assessment bonds carry interest rates that vary from 4.60% to 6.125%. The special assessment bonds mature on November 15, 2014. Special assessment bonds are being repaid from special assessments receipted in the debt service fund. In the event that the property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments. Principal and interest payments are made from the debt service fund.

Police and Fire Pension Liability

The City was required to begin paying past pension for police and fire pension that were incurred when the State of Ohio established the statewide system for police and firefighters in 1967. The City is required to make semi-annual payments on May 31 and November 30 of every year. The liability carries an interest rate of 4.21% and matures on November 30, 2035. The police and fire pension liability will be paid from tax revenue in the police pension fund (a nonmajor governmental fund) and the fire pension fund (a nonmajor governmental fund).

Compensated absences

Compensated absences will be paid from the fund from which the employees' salaries are paid, which for the City is primarily the general fund and the street repair and maintenance fund (a nonmajor governmental fund).

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2009, are as follows:

Year Ending December 31,	1998 Various Purpose		2004 Main Street		2004 Fire Truck	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 60,000	\$ 27,540	\$ 115,000	\$ 7,050	\$ 45,000	\$ 3,100
2011	60,000	24,750	-	-	50,000	1,600
2012	65,000	21,750	-	-	-	-
2013	65,000	18,500	-	-	-	-
2014	70,000	15,250	-	-	-	-
2015 - 2017	235,000	23,750	-	-	-	-
Total	<u>\$ 555,000</u>	<u>\$ 131,540</u>	<u>\$ 115,000</u>	<u>\$ 7,050</u>	<u>\$ 95,000</u>	<u>\$ 4,700</u>

Year Ending December 31,	2004 West State Street		2004 West Main Street/Freshly	
	Principal	Interest	Principal	Interest
2010	\$ 30,000	\$ 13,923	\$ 105,000	\$ 6,820
2011	30,000	13,023	105,000	3,520
2012	30,000	13,023	-	-
2013	30,000	12,053	-	-
2014	30,000	11,050	-	-
2015 - 2019	185,000	36,170	-	-
2020	25,000	1,680	-	-
Total	<u>\$ 360,000</u>	<u>\$ 100,922</u>	<u>\$ 210,000</u>	<u>\$ 10,340</u>

Year Ending December 31,	Special Assessment Bonds		Police and Fire Pension Liability	
	Principal	Interest	Principal	Interest
2010	\$ 55,000	\$ 18,469	\$ 8,380	\$ 15,765
2011	55,000	15,169	8,740	15,406
2012	60,000	11,869	9,115	15,031
2013	65,000	8,269	9,506	14,639
2014	70,000	4,288	9,914	14,231
2015 - 2019	-	-	56,333	64,396
2020 - 2024	-	-	69,505	51,223
2025 - 2029	-	-	85,758	34,970
2030 - 2034	-	-	105,812	14,916
2035	-	-	10,213	217
Total	<u>\$ 305,000</u>	<u>\$ 58,064</u>	<u>\$ 373,276</u>	<u>\$ 240,794</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

Changes in the enterprise long-term obligations of the City during 2009 were as follows:

	Balance Outstanding 1/1/09	Additions	Reductions	Balance Outstanding 12/31/09	Amounts Due Within One Year
<u>Business-type activities:</u>					
<i>Revenue Bonds:</i>					
2008 Water Refunding	\$ 14,275,000	\$ -	\$ (930,000)	\$ 13,345,000	\$ 1,030,000
Unamortized Premium	98,503	-	(8,295)	90,208	8,295
Unamortized Accounting Loss	(1,422,838)	-	119,818	(1,303,020)	(119,818)
Total Revenue Bonds	<u>12,950,665</u>	<u>-</u>	<u>(818,477)</u>	<u>12,132,188</u>	<u>918,477</u>
<i>General Obligation Bonds:</i>					
2004 Sewer General Obligation Bond	928,000	-	(410,000)	518,000	518,000
2004 Sewer West Beech Creek	1,257,000	-	(35,000)	1,222,000	40,000
Unamortized Discount	(11,460)	-	11,460	-	-
Total General Obligation Bonds	<u>2,173,540</u>	<u>-</u>	<u>(433,540)</u>	<u>1,740,000</u>	<u>558,000</u>
<i>OPWC Loans:</i>					
OPWC Loan - Gaskill (2002)	31,959	-	(2,663)	29,296	2,663
OPWC Loan - Beeson St. (2004)	220,555	-	(13,785)	206,770	13,785
OPWC Loan - WWTP Clarifier (2006)	102,312	-	(5,684)	96,628	5,684
OPWC Loan - Raw Influent Pump Replacement (2009)	-	350,812	-	350,812	-
Total OPWC Loans	<u>354,826</u>	<u>350,812</u>	<u>(22,132)</u>	<u>683,506</u>	<u>22,132</u>
<i>Other Long-Term Obligations:</i>					
Compensated Absences	841,028	352,700	(332,395)	861,333	338,614
Total Business-type activities	<u>\$ 16,320,059</u>	<u>\$ 703,512</u>	<u>\$ (1,606,544)</u>	<u>\$ 15,417,027</u>	<u>\$ 1,837,223</u>

Series 2008 Water Refunding Bonds

On September 24, 2008, the City issued revenue bonds (Series 2008 Refunding Bonds) to advance refund the callable portion of the Series 1998 revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The balance of the refunded Series 1998 current interest bonds at December 31, 2009, is \$13,250,000.

The refunding issue is comprised of revenue bonds, par value \$14,275,000. The interest rates on the revenue bonds range from 3.00% - 4.00%. Interest payments on the revenue bonds are due on May 15 and November 15 of each year. The final maturity stated in the issue is November 15, 2020. Payments of principal and interest are recorded as an expense of the water fund.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$1,452,792. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The City has pledged future water customer revenues, net of specified operating expenses, to repay the Series 2008 water refunding revenue bonds that were used for the purchase and repair of water lines in the City. The Series 2008 water refunding revenue bonds are payable solely from water customer net revenues and are payable through 2020. Annual principal and interest payments on the bonds are expected to require approximately 51.21% percent of net revenues. The total principal and interest remaining to be paid on the Series 2008 water refunding revenue bonds is \$16,486,250. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,499,421 and \$2,927,872, respectively.

Series 2004 General Obligation Sewer Bonds

During 2004, the City issued \$2,468,000 in general obligation bonds to refund a portion of the series 1994 general obligation bonds. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Debt service requirements will be paid from user fees generated by the sewer fund. Interest on these bonds is payable semiannually and the interest rates vary from 2.50% to 3.00%. The bonds mature on October 15, 2010. Principal and interest payments are made from the sewer fund.

Series 2004 West Beech Creek Sewer General Obligation Bonds

During 2004, the City issued \$1,397,000 in general obligation bonds to West Beech Creek Sewer Project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Debt service requirements will be paid from user fees generated by the sewer fund. Interest on these bonds is payable semiannually and the interest rates vary from 2.50% to 4.65%. The bonds mature on October 15, 2031. Principal and interest payments are made from the sewer fund.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance various sewer improvement projects. These loans bear no interest and are being repaid from user fees generated by the sewer fund. Principal payments are made from the sewer fund. The Raw Influent Pump Replacement project is currently in process and the final disbursements have not been made from the OPWC. Therefore, future debt service requirements have not been finalized and have not been presented with a future debt service schedule.

Compensated absences

Compensated absences will be paid from the water fund and sewer fund.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2009, are as follows:

Year Ending December 31,	2008 Revenue Bonds		2004 Sewer Bonds		2004 West Beech Creek Sewer Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,030,000	\$ 470,863	\$ 518,000	\$ 12,600	\$ 40,000	\$ 54,091
2011	1,060,000	439,962	-	-	40,000	52,891
2012	1,095,000	408,163	-	-	40,000	51,611
2013	1,125,000	375,312	-	-	40,000	50,261
2014	1,160,000	338,750	-	-	45,000	48,861
2015 - 2019	6,435,000	1,050,600	-	-	240,000	218,426
2020 - 2024	1,440,000	57,600	-	-	295,000	164,512
2025 - 2029	-	-	-	-	365,000	91,575
2030 - 2031	-	-	-	-	117,000	11,794
Total	<u>\$ 13,345,000</u>	<u>\$ 3,141,250</u>	<u>\$ 518,000</u>	<u>\$ 12,600</u>	<u>\$ 1,222,000</u>	<u>\$ 744,022</u>

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifier Rehab	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,663	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2011	2,663	-	13,785	-	5,684	-
2012	2,663	-	13,785	-	5,684	-
2013	2,663	-	13,785	-	5,684	-
2014	2,663	-	13,785	-	5,684	-
2015 - 2019	13,315	-	68,923	-	28,420	-
2020 - 2024	2,666	-	68,922	-	28,420	-
2025	-	-	-	-	11,368	-
Total	<u>\$ 29,296</u>	<u>\$ -</u>	<u>\$ 206,770</u>	<u>\$ -</u>	<u>\$ 96,628</u>	<u>\$ -</u>

C. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2009, the City's total debt margin was \$30,084,660 and the unvoted debt margin was \$15,122,917.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. Conduit Debt

The City has issued Industrial Development Revenue Bonds for private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Servicing these debts is the sole obligation of the entities which received the debt proceeds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2009, \$62,210,000 had been issued and \$54,165,000 was still outstanding.

NOTE 11 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The City's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63% of covered payroll.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 11 - PENSION PLANS - (Continued)

The City's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008 and 2007 were \$497,389, \$434,238 and \$511,531, respectively; 91.52% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

B. Ohio Police and Fire Pension Fund

Plan Description - 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 benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2009, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$301,492 and \$282,125 for the year ended December 31, 2009, \$274,079 and \$287,060 for the year ended December 31, 2008 and \$240,903 and \$249,238 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 72.39% has been contributed for police and firefighters for 2009.

NOTE 12 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but not does mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.00% of covered payroll (17.63% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$359,650, \$434,328 and \$336,492, respectively; 91.52% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare 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-employment health care coverage to 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 Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% 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 administrated 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 into 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, 2009, the employer contribution allocated to the health care plan was 6.75% 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 the 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.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$159,614 and \$110,397 for the year ended December 31, 2009, \$145,100 and \$112,328 for the year ended December 31, 2008 and \$158,604 and \$118,913 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 72.39% has been contributed for police and firefighters for 2009.

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Vacation accumulation is limited to one year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 2.3 hours for every forty hours of service. Upon retirement or death, most employees receive up to 960 hours of such time on credit plus 25% of the next 600 hours on credit for a maximum not to exceed 1,110 hours. Four union contracts have additional language limiting employees at various times during the past 10 years to 960 hours or 25% of all hours on credit, whichever is less.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

If any employee leaves the City for any reason, the City will pay the employee a maximum of 480 hours for the compensatory time accumulated during the prior year of employment. As of December 31, 2009, the total liability for unpaid compensated absences was \$2,474,711 for the governmental activities and \$861,333 for the business-type activities.

B. Life Insurance

The City provides life insurance and accidental death and dismemberment insurance to its employees through Fort Dearborn Life Insurance Company.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2009.

B. Litigation

The City is a party to legal proceedings seeking damages. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of the City's management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2009.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Stark County Council of Governments (SCOG) - The City participates in the Stark County Council of Governments (SCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities, villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and oversees accounting and finance related activities. Each participant's control is limited to its membership shares. During 2009, the City of Alliance did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Stark County Regional Planning Commission - The City participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 48 member Board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the Board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2009, the City contributed \$2,000 to the Commission, which represents .1% of total contributions. Complete financial statements may be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

Stark Area Regional Transit Authority The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon, and Alliance. A nine member board of trustees oversees the operation of the Authority. Of the nine members, the City appoints one member. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Authority's liabilities. The Authority provides transportation services in Stark County. Complete financial statements may be obtained from the Stark Area Regional Transit Authority, 1600 Gateway Boulevard, SE, Canton, Ohio.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,295,712	\$ 869,677	\$ 3,165,389
Receivables (net of allowances for uncollectibles):			
Municipal income taxes	-	461,162	461,162
Property and other taxes	220,230	-	220,230
Intergovernmental	455,631	107,832	563,463
Special assessments	-	44,474	44,474
Loans	35,870	-	35,870
Prepayments	5,371	-	5,371
Materials and supplies inventory	35,253	-	35,253
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,048,067</u>	<u>\$ 1,483,145</u>	<u>\$ 4,531,212</u>
Liabilities:			
Accounts payable	\$ 15,181	\$ 35,370	\$ 50,551
Accrued wages and benefits	14,409	-	14,409
Intergovernmental payable	48,649	152	48,801
Deferred revenue	316,953	301,149	618,102
Unearned revenue	190,024	-	190,024
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>585,216</u>	<u>336,671</u>	<u>921,887</u>
Fund Balances:			
Fund balances:			
Reserved for encumbrances	152,244	148,660	300,904
Reserved for prepayments	5,371	-	5,371
Reserved for loans receivable	35,870	-	35,870
Reserved for materials and supplies inventory	35,253	-	35,253
Unreserved, undesignated, reported in:			
Special revenue funds	2,234,113	-	2,234,113
Capital projects funds	-	997,814	997,814
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,462,851</u>	<u>1,146,474</u>	<u>3,609,325</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 3,048,067</u>	<u>\$ 1,483,145</u>	<u>\$ 4,531,212</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Municipal income taxes	\$ -	\$ 1,444,078	\$ 1,444,078
Property and other taxes	153,640	-	153,640
Licenses, permits and fees	78,564	-	78,564
Fines and forfeitures	139,962	-	139,962
Intergovernmental	2,169,546	367,312	2,536,858
Investment income	4,669	-	4,669
Contributions and donations	3,485	5,000	8,485
Other	245,130	181,702	426,832
	<hr/>	<hr/>	<hr/>
Total revenues	2,794,996	1,998,092	4,793,088
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	165,774	-	165,774
Security of persons and property	1,046,063	-	1,046,063
Public health services	342,308	-	342,308
Transportation	945,441	-	945,441
Community environment	977,005	7,740	984,745
Capital outlay	110,000	2,084,333	2,194,333
Debt service:			
Principal retirement	8,036	-	8,036
Interest and fiscal charges	16,109	-	16,109
	<hr/>	<hr/>	<hr/>
Total expenditures	3,610,736	2,092,073	5,702,809
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(815,740)	(93,981)	(909,721)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	736,219	-	736,219
Transfers out	(244,862)	(49,450)	(294,312)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	491,357	(49,450)	441,907
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(324,383)	(143,431)	(467,814)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	2,787,234	1,289,905	4,077,139
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 2,462,851	\$ 1,146,474	\$ 3,609,325
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Street Repair and Maintenance Fund

This fund accounts for 92.5 percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

Federal COPS Fast Program Fund

This fund accounts for monies received from the Federal Government under the Federal COPS Programs to be used to establish or expand community policing programs.

