



Dave Yost • Auditor of State

CITY OF ALLIANCE
STARK COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2013 wherein we noted the City adopted the provisions of Governmental Accounting Standards Board Statements No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65 *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and

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accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

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Dave Yost
Auditor of State
Columbus, Ohio

June 24, 2013



Dave Yost • Auditor of State

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

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

To the City Council:

Report on Compliance for Each Major Federal Program

We have audited the City of Alliance's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Alliance's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of Alliance complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 24, 2013. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 63 and 65* during the year. We conducted our audit to opine on the City's basic financial statements. The accompanying federal awards expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America.

City of Alliance
Stark County
Independent Auditor's Report On Compliance with Requirements
Applicable to the Major Federal Program and On Internal Control Over
Compliance Required by OMB Circular A-133
Page 3

In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 24, 2013

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**CITY OF ALLIANCE
STARK COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2012**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health and the City of Canton Health Department</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	Not Available	10.557	<u>\$139,898</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct</i>			
Community Development Block Grants/Entitlement Grants		14.218	<u>638,152</u>
<i>Passed through the Ohio Department of Development</i>			
<i>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i>	1311334820	14.228	<u>47,207</u>
Total U.S. Department of Housing and Urban Development			<u>685,359</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct</i>			
Bulletproof Vest Partnership Program		16.607	3,900
ARRA - Public Safety Partnership and Community Policing Grants		16.710	121,030
<i>Passed Through the City of Canton Police Department</i>			
<i>ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government</i>	Not Available	16.804	<u>788</u>
Total U.S. Department of Justice			<u>125,718</u>
U.S. Department of Homeland Security			
<i>Direct</i>			
Assistance to Firefighters Grant		97.044	<u>1,969</u>
Total			<u><u>\$952,944</u></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, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Alliance's (the City's) federal award programs disbursements. 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 2012 is as follows:

Beginning loans receivable balance as of January 1, 2011	\$27,501
Loans made	0
Loan principal repaid	16,514
Ending loans receivable balance as of December 31, 2012	<u>\$10,987</u>
Cash balance on hand in the revolving loan fund as of December 31, 2012	\$19,193

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2012, the City estimates \$0 to be uncollectible.

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, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	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/Entitlement CFDA #14.218
<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

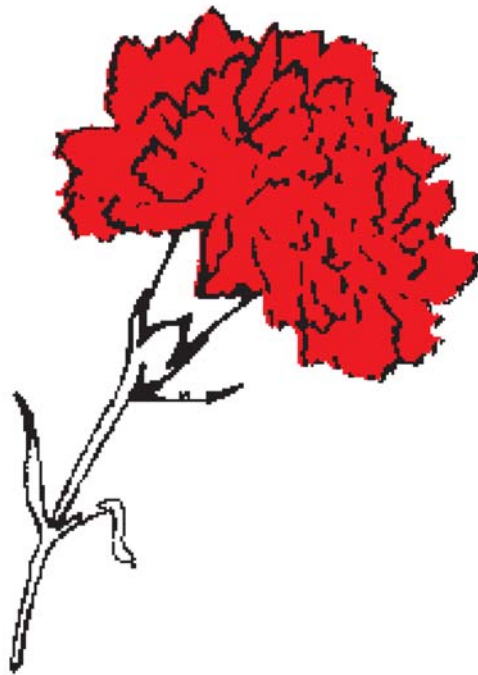
3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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City of Alliance, Ohio

“The Carnation City”



Comprehensive Annual Financial Report

For the Year Ended December 31, 2012

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012

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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 24, 2013

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, 2012, 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) as 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 2012.

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 128th largest of 366 MSA's in the United States (based on the 2010 census). The City's population of 22,522 placed it as the third largest city in the County. The City's area is 8.677 square miles, of which approximately 8.6 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/Warren Regional 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.

The University of Mount Union, a private four-year university with a total enrollment of approximately 2,200 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 the City of North Canton, 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 appropriation to be overdrawn, 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 Ohio 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 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 year's 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 fund level for all funds with salaries and wages appropriated separately by department. 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

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, 2011. 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 Financial 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 thirteen consecutive years (1999-2011). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

Independent Audit

The financial records, books of accounts and transactions of the City of Alliance, Ohio, for the year ended December 31, 2012 have been audited by the Auditor of State, Dave Yost'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 cursive script that reads "Kevin G. Knowles".

Kevin G. Knowles
City Auditor

CITY OF ALLIANCE, OHIO

City Officials

December 31, 2012

Mayor	Alan Andreani
President of Council	John Benincasa
Councilman - Ward I	Sheila K. Cherry
Councilman - Ward II	Phyllis Phillips
Councilman - Ward III	Roy Clunk
Councilman - Ward IV	Donald E. Kline
Council-at-Large	Julia A Jakmides
Council-at-Large	Sue Ryan
Council-at-Large	Lawrence Dordea
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

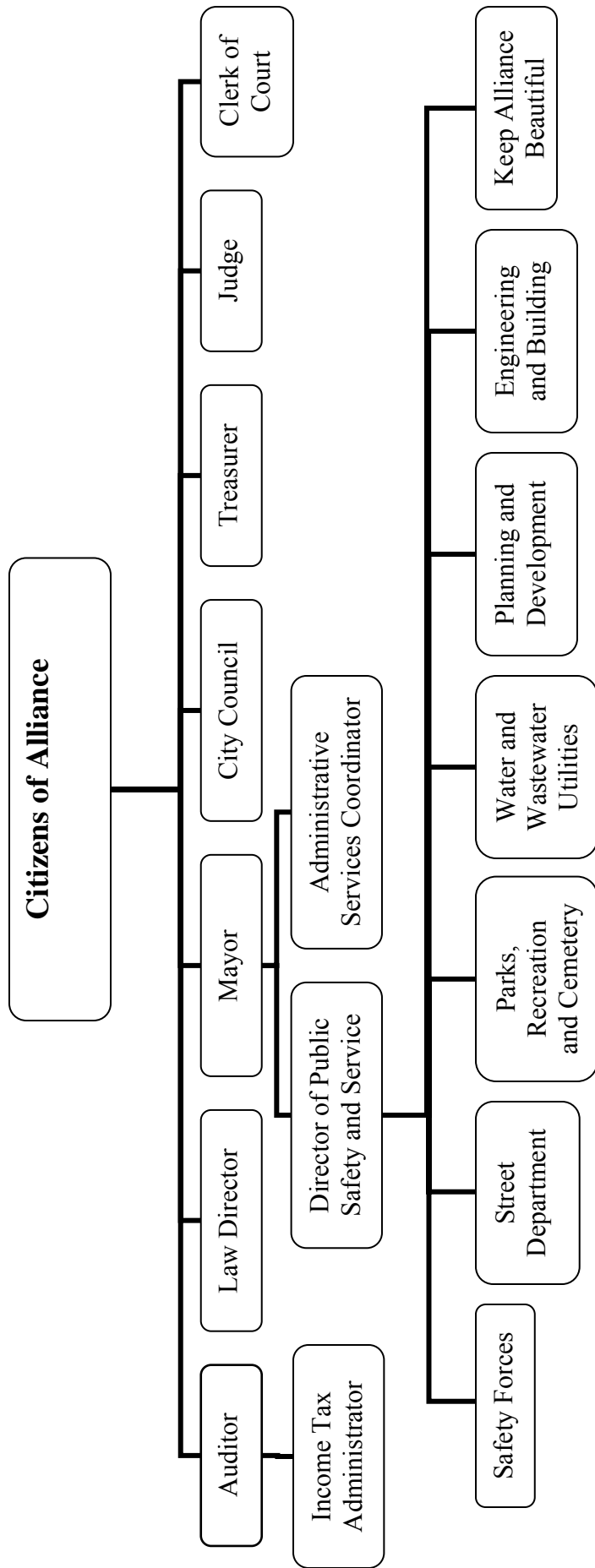
Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

Director of Public Safety and Service	W. John Gross
Fire Chief	Jason Hunt
Police Chief	Scott Griffith
Director of Parks, Cemetery and Public Lands	Kimberly Cox
Water Plant	Dean Reynolds
Wastewater Plant	Joe Amabeli
Water and Wastewater Distribution	Marcus Benson
Utility Billing and Collection	William Mucklo
Health and Human Services	Randy Flint
Keep Alliance Beautiful	Andrea Sapp
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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 City of Alliance, Stark County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Revolving Loan Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2012 the City of Alliance adopted the provisions of Governmental Accounting Standard No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

June 24, 2013

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CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

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, 2012. 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 2012 are as follows:

- The total net position of the City increased \$1,440,071. Net position of governmental activities decreased \$1,260,310 or 4.11% from 2011 and net position of business-type activities increased \$2,700,381 or 13.66% over 2011.
- General revenues accounted for \$12,013,615 or 75.83% of total governmental activities revenue. Program specific revenues accounted for \$3,829,279 or 24.17% of total governmental activities revenue.
- The City had \$17,103,204 in expenses related to governmental activities; \$3,829,279 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$13,273,925 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,013,615.
- The general fund had revenues and other financing sources of \$11,307,009 in 2012. This represents an increase of \$136,307 from 2011 revenues. The expenditures and other financing uses of the general fund, which totaled \$12,226,824 in 2012, decreased \$235,366 from 2011. The net decrease in fund balance for the general fund was \$919,815 or 23.27%, from \$3,952,607 in 2011 to \$3,032,792 in 2012.
- The revolving loan major fund had \$41,601 in revenues and \$82,281 in expenditures in 2012. The fund balance for the revolving loan fund decreased \$40,680 or 1.06%, from \$3,825,693 in 2011 to \$3,785,013 in 2012.
- The capital improvements major fund had \$1,807,105 in revenues and other financing sources and \$2,053,467 in expenditures and other financing uses in 2012. The fund balance for the capital improvements fund decreased \$246,362 or 27.47%, from \$896,892 in 2011 to \$650,530 in 2012.
- Net position for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$2,700,381 from a net position balance of \$19,765,552 in 2011 to a net position balance of \$22,465,933 in 2012.
- The water fund had \$4,935,880 in operating revenues and \$3,876,124 in operating expenses in 2012. The water fund also had non-operating revenues of \$376,447 and non-operating expenses of \$636,207. The net position of the water fund increased \$799,996 or 11.38%.
- The sewer fund had \$3,716,822 in operating revenues and \$3,704,491 in operating expenses in 2012. The sewer fund also had non-operating revenues of \$4,893, non-operating expenses of \$51,072 and capital contributions of 1,741,568. The net position of the sewer fund increased \$1,707,720 or 13.70%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

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 position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those 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 Position 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 2012?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows, 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 position and changes in net position. This change in net position 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 position 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 position 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, 2012 (UNAUDITED)

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, the revolving loan fund and the capital improvement 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 52-56 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 assets and liabilities can be found on page 57 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 58-96 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2012 compared to December 31, 2011. The net position of the business-type activities at December 31, 2011 has been restated as described in Note 3.B.

	Net Position					
	Governmental	Governmental	Business-type	(Restated) Business-type		Restated
	Activities	Activities	Activities	Activities	Total	Total
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>						
Current and other assets	\$ 15,409,787	\$ 16,635,787	\$ 13,277,828	\$ 11,568,490	\$ 28,687,615	\$ 28,204,277
Capital assets, net	<u>20,821,182</u>	<u>20,468,514</u>	<u>22,655,235</u>	<u>21,714,535</u>	<u>43,476,417</u>	<u>42,183,049</u>
Total assets	<u>36,230,969</u>	<u>37,104,301</u>	<u>35,933,063</u>	<u>33,283,025</u>	<u>72,164,032</u>	<u>70,387,326</u>
Deferred outflows	<u>8,253</u>	<u>-</u>	<u>943,566</u>	<u>1,063,384</u>	<u>951,819</u>	<u>1,063,384</u>
Total assets and deferred outflows	<u>36,239,222</u>	<u>37,104,301</u>	<u>36,876,629</u>	<u>34,346,409</u>	<u>73,115,851</u>	<u>71,450,710</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	4,757,024	4,198,947	14,026,483	14,047,400	18,783,507	18,246,347
Other liabilities	<u>1,320,881</u>	<u>1,382,642</u>	<u>384,213</u>	<u>533,457</u>	<u>1,705,094</u>	<u>1,916,099</u>
Total liabilities	<u>6,077,905</u>	<u>5,581,589</u>	<u>14,410,696</u>	<u>14,580,857</u>	<u>20,488,601</u>	<u>20,162,446</u>
Deferred inflows	<u>781,556</u>	<u>882,641</u>	<u>-</u>	<u>-</u>	<u>781,556</u>	<u>882,641</u>
Total liabilities and deferred inflows	<u>6,859,461</u>	<u>6,464,230</u>	<u>14,410,696</u>	<u>14,580,857</u>	<u>21,270,157</u>	<u>21,045,087</u>
<u>Net Position</u>						
Net Invested in capital assets	19,194,878	19,233,554	11,655,997	9,633,092	30,850,875	28,866,646
Restricted	7,467,107	6,058,176	2,495,871	1,234,824	9,962,978	7,293,000
Unrestricted	<u>2,717,776</u>	<u>5,348,341</u>	<u>8,314,065</u>	<u>8,897,636</u>	<u>11,031,841</u>	<u>14,245,977</u>
Total net position (Restated)	<u>\$ 29,379,761</u>	<u>\$ 30,640,071</u>	<u>\$ 22,465,933</u>	<u>\$ 19,765,552</u>	<u>\$ 51,845,694</u>	<u>\$ 50,405,623</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2012, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$51,845,694. At year-end, net position was \$29,379,761 and \$22,465,933 for the governmental activities and the business-type activities, respectively.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2012, capital assets represented 60.25% of total assets. Capital assets include land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2012, was \$19,194,878 and \$11,655,997 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, 2012, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net position, \$7,467,107, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position of \$2,717,776 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, 2012
(UNAUDITED)**

The table below shows the changes in net position for 2012 and 2011. The net position of the business-type activities at December 31, 2011 has been restated as described in Note 3.B.

Change in Net Position

	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Restated Business-type Activities 2011	Total 2012	Total 2011
Revenues:						
Program revenues:						
Charges for services and sales	\$ 1,505,321	\$ 1,329,295	\$ 8,699,575	\$ 8,407,270	\$ 10,204,896	\$ 9,736,565
Operating grants and contributions	2,208,897	2,844,018	-	-	2,208,897	2,844,018
Capital grants and contributions	115,061	483,045	1,741,568	-	1,856,629	483,045
Total program revenues	3,829,279	4,656,358	10,441,143	8,407,270	14,270,422	13,063,628
General revenues:						
Property taxes	1,071,476	929,774	-	-	1,071,476	929,774
Income taxes	9,769,613	9,776,370	374,081	386,543	10,143,694	10,162,913
Unrestricted grants	880,730	1,103,878	-	-	880,730	1,103,878
Interest	4,428	8,435	7,259	5,279	11,687	13,714
Miscellaneous	287,368	835,956	-	-	287,368	835,956
Total general revenues	12,013,615	12,654,413	381,340	391,822	12,394,955	13,046,235
Total revenues	15,842,894	17,310,771	10,822,483	8,799,092	26,665,377	26,109,863
Expenses:						
General government	3,293,515	3,280,078	-	-	3,293,515	3,280,078
Security of persons and property	9,121,557	9,033,362	-	-	9,121,557	9,033,362
Public health services	1,069,283	1,034,561	-	-	1,069,283	1,034,561
Transportation	1,727,130	2,015,461	-	-	1,727,130	2,015,461
Community environment	942,663	1,856,513	-	-	942,663	1,856,513
Basic utility services	62,457	60,904	-	-	62,457	60,904
Leisure time activities	785,750	770,365	-	-	785,750	770,365
Interest	50,615	71,335	-	-	50,615	71,335
Bond issuance costs	50,234	-	-	-	50,234	-
Water	-	-	4,415,238	5,057,064	4,415,238	5,057,064
Sewer	-	-	3,650,814	3,739,990	3,650,814	3,739,990
Robertson Community Center	-	-	56,050	60,278	56,050	60,278
Total expenses	17,103,204	18,122,579	8,122,102	8,857,332	25,225,306	26,979,911
Increase (decrease) in net position before transfers	(1,260,310)	(811,808)	2,700,381	(58,240)	1,440,071	(870,048)
Transfers	-	(200,000)	-	200,000	-	-
Change in net position	(1,260,310)	(1,011,808)	2,700,381	141,760	1,440,071	(870,048)
Net position at beginning year (restated)	30,640,071	31,651,879	19,765,552	19,623,792	50,405,623	51,275,671
Net position at end of year	\$ 29,379,761	\$ 30,640,071	\$ 22,465,933	\$ 19,765,552	\$ 51,845,694	\$ 50,405,623

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Governmental Activities

Governmental activities net position decreased \$1,260,310 in 2012.

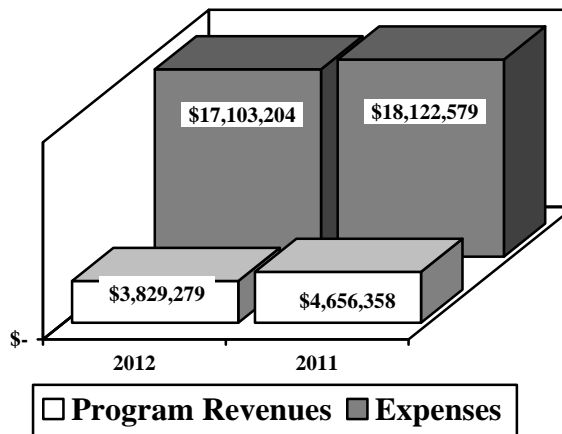
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$9,121,557 of the total expenses of the City. These expenses were partially funded by \$50,980 in direct charges to users of the services. General government expenses totaled \$3,293,515. General government expenses were partially funded by \$1,061,567 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,208,897 in operating grants and contributions and \$115,061 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$997,806 subsidized transportation and \$679,300 subsidized community environment. The total capital grants and contributions amount of \$115,061 subsidized transportation.

General revenues totaled \$12,013,615, and amounted to 75.83% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,841,089. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and estate taxes, making up \$880,730.

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

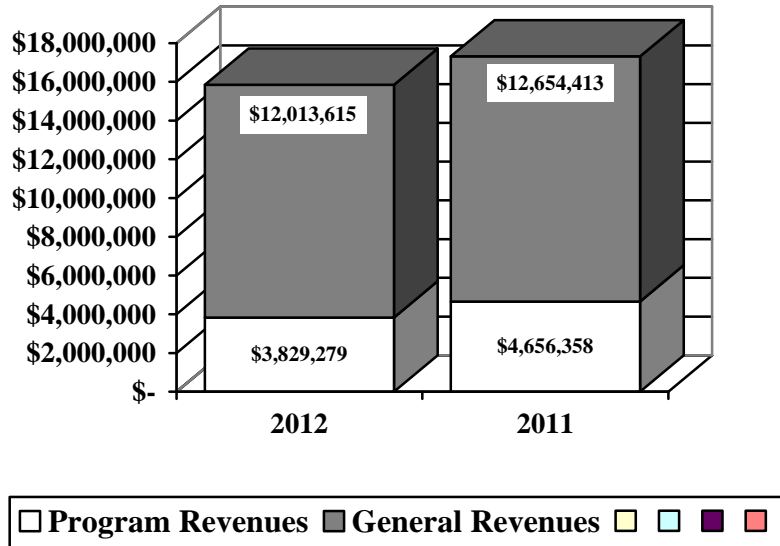
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Governmental Activities

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Program expenses:				
General government	\$ 3,293,515	\$ 2,065,658	\$ 3,280,078	\$ 2,273,514
Security of persons and property	9,121,557	8,891,901	9,033,362	8,833,551
Public health services	1,069,283	713,963	1,034,561	671,363
Transportation	1,727,130	614,263	2,015,461	596,706
Community environment	942,663	184,552	1,856,513	239,409
Basic utility services	62,457	62,457	60,904	60,904
Leisure time activities	785,750	640,282	770,365	719,439
Interest	50,615	50,615	71,335	71,335
Bond issuance costs	50,234	50,234	-	-
Total expenses	\$ 17,103,204	\$ 13,273,925	\$ 18,122,579	\$ 13,466,221

The dependence upon general revenues for governmental activities is apparent, with 77.61% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2012 and 2011.

Governmental Activities – General and Program Revenues



Business-Type Activities

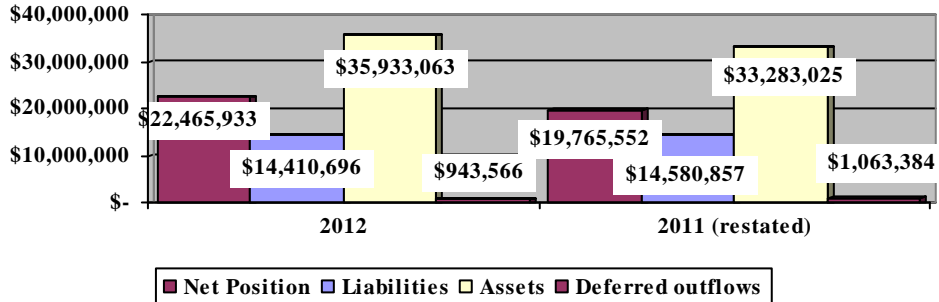
Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$10,441,143, general revenues of \$381,340 and expenses of \$8,122,102 for 2012.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

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

Net Position 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, unassigned 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 \$10,066,214 which is \$1,295,676 less than last year's total of \$11,361,890. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2012 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/2012</u>	Fund Balances <u>12/31/2011</u>	<u>(Decrease)</u>
Major funds:			
General	\$ 3,032,792	\$ 3,952,607	\$ (919,815)
Revolving loan	3,785,013	3,825,693	(40,680)
Capital improvements	650,530	896,892	(246,362)
Other nonmajor governmental funds	<u>2,597,879</u>	<u>2,686,698</u>	<u>(88,819)</u>
Total	<u>\$ 10,066,214</u>	<u>\$ 11,361,890</u>	<u>\$ (1,295,676)</u>

General Fund

The City's general fund balance decreased \$919,815.

CITY OF ALLIANCE, OHIO

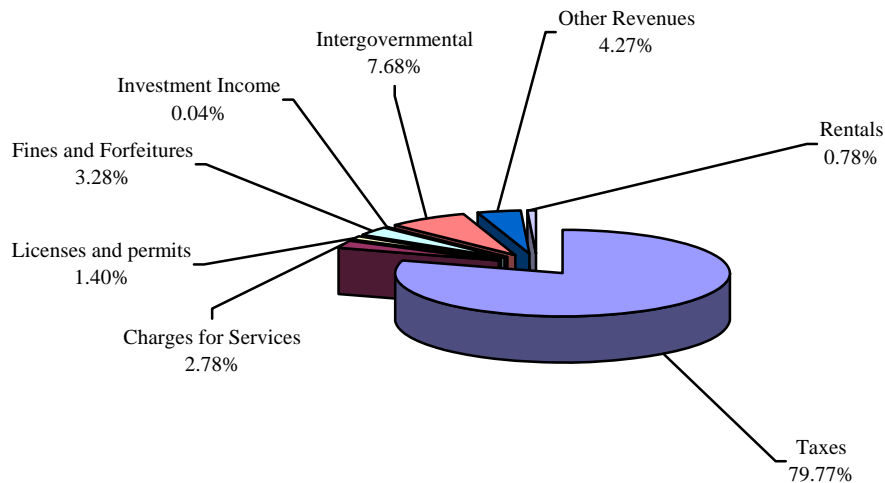
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

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

	<u>2012</u> <u>Amount</u>	<u>2011</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Revenues:				
Taxes	\$ 9,019,745	\$ 8,855,089	\$ 164,656	1.86 %
Charges for services	313,836	251,838	61,998	24.62 %
Licenses and permits	157,963	144,256	13,707	9.50 %
Fines and forfeitures	370,629	282,747	87,882	31.08 %
Investment income	4,428	8,435	(4,007)	(47.50) %
Intergovernmental	868,401	1,114,381	(245,980)	(22.07) %
Rentals	88,653	101,858	(13,205)	(12.96) %
Other	<u>483,348</u>	<u>412,098</u>	<u>71,250</u>	17.29 %
Total	<u>\$ 11,307,003</u>	<u>\$ 11,170,702</u>	<u>\$ 136,301</u>	1.22 %

Revenues of the general fund increased \$136,301 or 1.22%. Tax revenues increased \$164,656 or 1.86%. The increase is the result of increase in individual income tax withholdings during the year. Charges for services revenue increased \$61,998 or 24.62% due mainly to ATM revenues increasing and the garage maintenance reimbursements increasing. Fines and forfeitures revenues increased \$87,882 or 31.08% due mainly to increased municipal court revenues. The investment income decreased \$4,007 or 47.50%. This decrease is due mainly to decreased interest rates earned on investments during 2012. Intergovernmental revenue decreased \$245,980 or 22.07% due mainly to decreases in estate tax receipts and local government receipts. The decrease of \$13,205 or 12.96% in rentals is due to a decrease in oil and gas well revenue. Other revenues increased \$71,250 or 17.29% due mainly to an increase of revenues from alley vacations for Mount Union College so that they can close off parts of their campus.

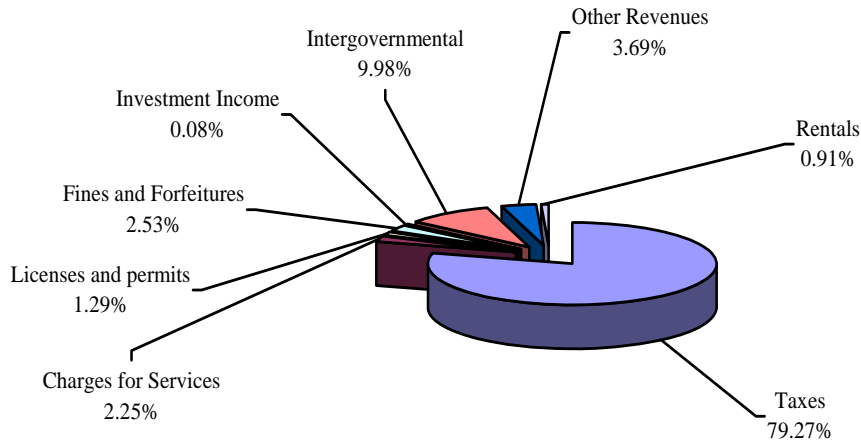
Revenues – 2012



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Revenues –2011



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

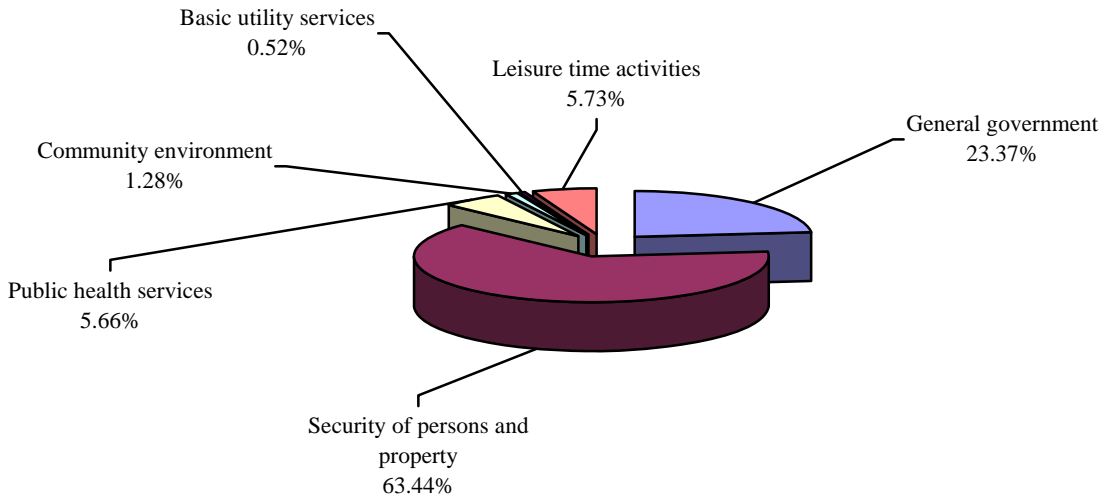
	<u>2012</u> <u>Amount</u>	<u>2011</u> <u>Amount</u>	<u>Increase</u>	<u>Percentage</u> <u>Change</u>
Expenditures:				
General government	\$ 2,659,204	\$ 2,633,737	\$ 25,467	0.97 %
Security of persons and property	7,216,428	7,100,946	115,482	1.63 %
Public health services	644,144	603,902	40,242	6.66 %
Community environment	145,180	134,055	11,125	8.30 %
Leisure time activities	651,900	631,225	20,675	3.28 %
Basic utility services	<u>59,583</u>	<u>55,238</u>	<u>4,345</u>	7.87 %
Total	<u><u>\$ 11,376,439</u></u>	<u><u>\$ 11,159,103</u></u>	<u><u>\$ 217,336</u></u>	1.95 %

Expenditures of the general fund increased \$217,336 or 1.95%. The most significant increase was in the area of security of persons and property. Security of persons and property expenditures increased \$115,482 or 1.63% due mainly to an increase in insurance costs. All other major expenditures remained comparable to 2011.

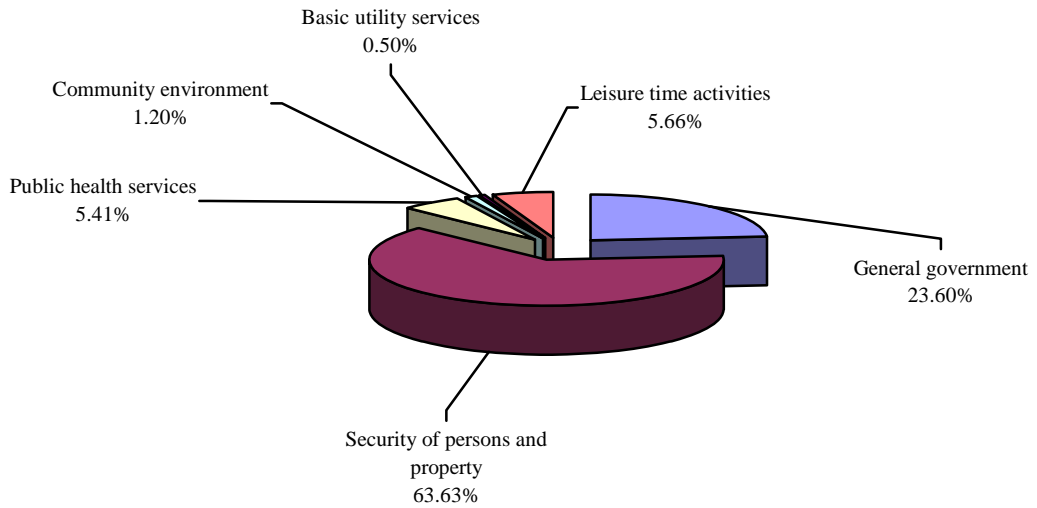
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Expenditures – 2012



Expenditures – 2011



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Revolving Loan Fund

The revolving loan major fund had \$41,601 in revenues and \$82,281 in expenditures in 2012. The fund balance for the revolving loan fund decreased \$40,680 or 1.06%, from \$3,825,693 in 2011 to \$3,785,013 in 2012. The decrease in fund balance is the result of changes in loan activity in the City.

Capital Improvements Fund

The capital improvements major fund had \$1,807,105 in revenues and other financing sources and \$2,053,467 in expenditures and other financing uses in 2012. The fund balance for the capital improvements fund decreased \$246,362 or 27.47%, from \$896,892 in 2011 to \$650,530 in 2012.

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 \$10,397,115 were more than the final budget amount of \$10,304,552. Actual expenditures and other financing uses of \$11,629,228 were lower than the final budget amount of \$12,083,801. The decrease of \$454,573 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 \$28,175 from the original to the final budget. Budgeted revenues were increased \$619,376 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 position on page 40) reported a combined net position of \$22,465,933, which is \$2,700,381 above last year's restated total of \$19,765,552.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

The schedule below indicates the net position and the total change in net position as of December 31, 2012 for all major and nonmajor business-type funds. The net position of the business-type activities at December 31, 2011 has been restated as described in Note 3.B.

	<u>Net Position</u> <u>12/31/12</u>	(Restated) <u>Net Position</u> <u>12/31/11</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
Water	\$ 7,831,939	\$ 7,031,943	\$ 799,996
Sewer	14,173,275	12,465,555	1,707,720
Nonmajor:			
Robertson Community Center	<u>379,603</u>	<u>388,780</u>	<u>(9,177)</u>
Total	<u><u>\$ 22,384,817</u></u>	<u><u>\$ 19,886,278</u></u>	<u><u>\$ 2,498,539</u></u>

Water

The City's water fund increased \$799,996 or 11.38% during 2012 from a restated net position balance of \$7,031,943 in 2011 to \$7,831,939 in 2012.

	<u>2012</u> <u>Amount</u>	(Restated) <u>2011</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 4,644,094	\$ 4,331,411	\$ 312,683	7.22 %
Other	<u>291,786</u>	<u>49,042</u>	<u>242,744</u>	494.97 %
Total operating revenues	<u>4,935,880</u>	<u>4,380,453</u>	<u>555,427</u>	12.68 %
<u>Operating expenses</u>				
Salaries and benefits	1,310,930	1,387,507	(76,577)	(5.52) %
Fringe benefits	628,797	537,964	90,833	16.88 %
Contractual services	494,173	535,692	(41,519)	(7.75) %
Materials and supplies	845,104	1,163,671	(318,567)	(27.38) %
Depreciation	594,115	584,362	9,753	1.67 %
Other	<u>3,005</u>	<u>7,801</u>	<u>(4,796)</u>	(61.48) %
Total operating expenses	<u>3,876,124</u>	<u>4,216,997</u>	<u>(340,873)</u>	(8.08) %
<u>Non-operating revenues</u>				
Municipal income tax	374,081	386,543	(12,462)	(3.22) %
Investment income	<u>2,366</u>	<u>895</u>	<u>1,471</u>	164.36 %
Total non-operating revenues	<u>376,447</u>	<u>387,438</u>	<u>(10,991)</u>	(2.84) %
<u>Non-operating expenses</u>				
Interest and fiscal charges	535,685	567,875	(32,190)	(5.67) %
Loss on disposal of capital assets	55,322	13,033	42,289	324.48 %
Bond issuance costs	<u>45,200</u>	<u>222,283</u>	<u>(177,083)</u>	(79.67) %
Total non-operating expenses	<u><u>\$ 636,207</u></u>	<u><u>\$ 803,191</u></u>	<u><u>\$ (166,984)</u></u>	(20.79) %

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Operating revenues of the water fund increased \$555,427 or 12.68%. This increase is the result of an increase to water consumption during the year and an increase in other revenues due to reimbursements received to the water fund. Operating expenses decreased \$340,873 or 8.08% due mainly to decreases in materials and supplies. Interest and fiscal charges decreased \$32,190 or 5.67% due to costs associated with the City's water revenue bonds.

Sewer

The City's sewer fund increased \$1,707,720 or 13.70% during 2012 from a net position balance of \$12,465,555 in 2011 to \$14,173,275 in 2012.

	<u>2012</u>	<u>2011</u>	<u>Increase/</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>	<u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 3,568,094	\$ 3,956,527	\$ (388,433)	(9.82) %
Licenses and permits	22,277	23,608	(1,331)	(5.64) %
Other	<u>126,451</u>	<u>-</u>	<u>126,451</u>	100.00 %
Total operating revenues	<u>3,716,822</u>	<u>3,980,135</u>	<u>(263,313)</u>	(6.62) %
<u>Operating expenses</u>				
Salaries and benefits	1,546,966	1,569,279	(22,313)	(1.42) %
Fringe benefits	635,260	535,609	99,651	18.61 %
Contractual services	704,930	677,497	27,433	4.05 %
Materials and supplies	262,824	313,933	(51,109)	(16.28) %
Depreciation	551,070	473,702	77,368	16.33 %
Other	<u>3,441</u>	<u>13,235</u>	<u>(9,794)</u>	(74.00) %
Total operating expenses	<u>3,704,491</u>	<u>3,583,255</u>	<u>121,236</u>	3.38 %
<u>Non-operating revenues</u>				
Capital contributions	1,741,568	-	1,741,568	100.00 %
Investment income	<u>4,893</u>	<u>4,384</u>	<u>509</u>	11.61 %
Total non-operating revenues	<u>1,746,461</u>	<u>4,384</u>	<u>1,742,077</u>	39,737.16 %
<u>Non-operating expenses</u>				
Interest and fiscal charges	50,162	79,157	(28,995)	(36.63) %
Loss on disposal of capital assets	<u>910</u>	<u>41,098</u>	<u>(40,188)</u>	(97.79) %
Total non-operating expenses	<u>\$ 51,072</u>	<u>\$ 120,255</u>	<u>\$ (69,183)</u>	(57.53) %

Operating revenues of the sewer fund decreased \$263,313 or 6.62%. This decrease can mainly be attributed to a usage decrease from the prior year. Operating expenses increased \$121,236 or 3.38% due mainly to an increase in spending for fringe benefits and contractual services. Other revenue income increased \$126,451 due to more miscellaneous revenues and reimbursements received by the City. The overall increase in net position of \$1,707,720 can mainly be attributed to the capital contribution of \$1,741,568. This was for the East Alliance Lift Station that was paid for by Mahoning County and given to the City in 2012 to maintain.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At December 31, 2012, the City had \$43,476,417 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$20,821,182 was reported in governmental activities and \$22,655,235 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosure.