State Highway Fund

This fund accounts for 7.5 percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

Law Enforcement Block Grant Fund

This fund accounts for monies received from fines related to drug cases. Expenditures are used for the education of the community.

Motor Vehicle License Fund

This fund accounts for the City's share of the motor vehicle license tax levied by the City.

Municipal Court Computerization Fund

This fund accounts for court fees and fines used for the purchase and maintenance of computers for the municipal court.

Health Fund

This fund accounts for monies received from State and Federal grant funds used for various health education, prevention and treatment programs in the City.

Litter Control Fund

This fund accounts for monies received from the State to be used for litter prevention in the City.

State Misdemeanant Grant Fund

This fund accounts for monies received for payment of the Misdemeanant Community Sanctions Coordinator Project Program. Sanction Coordinators work one on one with individuals to fulfill their obligation to the Court.

Federal Aging Grant Fund

This fund accounts for monies received from Title III-B. The monies are then used for assisting in meeting the human service and social needs of persons aged 60 or older in order to promote independent living and thereby reducing unnecessary institutionalization.

Cemetery Fund

This fund accounts for monies received from the sale of cemetery lots, burial permits, and general fund for burial services and upkeep of the City Cemetery.

(continued)

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - continued

HUD Grant Fund

This fund accounts for revenues received from Federal Government and expenditures prescribed under the Housing and Urban Development Grant Program.

Community Development Block Grant Fund

This fund accounts for revenues received from the Federal Government and expenditures as prescribed under the Community Development Block Grant Program.

Alliance Neighborhood Fund

The fund accounts for monies collected from the federal government for the American Recovery and Reinvestment Act (ARRA).

Fire Pension Fund

This fund accounts for property taxes collected to pay for a portion of the employer's share of fire pension benefits.

Police Pension Fund

This fund accounts for property taxes collected to pay for a portion of the employer's share of police pension benefits.

Tax Increment Fund

This fund accounts for monies collected from the City's current Tax Increment Financing (TIF) District that are used for economic development in the District. 2008 was the last year of collection for the ten year TIF.

Other

Smaller Special Revenue Funds maintained by the City. These funds are as follows:

L.E. Professional Training Fund
Byrne Justice Assistance Grant Fund
Federal Equitable Sharing Fund
Indigent Drivers Alcohol Treatment Fund
Enforcement and Education Fund
Municipal Court Legal Research Fund
E-Cite Fund
Home Administration Fund
Tax Incentive Review Fund
Land Use Study Fund
Court ADR Fund
Municipal Court Historical Grant Fund
Court Security Grant Fund
Municipal Court Security Fund
Court Immobilization Fund
Parking Lot Maintenance Fund
Land Reutilization Fund
Park Resource Fund
Downtown Special Events Fund

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	<u>Street Repair and Maintenance</u>	<u>Federal COPS Fast Program</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 4,869	\$ 76,836	\$ 46	\$ 66,381
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Intergovernmental	358,093	-	29,967	-
Loans	-	-	-	-
Prepayments	5,245	-	-	-
Materials and supplies inventory	35,253	-	-	-
Total assets	<u>\$ 403,460</u>	<u>\$ 76,836</u>	<u>\$ 30,013</u>	<u>\$ 66,381</u>
Liabilities:				
Accounts payable	\$ 5,245	\$ -	\$ -	\$ -
Accrued wages and benefits	9,116	-	-	-
Intergovernmental payable	25,580	-	-	-
Deferred revenue.	240,878	-	20,462	-
Unearned revenue	-	-	-	-
Total liabilities	<u>280,819</u>	<u>-</u>	<u>20,462</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments.	5,245	-	-	-
Reserved for loans receivable	-	-	-	-
Reserved for materials and supplies inventory	35,253	-	-	-
Unreserved:				
Undesignated.	82,143	76,836	9,551	66,381
Total fund balances	<u>122,641</u>	<u>76,836</u>	<u>9,551</u>	<u>66,381</u>
Total liabilities and fund balances.	<u>\$ 403,460</u>	<u>\$ 76,836</u>	<u>\$ 30,013</u>	<u>\$ 66,381</u>

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$ 24,765	\$ 47,538	\$ 101,705	\$ 1,935	\$ 10,568	\$ 1,160
-	-	-	-	-	-
16,471	-	11,586	6,735	-	293
-	-	-	-	-	-
-	-	-	-	-	-
<u>41,236</u>	<u>47,538</u>	<u>113,291</u>	<u>8,670</u>	<u>10,568</u>	<u>1,453</u>
\$ -	\$ -	\$ 4	\$ 1	\$ -	\$ -
-	268	1,832	434	-	37
-	1,856	7,291	1,601	-	161
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,124</u>	<u>9,127</u>	<u>2,036</u>	<u>-</u>	<u>198</u>
-	-	-	480	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>41,236</u>	<u>45,414</u>	<u>104,164</u>	<u>6,154</u>	<u>10,568</u>	<u>1,255</u>
<u>41,236</u>	<u>45,414</u>	<u>104,164</u>	<u>6,634</u>	<u>10,568</u>	<u>1,255</u>
<u>\$ 41,236</u>	<u>\$ 47,538</u>	<u>\$ 113,291</u>	<u>\$ 8,670</u>	<u>\$ 10,568</u>	<u>\$ 1,453</u>

Continued

CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2009

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Alliance Neighborhood</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 661,722	\$ 127,663	\$ 89,506	\$ 11,564
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Intergovernmental	-	6,661	-	-
Loans	-	-	35,870	-
Prepayments	126	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 661,848</u>	<u>\$ 134,324</u>	<u>\$ 125,376</u>	<u>\$ 11,564</u>
Liabilities:				
Accounts payable	\$ 1,478	\$ 6,028	\$ -	\$ 2,425
Accrued wages and benefits	708	2,014	-	-
Intergovernmental payable	3,135	9,025	-	-
Deferred revenue.	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>5,321</u>	<u>17,067</u>	<u>-</u>	<u>2,425</u>
Fund Balances:				
Reserved for encumbrances	-	142,000	625	9,139
Reserved for prepayments.	126	-	-	-
Reserved for loans receivable	-	-	35,870	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved:				
Undesignated.	656,401	(24,743)	88,881	-
Total fund balances	<u>656,527</u>	<u>117,257</u>	<u>125,376</u>	<u>9,139</u>
Total liabilities and fund balances.	<u>\$ 661,848</u>	<u>\$ 134,324</u>	<u>\$ 125,376</u>	<u>\$ 11,564</u>

Fire Pension	Police Pension	Tax Increment	Other	Totals
\$ 10,000	\$ 10,000	\$ 579,024	\$ 470,430	\$ 2,295,712
110,115	110,115	-	-	220,230
5,237	5,237	-	15,351	455,631
-	-	-	-	35,870
-	-	-	-	5,371
-	-	-	-	35,253
<u>\$ 125,352</u>	<u>\$ 125,352</u>	<u>\$ 579,024</u>	<u>\$ 485,781</u>	<u>\$ 3,048,067</u>
\$ -	\$ -	\$ -	\$ -	\$ 15,181
-	-	-	-	14,409
-	-	-	-	48,649
20,340	20,340	-	14,933	316,953
95,012	95,012	-	-	190,024
<u>115,352</u>	<u>115,352</u>	<u>-</u>	<u>14,933</u>	<u>585,216</u>
-	-	-	-	152,244
-	-	-	-	5,371
-	-	-	-	35,870
-	-	-	-	35,253
10,000	10,000	579,024	470,848	2,234,113
<u>10,000</u>	<u>10,000</u>	<u>579,024</u>	<u>470,848</u>	<u>2,462,851</u>
<u>\$ 125,352</u>	<u>\$ 125,352</u>	<u>\$ 579,024</u>	<u>\$ 485,781</u>	<u>\$ 3,048,067</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	11,856
Intergovernmental	734,740	-	59,574	-
Investment income	-	202	23	206
Contributions and donations	-	-	-	-
Other	171,838	-	-	-
Total revenues.	906,578	202	59,597	12,062
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	63,096	-	-	27,893
Public health services	-	-	-	-
Transportation	818,175	-	18,666	-
Community environment	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures.	881,271	-	18,666	27,893
Excess (deficiency) of revenues over (under) expenditures	25,307	202	40,931	(15,831)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(44,822)	-
Total other financing sources (uses)	-	-	(44,822)	-
Net change in fund balances	25,307	202	(3,891)	(15,831)
Fund balances at beginning of year	97,334	76,634	13,442	82,212
Fund balances at end of year	\$ 122,641	\$ 76,836	\$ 9,551	\$ 66,381

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	42,234	-	-	-
-	61,248	-	-	-	-
201,469	-	177,851	28,020	-	3,516
-	-	-	-	-	3
-	-	-	-	-	-
-	11	104	27	-	4
<u>201,469</u>	<u>61,259</u>	<u>220,189</u>	<u>28,047</u>	<u>-</u>	<u>3,523</u>
-	61,478	-	-	-	4,584
-	-	11,818	-	-	-
-	-	217,269	-	-	-
-	-	-	-	-	-
-	-	-	53,285	-	-
110,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>110,000</u>	<u>61,478</u>	<u>229,087</u>	<u>53,285</u>	<u>-</u>	<u>4,584</u>
<u>91,469</u>	<u>(219)</u>	<u>(8,898)</u>	<u>(25,238)</u>	<u>-</u>	<u>(1,061)</u>
-	-	1,250	22,000	-	-
(85,070)	-	-	-	-	-
<u>(85,070)</u>	<u>-</u>	<u>1,250</u>	<u>22,000</u>	<u>-</u>	<u>-</u>
6,399	(219)	(7,648)	(3,238)	-	(1,061)
34,837	45,633	111,812	9,872	10,568	2,316
<u>\$ 41,236</u>	<u>\$ 45,414</u>	<u>\$ 104,164</u>	<u>\$ 6,634</u>	<u>\$ 10,568</u>	<u>\$ 1,255</u>

Continued

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Alliance Neighborhood</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	36,330	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	825,635	-	22,229
Investment income	1,709	-	1,792	-
Contributions and donations	-	-	-	-
Other	23,824	6,210	18,730	-
Total revenues.	<u>61,863</u>	<u>831,845</u>	<u>20,522</u>	<u>22,229</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health services	123,839	-	-	-
Transportation	-	-	-	-
Community environment	-	878,343	30,734	13,090
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures.	<u>123,839</u>	<u>878,343</u>	<u>30,734</u>	<u>13,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,976)</u>	<u>(46,498)</u>	<u>(10,212)</u>	<u>9,139</u>
Other financing sources (uses):				
Transfers in	60,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses).	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	<u>(1,976)</u>	<u>(46,498)</u>	<u>(10,212)</u>	<u>9,139</u>
Fund balances at beginning of year	<u>658,503</u>	<u>163,755</u>	<u>135,588</u>	<u>-</u>
Fund balances at end of year	<u>\$ 656,527</u>	<u>\$ 117,257</u>	<u>\$ 125,376</u>	<u>\$ 9,139</u>

Fire Pension	Police Pension	Tax Increment	Other	Totals
\$ 76,820	\$ 76,820	\$ -	\$ -	\$ 153,640
-	-	-	-	78,564
-	-	-	66,858	139,962
20,337	20,337	-	75,838	2,169,546
-	-	-	734	4,669
-	-	-	3,485	3,485
285	285	-	23,812	245,130
97,442	97,442	-	170,727	2,794,996
-	-	-	99,712	165,774
379,844	443,866	-	119,546	1,046,063
-	-	-	1,200	342,308
-	-	108,600	-	945,441
-	-	-	1,553	977,005
-	-	-	-	110,000
3,475	4,561	-	-	8,036
6,966	9,143	-	-	16,109
390,285	457,570	108,600	222,011	3,610,736
(292,843)	(360,128)	(108,600)	(51,284)	(815,740)
292,842	360,127	-	-	736,219
-	-	(114,970)	-	(244,862)
292,842	360,127	(114,970)	-	491,357
(1)	(1)	(223,570)	(51,284)	(324,383)
10,001	10,001	802,594	522,132	2,787,234
<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 579,024</u>	<u>\$ 470,848</u>	<u>\$ 2,462,851</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET REPAIR AND MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 780,000	\$ 737,290	\$ (42,710)
Investment income.	50	-	(50)
Other.	173,000	171,838	(1,162)
Total revenues.	<u>953,050</u>	<u>909,128</u>	<u>(43,922)</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	39,388	37,781	1,607
Fringe benefits.	16,148	15,824	324
Contractual services.	13,000	10,545	2,455
Total security of persons and property.	<u>68,536</u>	<u>64,150</u>	<u>4,386</u>
Transportation:			
Street transportation:			
Salaries and wages.	525,245	519,103	6,142
Fringe benefits.	210,498	205,542	4,956
Contractual services.	94,950	87,118	7,832
Materials and supplies.	91,050	68,403	22,647
Total transportation.	<u>921,743</u>	<u>880,166</u>	<u>41,577</u>
Total expenditures.	<u>990,279</u>	<u>944,316</u>	<u>45,963</u>
Net change in fund balance.	(37,229)	(35,188)	2,041
Fund balance at beginning of year	36,423	36,423	-
Prior year encumbrances appropriated	<u>2,037</u>	<u>2,037</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,231</u>	<u>\$ 3,272</u>	<u>\$ 2,041</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL COPS FAST PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income.	\$ 800	\$ 202	\$ (598)
Total revenues.	<u>800</u>	<u>202</u>	<u>(598)</u>
Net change in fund balance.	800	202	(598)
Fund balance at beginning of year	<u>76,634</u>	<u>76,634</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 77,434</u>	<u>\$ 76,836</u>	<u>\$ (598)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