The following table shows December 31, 2012 balances compared to December 31, 2011:

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

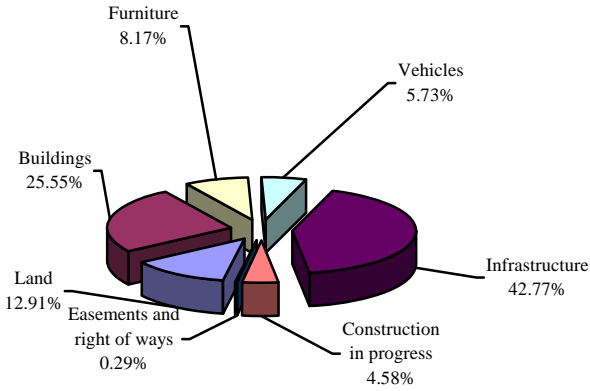
	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>	Business-type Activities <u>2012</u>	Business-type Activities <u>2011</u>	Total <u>2012</u>	Total <u>2011</u>
Land	\$ 2,688,987	\$ 2,688,987	\$ 869,941	\$ 869,941	\$ 3,558,928	\$ 3,558,928
Easements and right of ways	59,938	29,150	-	-	59,938	29,150
Buildings, structures and improvements	5,320,700	5,425,248	4,651,474	4,979,594	9,972,174	10,404,842
Furniture, fixtures and equipment	1,701,663	1,437,966	4,379,143	2,764,788	6,080,806	4,202,754
Vehicles	1,192,015	790,150	-	-	1,192,015	790,150
Infrastructure	8,904,451	8,884,398	-	-	8,904,451	8,884,398
Land improvements	-	-	345,970	413,964	345,970	413,964
Water and sewer lines	-	-	12,049,056	12,499,760	12,049,056	12,499,760
Construction in progress	<u>953,428</u>	<u>1,212,615</u>	<u>359,651</u>	<u>186,488</u>	<u>1,313,079</u>	<u>1,399,103</u>
Total	<u>\$ 20,821,182</u>	<u>\$ 20,468,514</u>	<u>\$ 22,655,235</u>	<u>\$ 21,714,535</u>	<u>\$ 43,476,417</u>	<u>\$ 42,183,049</u>

CITY OF ALLIANCE, OHIO

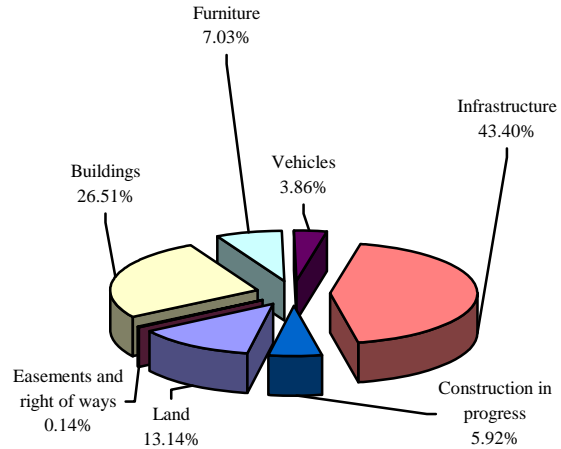
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

The following graphs show the breakdown of governmental capital assets by category at December 31, 2012 and December 31, 2011.

Capital Assets - Governmental Activities 2012



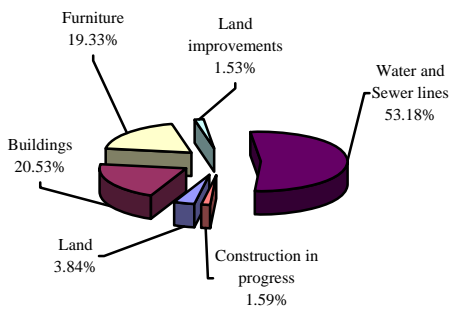
Capital Assets - Governmental Activities 2011



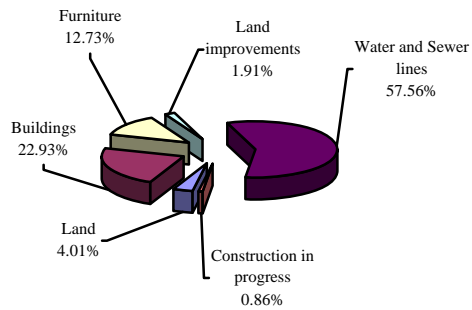
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 42.77% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category at December 31, 2012 and December 31, 2011.

Capital Assets - Business-type Activities 2012



Capital Assets - Business-type Activities 2011



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)

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 53.18% of the City's total business-type capital assets.

Debt Administration

The long-term obligations of the business-type activities at December 31, 2011 have been restated as described in Note 3.B. The City had the following long-term obligations outstanding at December 31, 2012 and 2011:

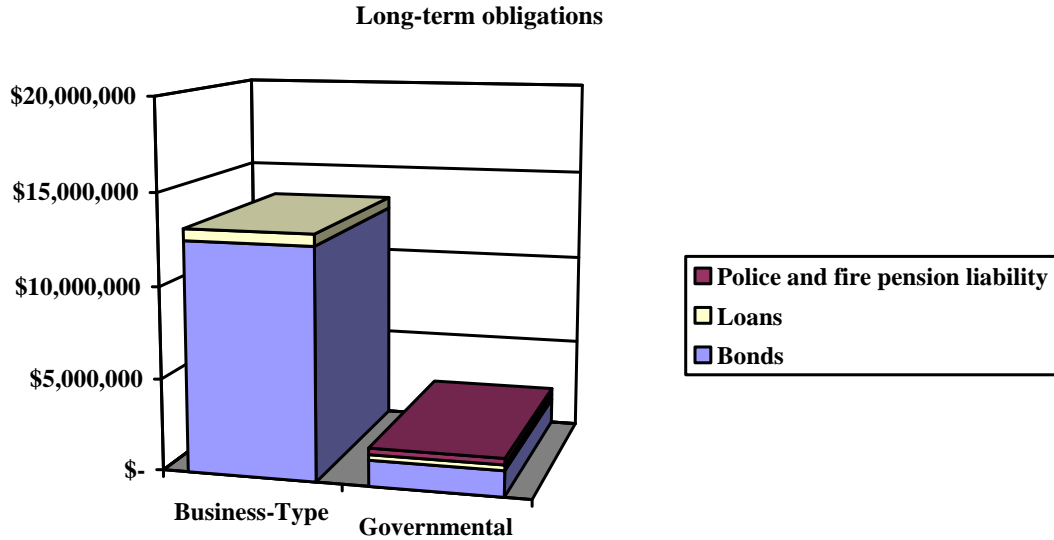
	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
General obligation bonds	\$ 1,270,000	\$ 735,000
Special assessment bonds	135,000	195,000
Police and fire pension liability	347,041	356,156
OPWC loans	<u>304,960</u>	<u>304,960</u>
Total long-term obligations	<u>\$ 2,057,001</u>	<u>\$ 1,591,116</u>
		(Restated)
	Business-type Activities <u>2012</u>	Business-type Activities <u>2011</u>
Revenue bonds	\$ 10,225,323	\$ 11,328,618
General obligation bonds	<u>2,287,192</u>	<u>1,142,000</u>
Total bonds	<u>12,512,515</u>	<u>12,470,618</u>
OPWC loans	<u>631,224</u>	<u>674,209</u>
Total long-term obligations	<u>\$ 13,143,739</u>	<u>\$ 13,144,827</u>

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

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

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



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.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

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.

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.

Current Outlook

The City of Alliance's general fund is facing difficulties in part, due to the elimination and decline of various revenue sources. The State of Ohio Estate tax has been repealed for estates of individuals dying on or after January 1, 2013. The fiscal year 2012-2013 biennial budget (Am. Sub. H.B. 153, 129th General Assembly) significantly changed the distribution of the Local Government Fund (LGF). This cut to Local Government Funding has resulted in a 50% reduction to the City. The fiscal year 2012-2013 State budget accelerated the phase-out of payments made by the State to local governments for revenues once collected on tangible personal property and certain types of electricity generation. In addition to these cuts, the City is expected to receive reduced property taxes due to recent county-wide property revaluations.

The combined effects of these losses along with increased costs, such as employee healthcare, will leave the City with little to no carryover at the end of 2013. The general fund ending cash balance for 2012 was \$1.65 million. The City experienced a \$1.2 million balance loss. The cash balance declined by over a million in 2011 as well. The City has been able to survive this deficit spending by relying on a \$3.9 million carryover from 2010, largely due to an exceptionally large inheritance tax of \$3.47 million received in 2010.

The City is examining new sources of revenue streams as well as analyzing ways to reduce expenditures in light of revenue reductions and increasing operating costs. City Administration and City Council have studied the conditions and ramifications of fiscal caution, watch and emergency and will work on remedying the City's financial condition. In 2013, the Alliance City Council voted to approve reallocating income tax revenues to increase the percentage received from 79% to 86%. This will reduce allocations normally reserved for master capital and street funds. This action was necessary to pay for 2013 general fund appropriations. Even with reallocation, the City's general fund is projected to operate at a loss of over a million dollars.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

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 targets improving the City's tax base. The City will continue employing innovative and creative measures to reduce expenses to counter declining revenues.

2012 General Obligation Bond Issue

The City finalized a bond issue of \$2.5 million to assist in the funding of the purchase of a new fire truck, police/fire radio equipment and UV light water treatment project. In addition, the issue refinanced the existing 1998 various purpose bonds at a lower rate for a cost savings.

Water - Sewer Rates

The City increased the water rates by 7% and lowered sewer rates by 7%. The water rate increase was necessary to meet the rate covenant of the trust indenture 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, 1991 and 1998 waterworks bonds) to provide adequate funds to operate and maintain, perform replacements and capital improvements, and to make timely payments on debt service. The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements.

New Administration

Alan Andreani, former Councilman at-large, became Mayor of Alliance in 2012 replacing Toni Middleton. Middleton served as the Alliance City Mayor for a period of 12 years. Mayor Andreani formed a transition team in late 2011 in order to assess the City's operations. An in-depth analysis was conducted to look at operational efficiencies and to gauge both short-term and long-range planning for the City.

Radio Equipment- Mandatory Narrowbanding

The Federal Communication Commission (FCC) mandated that all private land mobile radio services operating in the 150 -174 MHz and 421 – 512 MHz bands migrate to narrowband (12.5 KHz or narrower) technology by January 1, 2013. In order to comply, the City purchased radio equipment for both the Fire and Police Departments from the master capital fund. The purchase was funded through a 2012 general obligation bond issue, with a cost of \$300,000.

Purchase of New Fire Rescue Pumper

The City purchased a new Pierce Rescue Pumper in 2012. This vehicle replaced two vehicles currently in use, Engine 11, a 1989 Pierce Arrow Pumper and Rescue 16, a 1982 Chevrolet Step Van, converted for fire service use as a rescue vehicle. The cost of the vehicle was \$475,000. Funding was provided through a 2012 general obligation bond with repayment over a five year period.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

City Launches Redesigned Webpage

The City of Alliance officially launched its redesigned website, www.cityofalliance.com. The City contracted with government website experts at Civic Plus in order to assist in the implementation of the new site. The site reflects the personality of the City of Alliance as it features the Glamorgan Castle, the US Navy jet at the Alliance High School, and other local landmarks into the layout. The site incorporates numerous interactive features to better serve the citizens of Alliance.

Water Billing and Collections- Online features

The Alliance Water Billing Department introduced technology to allow customers to access online account information. Customers now have the ability to review account, payment history as well as having access to emailed statements, thus eliminating postage costs. Residents may also pay their bills online at no additional cost.

Replacement of Key Personnel

The City replaced several key employees due to retirement in 2012. W. John Gross was named Safety Service Director replacing John Blaser. Barbara Sferra was named Safety Service Coordinator replacing Nancy Waffler. Marcus Benson was named Water Distribution Superintendent replacing Mike Dreger. Jason Hunt was hired as Alliance City Fire Chief, replacing Chief Scott Cochran.

Demolition Program

Eleven condemned structures were demolished within the City during 2012. Funding of \$69,060 came from Community Development Block Grants.

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.

Demolition- Moving Ohio Forward

The City of Alliance is supplying \$75,000 of Urban Development Action Grant funds towards the 2013 demolition program. A matching grant of \$75,000 from the Moving Ohio Forward program will be utilized for the demolition of an estimated 48 condemned residential structures.

UV Light Water Treatment Project

The City is proceeding with plans to incorporate UV light into its current water treatments process. The technology is expected to 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. In addition, this process is expected to reduce overall operating costs related to treating water. The projected cost of this system is expected to be \$2.0 million dollars. Half of this cost is being funded through a 0% OPWC loan and the other half through the 2012 general obligation bond issue. The project is expected to be completed early 2013.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

US 62 Traffic Signal Replacement

The City will be replacing traffic lights and signs on State Route 62 (State Street). The \$168,000 cost will be funded by a grant obtained by City Engineer, Curtis Bungard. The City is set to receive this grant in part due to a prior safety study completed a few years ago.

State Street/Rte. 183 Paving

Paving of West State Street from Freshley to Union Ave/ Crossroads area will be completed in 2013. It is estimated that cost of the project will be \$1.1 million dollars. The City will contribute approximately \$400,000 towards this project, with the remainder coming from the Ohio Department of Transportation.

Sludge Dewatering

The City of Alliance is contracting with the consulting firm, Arcadis, to complete a feasibility study to analyze the construction of a sludge dewatering facility. The facility will dewater the bio solids that are produced as a result of the wastewater treatment process. These recycled bio solids have beneficial use as a fertilizer and dewatering assists in reducing the weight and cost of removing this material. In conjunction with this study, the City will study the possibility of converting methane gas to electricity.

Iron Horse Trail

The City of Alliance is seeking funding in attempt to link the Iron Horse Bike trail through the center of town. The City is working cooperatively with representatives from Stark Parks as well as applying for Clean Ohio Trail Grant funding.

Sidewalks for Schools Project

Engineering and design was completed for the Sidewalks for Schools project in 2012. Sidewalks will be added to Alliance Middle School, Rockhill Elementary School, and Northside Elementary School. The sidewalks along with cross walks, and ADA wheel chair ramps will provide for improved public safety. Total cost is estimated at \$320,000. The majority of the funding (\$180,000) will come from a Federal Highway Administration (FHWA) grant obtained by the City Engineer, Curtis Bungard.

State Route 183 Bridge Project

Work will continue on a section of State Route 183 between the area of Main Street and Ely. The project is designed to provide proper clearance for trucks near the area of the railroad bridge. Costs include moving water and sewer lines as well as acquisition of property to accommodate the project. The overall expected cost is \$3.6 million. The City was awarded an OPWC grant in the amount of \$534,693 to help fund the project. The City's out of pocket contribution to this project is estimated to be \$48,000.

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.

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CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 8,237,124	\$ 7,599,864	\$ 15,836,988
Receivables:			
Municipal income taxes	2,783,640	115,985	2,899,625
Property and other taxes.	1,044,675	-	1,044,675
Accounts.	97,046	1,360,773	1,457,819
Special assessments	1,085,486	-	1,085,486
Intergovernmental	931,636	-	931,636
Loans	1,237,691	-	1,237,691
Internal balance	(81,116)	81,116	-
Prepayments.	22,065	22,756	44,821
Materials and supplies inventory	51,540	515,817	567,357
Restricted assets:			
Equity in pooled cash and cash equivalents.	-	1,903,787	1,903,787
Cash and cash equivalents with fiscal agents	-	1,677,730	1,677,730
Capital assets:			
Non-depreciable capital assets.	2,688,987	1,229,592	3,918,579
Depreciable capital assets, net	18,132,195	21,425,643	39,557,838
Total capital assets, net.	<u>20,821,182</u>	<u>22,655,235</u>	<u>43,476,417</u>
Total assets	<u>36,230,969</u>	<u>35,933,063</u>	<u>72,164,032</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	8,253	943,566	951,819
Total assets and deferred outflows of resources	<u>36,239,222</u>	<u>36,876,629</u>	<u>73,115,851</u>
Liabilities:			
Accounts payable	538,991	114,062	653,053
Accrued wages and benefits payable	87,172	49,153	136,325
Claims payable.	232,472	-	232,472
Due to other governments	455,449	103,216	558,665
Accrued interest payable	6,797	117,782	124,579
Long-term liabilities:			
Due within one year	1,070,398	1,690,979	2,761,377
Due in more than one year	3,686,626	12,335,504	16,022,130
Total liabilities	<u>6,077,905</u>	<u>14,410,696</u>	<u>20,488,601</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	781,556	-	781,556
Total liabilities and deferred inflows of resources	<u>6,859,461</u>	<u>14,410,696</u>	<u>21,270,157</u>
Net position:			
Net investment in capital assets.	19,194,878	11,655,997	30,850,875
Restricted for:			
Debt service	322,426	592,084	914,510
Capital projects	1,286,549	-	1,286,549
Transportation projects.	386,247	-	386,247
Public service programs	760,258	-	760,258
Community development programs	3,859,082	-	3,859,082
Police and fire pension	72,662	-	72,662
Security programs	175,111	-	175,111
Other purposes	604,772	-	604,772
Replacement and surplus reserve.	-	1,903,787	1,903,787
Unrestricted	<u>2,717,776</u>	<u>8,314,065</u>	<u>11,031,841</u>
Total net position.	<u>\$ 29,379,761</u>	<u>\$ 22,465,933</u>	<u>\$ 51,845,694</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,293,515	\$ 1,061,567	\$ 166,290	\$ -
Security of persons and property	9,121,557	50,980	178,676	-
Public health and welfare	1,069,283	168,495	186,825	-
Transportation	1,727,130	-	997,806	115,061
Community environment	942,663	78,811	679,300	-
Basic utility services	62,457	-	-	-
Leisure time activity	785,750	145,468	-	-
Interest and fiscal charges	50,615	-	-	-
Bond issuance costs	50,234	-	-	-
Total governmental activities	<u>17,103,204</u>	<u>1,505,321</u>	<u>2,208,897</u>	<u>115,061</u>
Business-type activities:				
Water	4,415,238	4,935,880	-	-
Sewer	3,650,814	3,716,822	-	1,741,568
Robertson Community Center	56,050	46,873	-	-
Total business-type activities	<u>8,122,102</u>	<u>8,699,575</u>	<u>-</u>	<u>1,741,568</u>
Total primary government	<u>\$ 25,225,306</u>	<u>\$ 10,204,896</u>	<u>\$ 2,208,897</u>	<u>\$ 1,856,629</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
Miscellaneous
Total general revenues
Change in net position
Net position at beginning of year (restated) .
Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (2,065,658)	\$ -	\$ (2,065,658)
(8,891,901)	-	(8,891,901)
(713,963)	-	(713,963)
(614,263)	-	(614,263)
(184,552)	-	(184,552)
(62,457)	-	(62,457)
(640,282)	-	(640,282)
(50,615)	-	(50,615)
(50,234)	-	(50,234)
<u>(13,273,925)</u>	<u>-</u>	<u>(13,273,925)</u>
-	520,642	520,642
-	1,807,576	1,807,576
-	(9,177)	(9,177)
<u>-</u>	<u>2,319,041</u>	<u>2,319,041</u>
<u>(13,273,925)</u>	<u>2,319,041</u>	<u>(10,954,884)</u>
916,266	-	916,266
77,605	-	77,605
77,605	-	77,605
8,179,934	-	8,179,934
654,641	-	654,641
935,038	-	935,038
-	374,081	374,081
880,730	-	880,730
4,428	7,259	11,687
287,368	-	287,368
<u>12,013,615</u>	<u>381,340</u>	<u>12,394,955</u>
(1,260,310)	2,700,381	1,440,071
<u>30,640,071</u>	<u>19,765,552</u>	<u>50,405,623</u>
<u>\$ 29,379,761</u>	<u>\$ 22,465,933</u>	<u>\$ 51,845,694</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	Revolving Loan Fund	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 1,950,254	\$ 2,559,921	\$ 896,108	\$ 2,143,998	\$ 7,550,281
Receivables (net of allowance for uncollectibles):					
Municipal income taxes	2,290,703	-	289,963	202,974	2,783,640
Property and other taxes	875,451	-	-	169,224	1,044,675
Accounts	80,559	-	-	16,487	97,046
Intergovernmental	327,236	-	-	604,400	931,636
Special assessments	859,284	-	2,201	224,001	1,085,486
Loans	-	1,226,704	-	10,987	1,237,691
Prepayments	16,478	-	-	5,587	22,065
Materials and supplies inventory	15,616	-	-	35,924	51,540
Total assets	<u>\$ 6,415,581</u>	<u>\$ 3,786,625</u>	<u>\$ 1,188,272</u>	<u>\$ 3,413,582</u>	<u>\$ 14,804,060</u>
Liabilities:					
Accounts payable	\$ 94,771	\$ 858	\$ 421,943	\$ 21,419	\$ 538,991
Accrued wages and benefits payable	76,145	177	-	10,850	87,172
Compensated absences payable	6,424	-	-	-	6,424
Due to other governments	424,900	577	-	29,972	455,449
Total liabilities	<u>602,240</u>	<u>1,612</u>	<u>421,943</u>	<u>62,241</u>	<u>1,088,036</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	646,904	-	-	134,652	781,556
Income tax revenue not available	897,423	-	113,598	79,518	1,090,539
Delinquent property tax revenue not available	195,870	-	-	34,572	230,442
Special assessments revenue not available	859,284	-	2,201	224,001	1,085,486
Miscellaneous revenue not available	181,068	-	-	280,719	461,787
Total deferred inflows of resources	<u>2,780,549</u>	<u>-</u>	<u>115,799</u>	<u>753,462</u>	<u>3,649,810</u>
Total liabilities and deferred inflows of resources	<u>3,382,789</u>	<u>1,612</u>	<u>537,742</u>	<u>815,703</u>	<u>4,737,846</u>
Fund balances:					
Nonspendable	90,479	-	-	41,511	131,990
Restricted	-	3,785,013	-	2,106,139	5,891,152
Committed	134,581	-	650,530	449,229	1,234,340
Assigned	135,180	-	-	1,000	136,180
Unassigned	2,672,552	-	-	-	2,672,552
Total fund balances	<u>3,032,792</u>	<u>3,785,013</u>	<u>650,530</u>	<u>2,597,879</u>	<u>10,066,214</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,415,581</u>	<u>\$ 3,786,625</u>	<u>\$ 1,188,272</u>	<u>\$ 3,413,582</u>	<u>\$ 14,804,060</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012

Total governmental fund balances	\$	10,066,214
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,821,182
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Municipal income taxes receivable	\$ 1,090,539	
Property and other taxes receivable	230,442	
Special assessments receivable	1,085,486	
Intergovernmental receivable	461,787	
Total	2,868,254	2,868,254
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. The net position of the internal service fund, including internal balances of \$81,116.		373,255
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(6,797)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		8,253
Unamortized premiums (discounts) on bond issuances are not recognized in the funds.		(12,479)
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	(1,270,000)	
Special assessment bonds	(135,000)	
Police and fire pension liability	(347,041)	
Loans payable	(304,960)	
Compensated absences	(2,681,120)	
Total	(4,738,121)	(4,738,121)
Net position of governmental activities	\$	29,379,761

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, 2012

	General	Revolving Loan Fund	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$ 8,178,643	\$ -	\$ 935,038	\$ 654,527	\$ 9,768,208
Property and other taxes	841,102	-	-	145,166	986,268
Charges for services	313,836	-	-	-	313,836
Licenses, permits and fees	157,963	-	-	83,890	241,853
Fines and forfeitures	370,629	-	-	183,714	554,343
Intergovernmental	868,401	-	3,900	2,186,330	3,058,631
Special assessments	-	-	-	74,029	74,029
Investment income	4,428	41,601	-	1,254	47,283
Rental income	88,653	-	-	-	88,653
Contributions and donations	768	-	1,500	3,349	5,617
Other	482,580	-	38,498	87,456	608,534
Total revenues	<u>11,307,003</u>	<u>41,601</u>	<u>978,936</u>	<u>3,419,715</u>	<u>15,747,255</u>
Expenditures:					
Current:					
General government	2,659,204	-	-	77,005	2,736,209
Security of persons and property	7,216,428	-	-	1,158,884	8,375,312
Public health and welfare	644,144	-	-	335,612	979,756
Transportation	-	-	-	789,652	789,652
Community environment	145,180	82,281	-	632,281	859,742
Leisure time activities	651,900	-	-	1,196	653,096
Basic utility services	59,583	-	-	-	59,583
Capital outlay	-	-	1,858,425	1,098,839	2,957,264
Debt service:					
Principal retirement	-	-	-	329,115	329,115
Interest and fiscal charges	-	-	-	53,201	53,201
Bond issuance costs	-	-	33,170	17,064	50,234
Total expenditures	<u>11,376,439</u>	<u>82,281</u>	<u>1,891,595</u>	<u>4,492,849</u>	<u>17,843,164</u>
Excess of expenditures over revenues	<u>(69,436)</u>	<u>(40,680)</u>	<u>(912,659)</u>	<u>(1,073,134)</u>	<u>(2,095,909)</u>
Other financing sources (uses):					
Bond issuance	-	-	775,000	-	775,000
Sale of refunded bond	-	-	-	455,000	455,000
Payment to refunded bond escrow agent	-	-	-	(444,652)	(444,652)
Transfers in	6	-	45,000	1,085,880	1,130,886
Transfers (out)	(850,385)	-	(161,872)	(118,629)	(1,130,886)
Premium on bond issuance	-	-	8,169	-	8,169
Premium on refunded bond issuance	-	-	-	6,716	6,716
Total other financing sources (uses)	<u>(850,379)</u>	<u>-</u>	<u>666,297</u>	<u>984,315</u>	<u>800,233</u>
Net change in fund balances	(919,815)	(40,680)	(246,362)	(88,819)	(1,295,676)
Fund balances at beginning of year	<u>3,952,607</u>	<u>3,825,693</u>	<u>896,892</u>	<u>2,686,698</u>	<u>11,361,890</u>
Fund balances at end of year	<u>\$ 3,032,792</u>	<u>\$ 3,785,013</u>	<u>\$ 650,530</u>	<u>\$ 2,597,879</u>	<u>\$ 10,066,214</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, 2012

Net change in fund balances - total governmental funds	\$	(1,295,676)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 1,991,679	
Current year depreciation	<u>(1,639,011)</u>	
Total		352,668
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	1,569	
Property taxes	85,208	
Intergovernmental revenues	14,763	
Special assessments	<u>(36,689)</u>	
Total		64,851
Proceeds of bonds are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(775,000)
Repayment of bond principal and police and fire pension liability are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		329,115
Proceeds of refunding bonds are recorded as revenue in the funds, however in the statement of activities, they are not reported as revenue as they increase the liabilities on the statement of net assets.		
		(455,000)
Payments to refunding bond escrow agents are an other financing use in the governmental funds, but the payment reduces long-term liabilities on the statement of net assets.		
		444,652
Premiums on general obligation bonds are recognized as other financing sources in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		
		(14,885)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	1,579	
Amortization of deferred amounts on refunding	(1,399)	
Amortization of bond premiums and discounts	<u>2,406</u>	
Total		2,586
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.		
		(96,905)
The internal service fund used by management to charge the costs of 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 \$201,842 is allocated among the governmental activities.		
		<u>183,284</u>
Change in net position of governmental activities	\$	<u><u>(1,260,310)</u></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)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income taxes	\$ 7,052,276	\$ 7,503,276	\$ 7,503,276	\$ -
Property and other taxes	830,272	883,369	833,008	(50,361)
Charges for services	103,788	110,425	120,375	9,950
Licenses, permits and fees	140,782	149,785	157,963	8,178
Fines and forfeitures	337,737	359,336	367,465	8,129
Intergovernmental	777,463	827,182	864,769	37,587
Investment income	6,579	7,000	4,428	(2,572)
Rental income.	81,301	86,500	95,619	9,119
Contributions and donations.	-	-	768	768
Other	354,978	377,679	449,438	71,759
Total revenues	<u>9,685,176</u>	<u>10,304,552</u>	<u>10,397,109</u>	<u>92,557</u>
Expenditures:				
Current:				
General government:				
Mayor:				
Salaries and wages	82,349	82,349	82,349	-
Fringe benefits.	31,929	31,929	28,216	3,713
Contractual services	2,700	2,700	2,614	86
Materials and supplies.	1,900	1,900	1,684	216
Total mayor.	<u>118,878</u>	<u>118,878</u>	<u>114,863</u>	<u>4,015</u>
Senior center:				
Salaries and wages	35,890	35,890	34,151	1,739
Fringe benefits.	19,715	19,715	19,181	534
Contractual services	200	200	200	-
Materials and supplies.	1,700	1,700	505	1,195
Total senior center.	<u>57,505</u>	<u>57,505</u>	<u>54,037</u>	<u>3,468</u>
Auditor:				
Salaries and wages	93,256	93,256	92,646	610
Fringe benefits.	48,740	48,740	48,511	229
Contractual services	16,179	16,179	16,161	18
Materials and supplies.	5,321	5,321	5,005	316
Total auditor.	<u>163,496</u>	<u>163,496</u>	<u>162,323</u>	<u>1,173</u>
Treasurer:				
Salaries and wages	3,754	3,754	3,754	-
Fringe benefits.	725	725	724	1
Materials and supplies.	100	100	100	-
Total treasurer.	<u>4,579</u>	<u>4,579</u>	<u>4,578</u>	<u>1</u>
Law director:				
Salaries and wages	170,000	170,000	162,494	7,506
Fringe benefits.	68,606	68,606	66,995	1,611
Contractual services	3,750	3,750	3,415	335
Materials and supplies.	2,345	2,345	2,040	305
Total law director.	<u>244,701</u>	<u>244,701</u>	<u>234,944</u>	<u>9,757</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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
City council:				
Salaries and wages	\$ 30,261	\$ 30,261	\$ 30,261	\$ -
Fringe benefits.	5,832	5,832	5,747	85
Total city council	<u>36,093</u>	<u>36,093</u>	<u>36,008</u>	<u>85</u>
Clerk of council:				
Salaries and wages	8,496	8,496	8,359	137
Fringe benefits.	1,583	1,583	1,559	24
Contractual services	12,010	12,010	11,009	1,001
Materials and supplies.	650	650	588	62
Total clerk of council.	<u>22,739</u>	<u>22,739</u>	<u>21,515</u>	<u>1,224</u>
Judge and probation:				
Salaries and wages	179,108	179,108	177,493	1,615
Fringe benefits.	85,031	85,031	82,141	2,890
Contractual services	17,117	17,117	12,408	4,709
Materials and supplies.	2,500	2,500	2,214	286
Total judge and probation.	<u>283,756</u>	<u>283,756</u>	<u>274,256</u>	<u>9,500</u>
Clerk of courts:				
Salaries and wages	193,693	193,693	178,705	14,988
Fringe benefits.	119,159	119,159	107,492	11,667
Contractual services	41,450	41,450	30,251	11,199
Materials and supplies.	19,700	19,700	12,858	6,842
Total clerk of courts.	<u>374,002</u>	<u>374,002</u>	<u>329,306</u>	<u>44,696</u>
Civil service:				
Salaries and wages	14,994	14,994	14,993	1
Fringe benefits.	2,678	2,678	2,676	2
Materials and supplies.	12,215	12,215	4,169	8,046
Total civil service.	<u>29,887</u>	<u>29,887</u>	<u>21,838</u>	<u>8,049</u>
Engineering:				
Salaries and wages	73,600	73,600	67,755	5,845
Fringe benefits.	38,559	38,559	37,641	918
Contractual services	22,771	22,771	15,486	7,285
Materials and supplies.	4,115	4,115	3,844	271
Total engineering.	<u>139,045</u>	<u>139,045</u>	<u>124,726</u>	<u>14,319</u>
County auditor and treasurer:				
Contractual services	27,825	27,825	20,031	7,794
Total county auditor and treasurer.	<u>27,825</u>	<u>27,825</u>	<u>20,031</u>	<u>7,794</u>
State examiner:				
Contractual services	15,522	15,522	15,521	1
Total state examiner.	<u>15,522</u>	<u>15,522</u>	<u>15,521</u>	<u>1</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Land and buildings:				
Salaries and wages	\$ 52,204	\$ 52,204	\$ 49,490	\$ 2,714
Fringe benefits.	22,305	22,305	21,891	414
Contractual services	272,000	272,000	230,902	41,098
Total land and buildings.	<u>346,509</u>	<u>346,509</u>	<u>302,283</u>	<u>44,226</u>
General administration:				
Salaries and wages	40,907	40,907	40,518	389
Fringe benefits.	11,069	11,069	8,631	2,438
Contractual services	137,054	137,054	72,461	64,593
Materials and supplies.	14,800	14,800	14,562	238
Other	10,100	10,100	6,316	3,784
Total general administration.	<u>213,930</u>	<u>213,930</u>	<u>142,488</u>	<u>71,442</u>
Elections				
Contractual services	6,986	6,986	6,986	-
Total county auditor fees.	<u>6,986</u>	<u>6,986</u>	<u>6,986</u>	<u>-</u>
Total general government.	<u>2,085,453</u>	<u>2,085,453</u>	<u>1,865,703</u>	<u>219,750</u>
Security of persons and property:				
Police:				
Salaries and wages	2,782,176	2,782,176	2,757,862	24,314
Fringe benefits.	772,794	772,794	756,019	16,775
Contractual services	204,050	224,050	219,093	4,957
Materials and supplies.	186,117	186,117	185,692	425
Total police.	<u>3,945,137</u>	<u>3,965,137</u>	<u>3,918,666</u>	<u>46,471</u>
Fire:				
Salaries and wages	1,897,927	1,897,927	1,892,597	5,330
Fringe benefits.	505,299	505,299	499,005	6,294
Contractual services	142,575	151,575	135,379	16,196
Materials and supplies.	54,100	54,100	41,674	12,426
Total fire.	<u>2,599,901</u>	<u>2,608,901</u>	<u>2,568,655</u>	<u>40,246</u>
Fire communications:				
Materials and supplies.	10,000	10,000	9,791	209
Total fire communications.	<u>10,000</u>	<u>10,000</u>	<u>9,791</u>	<u>209</u>
Safety administration:				
Salaries and wages	393,123	393,123	392,012	1,111
Fringe benefits.	193,008	193,008	187,295	5,713
Contractual services	312,668	312,668	307,860	4,808
Total safety administration.	<u>898,799</u>	<u>898,799</u>	<u>887,167</u>	<u>11,632</u>
Prisoner support:				
Contractual services	15,000	15,000	6,113	8,887
Total prisoner support.	<u>15,000</u>	<u>15,000</u>	<u>6,113</u>	<u>8,887</u>
Total security of persons and property	<u>7,468,837</u>	<u>7,497,837</u>	<u>7,390,392</u>	<u>107,445</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, 2012

	<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	\$ 91,024	\$ 91,024	\$ 90,044	\$ 980
Fringe benefits.	43,611	43,611	39,599	4,012
Contractual services	35,750	35,750	30,025	5,725
Materials and supplies.	300	300	281	19
Other	915	915	915	-
Total health control and prevention	<u>171,600</u>	<u>171,600</u>	<u>160,864</u>	<u>10,736</u>
Health administration:				
Salaries and wages	314,071	313,246	300,944	12,302
Fringe benefits.	125,079	125,079	122,301	2,778
Contractual services	12,453	12,453	13,755	(1,302)
Materials and supplies.	15,587	15,587	12,195	3,392
Other	47,500	47,500	42,599	4,901
Total health administration.	<u>514,690</u>	<u>513,865</u>	<u>491,794</u>	<u>22,071</u>
Total public health services	<u>686,290</u>	<u>685,465</u>	<u>652,658</u>	<u>32,807</u>
Community environment:				
Planning commission:				
Contractual services	2,000	2,000	2,000	-
Total planning commission.	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Tree care:				
Contractual services	1,500	1,500	1,480	20
Total tree care.	<u>1,500</u>	<u>1,500</u>	<u>1,480</u>	<u>20</u>
Zoning and building:				
Salaries and wages	135,000	135,000	110,321	24,679
Fringe benefits.	36,262	36,262	19,537	16,725
Contractual services	12,970	12,970	9,206	3,764
Materials and supplies.	3,250	3,250	2,667	583
Other	100	100	-	100
Total zoning and building.	<u>187,582</u>	<u>187,582</u>	<u>141,731</u>	<u>45,851</u>
Total community environment	<u>191,082</u>	<u>191,082</u>	<u>145,211</u>	<u>45,871</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	42,627	42,627	39,856	2,771
Fringe benefits.	21,246	21,246	20,806	440
Materials and supplies.	1,000	1,000	1,000	-
Total storm sewer	<u>64,873</u>	<u>64,873</u>	<u>61,662</u>	<u>3,211</u>
Total basic utility services.	<u>64,873</u>	<u>64,873</u>	<u>61,662</u>	<u>3,211</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, 2012