STATE HIGHWAY FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 61,000	\$ 59,780	\$ (1,220)
Investment income.	100	23	(77)
Total revenues.	<u>61,100</u>	<u>59,803</u>	<u>(1,297)</u>
Expenditures:			
Current:			
Transportation:			
Street repair and maintenance:			
Capital outlay.	20,000	18,666	1,334
Total expenditures	<u>20,000</u>	<u>18,666</u>	<u>1,334</u>
Excess of revenues over expenditures.	<u>41,100</u>	<u>41,137</u>	<u>37</u>
Other financing sources (uses):			
Transfers in.	1,000	-	(1,000)
Transfers out.	(45,000)	(44,822)	178
Total other financing sources (uses).	<u>(44,000)</u>	<u>(44,822)</u>	<u>(822)</u>
Net change in fund balance.	(2,900)	(3,685)	(785)
Fund balance at beginning of year	<u>3,731</u>	<u>3,731</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 831</u>	<u>\$ 46</u>	<u>\$ (785)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 11,856	\$ 11,856	\$ -
Investment income.	200	206	6
Total revenues.	<u>12,056</u>	<u>12,062</u>	<u>6</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	65,111	28,632	36,479
Total expenditures	<u>65,111</u>	<u>28,632</u>	<u>36,479</u>
Net change in fund balance.	(53,055)	(16,570)	36,485
Fund balance at beginning of year	<u>82,951</u>	<u>82,951</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 29,896</u>	<u>\$ 66,381</u>	<u>\$ 36,485</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE LICENSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 200,000	\$ 216,406	\$ 16,406
Total revenues.	<u>200,000</u>	<u>216,406</u>	<u>16,406</u>
Expenditures:			
Transportation			
Capital outlay	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Total expenditures	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>90,000</u>	<u>106,406</u>	<u>16,406</u>
Other financing uses:			
Transfers out.	<u>(87,573)</u>	<u>(85,070)</u>	<u>2,503</u>
Total other financing uses.	<u>(87,573)</u>	<u>(85,070)</u>	<u>2,503</u>
Net change in fund balance.	2,427	21,336	18,909
Fund balance at beginning of year	<u>3,429</u>	<u>3,429</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,856</u>	<u>\$ 24,765</u>	<u>\$ 18,909</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 65,000	\$ 66,259	\$ 1,259
Other.	40	11	(29)
Total revenues.	<u>65,040</u>	<u>66,270</u>	<u>1,230</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Salaries and wages.	30,000	16,376	13,624
Fringe benefits.	5,178	2,984	2,194
Contractual services.	26,000	17,312	8,688
Materials and supplies.	17,000	8,965	8,035
Capital outlay.	20,000	14,273	5,727
Total expenditures.	<u>98,178</u>	<u>59,910</u>	<u>38,268</u>
Net change in fund balance.	(33,138)	6,360	39,498
Fund balance at beginning of year	<u>41,178</u>	<u>41,178</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,040</u>	<u>\$ 47,538</u>	<u>\$ 39,498</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

HEALTH FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 42,000	\$ 42,234	\$ 234
Intergovernmental	181,129	187,158	6,029
Other.	50	104	54
Total revenues.	<u>223,179</u>	<u>229,496</u>	<u>6,317</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Salaries and wages.	15,055	11,300	3,755
Fringe benefits.	1,456	399	1,057
Total security of persons and property.	<u>16,511</u>	<u>11,699</u>	<u>4,812</u>
Public health services:			
Salaries and wages.	149,368	144,170	5,198
Fringe benefits.	57,168	55,468	1,700
Contractual services.	3,000	2,654	346
Materials and supplies.	11,450	10,003	1,447
Other.	10,300	10,134	166
Total public health services	<u>231,286</u>	<u>222,429</u>	<u>8,857</u>
Total expenditures	<u>247,797</u>	<u>234,128</u>	<u>13,669</u>
Excess of expenditures over revenues	<u>(24,618)</u>	<u>(4,632)</u>	<u>19,986</u>
Other financing sources:			
Transfers in.	2,700	1,250	(1,450)
Total other financing sources.	<u>2,700</u>	<u>1,250</u>	<u>(1,450)</u>
Net change in fund balance.	(21,918)	(3,382)	18,536
Fund balance at beginning of year	<u>105,087</u>	<u>105,087</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 83,169</u>	<u>\$ 101,705</u>	<u>\$ 18,536</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

LITTER CONTROL FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 27,000	\$ 27,593	\$ 593
Other	-	27	27
Total revenues	<u>27,000</u>	<u>27,620</u>	<u>620</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages	34,312	34,096	216
Fringe benefits	16,468	16,445	23
Contractual services	3,395	3,307	88
Materials and supplies	1,210	1,175	35
Total expenditures	<u>55,385</u>	<u>55,023</u>	<u>362</u>
Excess of expenditures over revenues	<u>(28,385)</u>	<u>(27,403)</u>	<u>982</u>
Other financing sources:			
Transfers in	22,000	22,000	-
Total other financing sources	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Net change in fund balance	(6,385)	(5,403)	982
Fund balance at beginning of year	<u>6,858</u>	<u>6,858</u>	<u>-</u>
Fund balance at end of year	<u>\$ 473</u>	<u>\$ 1,455</u>	<u>\$ 982</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE MISDEMEANANT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
General government:			
Judge:			
Other.	\$ 10,568	\$ -	\$ 10,568
Total expenditures	<u>10,568</u>	<u>-</u>	<u>10,568</u>
 Net change in fund balance.	 (10,568)	 -	 10,568
 Fund balance at beginning of year	 <u>10,568</u>	 <u>10,568</u>	 <u>-</u>
 Fund balance at end of year.	 <u><u>\$ -</u></u>	 <u><u>\$ 10,568</u></u>	 <u><u>\$ 10,568</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FEDERAL AGING GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,500	\$ 3,516	\$ 16
Investment income.	25	3	(22)
Other.	-	4	4
Total revenues.	<u>3,525</u>	<u>3,523</u>	<u>(2)</u>
Expenditures:			
Current:			
General government:			
Aging:			
Salaries and wages.	3,664	3,646	18
Fringe benefits.	1,190	1,187	3
Total expenditures	<u>4,854</u>	<u>4,833</u>	<u>21</u>
Net change in fund balance.	<u>(1,329)</u>	<u>(1,310)</u>	<u>19</u>
Fund balance at beginning of year	<u>2,470</u>	<u>2,470</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,141</u>	<u>\$ 1,160</u>	<u>\$ 19</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

CEMETERY FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 33,200	\$ 36,330	\$ 3,130
Investment income.	8,400	1,709	(6,691)
Other.	29,000	23,824	(5,176)
Total revenues.	<u>70,600</u>	<u>61,863</u>	<u>(8,737)</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages.	77,526	76,909	617
Fringe benefits.	23,576	23,149	427
Contractual services.	20,994	19,252	1,742
Materials and supplies.	7,750	6,408	1,342
Other.	100	100	-
Total expenditures.	<u>129,946</u>	<u>125,818</u>	<u>4,128</u>
Excess of expenditures over revenues	<u>(59,346)</u>	<u>(63,955)</u>	<u>(4,609)</u>
Other financing sources (uses):			
Transfers in.	60,000	60,000	-
Transfers out.	(124)	-	124
Total other financing sources (uses).	<u>59,876</u>	<u>60,000</u>	<u>124</u>
Net change in fund balance.	530	(3,955)	(4,485)
Fund balance at beginning of year	<u>665,677</u>	<u>665,677</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 666,207</u>	<u>\$ 661,722</u>	<u>\$ (4,485)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

HUD GRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,718,582	\$ 872,005	\$ (846,577)
Other	5,300	6,210	910
Total revenues	<u>1,723,882</u>	<u>878,215</u>	<u>(845,667)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages	258,673	135,855	122,818
Fringe benefits	156,146	75,072	81,074
Contractual services	356,960	271,370	85,590
Materials and supplies	22,622	8,114	14,508
Capital outlay	689,671	392,940	296,731
Other	352,590	146,181	206,409
Total expenditures	<u>1,836,662</u>	<u>1,029,532</u>	<u>807,130</u>
Net change in fund balance	(112,780)	(151,317)	(38,537)
Fund balance at beginning of year	59,499	59,499	-
Prior year encumbrances appropriated	71,579	71,579	-
Fund balance (deficit) at end of year	<u>\$ 18,298</u>	<u>\$ (20,239)</u>	<u>\$ (38,537)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALLIANCE NEIGHBORHOOD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental.	\$ 922,584	\$ 22,229	\$ (900,355)
Total revenues.	<u>922,584</u>	<u>22,229</u>	<u>(900,355)</u>
Expenditures:			
Current:			
Security of persons and property:			
Salaries and wages.	44,303	-	44,303
Fringe benefits.	17,897	-	17,897
Contractual services.	118,384	22,229	96,155
Capital outlay.	<u>742,000</u>	-	<u>742,000</u>
Total expenditures.	<u>922,584</u>	<u>22,229</u>	<u>900,355</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ 5,126	\$ 1,792	\$ (3,334)
Other.	35,000	24,236	(10,764)
Total revenues.	<u>40,126</u>	<u>26,028</u>	<u>(14,098)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Capital outlay.	<u>92,000</u>	<u>33,976</u>	<u>58,024</u>
Total expenditures.	<u>92,000</u>	<u>33,976</u>	<u>58,024</u>
Net change in fund balance.	(51,874)	(7,948)	43,926
Fund balance at beginning of year	<u>96,829</u>	<u>96,829</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 44,955</u>	<u>\$ 88,881</u>	<u>\$ 43,926</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FIRE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 87,593	\$ 76,820	\$ (10,773)
Intergovernmental.	13,500	20,337	6,837
Other.	-	285	285
Total revenues.	<u>101,093</u>	<u>97,442</u>	<u>(3,651)</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	426,000	388,926	37,074
Contractual services.	1,500	1,359	141
Total expenditures	<u>427,500</u>	<u>390,285</u>	<u>37,215</u>
Excess of expenditures over revenues	<u>(326,407)</u>	<u>(292,843)</u>	<u>33,564</u>
Other financing sources:			
Transfers in.	339,000	292,842	(46,158)
Total other financing sources.	<u>339,000</u>	<u>292,842</u>	<u>(46,158)</u>
Net change in fund balance.	12,593	(1)	(12,594)
Fund balance at beginning of year	<u>10,001</u>	<u>10,001</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 22,594</u>	<u>\$ 10,000</u>	<u>\$ (12,594)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

POLICE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 87,593	\$ 76,820	\$ (10,773)
Intergovernmental.	13,500	20,337	6,837
Other.	-	285	285
Total revenues.	<u>101,093</u>	<u>97,442</u>	<u>(3,651)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	472,000	456,211	15,789
Contractual services.	1,500	1,359	141
Total expenditures.	<u>473,500</u>	<u>457,570</u>	<u>15,930</u>
Excess of expenditures over revenues	<u>(372,407)</u>	<u>(360,128)</u>	<u>12,279</u>
Other financing sources:			
Transfers in.	384,000	360,127	(23,873)
Total other financing sources.	<u>384,000</u>	<u>360,127</u>	<u>(23,873)</u>
Net change in fund balance.	11,593	(1)	(11,594)
Fund balance at beginning of year	<u>10,001</u>	<u>10,001</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 21,594</u>	<u>\$ 10,000</u>	<u>\$ (11,594)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

TAX INCREMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Transportation:			
Tax increment:			
Contractual services	\$ 1,500	\$ -	\$ 1,500
Other	<u>170,000</u>	<u>108,600</u>	<u>61,400</u>
Total expenditures	<u>171,500</u>	<u>108,600</u>	<u>62,900</u>
 Excess of expenditures over revenues	 <u>(171,500)</u>	 <u>(108,600)</u>	 <u>62,900</u>
 Other financing uses:			
Transfers out	<u>(115,000)</u>	<u>(114,970)</u>	<u>30</u>
Total other financing uses	<u>(115,000)</u>	<u>(114,970)</u>	<u>30</u>
 Net change in fund balance	 (286,500)	 (223,570)	 62,930
 Fund balance at beginning of year	 <u>802,594</u>	 <u>802,594</u>	 <u>-</u>
 Fund balance at end of year	 <u>\$ 516,094</u>	 <u>\$ 579,024</u>	 <u>\$ 62,930</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