	<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	\$ 317,941	\$ 317,941	\$ 317,939	\$ 2
Fringe benefits.	127,639	127,639	123,860	3,779
Contractual services	59,067	59,067	55,886	3,181
Materials and supplies.	32,746	32,746	32,760	(14)
Other	300	300	270	30
Total parks.	<u>537,693</u>	<u>537,693</u>	<u>530,715</u>	<u>6,978</u>
Recreation:				
Salaries and wages	90,388	90,388	88,584	1,804
Fringe benefits.	30,035	30,035	29,332	703
Contractual services	4,120	4,120	4,022	98
Materials and supplies.	10,798	10,798	10,564	234
Total recreation	<u>135,341</u>	<u>135,341</u>	<u>132,502</u>	<u>2,839</u>
Total leisure time activities.	<u>673,034</u>	<u>673,034</u>	<u>663,217</u>	<u>9,817</u>
Total expenditures	<u>11,169,569</u>	<u>11,197,744</u>	<u>10,778,843</u>	<u>418,901</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,484,393)</u>	<u>(893,192)</u>	<u>(381,734)</u>	<u>511,458</u>
Other financing sources (uses):				
Transfers in.	-	-	6	6
Transfers out	<u>(886,057)</u>	<u>(886,057)</u>	<u>(850,385)</u>	<u>35,672</u>
Total other financing sources (uses).	<u>(886,057)</u>	<u>(886,057)</u>	<u>(850,379)</u>	<u>35,678</u>
Net change in fund balance.	(2,370,450)	(1,779,249)	(1,232,113)	547,136
Fund balance at beginning of year	<u>2,844,215</u>	<u>2,844,215</u>	<u>2,844,215</u>	<u>-</u>
Prior year encumbrances appropriated .	<u>8,870</u>	<u>8,870</u>	<u>8,870</u>	<u>-</u>
Fund balance at end of year	<u>\$ 482,635</u>	<u>\$ 1,073,836</u>	<u>\$ 1,620,972</u>	<u>\$ 547,136</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 51,500	\$ 51,500	\$ 41,601	\$ (9,899)
Other	300,000	300,000	321,209	21,209
Total revenues	351,500	351,500	362,810	11,310
Expenditures:				
Current				
Community environment:				
Salaries and wages	1,700	17,000	16,492	508
Fringe benefits.	5,817	5,817	3,037	2,780
Contractual services	130,000	130,000	41,400	88,600
Capital outlay.	2,390,279	2,426,558	654,590	1,771,968
Total expenditures	2,527,796	2,579,375	715,519	1,863,856
Net change in fund balances	(2,176,296)	(2,227,875)	(352,709)	1,875,166
Fund balances at beginning of year	2,419,791	2,419,791	2,419,791	-
Prior year encumbrances appropriated	190,279	190,279	190,279	-
Fund balance at end of year	\$ 433,774	\$ 382,195	\$ 2,257,361	\$ 1,875,166

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2012

	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 . . .	\$ 1,645,734	\$ 5,850,339	\$ 103,791	\$ 7,599,864	\$ 686,843
Restricted assets:					
Cash and cash equivalents with fiscal agents . . .	1,085,646	-	-	1,085,646	-
Receivables (net of allowance for uncollectibles					
Accounts	875,790	484,983	-	1,360,773	-
Municipal income taxes	115,985	-	-	115,985	-
Prepayments	11,063	11,063	630	22,756	-
Materials and supplies inventory.	467,529	48,288	-	515,817	-
Total current assets	<u>4,201,747</u>	<u>6,394,673</u>	<u>104,421</u>	<u>10,700,841</u>	<u>686,843</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents. . .	1,903,787	-	-	1,903,787	-
Cash and cash equivalents with fiscal agents . .	592,084	-	-	592,084	-
Total restricted assets.	<u>2,495,871</u>	<u>-</u>	<u>-</u>	<u>2,495,871</u>	<u>-</u>
Capital assets:					
Land and construction in progress.	1,012,792	216,800	-	1,229,592	-
Depreciable capital assets, net.	11,234,553	9,914,157	276,933	21,425,643	-
Total capital assets, net.	<u>12,247,345</u>	<u>10,130,957</u>	<u>276,933</u>	<u>22,655,235</u>	<u>-</u>
Total noncurrent assets	<u>14,743,216</u>	<u>10,130,957</u>	<u>276,933</u>	<u>25,151,106</u>	<u>-</u>
Total assets	<u>18,944,963</u>	<u>16,525,630</u>	<u>381,354</u>	<u>35,851,947</u>	<u>686,843</u>
Deferred outflows of resources:					
Unamortized deferred charges on debt refunding	943,566	-	-	943,566	-
Total deferred outflows of resources	<u>943,566</u>	<u>-</u>	<u>-</u>	<u>943,566</u>	<u>-</u>
Total assets and deferred outflows of resources .	<u>\$ 19,888,529</u>	<u>\$ 16,525,630</u>	<u>\$ 381,354</u>	<u>\$ 36,795,513</u>	<u>\$ 686,843</u>

- Continued

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (CONTINUED)
 DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Robertson Community Center	Total	
Liabilities:					
Current liabilities:					
Accounts payable.	\$ 51,329	\$ 62,401	\$ 332	\$ 114,062	\$ -
Accrued wages and benefits payable.	24,155	24,998	-	49,153	-
Compensated absences.	207,450	217,239	-	424,689	-
Due to other governments	48,096	53,701	1,419	103,216	-
Accrued interest payable	4,863	10,750	-	15,613	-
Claims payable.	-	-	-	-	232,472
Payable from restricted assets:					
Revenue bonds payable - current	1,133,295	-	-	1,133,295	-
Accrued interest payable	102,169	-	-	102,169	-
General obligation bonds payable - current. . .	50,010	40,000	-	90,010	-
OPWC loans payable - current	-	42,985	-	42,985	-
Total current liabilities	<u>1,621,367</u>	<u>452,074</u>	<u>1,751</u>	<u>2,075,192</u>	<u>232,472</u>
Long-term liabilities:					
Revenue bonds payable	9,092,028	-	-	9,092,028	-
General obligation bonds payable	1,135,182	1,062,000	-	2,197,182	-
OPWC loans payable	-	588,239	-	588,239	-
Compensated absences payable	208,013	250,042	-	458,055	-
Total long-term liabilities	<u>10,435,223</u>	<u>1,900,281</u>	<u>-</u>	<u>12,335,504</u>	<u>-</u>
Total liabilities	<u>12,056,590</u>	<u>2,352,355</u>	<u>1,751</u>	<u>14,410,696</u>	<u>232,472</u>
Net position:					
Net investment in capital assets.	2,981,331	8,397,733	276,933	11,655,997	-
Restricted for:					
Debt service.	592,084	-	-	592,084	-
Replacement and surplus reserve	1,903,787	-	-	1,903,787	-
Unrestricted	<u>2,354,737</u>	<u>5,775,542</u>	<u>102,670</u>	<u>8,232,949</u>	<u>454,371</u>
Total net position.	<u>\$ 7,831,939</u>	<u>\$ 14,173,275</u>	<u>\$ 379,603</u>	<u>22,384,817</u>	<u>\$ 454,371</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>81,116</u>	
Net position of business-type activities				<u>\$ 22,465,933</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Roberston Community Center	Total	
Operating revenues:					
Charges for services	\$ 4,644,094	\$ 3,568,094	\$ -	\$ 8,212,188	\$ 2,682,271
Licenses and permits.	-	22,277	-	22,277	-
Other	291,786	126,451	46,873	465,110	-
Total operating revenues.	4,935,880	3,716,822	46,873	8,699,575	2,682,271
Operating expenses:					
Salaries and benefits.	1,310,930	1,546,966	15,644	2,873,540	-
Fringe benefits.	628,797	635,260	2,775	1,266,832	-
Contract services.	494,173	704,930	11,112	1,210,215	-
Materials and supplies.	845,104	262,824	13,587	1,121,515	-
Depreciation.	594,115	551,070	12,932	1,158,117	-
Claims.	-	-	-	-	2,297,145
Other	3,005	3,441	-	6,446	-
Total operating expenses.	3,876,124	3,704,491	56,050	7,636,665	2,297,145
Operating income (loss)	1,059,756	12,331	(9,177)	1,062,910	385,126
Nonoperating revenues (expenses):					
Interest revenue	2,366	4,893	-	7,259	-
Interest expense and fiscal charges	(535,685)	(50,162)	-	(585,847)	-
Loss on disposal of capital assets.	(55,322)	(910)	-	(56,232)	-
Municipal income tax revenue	374,081	-	-	374,081	-
Bond issuance costs	(45,200)	-	-	(45,200)	-
Total nonoperating revenues (expenses)	(259,760)	(46,179)	-	(305,939)	-
Income (loss) before contributions	799,996	(33,848)	(9,177)	756,971	385,126
Capital contributions.	-	1,741,568	-	1,741,568	-
Change in net position	799,996	1,707,720	(9,177)	2,498,539	385,126
Net position at beginning of year (restated)	7,031,943	12,465,555	388,780		69,245
Net position at end of year	\$ 7,831,939	\$ 14,173,275	\$ 379,603		\$ 454,371
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				201,842	
Change in net position of business-type activities.				<u>\$ 2,700,381</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, 2012

	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	\$ 4,727,823	\$ 3,657,878	\$ -	\$ 8,385,701	\$ -
Cash received from licenses and permits.	-	22,277	-	22,277	-
Cash received from other operations	130,976	123,455	46,873	301,304	-
Cash received from interfund services provided	-	-	-	-	2,685,223
Cash payments for salaries and benefits	(1,309,906)	(1,551,260)	(15,644)	(2,876,810)	-
Cash payments for fringe benefits	(608,539)	(690,935)	(2,883)	(1,302,357)	-
Cash payments for contractual services	(513,304)	(701,767)	(11,452)	(1,226,523)	-
Cash payments for materials and supplies	(933,637)	(287,475)	(13,587)	(1,234,699)	-
Cash payments for claims	-	-	-	-	(2,323,843)
Cash payments for other expenses	(3,005)	(3,441)	-	(6,446)	-
Net cash provided by operating activities.	<u>1,490,408</u>	<u>568,732</u>	<u>3,307</u>	<u>2,062,447</u>	<u>361,380</u>
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	<u>379,913</u>	-	-	<u>379,913</u>	-
Net cash provided by noncapital financing activities.	<u>379,913</u>	-	-	<u>379,913</u>	-
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(254,507)	(158,974)	-	(413,481)	-
Principal retirement on revenue bonds	(1,095,000)	-	-	(1,095,000)	-
Proceeds from bonds	1,245,000	-	-	1,245,000	-
Principal retirement on general obligation bonds.	(60,000)	(40,000)	-	(100,000)	-
Principal retirement on OPWC loans	-	(42,985)	-	(42,985)	-
Interest and fiscal charges	(473,249)	(50,451)	-	(523,700)	-
Net cash used for capital and related financing activities	<u>(637,756)</u>	<u>(292,410)</u>	<u>-</u>	<u>(930,166)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received	<u>2,366</u>	<u>4,893</u>	<u>-</u>	<u>7,259</u>	<u>-</u>
Net cash provided by investing activities	<u>2,366</u>	<u>4,893</u>	<u>-</u>	<u>7,259</u>	<u>-</u>
Net increase in cash and cash equivalents	1,234,931	281,215	3,307	1,519,453	361,380
Cash and cash equivalents at beginning of year	<u>3,992,320</u>	<u>5,569,124</u>	<u>100,484</u>	<u>9,661,928</u>	<u>325,463</u>
Cash and cash equivalents at end of year	<u>\$ 5,227,251</u>	<u>\$ 5,850,339</u>	<u>\$ 103,791</u>	<u>\$ 11,181,381</u>	<u>\$ 686,843</u>

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CITY OF ALLIANCE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,059,756	\$ 12,331	\$ (9,177)	\$ 1,062,910	\$ 385,126
Adjustments:					
Depreciation.	594,115	551,070	12,932	1,158,117	-
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable.	(77,081)	86,788	-	9,707	2,952
Decrease (increase) in materials and supplies inventory.	2,625	(4,420)	-	(1,795)	-
(Increase) in prepayments	(726)	(726)	(335)	(1,787)	-
Increase (decrease) in accounts payable	(110,515)	(16,342)	215	(126,642)	-
Increase (decrease) in accrued wages and benefits	1,024	(4,294)	-	(3,270)	-
Decrease in intergovernmental payable	(7,511)	(7,125)	(328)	(14,964)	-
Increase (decrease) in compensated absences payable	28,721	(48,550)	-	(19,829)	-
Decrease in claims payable.	-	-	-	-	(26,698)
Net cash provided by operating activities	<u>\$ 1,490,408</u>	<u>\$ 568,732</u>	<u>\$ 3,307</u>	<u>\$ 2,062,447</u>	<u>\$ 361,380</u>

Noncash capital and related financing activities:

During 2012, the sewer fund received \$1,741,568 in capital contributions.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2012**

	<u>Agency</u>
Assets:	
Cash and cash equivalents in segregated accounts	\$ 21,407
Receivables:	
Accounts	<u>23,320</u>
Total assets	<u>\$ 44,727</u>
Liabilities:	
Due to others	<u>\$ 44,727</u>
Total liabilities	<u>\$ 44,727</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. 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.

A. Basis of Presentation

The City's Basic Financial Statements ("BFS") consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. 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 position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each 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 and deferred inflows are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows and liabilities and deferred inflows is reported as fund balance. The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

Capital improvement fund - The capital improvement fund accounts for income tax monies received for the purpose of acquisition of capital assets.

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund reporting focuses on changes in net position, 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 position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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 agency funds account for monies received from cable franchise fees and municipal court collections.

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 deferred outflows and all liabilities and deferred inflows associated with the operation of the City are included on the statement of net position.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 deferred outflows and current liabilities and deferred inflows 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 deferred outflows and all liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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 outflows and in the presentation of expenses versus expenditures.

Deferred Inflows – Deferred inflows arise when assets are recognized before revenue recognition criteria have been satisfied.

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, 2012

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.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. 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, 2012, are recorded as deferred inflows on the governmental fund financial statements.

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

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, 2012

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 fund level for all funds with salaries and wages appropriated separately by department. Although the legal level of budgetary control is at the fund level the City has chosen to show information at the object level of detail. Budgetary modifications at the fund 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 August 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 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 funds 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, 2012

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 part of restricted, committed, or assigned classifications of fund balance 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 2012, 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, 2012.

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 2012 amounted to \$4,428, which includes \$2,323 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, 2012**

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

The City has segregated bank accounts for monies held separate from the City's central bank account. These monies are presented in the statement of fiduciary net position as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

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 position. At December 31, 2012 there were no interfund asset and liabilities balances.

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 expensed during the year in which they incurred.

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 deferred outflows of resources on the states of net position in the government-wide financial statements and enterprise funds.

On the governmental-wide financial statements and proprietary fund financial statements bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.B.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2012, 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.

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 consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized.

All capital assets are depreciated except for land, easements and right of ways 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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.

N. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes.

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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 and long-term notes 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, 2012

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

S. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is 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 position restricted for other purposes consist primarily of municipal court computerization, State misdemeanor programs, indigent drivers program, Brownfield programs, municipal court security and municipal court legal research.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is 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. In 2012 there was \$1,741,568 in contributions of capital in the sewer fund for the East Alliance lift station that was given to the City to maintain by Mahoning County.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2012, the City has implemented GASB Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements”, GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements”, GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”, and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”.

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 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, 2012

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows or resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the City's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had the following effect on the financial statements of the City:

	Business-type Activities	Enterprise Fund Water
Net assets as previously reported	\$ 19,987,835	\$ 7,254,226
Removal of unamortized bond issuance costs	(222,283)	(222,283)
Net position at January 1, 2012	\$ 19,765,552	\$ 7,031,943

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and revolving loan fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned, committed or restricted fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

(d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	<u>General fund</u>	<u>Revolving loan fund</u>
Budget basis	\$ (1,232,113)	\$ (352,709)
Net adjustment for revenue accruals	(109,397)	(321,209)
Net adjustment for expenditure accruals	224,801	330,678
Funds budgeted elsewhere	166,116	-
Adjustments for encumbrances	<u>30,778</u>	<u>302,560</u>
GAAP basis	<u>\$ (919,815)</u>	<u>\$ (40,680)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the City income tax fund, supply revolving fund and auditor transfer fund.

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.

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;

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

B. Cash and Cash Equivalents in Segregated Accounts

At year end, the City had \$21,407 in cash held in segregated accounts for Municipal Court operations. This amount is included in deposits with financial institutions below.

C. Deposits with Financial Institutions

At December 31, 2012, the carrying amount of all City deposits was \$13,602,008. As of December 31, 2012, \$5,212,298 of the City's bank balance of \$13,795,616 was exposed to custodial risk as discussed below, while \$8,583,318 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.

D. Investments

As of December 31, 2012, 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	\$ 1,677,730	\$ 1,677,730
STAR Ohio	<u>4,160,174</u>	<u>4,160,174</u>
Total	<u>\$ 5,837,904</u>	<u>\$ 5,837,904</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.

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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 AA+ 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, 2012:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
U.S. government money market mutual fund	\$ 1,677,730	28.74
STAR Ohio	<u>4,160,174</u>	<u>71.26</u>
Total	<u>\$ 5,837,904</u>	<u>100.00</u>

E. Reconciliation of Cash and Investments to the Statement of Net Position

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 position as of December 31, 2012:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 13,602,008
Investments	<u>5,837,904</u>
Total	<u>\$ 19,439,912</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 8,237,124
Business-type activities	11,181,381
Agency	<u>21,407</u>
Total	<u>\$ 19,439,912</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2012, 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 \$487,978 for bankrupt accounts.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 6 - RECEIVABLES - (Continued)

A. Property Taxes

Property taxes include amounts levied against all real and public utility 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 proceeding 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. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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 property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2012 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes has been offset by deferred inflow 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 a deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2012 was \$6.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 157,791,280
Commercial/industrial/mineral	96,716,620
Public utility	<u>7,551,430</u>
Total assessed value	<u><u>\$ 262,059,330</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, 2012 were \$1,237,691.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 6 - RECEIVABLES - (Continued)

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 2012, 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 receivable for 2012 was \$2,783,640 in the governmental funds and \$115,985 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, 2012, the total special assessment receivable of \$1,085,486 includes \$1,039,930 in delinquent receivables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7 - CAPITAL ASSETS

Capital asset activity for 2012 is as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>1/1/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,688,987	\$ -	\$ -	\$ 2,688,987
Easements and right of ways	29,150	30,788	-	59,938
Construction in progress	<u>1,212,615</u>	<u>1,077,935</u>	<u>(1,337,122)</u>	<u>953,428</u>
Total capital assets, not being depreciated	<u>3,930,752</u>	<u>1,108,723</u>	<u>(1,337,122)</u>	<u>3,702,353</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	7,866,597	76,238	-	7,942,835
Furniture, fixtures and equipment	4,030,692	457,867	-	4,488,559
Vehicles	3,129,081	498,758	(15,184)	3,612,655
Infrastructure	<u>29,501,745</u>	<u>1,187,215</u>	<u>-</u>	<u>30,688,960</u>
Total capital assets, being depreciated	<u>44,528,115</u>	<u>2,220,078</u>	<u>(15,184)</u>	<u>46,733,009</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(2,441,349)	(180,786)	-	(2,622,135)
Furniture, fixtures and equipment	(2,592,726)	(194,170)	-	(2,786,896)
Vehicles	(2,338,931)	(96,893)	15,184	(2,420,640)
Infrastructure	<u>(20,617,347)</u>	<u>(1,167,162)</u>	<u>-</u>	<u>(21,784,509)</u>
Total accumulated depreciation	<u>(27,990,353)</u>	<u>(1,639,011)</u>	<u>15,184</u>	<u>(29,614,180)</u>
Total capital assets being depreciated, net	<u>16,537,762</u>	<u>581,067</u>	<u>-</u>	<u>17,118,829</u>
Governmental activities capital assets, net	<u>\$ 20,468,514</u>	<u>\$ 1,689,790</u>	<u>\$(1,337,122)</u>	<u>\$ 20,821,182</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 394,406
Security of persons and property	205,099
Public health services	4,762
Transportation	940,862
Community environment	5,406
Basic utility services	1,499
Leisure time activities	<u>86,977</u>
Total depreciation expense - governmental activities	<u>\$1,639,011</u>

	Balance			Balance
<u>Business-type activities:</u>	1/1/12	Additions	Disposals	12/31/12
<i>Capital assets, not being depreciated:</i>				
Land	\$ 869,941	\$ -	\$ -	\$ 869,941
Construction in progress	<u>186,488</u>	<u>173,163</u>	<u>-</u>	<u>359,651</u>
Total capital assets, not being depreciated	<u>1,056,429</u>	<u>173,163</u>	<u>-</u>	<u>1,229,592</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,482,896	-	-	1,482,896
Buildings, structures and improvements	10,836,846	-	-	10,836,846
Water and sewer lines	25,730,015	32,015	-	25,762,030
Furniture, fixtures and equipment	<u>6,486,005</u>	<u>1,949,871</u>	<u>(88,813)</u>	<u>8,347,063</u>
Total capital assets, being depreciated	<u>44,535,762</u>	<u>1,981,886</u>	<u>(88,813)</u>	<u>46,428,835</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,068,932)	(67,994)	-	(1,136,926)
Buildings, structures and improvements	(5,857,252)	(328,120)	-	(6,185,372)
Water and sewer lines	(13,230,255)	(482,719)	-	(13,712,974)
Furniture, fixtures and equipment	<u>(3,721,217)</u>	<u>(279,284)</u>	<u>32,581</u>	<u>(3,967,920)</u>
Total accumulated depreciation	<u>(23,877,656)</u>	<u>(1,158,117)</u>	<u>32,581</u>	<u>(25,003,192)</u>
Total capital assets being depreciated, net	<u>20,658,106</u>	<u>823,769</u>	<u>(56,232)</u>	<u>21,425,643</u>
Business-type activities capital assets, net	<u>\$21,714,535</u>	<u>\$ 996,932</u>	<u>\$ (56,232)</u>	<u>\$22,655,235</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type activities:

Sewer	\$ 551,070
Water	594,115
Nonmajor:	
Robertson Community Center	12,932
Total depreciation expense - business-type activities	<u>\$1,158,117</u>

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 2012, 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	69,204,400
Inland Marine	1,000	None	3,096,943
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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - RISK MANAGEMENT - (Continued)

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.

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 \$232,472 reported in the self-insurance fund at December 31, 2012, 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 of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$ 139,726	\$ 2,035,325	\$ (2,020,998)	\$ 154,053
2011	154,053	2,442,146	(2,337,029)	259,170
2012	259,170	2,297,145	(2,323,843)	232,472

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 (a nonmajor governmental 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>	Transfers From			<u>Total</u>
	<u>General</u>	<u>Capital Improvement</u>	<u>Other Governmental</u>	
General	\$ -	\$ -	\$ 6	\$ 6
Capital improvement	45,000	-	-	45,000
Other governmental	805,385	161,872	118,623	1,085,880
Total	\$ 850,385	\$ 161,872	\$ 118,629	\$ 1,130,886

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, 2012

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities

Changes in the governmental long-term obligations of the City during 2012 were as follows:

	Balance Outstanding 1/1/12	Additions	Reductions	Balance Outstanding 12/31/12	Amounts Due Within One Year
<u>Governmental activities</u>					
<i>General obligation bonds:</i>					
1998 various purpose bonds	\$ 435,000	\$ -	\$ (435,000)	\$ -	\$ -
2004 West State Street bonds	300,000	-	(30,000)	270,000	30,000
2012 various purpose refunding bonds	-	455,000	(75,000)	380,000	70,000
2012 various purpose fire truck bonds	-	475,000	(95,000)	380,000	90,000
2012 various purpose radio equipment bonds	-	300,000	(60,000)	240,000	60,000
Total General obligation bonds	<u>735,000</u>	<u>1,230,000</u>	<u>(695,000)</u>	<u>1,270,000</u>	<u>250,000</u>
<i>Special assessment bonds:</i>					
1999 various purpose	195,000	-	(60,000)	135,000	65,000
Total special assessment bonds	<u>195,000</u>	<u>-</u>	<u>(60,000)</u>	<u>135,000</u>	<u>65,000</u>
<i>OPWC loans:</i>					
MLK Bridge Rehabilitation	304,960	-	-	304,960	-
Total OPWC loans	<u>304,960</u>	<u>-</u>	<u>-</u>	<u>304,960</u>	<u>-</u>
<i>Other long-term obligation:</i>					
Police and fire pension liability	356,156	-	(9,115)	347,041	9,506
Compensated absences	<u>2,607,831</u>	<u>1,290,694</u>	<u>(1,210,981)</u>	<u>2,687,544</u>	<u>745,892</u>
Total governmental activities	<u>\$ 4,198,947</u>	<u>\$ 2,520,694</u>	<u>\$ (1,975,096)</u>	4,744,545	<u>\$ 1,070,398</u>
				Add: Unamortized premium on bond issue:	<u>12,479</u>
				Total reported on statement of net position:	<u>\$ 4,757,024</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 (a nonmajor governmental fund). During 2012, the City refunded the bond issue through a current refunding.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 (a nonmajor governmental fund).

Series 2012 Various Purpose Improvement and Refunding Bonds

On March 26, 2012, the City issued series \$2,475,000 in 2012 various purpose improvement bonds. In the governmental funds these consisted of \$455,000 in refunding bonds to refund the series 1998 various purpose bonds, \$475,000 in various improvement bonds to purchase a fire truck and related equipment and \$300,000 in various improvement bonds to purchase communication system equipment. In the water enterprise fund \$1,245,000 was issued in various improvement bonds for waterworks projects.

The refunding issue is comprised of only serial bonds in the amount of \$455,000. The interest rate on the serial bonds ranged from 1.000% to 2.000%. The bonds were issued for a five year period, with a final stated maturity of December 1, 2017. The bonds are retired through the debt service fund with funds transferred from the motor vehicle license fund.

Issuance proceeds totaling \$444,652 were deposited with an escrow agent. These bonds were issued with a premium of \$6,716, which is reported as an other financing source on the fund financial statements. The issuance costs of \$17,064 are reported as an expenditure on the fund financial statements.

The reacquisition price exceeded the net carrying amount of the old debt by \$9,652. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$35,999.

The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The balance of the refunded general obligation bonds at December 31, 2012, is \$370,000.

The fire truck and equipment bond issue is comprised of only serial bonds in the amount of \$475,000. The interest rate on the serial bonds ranged from 1.000% to 1.500%. The bonds were issued for a four year period, with a final stated maturity of December 1, 2016. The bonds are retired through the debt service fund with funds transferred from the capital improvements fund.

The communications systems acquisition and improvement bond issue is comprised of only serial bonds in the amount of \$300,000. The interest rate on the serial bonds ranged from 1.000% to 1.500%. The bonds were issued for a four year period, with a final stated maturity of December 1, 2016. The bonds are retired through the debt service fund with funds transferred from the capital improvements fund.

Unspent bond proceeds at December 31, 2012, were \$27,840 for the fire truck and equipment bonds and \$60,042 for the communications systems acquisition and improvement bonds.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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 received in the debt service fund (a nonmajor governmental 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 (a nonmajor governmental 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).

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These loans bear no interest. Principal payments will be made from the capital improvements fund. At December 31, 2012 an amortization schedule was not available.

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).

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2012, are as follows:

Year Ending December 31,	<u>2012 Various Purpose Refunding</u>		<u>2012 Fire Truck and Equipment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 70,000	\$ 5,725	\$ 90,000	\$ 5,250
2014	75,000	5,025	90,000	4,350
2015	80,000	3,900	100,000	3,000
2016	80,000	2,700	100,000	1,500
2017	<u>75,000</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 380,000</u>	<u>\$ 18,850</u>	<u>\$ 380,000</u>	<u>\$ 14,100</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	2012 Communication System <u>Acquisition and Improvement</u>		<u>2004 West State Street</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 60,000	\$ 3,300	\$ 30,000	\$ 12,053
2014	60,000	2,700	30,000	11,050
2015	60,000	1,800	35,000	10,000
2016	60,000	900	35,000	8,920
2017	-	-	35,000	7,625
2018 - 2020	-	-	105,000	11,305
Total	<u>\$ 240,000</u>	<u>\$ 8,700</u>	<u>\$ 270,000</u>	<u>\$ 60,953</u>

Year Ending December 31,	<u>Special Assessment Bonds</u>		<u>Police and Fire Pension Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 65,000	\$ 8,269	\$ 9,506	\$ 14,639
2014	70,000	4,288	9,914	14,231
2015	-	-	10,340	13,806
2016	-	-	10,784	13,362
2017	-	-	11,247	12,899
2018 - 2022	-	-	63,902	56,826
2023 - 2027	-	-	78,845	41,884
2028 - 2032	-	-	97,281	23,447
2033 - 2035	-	-	55,222	3,499
Total	<u>\$ 135,000</u>	<u>\$ 12,557</u>	<u>\$ 347,041</u>	<u>\$ 194,593</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

The long-term obligations of the business-type activities at January 1, 2012 have been restated as described in Note 3.B. Changes in the enterprise long-term obligations of the City during 2012 were as follows:

	Restated Balance Outstanding 1/1/12	Additions	Reductions	Balance Outstanding 12/31/12	Amounts Due Within One Year
<u>Business-type activities:</u>					
<u>Revenue bonds:</u>					
2008 water refunding	\$ 11,255,000	\$ -	\$ (1,095,000)	\$ 10,160,000	\$ 1,125,000
Unamortized premium	73,618	-	(8,295)	65,323	8,295
Total revenue bonds	<u>11,328,618</u>	<u>-</u>	<u>(1,103,295)</u>	<u>10,225,323</u>	<u>1,133,295</u>
<u>General obligation bonds:</u>					
2012 water works improvement bonds	-	1,245,000	(60,000)	1,185,000	50,000
Unamortized premium	-	200	(8)	192	10
2004 sewer west beech creek	1,142,000	-	(40,000)	1,102,000	40,000
Total general obligation bonds	<u>1,142,000</u>	<u>1,245,200</u>	<u>(100,008)</u>	<u>2,287,192</u>	<u>90,010</u>
<u>OPWC loans:</u>					
OPWC loan - Gaskill (2002)	23,970	-	(2,663)	21,307	2,663
OPWC loan - Beeson St. (2004)	179,200	-	(13,785)	165,415	13,785
OPWC loan - WWTP clarifier (2006)	85,260	-	(5,684)	79,576	5,684
OPWC loan - raw influent pump replacement (2009)	385,779	-	(20,853)	364,926	20,853
Total OPWC loans	<u>674,209</u>	<u>-</u>	<u>(42,985)</u>	<u>631,224</u>	<u>42,985</u>
<u>Other long-term obligations:</u>					
Compensated absences	902,573	342,673	(362,502)	882,744	424,689
Total business-type activities	<u>\$ 14,047,400</u>	<u>\$ 1,587,873</u>	<u>\$ (1,608,790)</u>	<u>\$ 14,026,483</u>	<u>\$ 1,690,979</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 position. The balance of the refunded series 1998 current interest bonds at December 31, 2012, is \$10,305,000.

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, 2012**

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 \$11,982,263. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,502,688 and \$3,331,601, respectively.

Series 2012 Various Purpose Improvement and Refunding Bonds

On March 26, 2012, the City issued series \$2,475,000 in 2012 various purpose improvement bonds. In the water enterprise fund \$1,245,000 was issued in various improvement bonds for waterworks projects.

The waterworks improvement bond is comprised of current interest bonds (consisting of \$330,000 of serial bonds and \$915,000 term bonds). The interest rate on the current interest bonds range from 1.000% to 3.225%. The bonds were issued for a nineteen year period, with a final stated maturity date of December 1, 2031. The bonds will be retired through the water fund.

The waterworks improvement bonds maturing on December 1, 2020, shall be subject to mandatory redemption requirements on December 1, 2018 and December 1, 2019, in the respective principal amounts of \$55,000 and \$55,000 (with the balance of \$60,000 to be paid at maturity on December 1, 2020).

The waterworks improvement bonds maturing on December 1, 2024, shall be subject to mandatory redemption requirements on December 1, 2021, December 1, 2022 and December 1, 2023, in the respective principal amounts of \$60,000, \$60,000 and \$60,000 (with the balance of \$65,000 to be paid at maturity on December 1, 2024).

The waterworks improvement bonds maturing on December 1, 2028, shall be subject to mandatory redemption requirements on December 1, 2025, December 1, 2026 and December 1, 2027, in the respective principal amounts of \$65,000, \$65,000 and \$70,000 (with the balance of \$70,000 to be paid at maturity on December 1, 2028).

The waterworks improvement bonds maturing on December 1, 2031, shall be subject to mandatory redemption requirements on December 1, 2029 and December 1, 2030, in the respective principal amounts of \$75,000 and \$75,000 (with the balance of \$80,000 to be paid at maturity on December 1, 2031).

At December 31, 2012, \$1,200,935 of the waterworks improvement bonds were unspent.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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.

Compensated absences

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

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2012, are as follows:

Year Ending December 31,	2008 Revenue Bonds		2012 UV Light Water Project Water Bonds		2004 West Branch Creek Sewer Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,125,000	\$ 375,313	\$ 50,000	\$ 29,175	\$ 40,000	\$ 50,261
2014	1,160,000	338,750	55,000	28,675	45,000	48,861
2015	1,200,000	299,600	55,000	27,850	45,000	47,251
2016	1,240,000	257,600	55,000	27,025	45,000	45,576
2017	1,280,000	214,200	55,000	26,200	50,000	43,866
2018 - 2022	4,155,000	336,800	290,000	113,900	270,000	188,188
2023 - 2027	-	-	325,000	76,775	335,000	123,037
2028 - 2031	-	-	300,000	24,687	272,000	38,388
Total	<u>\$ 10,160,000</u>	<u>\$ 1,822,263</u>	<u>\$ 1,185,000</u>	<u>\$ 354,287</u>	<u>\$ 1,102,000</u>	<u>\$ 585,428</u>

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifer Rehab	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 2,663	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2014	2,663	-	13,785	-	5,684	-
2015	2,663	-	13,785	-	5,684	-
2016	2,663	-	13,785	-	5,684	-
2017	2,663	-	13,785	-	5,684	-
2018 - 2022	7,992	-	68,923	-	28,420	-
2023 - 2025	-	-	27,567	-	22,736	-
Total	<u>\$ 21,307</u>	<u>\$ -</u>	<u>\$ 165,415</u>	<u>\$ -</u>	<u>\$ 79,576</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	OPWC - Pump Replacement	
	Principal	Interest
2013	\$ 20,853	\$ -
2014	20,853	-
2015	20,853	-
2016	20,853	-
2017	20,853	-
2018 - 2022	104,265	-
2023 - 2027	104,265	-
2028 - 2030	52,131	-
Total	<u>\$ 364,926</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, 2012, the City's total debt margin was \$26,246,230 and the unvoted debt margin was \$3,143,263.

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, 2012, \$62,210,000 had been issued and \$49,815,000 was still outstanding.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

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.

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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, 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 2012, member and contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.00% for members. The City's contribution rate for 2012 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2012 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2012 was 7.95%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$608,952, \$614,707, and \$549,798, respectively; 92.24% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 pension liability has been reported as due to other governments/pension obligation payable on the basic financial statements. Contributions to the member-directed plan for 2012 were \$28,710 made by the City and \$20,507 made by the plan members.

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 or by visiting the website at www.op-f.org.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 11 - PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10.0% 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 2012, 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 \$294,093 and \$287,740 for the year ended December 31, 2012, \$310,923 and \$294,805 for the year ended December 31, 2011, and \$304,125, \$289,105, for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 74.55% has been contributed for police and 75.84% has been contributed for firefighters for 2012. The remaining 2012 pension liability has been reported as due to other governments/pension obligation payable on the basic financial statements.

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 does not 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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 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 2012, local government employers contributed 14.00% of covered payroll. 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 members in the Traditional Plan for 2012 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2012 was 6.05%.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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, 2012, 2011, and 2010 were \$246,997, \$248,932, and \$312,195, respectively; 92.24% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments/pension obligation payable on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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 or by visiting the website at www.op-f.org.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

OP&F maintains funds for health care in two separate accounts, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 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, 2012, 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 \$155,697 and \$112,594 for the year ended December 31, 2012, \$164,607 and \$115,359 for the year ended December 31, 2011, and \$161,008, \$113,128, for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 74.55% has been contributed for police and 75.84% has been contributed for firefighters for 2012. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments/pension obligation payable on the basic financial statements.

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.