L.E. PROFESSIONAL TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 5,000	\$ 4,740	\$ (260)
Other	-	123	123
Total revenues	<u>5,000</u>	<u>4,863</u>	<u>(137)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Contractual services	<u>4,957</u>	<u>3,255</u>	<u>1,702</u>
Total expenditures	<u>4,957</u>	<u>3,255</u>	<u>1,702</u>
Net change in fund balance	43	1,608	1,565
Fund balance at beginning of year	<u>217</u>	<u>217</u>	<u>-</u>
Fund balance at end of year	<u>\$ 260</u>	<u>\$ 1,825</u>	<u>\$ 1,565</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BYRNE JUSTICE ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 61,441	\$ 61,441	\$ -
Total revenues.	<u>61,441</u>	<u>61,441</u>	<u>-</u>
Expenditures:			
Security of persons and property			
Personal services	22,900	-	22,900
Capital outlay	38,541	37,403	1,138
Total expenditures	<u>61,441</u>	<u>37,403</u>	<u>24,038</u>
Net change in fund balance.	-	24,038	24,038
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 24,038</u>	<u>\$ 24,038</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL EQUITABLE SHARING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 328	\$ 243	\$ (85)
Investment income.	697	715	18
Other.	-	86	86
Total revenues.	<u>1,025</u>	<u>1,044</u>	<u>19</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	<u>127,450</u>	<u>78,889</u>	<u>48,561</u>
Total expenditures.	<u>127,450</u>	<u>78,889</u>	<u>48,561</u>
Net change in fund balance.	(126,425)	(77,845)	48,580
Fund balance at beginning of year	<u>289,826</u>	<u>289,826</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 163,401</u>	<u>\$ 211,981</u>	<u>\$ 48,580</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVER ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 13,400	\$ 13,286	\$ (114)
Total revenues.	<u>13,400</u>	<u>13,286</u>	<u>(114)</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	<u>21,050</u>	<u>2,050</u>	<u>19,000</u>
Total expenditures	<u>21,050</u>	<u>2,050</u>	<u>19,000</u>
Net change in fund balance.	(7,650)	11,236	18,886
Fund balance at beginning of year	21,790	21,790	-
Prior year encumbrances appropriated . .	<u>50</u>	<u>50</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,190</u>	<u>\$ 33,076</u>	<u>\$ 18,886</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 6,500	\$ 7,964	\$ 1,464
Total revenues.	<u>6,500</u>	<u>7,964</u>	<u>1,464</u>
Expenditures:			
Current:			
General government:			
Judicial:			
Materials and supplies.	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	(8,500)	(7,036)	1,464
Fund balance at beginning of year	<u>20,124</u>	<u>20,124</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 11,624</u>	<u>\$ 13,088</u>	<u>\$ 1,464</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 14,000	\$ 14,642	\$ 642
Total revenues.	<u>14,000</u>	<u>14,642</u>	<u>642</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	10,500	6,961	3,539
Capital outlay.	<u>15,000</u>	<u>5,592</u>	<u>9,408</u>
Total expenditures	<u>25,500</u>	<u>12,553</u>	<u>12,947</u>
Net change in fund balance.	(11,500)	2,089	13,589
Fund balance at beginning of year	11,515	11,515	-
Prior year encumbrances appropriated	<u>125</u>	<u>125</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 140</u>	<u>\$ 13,729</u>	<u>\$ 13,589</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

E-CITE FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 800	\$ 1,389	\$ 589
Total revenues.	<u>800</u>	<u>1,389</u>	<u>589</u>
Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	<u>1,643</u>	<u>971</u>	<u>672</u>
Total expenditures.	<u>1,643</u>	<u>971</u>	<u>672</u>
Net change in fund balance.	(843)	418	1,261
Fund balance at beginning of year	<u>843</u>	<u>843</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 1,261</u>	<u>\$ 1,261</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

HOME ADMINISTRATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 17,957	\$ 9,557	\$ (8,400)
Total revenues.	<u>17,957</u>	<u>9,557</u>	<u>(8,400)</u>
Expenditures:			
Current:			
Community environment:			
Salaries and wages.	16,680	1,346	15,334
Fringe benefits.	1,277	207	1,070
Total expenditures	<u>17,957</u>	<u>1,553</u>	<u>16,404</u>
Net change in fund balance.	-	8,004	8,004
Fund balance at beginning of year	<u>57</u>	<u>57</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 57</u>	<u>\$ 8,061</u>	<u>\$ 8,004</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCENTIVE REVIEW FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 500	\$ -	\$ (500)
Total revenues.	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures:			
Current:			
Community Environment:			
UDAG:			
Salaries and wages.	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total expenditures.	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Net change in fund balance.	(1,000)	-	1,000
Fund balance at beginning of year	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

LAND USE STUDY FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 4,144	\$ 4,144	\$ -
Fund balance at end of year.	<u>\$ 4,144</u>	<u>\$ 4,144</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COURT ADR FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 17,000	\$ 16,415	\$ (585)
Total revenues.	<u>17,000</u>	<u>16,415</u>	<u>(585)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	2,000	-	2,000
Materials and supplies.	15,000	15,000	-
Total expenditures.	<u>17,000</u>	<u>15,000</u>	<u>2,000</u>
Net change in fund balance.	-	1,415	1,415
Fund balance at beginning of year	<u>14,128</u>	<u>14,128</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,128</u>	<u>\$ 15,543</u>	<u>\$ 1,415</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT HISTORICAL GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 500	\$ 500	\$ -
Total revenues.	<u>500</u>	<u>500</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	<u>500</u>	<u>500</u>	<u>-</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>-</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COURT SECURITY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 2	\$ 2	\$ -
Fund balance at end of year.	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT SECURITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 34,000	\$ 35,637	\$ 1,637
Total revenues.	<u>34,000</u>	<u>35,637</u>	<u>1,637</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	10,000	5,886	4,114
Capital outlay.	70,000	20,056	49,944
Total expenditures.	<u>80,000</u>	<u>25,942</u>	<u>54,058</u>
Net change in fund balance.	(46,000)	9,695	55,695
Fund balance at beginning of year	<u>105,294</u>	<u>105,294</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 59,294</u>	<u>\$ 114,989</u>	<u>\$ 55,695</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

COURT IMMOBILIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 5,600	\$ 3,900	\$ (1,700)
Total revenues.	<u>5,600</u>	<u>3,900</u>	<u>(1,700)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	<u>15,064</u>	<u>1,406</u>	<u>13,658</u>
Total expenditures.	<u>15,064</u>	<u>1,406</u>	<u>13,658</u>
Net change in fund balance.	(9,464)	2,494	11,958
Fund balance at beginning of year	19,047	19,047	-
Prior year encumbrances appropriated	<u>64</u>	<u>64</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,647</u>	<u>\$ 21,605</u>	<u>\$ 11,958</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKING LOT MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 2,000	\$ 1,584	\$ (416)
Total revenues.	<u>2,000</u>	<u>1,584</u>	<u>(416)</u>
Expenditures:			
Current:			
Transportation:			
Contractual services.	<u>18,630</u>	<u>18,459</u>	<u>171</u>
Total expenditures.	<u>18,630</u>	<u>18,459</u>	<u>171</u>
Net change in fund balance.	(16,630)	(16,875)	(245)
Fund balance at beginning of year	<u>18,630</u>	<u>18,630</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,000</u>	<u>\$ 1,755</u>	<u>\$ (245)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAND REUTILIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community environment:			
Contractual services.	\$ 2,800	\$ -	\$ 2,800
Materials and supplies.	500	-	500
Total expenditures	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Net change in fund balance.	(3,300)	-	3,300
Fund balance at beginning of year	<u>3,383</u>	<u>3,383</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 83</u>	<u>\$ 3,383</u>	<u>\$ 3,300</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

PARK RESOURCE FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 197	\$ 197	\$ -
Total revenues.	<u>197</u>	<u>197</u>	<u>-</u>
Expenditures:			
Current:			
Public health services:			
Capital outlay.	1,200	1,200	-
Total expenditures.	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Net change in fund balance.	(1,003)	(1,003)	-
Fund balance at beginning of year	<u>1,003</u>	<u>1,003</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN SPECIAL EVENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 4,000	\$ 3,645	\$ (355)
Other	-	547	547
Total revenues.	<u>4,000</u>	<u>4,192</u>	<u>192</u>
Expenditures:			
Current:			
General Government:			
General Administration:			
Contractual services.	4,000	3,400	600
Materials and supplies.	1,000	945	55
Capital outlay.	<u>3,600</u>	<u>3,600</u>	-
Total expenditures	<u>8,600</u>	<u>7,945</u>	<u>655</u>
Net change in fund balance.	(4,600)	(3,753)	847
Fund balance at beginning of year	<u>4,683</u>	<u>4,683</u>	-
Fund balance at end of year.	<u>\$ 83</u>	<u>\$ 930</u>	<u>\$ 847</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION - MAJOR GOVERNMENTAL FUND

Debt Service Fund

The debt service fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessments.	\$ 75,000	\$ 63,244	\$ (11,756)
Total revenues.	<u>75,000</u>	<u>63,244</u>	<u>(11,756)</u>
Expenditures:			
Debt service:			
Principal retirement:			
Bond.	1,626,382	1,588,114	38,268
Interest and fiscal charges:			
Bond.	667,423	644,239	23,184
Total expenditures	<u>2,293,805</u>	<u>2,232,353</u>	<u>61,452</u>
Excess of expenditures over revenues	<u>(2,218,805)</u>	<u>(2,169,109)</u>	<u>49,696</u>
Other financing sources:			
Transfers in.	3,000,000	2,161,134	(838,866)
Total other financing sources	<u>3,000,000</u>	<u>2,161,134</u>	<u>(838,866)</u>
Net change in fund balance.	781,195	(7,975)	(789,170)
Fund balance at beginning of year.	<u>119,147</u>	<u>119,147</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 900,342</u>	<u>\$ 111,172</u>	<u>\$ (789,170)</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Street Income Tax Construction Fund

This fund accounts for income tax monies used for improvements to various City roads.

Municipal Road Fund

This fund accounts for specific tax or other earmarked monies designated to finance annual street maintenance projects.

Capital Improvements Fund

This fund accounts for income tax monies received for the purpose of acquisition of capital assets.

Downtown Development Fund

This fund accounts for monies received for the purpose of improving the downtown area. Source of funds include State Issue II funds and City funds.

Communication Equipment Fund

This fund accounts for monies received for the purpose of purchasing communication equipment for the City.

Jail Construction Fund

This fund accounts for monies received for the purpose of improvements and construction at the City jail.

West State Street Fund

This fund accounts for monies received for the purpose of widening West State Street from Western Avenue to Feshley Avenue.

Street Improvement Fund

This fund accounts for the monies received for the purpose of improving City streets.

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2009

	<u>Street Income Tax Construction</u>	<u>Capital Improvements</u>	<u>West State Street</u>	<u>Street Improvement</u>	<u>Total</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 439,775	\$ 377,384	\$ 16,115	\$ 36,403	\$ 869,677
Receivables (net of allowances for uncollectibles):					
Municipal income taxes	189,890	271,272	-	-	461,162
Intergovernmental	26,050	81,782	-	-	107,832
Special assessments	44,474	-	-	-	44,474
Total assets.	<u>\$ 700,189</u>	<u>\$ 730,438</u>	<u>\$ 16,115</u>	<u>\$ 36,403</u>	<u>\$ 1,483,145</u>
Liabilities:					
Accounts payable	\$ 31,534	\$ 3,836	\$ -	\$ -	\$ 35,370
Intergovernmental	-	152	-	-	152
Deferred revenue	116,488	184,661	-	-	301,149
Total liabilities	<u>148,022</u>	<u>188,649</u>	<u>-</u>	<u>-</u>	<u>336,671</u>
Fund Balances:					
Reserved for encumbrances.	96,718	32,332	-	19,610	148,660
Unreserved:					
Undesignated	455,449	509,457	16,115	16,793	997,814
Total fund balances	<u>552,167</u>	<u>541,789</u>	<u>16,115</u>	<u>36,403</u>	<u>1,146,474</u>
Total liabilities and fund balances.	<u>\$ 700,189</u>	<u>\$ 730,438</u>	<u>\$ 16,115</u>	<u>\$ 36,403</u>	<u>\$ 1,483,145</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Street Income Tax Construction</u>	<u>Municipal Road</u>	<u>Capital Improvements</u>	<u>Street Improvement</u>
Revenues:				
Municipal income taxes	\$ 594,695	\$ -	\$ 849,383	\$ -
Intergovernmental	-	153,611	213,701	-
Contributions and donations	-	-	5,000	-
Other	63,246	-	118,456	-
Total revenues	<u>657,941</u>	<u>153,611</u>	<u>1,186,540</u>	<u>-</u>
Expenditures:				
Current:				
Community Environment	-	-	-	7,740
Capital outlay	791,502	153,611	1,104,674	-
Total expenditures	<u>791,502</u>	<u>153,611</u>	<u>1,104,674</u>	<u>7,740</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(133,561)</u>	<u>-</u>	<u>81,866</u>	<u>(7,740)</u>
Other financing uses:				
Transfers out	-	-	(49,450)	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>(49,450)</u>	<u>-</u>
Net change in fund balances	(133,561)	-	32,416	(7,740)
Fund balances at beginning of year.	<u>685,728</u>	<u>-</u>	<u>509,373</u>	<u>44,143</u>
Fund balances at end of year	<u>\$ 552,167</u>	<u>\$ -</u>	<u>\$ 541,789</u>	<u>\$ 36,403</u>

<u>Downtown Development</u>	<u>Communication Equipment</u>	<u>Jail Construction</u>	<u>West State Street</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,444,078
-	-	-	-	367,312
-	-	-	-	5,000
-	-	-	-	181,702
-	-	-	-	1,998,092
-	-	-	-	7,740
34,307	207	32	-	2,084,333
34,307	207	32	-	2,092,073
(34,307)	(207)	(32)	-	(93,981)
-	-	-	-	(49,450)
-	-	-	-	(49,450)
(34,307)	(207)	(32)	-	(143,431)
34,307	207	32	16,115	1,289,905
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,115</u>	<u>\$ 1,146,474</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET INCOME TAX CONSTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes.	\$ 582,712	\$ 605,130	\$ 22,418
Special assessment	-	127	127
Other.	-	37,197	37,197
Total revenues.	<u>582,712</u>	<u>642,454</u>	<u>59,742</u>
Expenditures:			
Capital outlay:			
Street income tax:			
Capital outlay	1,000,364	890,060	110,304
Total expenditures	<u>1,000,364</u>	<u>890,060</u>	<u>110,304</u>
Net change in fund balance.	(417,652)	(247,606)	170,046
Fund balance at beginning of year	535,597	535,597	-
Prior year encumbrances appropriated	<u>23,532</u>	<u>23,532</u>	-
Fund balance at end of year.	<u>\$ 141,477</u>	<u>\$ 311,523</u>	<u>\$ 170,046</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

MUNICIPAL ROAD FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 182,411	\$ 153,611	\$ (28,800)
Total revenues.	<u>182,411</u>	<u>153,611</u>	<u>(28,800)</u>
Expenditures:			
Capital outlay:			
Capital outlay.	<u>182,411</u>	<u>153,611</u>	<u>28,800</u>
Total expenditures	<u>182,411</u>	<u>153,611</u>	<u>28,800</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 832,445	\$ 864,472	\$ 32,027
Intergovernmental	447,287	213,700	(233,587)
Contributions and donations	10,000	5,000	(5,000)
Other	4,740	118,455	113,715
Total revenues	<u>1,294,472</u>	<u>1,201,627</u>	<u>(92,845)</u>
Expenditures:			
Capital outlay:			
Capital improvements:			
Capital outlay	<u>1,558,032</u>	<u>1,138,310</u>	<u>419,722</u>
Total expenditures	<u>1,558,032</u>	<u>1,138,310</u>	<u>419,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,560)</u>	<u>63,317</u>	<u>326,877</u>
Other financing uses:			
Transfers out	<u>(63,336)</u>	<u>(49,450)</u>	<u>13,886</u>
Total other financing uses	<u>(63,336)</u>	<u>(49,450)</u>	<u>13,886</u>
Net change in fund balance	(326,896)	13,867	340,763
Fund balance at beginning of year	317,180	317,180	-
Prior year encumbrances appropriated	<u>10,169</u>	<u>10,169</u>	<u>-</u>
Fund balance at end of year	<u>\$ 453</u>	<u>\$ 341,216</u>	<u>\$ 340,763</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

STREET IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
Street improvement:			
Capital outlay	\$ 44,143	\$ 27,350	\$ 16,793
Total expenditures	<u>44,143</u>	<u>27,350</u>	<u>16,793</u>
Net change in fund balance.	(44,143)	(27,350)	16,793
Fund balance at beginning of year	39,743	39,743	-
Prior year encumbrances appropriated	<u>4,400</u>	<u>4,400</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 16,793</u></u>	<u><u>\$ 16,793</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
Community development:			
Capital outlay	\$ 34,307	\$ 34,307	\$ -
Total expenditures	<u>34,307</u>	<u>34,307</u>	<u>-</u>
Net change in fund balance.	(34,307)	(34,307)	-
Fund balance at beginning of year	<u>34,307</u>	<u>34,307</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNICATION EQUIPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
General administration safety:			
Capital outlay	\$ 207	\$ 207	\$ -
Total expenditures	<u>207</u>	<u>207</u>	<u>-</u>
Net change in fund balance.	(207)	(207)	-
Fund balance at beginning of year	<u>207</u>	<u>207</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

JAIL CONSTRUCTION FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
General administration safety:			
Capital outlay	\$ 32	\$ 32	\$ -
Total expenditures	<u>32</u>	<u>32</u>	<u>-</u>
Net change in fund balance.	(32)	(32)	-
Fund balance at beginning of year	<u>32</u>	<u>32</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

WEST STATE STREET FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
Street transportation:			
Capital outlay	\$ 16,115	\$ -	\$ 16,115
Total expenditures	<u>16,115</u>	<u>-</u>	<u>16,115</u>
Net change in fund balance.	(16,115)	-	16,115
Fund balance at beginning of year	<u>16,115</u>	<u>16,115</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 16,115</u></u>	<u><u>\$ 16,115</u></u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS

Enterprise Funds

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business enterprises where the intent is that the cost (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

Water Fund

This fund accounts for revenues generated from charges for distribution of water to residential and commercial users of the City.

Sewer Fund

This fund accounts for revenues generated from charges for sanitary services provided to residential and commercial users of the City.

Robertson Community Center Fund

This fund accounts for revenues generated from charges for use of the facilities at Robertson Community Center.

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 4,342,000	\$ 4,027,388	\$ (314,612)
Other.	31,000	26,361	(4,639)
Total operating revenues	<u>4,373,000</u>	<u>4,053,749</u>	<u>(319,251)</u>
Operating expenses:			
Salaries and wages.	1,421,038	1,337,762	83,276
Fringe benefits.	567,716	530,159	37,557
Contractual services.	747,724	622,515	125,209
Materials and supplies.	870,966	844,204	26,762
Capital outlay.	833,322	561,197	272,125
Other.	15,500	13,012	2,488
Total operating expenses	<u>4,456,266</u>	<u>3,908,849</u>	<u>547,417</u>
Operating income (loss).	<u>(83,266)</u>	<u>144,900</u>	<u>228,166</u>
Nonoperating revenues:			
Municipal income taxes.	332,978	345,789	12,811
Investment income.	32,400	4,816	(27,584)
Total nonoperating revenues	<u>365,378</u>	<u>350,605</u>	<u>(14,773)</u>
Income before transfers	<u>282,112</u>	<u>495,505</u>	<u>213,393</u>
Transfers out.	<u>(1,722,157)</u>	<u>(1,342,006)</u>	<u>380,151</u>
Net loss	<u>(1,440,045)</u>	<u>(846,501)</u>	<u>593,544</u>
Fund equity beginning of year.	3,799,887	3,799,887	-
Prior year encumbrances appropriated . .	<u>91,918</u>	<u>91,918</u>	<u>-</u>
Fund equity end of year.	<u>\$ 2,451,760</u>	<u>\$ 3,045,304</u>	<u>\$ 593,544</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 4,384,886	\$ 4,213,386	\$ (171,500)
Licenses, permits, and fees.	35,000	38,195	3,195
Other.	9,000	4,114	(4,886)
Total operating revenues	<u>4,428,886</u>	<u>4,255,695</u>	<u>(173,191)</u>
Operating expenses:			
Salaries and wages.	1,606,532	1,565,172	41,360
Fringe benefits.	604,469	576,614	27,855
Contractual services.	2,494,295	588,031	1,906,264
Materials and supplies.	253,601	194,784	58,817
Capital outlay.	2,177,269	1,700,377	476,892
Other.	22,930	22,879	51
Total operating expenses	<u>7,159,096</u>	<u>4,647,857</u>	<u>2,511,239</u>
Operating loss	<u>(2,730,210)</u>	<u>(392,162)</u>	<u>2,338,048</u>
Nonoperating revenues:			
Investment income.	65,402	10,399	(55,003)
Loan proceeds	350,812	350,812	-
Total nonoperating revenues.	<u>416,214</u>	<u>361,211</u>	<u>(55,003)</u>
Loss before capital contributions and transfers	<u>(2,313,996)</u>	<u>(30,951)</u>	<u>2,283,045</u>
Transfers in.	22,157	22,157	-
Capital contributions	307,304	313,745	6,441
Transfers out.	<u>(730,935)</u>	<u>(546,973)</u>	<u>183,962</u>
Net loss	<u>(2,715,470)</u>	<u>(242,022)</u>	<u>2,473,448</u>
Fund equity beginning of year.	3,223,558	3,223,558	-
Prior year encumbrances appropriated . .	967,914	967,914	-
Fund equity end of year.	<u>\$ 1,476,002</u>	<u>\$ 3,949,450</u>	<u>\$ 2,473,448</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROBERTSON COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 43,845	\$ 43,970	\$ 125
Other.	31,723	31,723	-
Total operating revenues	<u>75,568</u>	<u>75,693</u>	<u>125</u>
Operating expenses:			
Salaries and wages.	17,520	14,861	2,659
Fringe benefits.	3,257	2,842	415
Contractual services.	39,806	30,149	9,657
Capital outlay.	3,000	396	2,604
Other.	75	55	20
Total operating expenses.	<u>63,658</u>	<u>48,303</u>	<u>15,355</u>
Net income	11,910	27,390	15,480
Fund equity beginning of year.	<u>68,575</u>	<u>68,575</u>	<u>-</u>
Fund equity end of year.	<u><u>\$ 80,485</u></u>	<u><u>\$ 95,965</u></u>	<u><u>\$ 15,480</u></u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Internal Service Fund

The internal service fund is used to 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. Specifically the Insurance fund accounts for a medical benefit self-insurance program for employees of the City.

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 2,371,000	\$ 2,021,702	\$ (349,298)
Total operating revenues	<u>2,371,000</u>	<u>2,021,702</u>	<u>(349,298)</u>
Operating expenses:			
Claims.	<u>2,335,000</u>	<u>1,868,896</u>	<u>466,104</u>
Total operating expenses.	<u>2,335,000</u>	<u>1,868,896</u>	<u>466,104</u>
Net income	36,000	152,806	116,806
Fund equity at beginning of year	<u>829,847</u>	<u>829,847</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 865,847</u>	<u>\$ 982,653</u>	<u>\$ 116,806</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Agency Fund

This fund is purely custodial (assets equal liabilities) and thus does not involve the measurement of results of operations.

Carnation Cable Channel Fund

This fund accounts for monies received from cable franchise fees prescribed by City Ordinance for local cable access.

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance</u> <u>1/1/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2009</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 87,689	\$ 87,689	\$ -
Receivables (net of allowances of uncollectibles):				
Accounts	22,221	22,043	22,221	22,043
Total assets.	<u>\$ 22,221</u>	<u>\$ 109,732</u>	<u>\$ 109,910</u>	<u>\$ 22,043</u>
Liabilities:				
Due to others	\$ 22,221	\$ 109,732	\$ 109,910	\$ 22,043
Total liabilities	<u>\$ 22,221</u>	<u>\$ 109,732</u>	<u>\$ 109,910</u>	<u>\$ 22,043</u>

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STATISTICAL SECTION

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CITY OF ALLIANCE, OHIO
STATISTICAL SECTION

This part of the City of Alliance'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</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.	161-170
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	171
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.	172-177
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	178-179
Operating Information These schedules contain service and infrastructure 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.	180-184

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 ALLIANCE, OHIO
NET ASSETS BY COMPONENT
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 18,500,286	\$ 17,764,197	\$ 18,197,128	\$ 18,707,921
Restricted for:				
Capital projects	1,447,623	1,751,872	1,155,599	1,115,068
Debt service	661,027	915,520	960,434	1,139,016
Special revenue	-	-	-	5,780,614
Transportation projects	265,771	325,698	960,327	-
Public health service programs	728,398	734,587	726,240	-
Community environment programs	4,521,279	4,785,006	3,850,510	-
Security programs	394,189	448,672	-	-
Police and fire pension	59,322	58,717	59,516	-
Other purposes	291,652	290,657	796,984	-
Unrestricted	<u>2,679,203</u>	<u>2,624,597</u>	<u>2,708,070</u>	<u>2,062,100</u>
Total governmental activities net assets	<u>\$ 29,548,750</u>	<u>\$ 29,699,523</u>	<u>\$ 29,414,808</u>	<u>\$ 28,804,719</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 8,804,341	\$ 6,945,805	\$ 5,947,976	\$ 6,893,121
Restricted:				
Debt service	637,561	869,875	838,787	1,583,849
Replacement and surplus reserve	682,495	493,477	506,138	724,445
Unrestricted	<u>9,162,368</u>	<u>9,119,655</u>	<u>8,736,925</u>	<u>5,803,278</u>
Total business-type activities net assets	<u>\$ 19,286,765</u>	<u>\$ 17,428,812</u>	<u>\$ 16,029,826</u>	<u>\$ 15,004,693</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 27,304,627	\$ 24,710,002	\$ 24,145,104	\$ 25,601,042
Restricted for:				
Capital projects	1,447,623	1,751,872	1,155,599	1,115,068
Debt service	1,298,588	1,785,395	1,799,221	2,722,865
Special revenue	-	-	-	5,780,614
Replacement and surplus reserve	682,495	493,477	506,138	724,445
Transportation projects	265,771	325,698	960,327	-
Public health service programs	728,398	734,587	726,240	-
Community environment programs	4,521,279	4,785,006	3,850,510	-
Security programs	394,189	448,672	-	-
Police and fire pension	59,322	58,717	59,516	-
Other purposes	291,652	290,657	796,984	-
Unrestricted	<u>11,841,571</u>	<u>11,744,252</u>	<u>11,444,995</u>	<u>7,865,378</u>
Total primary government net assets	<u>\$ 48,835,515</u>	<u>\$ 47,128,335</u>	<u>\$ 45,444,634</u>	<u>\$ 43,809,412</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

Note: Starting in 2007, governmental activities net assets restricted for special revenue has been broken out to better reflect the restrictions.

Source: City financial records

2005	2004	2003
\$ 19,015,248	\$ 9,184,300	\$ 8,614,889
1,457,599	1,822,941	1,369,346
128,199	128,809	-
5,961,372	5,912,729	5,814,454
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,084,862	751,439	2,143,124
<u>\$ 27,647,280</u>	<u>\$ 17,800,218</u>	<u>\$ 17,941,813</u>
\$ 6,435,656	\$ 6,159,014	\$ 5,097,337
1,533,905	1,495,291	2,324,516
846,888	904,389	-
5,009,687	4,564,432	5,446,828
<u>\$ 13,826,136</u>	<u>\$ 13,123,126</u>	<u>\$ 12,868,681</u>
\$ 25,450,904	\$ 15,343,314	\$ 13,712,226
1,457,599	1,822,941	1,369,346
1,662,104	1,624,100	2,324,516
5,961,372	5,912,729	5,814,454
846,888	904,389	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,094,549	5,315,871	7,589,952
<u>\$ 41,473,416</u>	<u>\$ 30,923,344</u>	<u>\$ 30,810,494</u>

CITY OF ALLIANCE, OHIO
CHANGES IN NET ASSETS
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 984,588	\$ 948,427	\$ 1,091,967	\$ 1,029,473
Security of persons and property	14,278	157,747	506,379	93,262
Public health services	162,113	165,168	173,292	162,627
Transportation	-	-	-	-
Community environment	82,968	207,862	94,094	110,248
Leisure time activities	22,990	31,456	30,315	35,154
Interest and fiscal charges	-	36,025	31,765	-
Subtotal - charges for services	<u>1,266,937</u>	<u>1,546,685</u>	<u>1,927,812</u>	<u>1,430,764</u>
Operating grants and contributions				
General government	30,622	16,550	11,069	94,223
Security of persons and property	141,330	66,882	77,632	-
Public health services	197,403	181,104	177,890	187,919
Transportation	853,054	1,042,127	883,294	-
Community environment	995,772	798,218	540,042	945,837
Subtotal - operating grants and contributions	<u>2,218,181</u>	<u>2,104,881</u>	<u>1,689,927</u>	<u>1,227,979</u>
Capital grants and contributions				
Transportation	207,196	326,119	125,478	69,653
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Subtotal - capital grants and contributions	<u>207,196</u>	<u>326,119</u>	<u>125,478</u>	<u>69,653</u>
Total governmental activities program revenues	<u>3,692,314</u>	<u>3,977,685</u>	<u>3,743,217</u>	<u>2,728,396</u>
Business-type activities:				
Charges for services:				
Water	4,460,193	4,343,787	4,377,711	4,420,598
Sewer	4,618,220	4,180,728	4,016,634	3,686,640
Robertson Community Center	75,933	56,293	52,404	51,582
Capital grants and contributions	313,745	24,295	29,052	-
Total business-type activities program revenues	<u>9,468,091</u>	<u>8,605,103</u>	<u>8,475,801</u>	<u>8,158,820</u>
Total primary government	<u>\$ 13,160,405</u>	<u>\$ 12,582,788</u>	<u>\$ 12,219,018</u>	<u>\$ 10,887,216</u>
Expenses:				
Governmental Activities				
General government	\$ 2,917,013	\$ 3,086,862	\$ 3,016,883	\$ 4,043,160
Security of persons and property	8,416,988	8,407,092	7,539,046	6,917,630
Public health services	952,822	965,155	961,261	852,080
Transportation	1,636,141	1,787,268	2,285,361	1,124,564
Community environment	969,055	783,718	854,061	1,440,811
Basic utility services	56,427	62,750	47,762	113,162
Leisure time activities	793,909	769,611	693,235	650,091
Interest and fiscal charges	110,107	114,938	120,829	129,179
Total governmental activities expenses	<u>15,852,462</u>	<u>15,977,394</u>	<u>15,518,438</u>	<u>15,270,677</u>