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, 2012, the total liability for unpaid compensated absences was \$2,687,544 for the governmental activities and \$882,744 for the business-type activities.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

B. Life Insurance

The City provides life insurance and accidental death and dismemberment insurance to its employees through 5Star 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, 2012.

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, 2012.

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 2012, the City 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.

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 2012, 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.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

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.

NOTE 16 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 28,711
Revolving loan fund	302,560
Capital improvements fund	29,875
Other governmental	<u>109,184</u>
Total	<u>\$ 470,330</u>

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 17 - FUND BALANCE

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

Fund balance	General	Revolving Loan Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 15,616	\$ -	\$ -	\$ 35,924	\$ 51,540
Prepays	16,478	-	-	5,587	22,065
Unclaimed monies	58,385	-	-	-	58,385
Total nonspendable	90,479	-	-	41,511	131,990
Restricted:					
Judicial operations	-	-	-	456,690	456,690
Security programs	-	-	-	213,627	213,627
Public health service programs	-	-	-	800,178	800,178
Transportation projects	-	-	-	264,391	264,391
Community environment programs	-	2,558,309	-	133,797	2,692,106
Leisure time activities programs	-	-	-	120,251	120,251
Other purposes	-	-	-	551	551
Long-term loans	-	1,226,704	-	10,987	1,237,691
Debt service	-	-	-	98,461	98,461
Capital projects	-	-	-	7,206	7,206
Total restricted	-	3,785,013	-	2,106,139	5,891,152
Committed:					
Legislative and executive operations	134,581	-	-	-	134,581
Community environment programs	-	-	-	4,144	4,144
Leisure time activities programs	-	-	-	4,297	4,297
Other purposes	-	-	-	7,328	7,328
Capital projects	-	-	650,530	433,460	1,083,990
Total committed	134,581	-	650,530	449,229	1,234,340
Assigned:					
Legislative and executive operations	110,148	-	-	-	110,148
Security programs	25,032	-	-	-	25,032
Community environment programs	-	-	-	1,000	1,000
Total assigned	135,180	-	-	1,000	136,180
Unassigned	2,672,552	-	-	-	2,672,552
Total fund balances	\$ 3,032,792	\$ 3,785,013	\$ 650,530	\$ 2,597,879	\$ 10,066,214

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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, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,722,188	\$ 100,461	\$ 321,349	\$ 2,143,998
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	-	-	202,974	202,974
Property and other taxes	169,224	-	-	169,224
Accounts	16,487	-	-	16,487
Special assessments	-	223,965	36	224,001
Loans	10,987	-	-	10,987
Prepayments	5,587	-	-	5,587
Intergovernmental	604,400	-	-	604,400
Materials and supplies inventory	35,924	-	-	35,924
Total assets	<u>\$ 2,564,797</u>	<u>\$ 324,426</u>	<u>\$ 524,359</u>	<u>\$ 3,413,582</u>
Liabilities:				
Accounts payable	\$ 15,280	\$ 2,000	\$ 4,139	\$ 21,419
Accrued wages and benefits	10,850	-	-	10,850
Due to other governments	29,972	-	-	29,972
Total liabilities	<u>56,102</u>	<u>2,000</u>	<u>4,139</u>	<u>62,241</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	134,652	-	-	134,652
Delinquent property tax revenue not available	34,572	-	-	34,572
Special assessments revenue not available	-	223,965	36	224,001
Miscellaneous revenue not available	280,719	-	-	280,719
Income tax revenue not available	-	-	79,518	79,518
Total liabilities and deferred inflows of resources	<u>449,943</u>	<u>223,965</u>	<u>79,554</u>	<u>753,462</u>
Fund balances:				
Nonspendable	41,511	-	-	41,511
Restricted	2,000,472	98,461	7,206	2,106,139
Committed	15,769	-	433,460	449,229
Assigned	1,000	-	-	1,000
Total fund balances	<u>2,058,752</u>	<u>98,461</u>	<u>440,666</u>	<u>2,597,879</u>
Total liabilities and fund balances	<u>\$ 2,564,797</u>	<u>\$ 324,426</u>	<u>\$ 524,359</u>	<u>\$ 3,413,582</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 654,527	\$ 654,527
Property and other taxes	145,166	-	-	145,166
Licenses, permits and fees	83,890	-	-	83,890
Fines and forfeitures	183,714	-	-	183,714
Intergovernmental	2,075,159	-	111,171	2,186,330
Special assessments	-	74,029	-	74,029
Investment income	1,254	-	-	1,254
Contributions and donations	3,349	-	-	3,349
Other	84,610	-	2,846	87,456
Total revenues	<u>2,577,142</u>	<u>74,029</u>	<u>768,544</u>	<u>3,419,715</u>
Expenditures:				
Current:				
General government	77,005	-	-	77,005
Security of persons and property	1,158,884	-	-	1,158,884
Public health services	335,612	-	-	335,612
Transportation	789,652	-	-	789,652
Community environment.	632,281	-	-	632,281
Leisure time activity	1,196	-	-	1,196
Capital outlay	76,145	-	1,022,694	1,098,839
Debt service:				
Principal retirement	9,115	320,000	-	329,115
Interest and fiscal charges	15,031	38,170	-	53,201
Bond issuance costs	17,064	-	-	17,064
Total expenditures.	<u>3,111,985</u>	<u>358,170</u>	<u>1,022,694</u>	<u>4,492,849</u>
Excess of expenditures over revenues	<u>(534,843)</u>	<u>(284,141)</u>	<u>(254,150)</u>	<u>(1,073,134)</u>
Other financing sources (uses):				
Payment to refunded bond escrow agent.	(444,652)	-	-	(444,652)
Premium on refunding bond.	6,716	-	-	6,716
Sale of refunding bonds.	455,000	-	-	455,000
Transfers in	821,894	263,986	-	1,085,880
Transfers out	(118,629)	-	-	(118,629)
Total other financing sources (uses).	<u>720,329</u>	<u>263,986</u>	<u>-</u>	<u>984,315</u>
Net change in fund balances.	185,486	(20,155)	(254,150)	(88,819)
Fund balances at beginning of year	<u>1,873,266</u>	<u>118,616</u>	<u>694,816</u>	<u>2,686,698</u>
Fund balances at end of year.	<u>\$ 2,058,752</u>	<u>\$ 98,461</u>	<u>\$ 440,666</u>	<u>\$ 2,597,879</u>

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 Driver 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*
- Court Security Grant Fund*
- Municipal Court Security Fund*
- Court Immobilization Fund*
- Parking Lot Maintenance Fund*
- Land Reutilization Fund*
- Brownfield Grant Fund*
- Downtown Special Events Fund*

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Funds Included in the General Fund

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

City Income Tax Fund

This fund accounts for the City's income tax collections and related expenses.

Supply Revolving Fund

This fund accounts for services provided related to repairs and maintenance.

Auditor Transfer Fund

This fund accounts for unclaimed funds and fire loss deposits.

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012

	<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	\$ 72,655	\$ 43,738	\$ 33,843	\$ 74,350
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts.	-	-	-	-
Intergovernmental	364,382	33,296	30,406	-
Loans	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	35,924	-	-	-
Total assets.	<u>\$ 472,961</u>	<u>\$ 77,034</u>	<u>\$ 64,249</u>	<u>\$ 74,350</u>
Liabilities:				
Accounts payable	\$ 5,770	\$ -	\$ -	\$ 2,818
Accrued wages and benefits payable.	6,664	1,089	-	-
Due to other governments	6,855	168	-	-
Total liabilities	<u>19,289</u>	<u>1,257</u>	<u>-</u>	<u>2,818</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available.	-	-	-	-
Miscellaneous revenue not available	249,596	-	21,099	-
Total deferred inflows of resources.	<u>249,596</u>	<u>-</u>	<u>21,099</u>	<u>-</u>
Fund balances:				
Nonspendable.	35,924	-	-	-
Restricted	168,152	75,777	43,150	71,532
Committed.	-	-	-	-
Assigned.	-	-	-	-
Total fund balances	<u>204,076</u>	<u>75,777</u>	<u>43,150</u>	<u>71,532</u>
Total liabilities and fund balances	<u>\$ 472,961</u>	<u>\$ 77,034</u>	<u>\$ 64,249</u>	<u>\$ 74,350</u>

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Cemetery
\$ 52,735	\$ 112,961	\$ 97,125	\$ 573	\$ 10,568	\$ 703,758
-	-	-	-	-	-
-	4,414	-	-	-	-
15,465	-	9,716	6,923	-	-
-	-	-	-	-	-
5,316	-	-	-	-	271
-	-	-	-	-	-
<u>\$ 73,516</u>	<u>\$ 117,375</u>	<u>\$ 106,841</u>	<u>\$ 7,496</u>	<u>\$ 10,568</u>	<u>\$ 704,029</u>
\$ 2,959	\$ -	\$ 39	\$ -	\$ -	\$ 1,718
-	-	1,271	299	-	551
12,152	-	4,423	939	-	2,419
<u>15,111</u>	<u>-</u>	<u>5,733</u>	<u>1,238</u>	<u>-</u>	<u>4,688</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,316	-	-	-	-	271
53,089	117,375	101,108	6,258	10,568	699,070
-	-	-	-	-	-
-	-	-	-	-	-
<u>58,405</u>	<u>117,375</u>	<u>101,108</u>	<u>6,258</u>	<u>10,568</u>	<u>699,341</u>
<u>\$ 73,516</u>	<u>\$ 117,375</u>	<u>\$ 106,841</u>	<u>\$ 7,496</u>	<u>\$ 10,568</u>	<u>\$ 704,029</u>

Continued

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2012

	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Alliance Neighborhood</u>	<u>Fire Pension</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 110,683	\$ 8,206	\$ 150	\$ 14,033
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	84,612
Accounts.	-	-	-	-
Intergovernmental	13,937	-	-	5,012
Loans	-	10,987	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 124,620</u>	<u>\$ 19,193</u>	<u>\$ 150</u>	<u>\$ 103,657</u>
Liabilities:				
Accounts payable	\$ 1,506	\$ -	\$ -	\$ -
Accrued wages and benefits payable.	976	-	-	-
Due to other governments	3,016	-	-	-
Total liabilities	<u>5,498</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	67,326
Delinquent property tax revenue not available.	-	-	-	17,286
Miscellaneous revenue not available	-	-	-	5,012
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,624</u>
Fund balances:				
Nonspendable.	-	-	-	-
Restricted	119,122	19,193	150	14,033
Committed.	-	-	-	-
Assigned.	-	-	-	-
Total fund balances	<u>119,122</u>	<u>19,193</u>	<u>150</u>	<u>14,033</u>
Total liabilities and fund balances	<u>\$ 124,620</u>	<u>\$ 19,193</u>	<u>\$ 150</u>	<u>\$ 103,657</u>

Police Pension	Other	Total
\$ 14,033	\$ 372,777	\$ 1,722,188
84,612	-	169,224
-	12,073	16,487
5,012	120,251	604,400
-	-	10,987
-	-	5,587
-	-	35,924
<u>\$ 103,657</u>	<u>\$ 505,101</u>	<u>\$ 2,564,797</u>
\$ -	\$ 470	\$ 15,280
-	-	10,850
-	-	29,972
<u>-</u>	<u>470</u>	<u>56,102</u>
67,326	-	134,652
17,286	-	34,572
5,012	-	280,719
<u>89,624</u>	<u>-</u>	<u>449,943</u>
-	-	41,511
14,033	487,862	2,000,472
-	15,769	15,769
-	1,000	1,000
<u>14,033</u>	<u>504,631</u>	<u>2,058,752</u>
<u>\$ 103,657</u>	<u>\$ 505,101</u>	<u>\$ 2,564,797</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, 2012

	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	-	-	-	45,602
Intergovernmental	734,590	121,030	60,878	-
Investment income	54	50	29	68
Contributions and donations	-	-	-	-
Other	3,885	-	-	-
Total revenues	<u>738,529</u>	<u>121,080</u>	<u>60,907</u>	<u>45,670</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	49,942	105,779	-	68,337
Public health services	-	-	-	-
Transportation	629,261	-	-	-
Community environment	-	-	-	-
Leisure time activity	-	-	-	-
Capital outlay	-	-	27,814	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>679,203</u>	<u>105,779</u>	<u>27,814</u>	<u>68,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,326</u>	<u>15,301</u>	<u>33,093</u>	<u>(22,667)</u>
Other financing sources (uses):				
Payment to refunded bond escrow agent	-	-	-	-
Premium on refunding bond	-	-	-	-
Sale of refunding bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(16,509)	(22,707)	-
Total other financing sources (uses)	<u>-</u>	<u>(16,509)</u>	<u>(22,707)</u>	<u>-</u>
Net change in fund balances	59,326	(1,208)	10,386	(22,667)
Fund balances at beginning of year (deficit)	<u>144,750</u>	<u>76,985</u>	<u>32,764</u>	<u>94,199</u>
Fund balances at end of year	<u>\$ 204,076</u>	<u>\$ 75,777</u>	<u>\$ 43,150</u>	<u>\$ 71,532</u>

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Federal Aging Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	42,140	-	-	-
-	65,474	-	-	-	-
222,620	-	154,759	28,141	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>222,620</u>	<u>65,474</u>	<u>196,899</u>	<u>28,141</u>	<u>-</u>	<u>-</u>
-	36,387	-	-	-	(29)
-	-	-	-	-	-
-	-	204,434	-	-	-
124,607	-	-	-	-	-
-	-	-	39,250	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,064	-	-	-	-	-
<u>141,671</u>	<u>36,387</u>	<u>204,434</u>	<u>39,250</u>	<u>-</u>	<u>(29)</u>
80,949	29,087	(7,535)	(11,109)	-	29
(444,652)	-	-	-	-	-
6,716	-	-	-	-	-
455,000	-	-	-	-	-
-	-	-	1,000	-	-
<u>(79,407)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
<u>(62,343)</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(6)</u>
18,606	29,087	(7,535)	(10,109)	-	23
39,799	88,288	108,643	16,367	10,568	(23)
<u>\$ 58,405</u>	<u>\$ 117,375</u>	<u>\$ 101,108</u>	<u>\$ 6,258</u>	<u>\$ 10,568</u>	<u>\$ -</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, 2012

	<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	41,750	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	556,224	-	46,620
Investment income	513	-	510	-
Contributions and donations	-	-	-	-
Other	31,553	5,567	-	637
Total revenues	<u>73,816</u>	<u>561,791</u>	<u>510</u>	<u>47,257</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health services	131,178	-	-	-
Transportation	-	-	-	-
Community environment	-	546,280	-	46,751
Leisure time activity	-	-	-	-
Capital outlay	-	-	47,543	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>131,178</u>	<u>546,280</u>	<u>47,543</u>	<u>46,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,362)</u>	<u>15,511</u>	<u>(47,033)</u>	<u>506</u>
Other financing sources (uses):				
Payment to refunded bond escrow agent	-	-	-	-
Premium on refunding bond	-	-	-	-
Sale of refunding bonds	-	-	-	-
Transfers in	90,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	32,638	15,511	(47,033)	506
Fund balances at beginning of year (deficit)	<u>666,703</u>	<u>103,611</u>	<u>66,226</u>	<u>(356)</u>
Fund balances at end of year	<u>\$ 699,341</u>	<u>\$ 119,122</u>	<u>\$ 19,193</u>	<u>\$ 150</u>