<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,007,370	\$ 879,558	\$ 936,325
-	-	-
150,203	151,688	139,243
-	-	50
128,596	123,380	152,257
59,195	20,125	20,128
-	-	-
<u>1,345,364</u>	<u>1,174,751</u>	<u>1,248,003</u>
77,760	-	44,448
-	15,939	47,413
178,869	168,865	213,500
-	-	-
940,819	440,217	-
<u>1,197,448</u>	<u>625,021</u>	<u>305,361</u>
-	-	-
100,000	356,235	-
-	-	46,887
<u>100,000</u>	<u>356,235</u>	<u>46,887</u>
<u>2,642,812</u>	<u>2,156,007</u>	<u>1,600,251</u>
4,119,622	3,917,644	3,917,191
3,252,855	3,351,600	3,341,118
44,464	-	-
-	410,572	170,307
<u>7,416,941</u>	<u>7,679,816</u>	<u>7,428,616</u>
<u>\$ 10,059,753</u>	<u>\$ 9,835,823</u>	<u>\$ 9,028,867</u>
\$ 3,055,599	\$ 2,953,410	\$ 2,138,370
7,437,917	6,908,599	7,095,318
812,097	877,649	718,678
2,003,429	1,078,691	1,036,841
819,843	1,146,965	943,633
66,864	62,048	70,332
667,520	647,592	598,089
150,982	155,793	175,161
<u>15,014,251</u>	<u>13,830,747</u>	<u>12,776,422</u>

-- Continued

CITY OF ALLIANCE, OHIO

CHANGES IN NET ASSETS (CONTINUED)
LAST SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Business-type activities:				
Water	\$ 4,498,029	\$ 3,974,057	\$ 4,391,750	\$ 4,151,267
Sewer	3,523,095	3,629,692	3,637,428	3,439,175
Robertson Community Center	<u>54,174</u>	<u>76,277</u>	<u>79,192</u>	<u>57,972</u>
Total business-type activities expenses	<u>8,075,298</u>	<u>7,680,026</u>	<u>8,108,370</u>	<u>7,648,414</u>
Total primary government	<u>\$ 23,927,760</u>	<u>\$ 23,657,420</u>	<u>\$ 23,626,808</u>	<u>\$ 22,919,091</u>
Net (Expense) Revenue				
Governmental activities	(12,160,148)	(11,999,709)	(11,775,221)	(12,542,281)
Business-type activities	<u>1,392,793</u>	<u>925,077</u>	<u>367,431</u>	<u>510,406</u>
Total primary government net expense	<u>\$ (10,767,355)</u>	<u>\$ (11,074,632)</u>	<u>\$ (11,407,790)</u>	<u>\$ (12,031,875)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Municipal income taxes	\$ 8,540,876	\$ 8,844,311	\$ 8,685,830	\$ 8,344,521
Property and other local taxes	984,883	1,331,701	1,577,482	1,503,423
Grants and entitlements				
not restricted to specific programs	1,714,806	1,458,034	1,359,491	3,118,133
Investment earnings	21,096	154,923	548,794	326,744
Miscellaneous	747,714	495,455	213,713	372,327
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,572</u>
Total governmental activities	<u>12,009,375</u>	<u>12,284,424</u>	<u>12,385,310</u>	<u>13,699,720</u>
Business-type activities				
Municipal income taxes	340,765	349,905	348,248	307,661
Unrestricted grants and contributions	-	-	-	-
Investment earnings	15,215	124,004	309,454	395,062
Gain on sale of capital assets	109,180	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,572)</u>
Total business-type activities	<u>465,160</u>	<u>473,909</u>	<u>657,702</u>	<u>668,151</u>
Total primary government	<u>\$ 12,474,535</u>	<u>\$ 12,758,333</u>	<u>\$ 13,043,012</u>	<u>\$ 14,367,871</u>
Change in Net Assets				
Governmental activities	\$ (150,773)	\$ 284,715	\$ 610,089	\$ 1,157,439
Business-type activities	<u>1,857,953</u>	<u>1,398,986</u>	<u>1,025,133</u>	<u>1,178,557</u>
Total primary government	<u>\$ 1,707,180</u>	<u>\$ 1,683,701</u>	<u>\$ 1,635,222</u>	<u>\$ 2,335,996</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

Source: City financial records

<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 4,099,091	\$ 4,210,253	\$ 4,377,606
3,216,935	3,322,084	3,132,644
76,859	-	-
<u>7,392,885</u>	<u>7,532,337</u>	<u>7,510,250</u>
\$ <u>22,407,136</u>	\$ <u>21,363,084</u>	\$ <u>20,286,672</u>
(12,371,439)	(11,674,740)	(11,176,171)
24,056	147,479	(81,634)
\$ <u>(12,347,383)</u>	\$ <u>(11,527,261)</u>	\$ <u>(11,257,805)</u>
\$ 7,626,396	\$ 7,537,702	\$ 6,706,398
1,523,469	1,370,645	1,493,119
1,998,723	1,951,422	2,879,685
266,974	151,771	117,106
680,693	506,605	627,687
(59,725)	15,000	-
<u>12,036,530</u>	<u>11,533,145</u>	<u>11,823,995</u>
383,794	69,164	268,840
414,108	-	-
228,161	52,802	41,794
-	-	-
59,725	(15,000)	-
<u>1,085,788</u>	<u>106,966</u>	<u>310,634</u>
\$ <u>13,122,318</u>	\$ <u>11,640,111</u>	\$ <u>12,134,629</u>
\$ (334,909)	\$ (141,595)	\$ 647,824
1,109,844	254,445	229,000
\$ <u>774,935</u>	\$ <u>112,850</u>	\$ <u>876,824</u>

CITY OF ALLIANCE, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund				
Reserved	\$ 39,787	\$ 54,034	\$ 60,413	\$ 78,177
Unreserved	<u>2,277,229</u>	<u>2,415,812</u>	<u>2,827,425</u>	<u>1,960,128</u>
Total general fund	<u>\$ 2,317,016</u>	<u>\$ 2,469,846</u>	<u>\$ 2,887,838</u>	<u>\$ 2,038,305</u>
All Other Governmental Funds				
Reserved	\$ 2,396,244	\$ 2,053,742	\$ 2,122,823	\$ 2,008,866
Unreserved, reported in:				
Special revenue funds	2,234,113	2,670,338	2,468,519	2,046,513
Debt service fund	253,537	383,562	405,002	530,268
Capital projects funds	997,814	1,253,617	879,040	877,141
Revolving loan fund	<u>1,775,948</u>	<u>1,877,054</u>	<u>1,770,809</u>	<u>1,850,228</u>
Total all other governmental funds	<u>\$ 7,657,656</u>	<u>\$ 8,238,313</u>	<u>\$ 7,646,193</u>	<u>\$ 7,313,016</u>
Total governmental funds	<u>\$ 9,974,672</u>	<u>\$ 10,708,159</u>	<u>\$ 10,534,031</u>	<u>\$ 9,351,321</u>

Source: City financial records

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 6,271	\$ 7,277	\$ 57,758	\$ 21,077	\$ 105,361	\$ 117,831
<u>1,623,549</u>	<u>1,449,575</u>	<u>1,559,008</u>	<u>2,282,794</u>	<u>2,219,529</u>	<u>2,559,551</u>
<u>\$ 1,629,820</u>	<u>\$ 1,456,852</u>	<u>\$ 1,616,766</u>	<u>\$ 2,303,871</u>	<u>\$ 2,324,890</u>	<u>\$ 2,677,382</u>
\$ 2,666,144	\$ 2,558,410	\$ 3,150,503	\$ 3,916,229	\$ 6,114,120	\$ 2,197,972
1,887,440	1,772,658	1,744,308	1,981,973	3,291,714	2,802,710
128,199	128,809	(2,001,533)	110,194	112,757	114,261
1,179,745	1,500,142	851,257	1,337,740	1,726,301	4,764,938
<u>1,503,868</u>	<u>1,354,590</u>	<u>1,217,403</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,365,396</u>	<u>\$ 7,314,609</u>	<u>\$ 4,961,938</u>	<u>\$ 7,346,136</u>	<u>\$ 11,244,892</u>	<u>\$ 9,879,881</u>
<u>\$ 8,995,216</u>	<u>\$ 8,771,461</u>	<u>\$ 6,578,704</u>	<u>\$ 9,650,007</u>	<u>\$ 13,569,782</u>	<u>\$ 12,557,263</u>

CITY OF ALLIANCE, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues				
Municipal income taxes	\$ 8,516,605	\$ 8,918,599	\$ 8,680,502	\$ 8,024,521
Property and other taxes	980,354	1,317,000	1,654,590	1,369,882
Charges for services	286,138	219,980	210,692	286,675
Licenses permits and fees	177,116	211,965	189,557	198,136
Fines and forfeitures	553,954	707,122	1,133,003	752,202
Intergovernmental	4,248,142	3,339,642	3,328,039	4,088,770
Special assessments	63,244	67,529	66,011	69,653
Investment income	109,236	284,258	528,586	326,744
Rental income	91,888	197,934	187,367	197,651
Contributions and donations	8,660	8,936	21,875	-
Other	931,047	617,343	386,814	368,427
Total revenues	<u>15,966,384</u>	<u>15,890,308</u>	<u>16,387,036</u>	<u>15,682,661</u>
Expenditures				
Current:				
General government	2,389,066	2,557,730	2,539,655	3,004,114
Security of persons and property	7,821,330	7,894,771	7,367,104	7,120,972
Public health services	911,403	916,506	897,770	847,880
Transportation	963,850	1,078,028	1,426,146	779,409
Community environment	1,167,061	745,376	805,669	1,437,792
Leisure time activities	687,874	707,879	622,482	591,116
Basic utility services	53,228	56,634	29,842	103,710
Capital outlay	2,194,333	1,249,970	1,007,670	1,218,871
Debt service:				
Principal retirement	403,036	387,705	382,388	372,083
Interest and fiscal charges	108,690	121,581	125,600	129,181
Total expenditures	<u>16,699,871</u>	<u>15,716,180</u>	<u>15,204,326</u>	<u>15,605,128</u>
Excess (deficiency) of revenues over (under) expenditures	(733,487)	174,128	1,182,710	77,533
Other Financing Sources (Uses)				
General obligation bonds issued	-	-	-	-
Notes issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	1,030,531	1,120,695	1,066,863	1,353,119
Transfers (out)	<u>(1,030,531)</u>	<u>(1,120,695)</u>	<u>(1,066,863)</u>	<u>(1,318,547)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,572</u>
Net change in fund balances	<u>\$ (733,487)</u>	<u>\$ 174,128</u>	<u>\$ 1,182,710</u>	<u>\$ 112,105</u>
Capital expenditures	\$ 1,891,704	\$ 629,761	\$ 1,091,851	\$ 1,257,438
Debt service as a percentage of noncapital expenditures	3.46%	3.38%	3.60%	3.49%

Source: City financial records

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$	7,626,396	\$ 7,401,163	\$ 6,830,817	6,856,339	6,879,010	6,891,942
	1,523,469	1,370,645	1,493,119	1,141,175	1,660,276	853,784
	319,431	231,861	351,965	415,438	362,691	309,885
	214,178	219,095	251,699	251,498	191,998	185,767
	673,263	528,808	456,481	542,705	459,229	512,114
	3,305,958	3,049,565	3,343,052	3,296,042	4,469,222	3,437,351
	69,284	66,491	72,263	79,360	68,611	69,982
	266,974	165,781	117,106	297,877	594,581	756,084
	187,794	195,600	187,858	162,531	291,703	-
	-	-	-	-	712,052	-
	611,409	425,483	535,305	427,644	427,378	552,399
	<u>14,798,156</u>	<u>13,654,492</u>	<u>13,639,665</u>	<u>13,470,609</u>	<u>16,116,751</u>	<u>13,569,308</u>
	2,696,600	2,639,368	2,238,952	2,246,009	2,368,265	2,280,438
	6,884,123	6,464,712	6,571,883	6,370,849	6,516,687	6,491,224
	814,061	772,536	743,463	717,809	725,626	660,804
	806,465	952,269	944,347	837,684	981,208	937,866
	866,213	1,110,544	959,165	1,099,535	1,744,587	931,804
	565,882	544,468	580,700	514,393	536,122	537,253
	57,412	54,497	54,340	55,996	57,856	55,720
	1,052,146	844,885	1,865,747	4,353,288	3,987,455	2,046,704
	376,792	111,512	2,846,232	2,590,976	1,925,730	2,035,494
	150,982	146,952	178,561	257,018	367,002	271,992
	<u>14,270,676</u>	<u>13,641,743</u>	<u>16,983,390</u>	<u>19,043,557</u>	<u>19,210,538</u>	<u>16,249,299</u>
	527,480	12,749	(3,343,725)	(5,572,948)	(3,093,787)	(2,679,991)
	-	2,165,000	-	-	3,060,000	-
	-	-	240,000	2,355,000	-	1,700,000
	-	-	-	-	6,000	1,083
	1,368,001	1,260,384	1,735,416	1,719,622	6,349,266	1,638,204
	(1,427,726)	(1,245,384)	(1,735,416)	(1,716,449)	(5,694,497)	(1,657,341)
	<u>(59,725)</u>	<u>2,180,000</u>	<u>240,000</u>	<u>2,358,173</u>	<u>3,720,769</u>	<u>1,681,946</u>
\$	<u>467,755</u>	<u>\$ 2,192,749</u>	<u>\$ (3,103,725)</u>	<u>\$ (3,214,775)</u>	<u>\$ 626,982</u>	<u>\$ (998,045)</u>
\$	1,052,146	\$ 844,885	\$ 1,865,747	\$ 4,353,288	\$ 3,987,455	\$ 2,046,704
	3.99%	2.02%	20.01%	19.39%	15.06%	16.25%

CITY OF ALLIANCE, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

Tax Year (1)	Individual		Total Individual	Business	Total	Tax Rate (2)
	Withholding	Non-withholding				
2009	\$ 6,768,976	\$ 1,347,416	\$ 8,116,392	\$ 825,594	\$ 8,941,986	2.00%
2008	7,209,183	1,214,575	8,423,758	770,489	9,194,247	2.00%
2007	6,511,369	1,063,413	7,574,782	1,094,809	8,669,591	1.75% & 2.00%
2006	6,270,100	1,039,854	7,309,954	935,107	8,245,061	1.75%
2005	6,295,748	1,032,284	7,328,032	544,566	7,872,598	1.75%
2004	5,707,689	1,019,523	6,727,212	474,838	7,202,050	1.75%
2003	5,570,847	981,191	6,552,038	464,191	7,016,229	1.75%
2002	5,647,196	1,002,435	6,649,631	454,223	7,103,854	1.75%
2001	5,663,197	967,259	6,630,456	626,707	7,257,163	1.75%
2000	5,825,110	953,533	6,778,643	476,367	7,255,010	1.75%

(1) Amounts reported above are on the cash basis of accounting

(2) On July 1, 2007, the City increased its income tax to 2.00%.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

CITY OF ALLIANCE, OHIO

**INCOME TAX WITHHOLDINGS BY SECTOR
LAST SIX YEARS**

Sector	2009	2008	2007	2006	2005	2004
Industrial	33.1%	37.6%	33.9%	36.7%	35.5%	31.7%
Medical	24.1%	22.0%	23.3%	21.6%	21.2%	22.8%
Education	15.4%	13.2%	21.1%	13.1%	12.8%	13.5%
Retail	6.5%	7.3%	10.1%	7.3%	8.2%	9.1%
Service	6.2%	5.7%	3.5%	5.7%	6.0%	6.0%
Food/Restaurant	4.7%	4.1%	1.5%	4.3%	4.3%	4.8%
Carnation Mall Area	5.3%	4.4%	3.1%	4.2%	3.7%	4.1%
Financial	2.6%	3.3%	3.0%	3.4%	3.4%	3.5%
Construction	0.5%	0.6%	0.5%	2.1%	3.4%	1.9%
Other	1.6%	1.8%	0.0%	1.6%	1.5%	2.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Information prior to 2004 was not available.

Source: City of Alliance Income Tax Department

CITY OF ALLIANCE, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Special Assessment Bonds	General Obligation Bonds	Revenue Bonds	OPWC Loans			
2009	\$ 1,335,000	\$ 305,000	\$ 1,740,000	\$ 13,345,000	\$ 683,506	\$ 17,408,506	4.93%	\$ 749
2008	1,680,000	355,000	2,185,000	14,275,000	354,826	18,849,826	5.34%	811
2007	2,015,000	400,000	2,620,000	15,000,000	376,957	20,411,957	5.78%	878
2006	2,345,000	445,000	3,040,000	15,820,000	399,088	22,049,088	6.25%	948
2005	2,665,000	490,000	3,460,000	16,605,000	301,855	23,521,855	6.66%	1,012
2004	2,995,000	530,000	3,960,000	17,355,000	318,302	25,158,302	7.13%	1,082
2003	895,000	570,000	190,000	21,330,000	45,272	23,030,272	6.52%	990
2002	3,460,000	605,000	285,000	22,395,000	47,934	26,792,934	7.59%	1,152
2001	4,360,000	640,000	380,000	23,410,000	50,596	28,840,596	8.17%	1,240
2000	3,185,000	675,000	475,000	24,385,000	-	28,720,000	8.14%	1,235

Note: Population and personal income data are presented on page 178.

Source: City financial records

CITY OF ALLIANCE, OHIO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2009	23,253	\$ 299,392,613	\$ 3,075,000	1.03%	\$ 132.24
2008	23,253	308,189,431	3,865,000	1.25%	166.22
2007	23,253	322,569,984	4,635,000	1.44%	199.33
2006	23,253	290,531,674	5,385,000	1.85%	231.58
2005	23,253	290,572,913	6,125,000	2.11%	263.41
2004	23,253	282,876,811	6,955,000	2.46%	299.10
2003	23,253	264,876,811	1,085,000	0.41%	46.66
2002	23,253	272,855,775	3,745,000	1.37%	161.05
2001	23,253	285,396,462	4,740,000	1.66%	203.84
2000	23,253	248,791,107	3,660,000	1.47%	157.40

(1) U.S. Bureau of Census, Census of Population - 2000 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of special assessment debt.

CITY OF ALLIANCE, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Alliance			
General obligation bonds	\$ 1,335,000	100.00%	\$ 1,335,000
Special assessment bonds	305,000	100.00%	305,000
Police and fire pension	373,276	100.00%	373,276
	<u>2,013,276</u>		<u>2,013,276</u>
Overlapping debt:			
Alliance City Schools	<u>7,661,043</u>	90.59%	<u>6,940,139</u>
	<u>7,661,043</u>		<u>6,940,139</u>
Total direct and overlapping debt	<u>\$ 9,674,319</u>		<u>\$ 8,953,415</u>

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

Source: County Auditor

CITY OF ALLIANCE, OHIO

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Assessed Property Value	<u>\$ 299,234,860</u>	<u>\$ 296,983,320</u>	<u>\$ 296,403,070</u>	<u>\$ 290,531,674</u>
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>31,419,660</u>	<u>31,183,249</u>	<u>31,122,322</u>	<u>30,505,826</u>
Debt Outstanding				
General obligation bonds	1,335,000	1,680,000	2,015,000	2,345,000
Special assessment bonds	305,000	355,000	400,000	445,000
Enterprise general obligation bonds	1,740,000	2,185,000	2,620,000	3,040,000
OPWC loans	683,506	354,826	376,957	399,088
Revenue bonds	13,345,000	14,275,000	15,000,000	15,820,000
Notes	-	-	-	-
Total gross indebtedness	<u>17,408,506</u>	<u>18,849,826</u>	<u>20,411,957</u>	<u>22,049,088</u>
Less:				
Special assessment bonds	305,000	355,000	400,000	445,000
Enterprise general obligation bonds	1,740,000	2,185,000	2,620,000	3,040,000
OPWC loans	683,506	354,826	376,957	399,088
Revenue bonds	<u>13,345,000</u>	<u>14,275,000</u>	<u>15,000,000</u>	<u>15,820,000</u>
Total net debt applicable to debt limit	<u>1,335,000</u>	<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 30,084,660</u>	<u>\$ 29,503,249</u>	<u>\$ 29,107,322</u>	<u>\$ 28,160,826</u>
Legal debt margin as a percentage of the debt limit	95.75%	94.61%	93.53%	92.31%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>16,457,917</u>	<u>16,334,083</u>	<u>16,302,169</u>	<u>15,979,242</u>
Total gross indebtedness	17,408,506	18,849,826	20,411,957	22,049,088
Less:				
Special assessment bonds	305,000	355,000	400,000	445,000
Enterprise general obligation bonds	1,740,000	2,185,000	2,620,000	3,040,000
OPWC loans	683,506	354,826	376,957	399,088
Revenue bonds	<u>13,345,000</u>	<u>14,275,000</u>	<u>15,000,000</u>	<u>15,820,000</u>
Net debt within 5 1/2 % limitations	<u>1,335,000</u>	<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 15,122,917</u>	<u>\$ 14,654,083</u>	<u>\$ 14,287,169</u>	<u>\$ 13,634,242</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	91.89%	89.71%	87.64%	85.32%

Source: City financial records.

Note: Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

Note: Beginning in 2007 the amount of assessed valuation for railroad and telephone personal property has been excluded from the debt margin calculation.

2005	2004	2003	2002	2001	2000
<u>\$ 290,572,913</u>	<u>\$ 282,876,811</u>	<u>\$ 264,876,811</u>	<u>\$ 272,855,775</u>	<u>\$ 285,396,462</u>	<u>\$ 248,791,107</u>
<u>30,510,156</u>	<u>29,702,065</u>	<u>27,812,065</u>	<u>28,649,856</u>	<u>29,966,629</u>	<u>26,123,066</u>
2,665,000	2,995,000	895,000	1,105,000	1,300,000	1,485,000
490,000	530,000	570,000	605,000	640,000	675,000
3,460,000	3,960,000	190,000	285,000	380,000	475,000
301,855	318,302	45,272	47,934	50,596	-
16,605,000	17,355,000	21,330,000	22,395,000	23,410,000	24,385,000
-	-	2,495,000	2,355,000	3,060,000	1,700,000
<u>23,521,855</u>	<u>25,158,302</u>	<u>25,525,272</u>	<u>26,792,934</u>	<u>28,840,596</u>	<u>28,720,000</u>
490,000	530,000	570,000	605,000	640,000	675,000
3,460,000	3,960,000	190,000	285,000	380,000	475,000
301,855	318,302	45,272	47,934	50,596	-
16,605,000	17,355,000	21,330,000	22,395,000	23,410,000	24,385,000
<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>	<u>3,460,000</u>	<u>4,360,000</u>	<u>3,185,000</u>
<u>\$ 27,845,156</u>	<u>\$ 26,707,065</u>	<u>\$ 24,422,065</u>	<u>\$ 25,189,856</u>	<u>\$ 25,606,629</u>	<u>\$ 22,938,066</u>
91.27%	89.92%	87.81%	87.92%	85.45%	87.81%
<u>15,981,510</u>	<u>15,558,225</u>	<u>14,568,225</u>	<u>15,007,068</u>	<u>15,696,805</u>	<u>13,683,511</u>
23,521,855	25,158,302	25,525,272	26,792,934	28,840,596	28,720,000
490,000	530,000	570,000	605,000	640,000	675,000
3,460,000	3,960,000	190,000	285,000	380,000	475,000
301,855	318,302	45,272	47,934	50,596	-
16,605,000	17,355,000	21,330,000	22,395,000	23,410,000	24,385,000
<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>	<u>3,460,000</u>	<u>4,360,000</u>	<u>3,185,000</u>
<u>\$ 13,316,510</u>	<u>\$ 12,563,225</u>	<u>\$ 11,178,225</u>	<u>\$ 11,547,068</u>	<u>\$ 11,336,805</u>	<u>\$ 10,498,511</u>
83.32%	80.75%	76.73%	76.94%	72.22%	76.72%

CITY OF ALLIANCE, OHIO
PLEDGED REVENUE COVERAGE
WATER REVENUE BONDS
LAST TEN YEARS

Year	Operating Revenues	Direct Operating Expenses (1)	Cash and cash equivalents with fiscal agent	Net Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2009	\$ 4,460,193	\$ 3,216,538	\$ 1,684,217	\$ 2,927,872	\$ 930,000	\$ 569,421	1.95
2008	4,343,787	3,060,768	1,862,595	3,145,614	855,000	739,300	1.97
2007	4,377,711	2,979,101	1,695,061	3,093,671	820,000	776,200	1.94
2006	4,420,598	2,685,625	1,680,873	3,415,846	785,000	773,099	2.19
2005	4,119,622	2,566,530	1,635,339	3,188,431	750,000	838,958	2.01
2004	3,917,644	2,463,697	1,600,706	3,054,653	720,000	873,230	1.92
2003	3,917,191	2,583,677	1,597,589	2,931,103	695,000	902,762	1.83
2002	4,091,878	2,028,142	1,624,484	3,688,220	665,000	929,005	2.31
2001	3,784,820	2,501,436	1,680,576	2,963,960	640,000	954,605	1.86
2000	3,968,292	2,504,951	1,837,764	3,301,105	615,000	979,205	2.07

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

Note: Net Revenue Available for Debt Service is computed by subtracting direct operating expenses from operating revenues for the reporting period. The Net Revenue Available for Debt Service also includes restricted cash held by a fiscal agent to meet the Rate Covenant as described in the Trust Agreement.

Source: City financial records

CITY OF ALLIANCE, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Stark County Unemployment Rate (3)</u>
2009	23,253	\$ 353,000,000	\$ 15,181	\$ 30,078	34.0	12.2%
2008	23,253	353,000,000	15,181	30,078	34.0	8.0%
2007	23,253	353,000,000	15,181	30,078	34.0	5.9%
2006	23,253	353,000,000	15,181	30,078	34.0	5.3%
2005	23,253	353,000,000	15,181	30,078	34.0	5.6%
2004	23,253	353,000,000	15,181	30,078	34.0	6.3%
2003	23,253	353,000,000	15,181	30,078	34.0	7.0%
2002	23,253	353,000,000	15,181	30,078	34.0	6.0%
2001	23,253	353,000,000	15,181	30,078	34.0	4.9%
2000	23,253	353,000,000	15,181	30,078	34.0	3.6%

(1) Source: U.S. Census - 2000

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

(3) Stark County

CITY OF ALLIANCE, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2009			
Employer	Employees	Rank	Percentage of Total City Employment
Mount Union College	1,855	1	15.20%
Alliance Community Hospital	1,143	2	9.37%
Wal-Mart Associates	1,000	3	8.20%
Coastal Pet	900	4	7.38%
Alliance City Schools	839	5	6.88%
Alliance Castings	360	6	2.95%
Alliance Tubular	266	7	2.18%
City of Alliance	254	8	2.08%
Terry's Tire Town	138	9	1.13%
Morgan Engineering Systems	98	10	0.80%
Total	6,853		56.17%
Total City Employment	12,200		

December 31, 2000			
Employer	Employees (1)	Rank	Percentage of Total
Alliance Community Hospital	N/A	1	N/A
Amsted Industries	N/A	2	N/A
Alliance Tubular	N/A	3	N/A
Alliance City Schools	N/A	4	N/A
Mount Union College	N/A	5	N/A
Coastal Pet	N/A	6	N/A
City of Alliance	N/A	7	N/A
Wal-Mart Associates	N/A	8	N/A
Reunion Industries	N/A	9	N/A
TWF Acquisitions	N/A	10	N/A
Total	-		0.00%

Source: City of Alliance Income Tax Department & U.S. Department of Labor

(1) Information was not available. The rankings are based upon income tax withholdings for the year.

CITY OF ALLIANCE, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FOUR YEARS

Function/Program	2009	2008	2007	2006
General Government				
Council and clerk				
Number of ordinances passed	86	95	97	116
Number of Resolutions passed	9	18	32	27
Number of planning commission docket items	17	26	30	34
Zoning board of appeals docket items	20	32	23	37
Finance Department				
Number of checks/vouchers issued	4,305	4,212	3,857	3,632
Number of payroll checks issued	3,064	3,823	4,154	4,458
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 43,384	\$ 338,202	\$ 758,752	\$ 621,555
Number of receipts issued	1,686	1,427	1,278	1,294
Number of journal entries issued	221	442	516	362
Number of budget adjustments issued	23	12	15	11
Agency ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Health insurance costs	\$ 1,567,989	\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
General fund receipts (budgetary-basis)	\$ 11,248,650	\$ 10,977,577	\$ 11,819,838	\$ 9,820,070
General fund expenditures (budgetary-basis)	\$ 11,509,720	\$ 11,495,283	\$ 10,626,337	\$ 9,911,961
General fund cash balances	\$ 1,356,683	\$ 1,602,045	\$ 2,109,644	\$ 471,014
Income Tax Department				
Number of individual returns	8,418	8,770	8,392	8,372
Number of business returns	1,259	1,279	1,230	1,224
Number of business withholding accounts	4,459	4,470	4,702	4,683
Annual number of corporate withholding forms processed	3,220	3,288	n/a	n/a
Annual number of estimated payment forms processed	3,036	3,364	2,905	3,612
Annual number of reconciliation of withholding processed	3,436	3,651	3,651	2,898
Engineer Contracted Services				
Dollar amount of construction overseen by Engineer	\$ 1,029,635	\$ -	\$ 462,751	\$ 800,391
Private Construction Overseen/Inspected	\$ 275,000	\$ 740,300	n/a	n/a
Engineering Design Contracts	\$ 178,198	\$ 209,948	n/a	n/a
Municipal Court				
Number of civil cases filed	1,988	2,473	2,438	2,203
Number of criminal cases filed	1,746	1,894	1,815	1,592
Number of traffic cases filed	3,519	2,603	3,013	3,864
Total cases filed	7,253	6,970	7,266	7,659
Number of civil cases disposed	2,059	2,524	2,375	2,075
Number of criminal cases disposed	1,748	1,952	1,721	1,535
Number of traffic cases disposed	3,465	2,651	3,032	3,823
Total cases disposed	7,272	7,127	7,128	7,433
Vital Statistics				
Certificates filed	803	778	893	746
Number of births	450	432	522	438
Number of deaths	353	346	371	308
Certificates issued	4,078	4,402	5,324	4,715
Burial permits issued	365	333	303	434
Civil Service				
Number of police entry tests administered	-	-	1	1
Number of fire entry test administered	-	-	1	-
Number of police promotional tests administered	3	1	-	3
Number of fire promotional tests administered	-	-	4	-
Number of hires of police officers from certified lists	-	-	-	6
Number of hires of fire/medics from certified lists	-	-	2	-
Number of promotions from police certified lists	3	1	-	5
Number of promotions from fire certified lists	-	-	4	-

CITY OF ALLIANCE, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST FOUR YEARS

Function/Program	2009	2008	2007	2006
Building Department Indicators				
Construction permits issued	290	333	352	410
Estimated value of construction	\$ 12,270,074	\$ 29,005,371	\$ 14,782,277	\$ 19,463,377
Number of permits issued	1,164	909	880	936
Amount of revenue generated from permits	\$ 96,578	\$ 88,359	\$ 75,508	\$ 85,131
Number of contract registrations issued	119	133	135	148
Security of Persons & Property				
Police				
Total calls for services	42,920	44,302	49,742	59,394
Number of traffic citations issued	2,423	2,034	2,283	2,594
Number of parking citations issued	776	286	316	383
Number of criminal arrests	1,221	3,733	2,364	2,471
Number of accident reports completed	542	647	699	680
Felony offenses (F1-F5)	511	565	456	533
Misdemeanor offenses (M1-MM)	1,493	1,652	1,908	1,354
Police dept. auxiliary hours worked	956	1,200	2,045	912
DUI arrests	141	130	110	117
Prisoners	1,666	1,744	1,890	1,682
Motor vehicle accidents	908	1,040	1,326	1,275
Property damage accidents	790	892	1,181	513
Fatalities from motor vehicle accidents	-	1	4	2
Gasoline costs of fleet	\$ 84,070	\$ 114,869	\$ 85,139	\$ 77,146
Community diversion program - community service hours	396	249	339	890
Fire				
EMS/Rescue calls	1,885	1,925	1,759	459
Other EMS calls (assist ambulance, stand-by)	n/a	n/a	107	247
Structure fires	38	36	42	43
Fires other than structure	67	69	80	100
Other fire calls (electrical, smoke/odor, hazardous mat.)	530	699	549	542
Total calls for services	2,520	2,729	2,537	1,391
Fire with loss	43	64	58	61
Fires with losses exceeding \$10 K	9	8	10	9
Fire losses	\$ 627,410	\$ 388,255	\$ 484,155	\$ 660,420
Fire safety inspections	540	223	775	982
Number of times mutual aid given to fire and EMS	8	3	3	8
Number of times mutual aid received for fire and EMS	9	7	3	5
Fire Department receipts from fees & permits	\$ 855	\$ 813	\$ 125	\$ 1,330
Fire department total receipts	\$ 9,700	\$ 13,905	\$ 5,026	\$ 11,902
Public Health and Welfare				
Number of health inspections	1,476	1,531	1,562	1,551
Cemetery burials	73	62	63	75
Cemetery cremations	21	19	23	25
Cemetery sale of lots	69	78	60	37
Cemetery receipts	\$ 60,110	\$ 71,373	\$ 69,088	\$ 48,607

--Continued

CITY OF ALLIANCE, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST FOUR YEARS**

Function/Program	2009	2008	2007	2006
Leisure Time Activities				
Recreation				
Recreation mens & womens league receipts	\$ 3,330	\$ 2,100	\$ 1,865	\$ 3,530
Other fees	\$ -	\$ 880	\$ 1,683	\$ 1,434
Cabin rentals	\$ 16,790	\$ 16,404	\$ 12,815	\$ 11,047
Robertson community center facility rentals	\$ 11,021	\$ 10,762	\$ 10,132	\$ 7,273
Robertson community center swimming pool receipts	\$ 32,949	\$ 43,664	\$ 42,239	\$ 44,309
Total recreation department receipts	\$ 64,095	\$ 73,810	\$ 68,734	\$ 67,593
Community Development				
Grant amounts received due to economic development dept.	\$ 693,414	\$ 680,239	\$ 707,476	\$ 923,769
Basic Utility Services				
Refuse disposal per year (in tons) January - December	8,885	11,371	8,796	9,645
Refuse disposal costs per year January - December	\$ 832,922	\$ 612,118	\$ 791,537	\$ 542,354
Annual recycling tonnage (excluding leaf and compost)	598.67	572.87	532.80	608.02
Percentage of waste recycled	6.31	5.04	5.70	5.72
Transportation				
Total area within corporation limit (square miles)	8.677	8.677	8.677	8.677
Total area within Stark County (square miles)	8.600	8.600	8.600	8.600
Total area within Mahoning County (square miles)	0.077	0.077	0.077	0.077
Total dedicated streets (miles)	106,462	106,462	106,462	106,462
Total paved street (miles)	79,343	79,343	79,343	79,343
Total unpaved street (miles)	27,119	27,119	27,119	27,119
Total number of street intersections	735	735	735	735
Street repair (curb, apron, berms, asphalt) (hours)	2,327	1,650	1,500	750
Guardrail repair (hours)	-	-	25	50
Paint striping (hours)	920	1,080	1,200	1,200
Street sweeper (hours)	719	607	553	620
Cold patch (hours)	4,395	3,780	3,500	3,000
Snow and ice removal regular hours	5,280	6,912	6,500	6,000
Snow and ice removal overtime hours	837	1,333	970	600
Tons of snow melting salt purchased (Nov-Mar)	2,987	3,511	2,352	2,044
Cost of salt purchased	\$ 140,713	\$ 125,622	\$ 83,185	\$ 70,776
Sewer and sanitary calls for service	96	96	110	108
After hours sewer calls (hours)	48	36	57	112
Sewer crew (hours)	18,335	18,327	18,458	17,952
Sewer jet, vac-all, other services (hours)	1,052	1,381	1,036	2,100
Landscaping, stump-chipper service (hours)	765	807	650	800
Leaf collection (hours)	1,716	1,285	1,532	1,688
Sign department (hours)	1,040	800	800	800
Water Department				
Water rates per 1st 300 Cu ft of water used (inside City rate)	\$ 4.61	\$ 4.48	\$ 4.35	\$ 4.35
Water rates per 1st 300 Cu ft of water used (outside City rate)	\$ 8.07	\$ 7.83	\$ 7.61	\$ 7.61
Avg. number of water accounts billed monthly (Cu. Ft)	9,819	9,875	9,909	9,897
Total water collections annually (including P&I)	\$ 4,057,088	\$ 4,208,863	\$ 4,224,254	\$ 4,188,073
Payments for bulk water purchases	\$ 31,726	\$ 14,222	\$ 30,181	\$ 34,029
Wastewater Department				
Wastewater rates per 1st 300 Cu ft of water used (inside City rate)	\$ 3.44	\$ 3.28	\$ 3.12	\$ 3.12
Wastewater rates per 1st 300 Cu ft of water used (outside City rate)	\$ 3.89	\$ 3.71	\$ 3.54	\$ 3.54
Total flow of wastewater treatment plant (billions of gallons)	1.33	1.68	1.64	1.73
Average daily flow (millions of gallons per day)	4.00	4.62	4.50	4.75
Tons of dry sludge removed	663	1,146	1,191	1,378

Note: Information prior to 2006 is not available

Source: Various City of Alliance departments

CITY OF ALLIANCE, OHIO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST FOUR YEARS

Function/Program	2009	2008	2007	2006
General Government				
Square footage occupied	57,321	57,321	57,321	57,321
Police				
Stations	1	1	1	1
Square footage of building	21,600	21,600	21,600	21,600
Vehicles	39	39	39	39
Fire				
Stations	2	2	2	2
Square footage of building	13,351	13,351	13,351	13,351
Vehicles	9	9	9	9
Recreation				
Number of parks	24	24	24	24
Acres of parks	220	220	220	220
Other Public Works				
Streets	107	107	107	107
Traffic lights	38	38	38	35
Wastewater				
Sanitary sewers (miles)	119	119	119	119
Storm sewers (miles)	104	104	104	104
Water Department				
Water lines (miles)	120	120	120	120

Note: Information prior to 2006 was unavailable.

Source: Various City of Alliance departments

CITY OF ALLIANCE, OHIO

**FULL-TIME-EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST SIX YEARS**

Function/Program	2009	2008	2007	2006	2005	2004
General Government						
Mayor	3.75	3.75	3.75	4.50	4.00	5.00
Auditor	4.50	4.50	4.50	3.00	5.00	5.00
Law Director	4.50	4.50	4.50	4.00	4.50	4.50
Council	4.50	4.50	4.50	4.50	4.50	4.50
Judge	5.00	5.50	5.50	5.50	6.00	6.00
Clerk of Courts	7.50	7.50	7.50	7.50	7.50	7.50
Civil Service	1.50	2.00	2.00	1.00	2.00	2.00
Engineering	6.50	6.50	6.00	6.00	7.00	7.50
City Hall Maintenance	2.00	2.00	2.50	2.50	2.50	2.50
Income Tax	3.50	3.50	3.00	3.00	3.00	3.00
Treasurer	0.50	0.50	0.50	0.50	0.50	0.50
Senior Center & Agency on Aging	1.50	1.50	1.00	0.50	1.50	1.50
Security of Persons and Property						
Police	42.00	41.00	40.50	39.50	49.00	48.00
Police - auxiliary/guards	9.00	9.00	7.00	8.00	8.00	8.00
Police - dispatchers/office/other	14.00	14.00	14.00	13.50	10.00	10.00
Fire	31.00	31.00	31.00	31.00	31.50	32.50
Public Health Services						
Health	13.00	13.00	13.00	12.50	13.50	13.50
Cemetery	2.00	2.00	2.00	2.00	2.00	3.00
Leisure Time Activity						
Parks and recreation	21.00	20.00	19.50	10.00	14.00	15.00
Litter	1.00	1.00	1.00	1.00	1.00	1.50
Community Development						
Building (CDBG)	5.00	3.75	3.75	3.00	2.50	2.00
Transportation						
Street maintenance & repair	12.50	12.50	12.50	13.00	13.00	14.00
Basic Utility Services						
Sewer	26.75	24.25	24.25	26.00	29.50	29.50
Water	23.25	26.25	26.25	21.00	20.50	22.00
Billing and collection	8.00	7.50	7.50	8.00	8.00	8.00
Total	253.75	251.50	247.50	231.00	250.50	256.50

Source: City Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

Note: Information prior to 2004 was unavailable. Beginning in 2007, seasonal employees have been included in various functions/programs.

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Mary Taylor, CPA
Auditor of State

CITY OF ALLIANCE

STARK 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 27, 2010**