Fire Pension	Police Pension	Tax Increment	Other	Total
\$ 72,583	\$ 72,583	\$ -	\$ -	\$ 145,166
-	-	-	-	83,890
-	-	-	72,638	183,714
15,023	15,023	-	120,251	2,075,159
-	-	-	30	1,254
-	-	-	3,349	3,349
139	139	-	42,690	84,610
<u>87,745</u>	<u>87,745</u>	<u>-</u>	<u>238,958</u>	<u>2,577,142</u>
-	-	-	40,647	77,005
407,312	488,984	-	38,530	1,158,884
-	-	-	-	335,612
-	-	35,784	-	789,652
-	-	-	-	632,281
-	-	-	1,196	1,196
-	-	-	788	76,145
3,942	5,173	-	-	9,115
6,500	8,531	-	-	15,031
-	-	-	-	17,064
<u>417,754</u>	<u>502,688</u>	<u>35,784</u>	<u>81,161</u>	<u>3,111,985</u>
<u>(330,009)</u>	<u>(414,943)</u>	<u>(35,784)</u>	<u>157,797</u>	<u>(534,843)</u>
-	-	-	-	(444,652)
-	-	-	-	6,716
-	-	-	-	455,000
322,980	407,914	-	-	821,894
-	-	-	-	(118,629)
<u>322,980</u>	<u>407,914</u>	<u>-</u>	<u>-</u>	<u>720,329</u>
(7,029)	(7,029)	(35,784)	157,797	185,486
21,062	21,062	35,784	346,834	1,873,266
<u>\$ 14,033</u>	<u>\$ 14,033</u>	<u>\$ -</u>	<u>\$ 504,631</u>	<u>\$ 2,058,752</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 735,000	\$ 736,963	\$ 1,963
Investment income.	-	54	54
Other	-	3,885	3,885
Total revenues.	<u>735,000</u>	<u>740,902</u>	<u>5,902</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	38,452	36,822	1,630
Fringe benefits	6,467	6,207	260
Contractual services	<u>13,000</u>	<u>8,352</u>	<u>4,648</u>
Total security of persons and property	<u>57,919</u>	<u>51,381</u>	<u>6,538</u>
Transportation:			
Street transportation:			
Salaries and wages.	523,133	501,639	21,494
Fringe benefits	97,720	91,140	6,580
Contractual services	7,450	6,608	842
Materials and supplies	<u>69,279</u>	<u>60,043</u>	<u>9,236</u>
Total transportation.	<u>697,582</u>	<u>659,430</u>	<u>38,152</u>
Total expenditures	<u>755,501</u>	<u>710,811</u>	<u>44,690</u>
Net change in fund balance	(20,501)	30,091	50,592
Fund balance at beginning of year.	35,970	35,970	-
Prior year encumbrances appropriated	<u>3,110</u>	<u>3,110</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 18,579</u>	<u>\$ 69,171</u>	<u>\$ 50,592</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 132,000	\$ 111,559	\$ (20,441)
Investment income.	-	50	50
Total revenues.	<u>132,000</u>	<u>111,609</u>	<u>(20,391)</u>
Expenditures:			
Current:			
Security of persons and property:			
Salaries and wages.	82,257	82,257	-
Fringe benefits	24,508	22,265	2,243
Total expenditures.	<u>106,765</u>	<u>104,522</u>	<u>2,243</u>
Excess of revenues over expenditures.	<u>25,235</u>	<u>7,087</u>	<u>(18,148)</u>
Other financing uses:			
Transfers out.	<u>(16,509)</u>	<u>(16,509)</u>	-
Total other financing uses.	<u>(16,509)</u>	<u>(16,509)</u>	-
Net change in fund balance	8,726	(9,422)	(18,148)
Fund balance at beginning of year	<u>53,160</u>	<u>53,160</u>	-
Fund balance at end of year.	<u>\$ 61,886</u>	<u>\$ 43,738</u>	<u>\$ (18,148)</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 56,500	\$ 59,754	\$ 3,254
Investment income.	-	29	29
Total revenues.	<u>56,500</u>	<u>59,783</u>	<u>3,283</u>
Expenditures:			
Current:			
Transportation:			
Street repair and maintenance:			
Capital outlay	30,000	27,814	2,186
Total expenditures	<u>30,000</u>	<u>27,814</u>	<u>2,186</u>
Excess of revenues over expenditures.	<u>26,500</u>	<u>31,969</u>	<u>5,469</u>
Other financing uses:			
Transfers out.	(43,025)	(22,707)	20,318
Total other financing uses.	<u>(43,025)</u>	<u>(22,707)</u>	<u>20,318</u>
Net change in fund balance	(16,525)	9,262	25,787
Fund balance at beginning of year	<u>24,581</u>	<u>24,581</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,056</u>	<u>\$ 33,843</u>	<u>\$ 25,787</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 50,000	\$ 45,636	\$ (4,364)
Investment income.	-	68	68
Total revenues.	<u>50,000</u>	<u>45,704</u>	<u>(4,296)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	90,000	66,643	23,357
Total expenditures	<u>90,000</u>	<u>66,643</u>	<u>23,357</u>
Net change in fund balance.	(40,000)	(20,939)	19,061
Fund balance at beginning of year	<u>95,289</u>	<u>95,289</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 55,289</u>	<u>\$ 74,350</u>	<u>\$ 19,061</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 210,000	\$ 223,787	\$ 13,787
Total revenues.	<u>210,000</u>	<u>223,787</u>	<u>13,787</u>
Expenditures:			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits	99,157	94,170	4,987
Contractual services	29,000	15,368	13,632
Total expenditures	<u>128,157</u>	<u>109,538</u>	<u>18,619</u>
Excess of revenues over expenditures	<u>81,843</u>	<u>114,249</u>	<u>32,406</u>
Other financing uses:			
Transfers out	(89,750)	(79,407)	10,343
Total other financing uses	<u>(89,750)</u>	<u>(79,407)</u>	<u>10,343</u>
Net change in fund balance	(7,907)	34,842	42,749
Fund balance at beginning of year	<u>17,893</u>	<u>17,893</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,986</u>	<u>\$ 52,735</u>	<u>\$ 42,749</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 50,000	\$ 65,425	\$ 15,425
Total revenues.	<u>50,000</u>	<u>65,425</u>	<u>15,425</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Contractual services	25,000	19,485	5,515
Materials and supplies	16,000	13,590	2,410
Capital outlay	<u>12,000</u>	<u>4,216</u>	<u>7,784</u>
Total expenditures	<u>53,000</u>	<u>37,291</u>	<u>15,709</u>
Net change in fund balance	(3,000)	28,134	31,134
Fund balance at beginning of year	<u>84,827</u>	<u>84,827</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 81,827</u>	<u>\$ 112,961</u>	<u>\$ 31,134</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 45,000	\$ 42,140	\$ (2,860)
Intergovernmental	276,227	171,377	(104,850)
Total revenues.	<u>321,227</u>	<u>213,517</u>	<u>(107,710)</u>
Expenditures:			
Current:			
Public health services:			
Public health and welfare:			
Salaries and wages.	138,059	131,788	6,271
Fringe benefits.	65,758	61,808	3,950
Contractual services.	5,200	1,242	3,958
Materials and supplies.	4,556	2,591	1,965
Capital outlay.	600	-	600
Other.	10,500	10,233	267
Total public health services	<u>224,673</u>	<u>207,662</u>	<u>17,011</u>
Total expenditures	<u>224,673</u>	<u>207,662</u>	<u>17,011</u>
Net change in fund balance.	96,554	5,855	(90,699)
Fund balance at beginning of year	<u>91,270</u>	<u>91,270</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 187,824</u>	<u>\$ 97,125</u>	<u>\$ (90,699)</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 29,318	\$ 28,423	\$ (895)
Total revenues.	<u>29,318</u>	<u>28,423</u>	<u>(895)</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages.	26,660	26,658	2
Fringe benefits.	4,474	4,396	78
Contractual services.	4,383	4,140	243
Materials and supplies.	3,602	3,458	144
Total expenditures	<u>39,119</u>	<u>38,652</u>	<u>467</u>
Excess of expenditures over revenues	<u>(9,801)</u>	<u>(10,229)</u>	<u>(428)</u>
Other financing sources:			
Transfers in.	-	1,000	1,000
Total other financing sources.	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Net change in fund balance.	(9,801)	(9,229)	572
Fund balance at beginning of year	<u>9,802</u>	<u>9,802</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1</u>	<u>\$ 573</u>	<u>\$ 572</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 10,568	\$ 10,568	\$ -
Fund balance at end of year.	<u>\$ 10,568</u>	<u>\$ 10,568</u>	<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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other financing uses:			
Transfers out	\$ (6)	\$ (6)	\$ -
Total other financing uses	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Net change in fund balance.	(6)	(6)	-
Fund balance at beginning of year	<u>6</u>	<u>6</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)

CEMETERY FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 30,000	\$ 41,750	\$ 11,750
Investment income.	300	513	213
Other.	15,000	31,553	16,553
Total revenues.	<u>45,300</u>	<u>73,816</u>	<u>28,516</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages.	78,383	78,140	243
Fringe benefits.	27,369	27,357	12
Contractual services.	22,037	21,870	167
Materials and supplies.	5,666	5,557	109
Total expenditures	<u>133,455</u>	<u>132,924</u>	<u>531</u>
Excess of expenditures over revenues	<u>(88,155)</u>	<u>(59,108)</u>	<u>29,047</u>
Other financing sources:			
Transfers in	90,000	90,000	-
Total other financing sources.	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net change in fund balance.	1,845	30,892	29,047
Fund balance at beginning of year	<u>672,866</u>	<u>672,866</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 674,711</u>	<u>\$ 703,758</u>	<u>\$ 29,047</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,312,253	\$ 588,071	\$ (724,182)
Other	-	5,567	5,567
Total revenues	<u>1,312,253</u>	<u>593,638</u>	<u>(718,615)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages	219,207	87,946	131,261
Fringe benefits	194,017	79,991	114,026
Contractual services	440,979	289,264	151,715
Materials and supplies	19,869	4,925	14,944
Capital outlay	10,778	-	10,778
Other	478,100	241,365	236,735
Total expenditures	<u>1,362,950</u>	<u>703,491</u>	<u>659,459</u>
Net change in fund balance	(50,697)	(109,853)	(59,156)
Fund balance at beginning of year	42,037	42,037	-
Prior year encumbrances appropriated. . .	71,428	71,428	-
Fund balance at end of year	<u><u>\$ 62,768</u></u>	<u><u>\$ 3,612</u></u>	<u><u>\$ (59,156)</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ 1,000	\$ 510	\$ (490)
Other	5,000	10,704	5,704
Total revenues.	<u>6,000</u>	<u>11,214</u>	<u>5,214</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Capital outlay	44,000	43,784	216
Total expenditures.	<u>44,000</u>	<u>43,784</u>	<u>216</u>
Net change in fund balance	(38,000)	(32,570)	5,430
Fund balance at beginning of year	<u>38,725</u>	<u>38,725</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 725</u>	<u>\$ 6,155</u>	<u>\$ 5,430</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 46,613	\$ 46,620	\$ 7
Other.	500	637	137
Total revenues	<u>47,113</u>	<u>47,257</u>	<u>144</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Salaries and wages	938	938	-
Fringe benefits.	455	455	-
Contractual services	45,814	45,813	1
Total expenditures.	<u>47,207</u>	<u>47,206</u>	<u>1</u>
Net change in fund balance	(94)	51	145
Fund balance at beginning of year	<u>99</u>	<u>99</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5</u>	<u>\$ 150</u>	<u>\$ 145</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 75,000	\$ 72,583	\$ (2,417)
Intergovernmental.	15,249	15,023	(226)
Other.	100	139	39
Total revenues.	<u>90,349</u>	<u>87,745</u>	<u>(2,604)</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	416,364	416,364	-
Contractual services.	2,000	1,390	610
Total expenditures	<u>418,364</u>	<u>417,754</u>	<u>610</u>
Excess of expenditures over revenues	<u>(328,015)</u>	<u>(330,009)</u>	<u>(1,994)</u>
Other financing sources:			
Transfers in.	349,651	322,980	(26,671)
Total other financing sources.	<u>349,651</u>	<u>322,980</u>	<u>(26,671)</u>
Net change in fund balance.	21,636	(7,029)	(28,665)
Fund balance at beginning of year	<u>21,062</u>	<u>21,062</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 42,698</u>	<u>\$ 14,033</u>	<u>\$ (28,665)</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 75,000	\$ 72,583	\$ (2,417)
Intergovernmental.	15,249	15,023	(226)
Other.	100	139	39
Total revenues.	<u>90,349</u>	<u>87,745</u>	<u>(2,604)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	501,298	501,298	-
Contractual services.	2,000	1,390	610
Total expenditures	<u>503,298</u>	<u>502,688</u>	<u>610</u>
Excess of expenditures over revenues	<u>(412,949)</u>	<u>(414,943)</u>	<u>(1,994)</u>
Other financing sources:			
Transfers in.	401,651	407,914	6,263
Total other financing sources.	<u>401,651</u>	<u>407,914</u>	<u>6,263</u>
Net change in fund balance.	(11,298)	(7,029)	4,269
Fund balance at beginning of year	<u>21,062</u>	<u>21,062</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,764</u>	<u>\$ 14,033</u>	<u>\$ 4,269</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Transportation:			
Tax increment:			
Other	\$ 35,784	\$ 35,784	\$ -
Total expenditures	<u>35,784</u>	<u>35,784</u>	<u>-</u>
 Net change in fund balance.	 (35,784)	 (35,784)	 -
 Fund balance at beginning of year	 <u>35,784</u>	 <u>35,784</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)

L.E. PROFESSIONAL TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 1,231	\$ 1,231	\$ -
Fund balance at end of year.	<u>\$ 1,231</u>	<u>\$ 1,231</u>	<u>\$ -</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ -	\$ 6	\$ 6
Total revenues.	<u>-</u>	<u>6</u>	<u>6</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Capital outlay	7,884	788	7,096
Total expenditures	<u>7,884</u>	<u>788</u>	<u>7,096</u>
Net change in fund balance.	(7,884)	(782)	7,102
Fund balance at beginning of year	<u>7,884</u>	<u>7,884</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 7,102</u>	<u>\$ 7,102</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ 50	\$ 24	\$ (26)
Total revenues.	<u>50</u>	<u>24</u>	<u>(26)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	50,000	42,037	7,963
Total expenditures	<u>50,000</u>	<u>42,037</u>	<u>7,963</u>
Net change in fund balance.	(49,950)	(42,013)	7,937
Fund balance at beginning of year	<u>57,335</u>	<u>57,335</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 7,385</u>	<u>\$ 15,322</u>	<u>\$ 7,937</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 20,000	\$ 25,054	\$ 5,054
Total revenues.	<u>20,000</u>	<u>25,054</u>	<u>5,054</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	26,000	14,000	12,000
Total expenditures	<u>26,000</u>	<u>14,000</u>	<u>12,000</u>
Net change in fund balance.	(6,000)	11,054	17,054
Fund balance at beginning of year	<u>54,184</u>	<u>54,184</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 48,184</u>	<u>\$ 65,238</u>	<u>\$ 17,054</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 3,000	\$ 3,919	\$ 919
Total revenues.	<u>3,000</u>	<u>3,919</u>	<u>919</u>
Net change in fund balance.	3,000	3,919	919
Fund balance at beginning of year	<u>5,032</u>	<u>5,032</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 8,032</u></u>	<u><u>\$ 8,951</u></u>	<u><u>\$ 919</u></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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 11,000	\$ 14,535	\$ 3,535
Total revenues.	<u>11,000</u>	<u>14,535</u>	<u>3,535</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	4,500	3,416	1,084
Total expenditures	<u>4,500</u>	<u>3,416</u>	<u>1,084</u>
Net change in fund balance.	6,500	11,119	4,619
Fund balance at beginning of year	<u>32,384</u>	<u>32,384</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 38,884</u></u>	<u><u>\$ 43,503</u></u>	<u><u>\$ 4,619</u></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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 750	\$ 2,812	\$ 2,062
Total revenues.	<u>750</u>	<u>2,812</u>	<u>2,062</u>
 Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	1,100	924	176
Total expenditures	<u>1,100</u>	<u>924</u>	<u>176</u>
 Net change in fund balance.	(350)	1,888	2,238
 Fund balance at beginning of year	<u>1,424</u>	<u>1,424</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 1,074</u>	<u>\$ 3,312</u>	<u>\$ 2,238</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 61	\$ 61	\$ -
Fund balance at end of year.	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ -</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 1,000	\$ 1,000	\$ -
Fund balance at end of year.	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 13,000	\$ 13,160	\$ 160
Total revenues.	<u>13,000</u>	<u>13,160</u>	<u>160</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	15,000	15,000	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	(2,000)	(1,840)	160
Fund balance at beginning of year	<u>13,903</u>	<u>13,903</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 11,903</u>	<u>\$ 12,063</u>	<u>\$ 160</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 27,000	\$ 35,346	\$ 8,346
Total revenues.	<u>27,000</u>	<u>35,346</u>	<u>8,346</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	15,000	3,116	11,884
Capital outlay.	75,000	2,905	72,095
Total expenditures	<u>90,000</u>	<u>6,021</u>	<u>83,979</u>
Net change in fund balance.	(63,000)	29,325	92,325
Fund balance at beginning of year	<u>134,335</u>	<u>134,335</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 71,335</u>	<u>\$ 163,660</u>	<u>\$ 92,325</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 3,300	\$ 1,200	\$ (2,100)
Other.	-	10,332	10,332
Total revenues.	<u>3,300</u>	<u>11,532</u>	<u>8,232</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	5,500	-	5,500
Materials and supplies.	4,500	1,922	2,578
Total expenditures	<u>10,000</u>	<u>1,922</u>	<u>8,078</u>
Net change in fund balance.	(6,700)	9,610	16,310
Fund balance at beginning of year	<u>25,402</u>	<u>25,402</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 18,702</u>	<u>\$ 35,012</u>	<u>\$ 16,310</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 1,500	\$ 1,795	\$ 295
Total revenues	<u>1,500</u>	<u>1,795</u>	<u>295</u>
Net change in fund balance	1,500	1,795	295
Fund balance at beginning of year	<u>5,533</u>	<u>5,533</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 7,033</u></u>	<u><u>\$ 7,328</u></u>	<u><u>\$ 295</u></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, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Leisure time activities:			
Land reutilization:			
Contractual services	\$ 5,493	\$ 1,196	\$ 4,297
Total expenditures	<u>5,493</u>	<u>1,196</u>	<u>4,297</u>
Net change in fund balance.	(5,493)	(1,196)	4,297
Fund balance at beginning of year	<u>5,493</u>	<u>5,493</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 4,297</u></u>	<u><u>\$ 4,297</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 4,000	\$ 3,349	\$ (651)
Total revenues.	<u>4,000</u>	<u>3,349</u>	<u>(651)</u>
Expenditures:			
Current:			
General government:			
General administration:			
Contractual services.	<u>3,650</u>	<u>3,312</u>	<u>338</u>
Total expenditures	<u>3,650</u>	<u>3,312</u>	<u>338</u>
Net change in fund balance.	350	37	(313)
Fund balance at beginning of year	<u>514</u>	<u>514</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 864</u>	<u>\$ 551</u>	<u>\$ (313)</u>

CITY OF ALLIANCE, OHIO

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

CITY INCOME TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes.	\$ 728,766	\$ 791,847	\$ 63,081
Other.	7,200	10,168	2,968
Total revenues	<u>735,966</u>	<u>802,015</u>	<u>66,049</u>
Expenditures:			
Current:			
General government:			
Income tax:			
Salaries and wages.	162,242	162,242	-
Fringe benefits.	79,957	79,954	3
Contractual services	42,078	40,687	1,391
Materials and supplies	5,524	4,868	656
Capital outlay	1,735	1,735	-
Other	447,930	447,929	1
Total expenditures	<u>739,466</u>	<u>737,415</u>	<u>2,051</u>
 Net change in fund balance	 (3,500)	 64,600	 68,100
 Fund balance at beginning of year	 68,470	 68,470	 -
Prior year encumbrances appropriated	<u>1,845</u>	<u>1,845</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ 66,815</u>	 <u>\$ 134,915</u>	 <u>\$ 68,100</u>

CITY OF ALLIANCE, OHIO

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

SUPPLY REVOLVING FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 192,937	\$ 193,481	\$ 544
Total revenues.	<u>192,937</u>	<u>193,481</u>	<u>544</u>
Expenditures:			
Current:			
General government:			
Maintenance:			
Contractual services	174,750	165,199	9,551
Materials and supplies	400	40	360
Capital outlay	<u>10,000</u>	<u>2,941</u>	<u>7,059</u>
Total expenditures	<u>185,150</u>	<u>168,180</u>	<u>16,970</u>
Net change in fund balance.	7,787	25,301	17,514
Fund balance at beginning of year	<u>79,841</u>	<u>79,841</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 87,628</u></u>	<u><u>\$ 105,142</u></u>	<u><u>\$ 17,514</u></u>

CITY OF ALLIANCE, OHIO

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

AUDITOR TRANSFER FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 26,000	\$ 13,015	\$ (12,985)
Total revenues.	<u>26,000</u>	<u>13,015</u>	<u>(12,985)</u>
Expenditures:			
Current:			
General government:			
Auditor:			
Other.	49,000	38,876	10,124
Total expenditures	<u>49,000</u>	<u>38,876</u>	<u>10,124</u>
Net change in fund balance.	(23,000)	(25,861)	(2,861)
Fund balance at beginning of year	<u>84,246</u>	<u>84,246</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 61,246</u></u>	<u><u>\$ 58,385</u></u>	<u><u>\$ (2,861)</u></u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION - NONMAJOR 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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessments	\$ 64,000	\$ 74,029	\$ 10,029
Total revenues.	<u>64,000</u>	<u>74,029</u>	<u>10,029</u>
Expenditures:			
Current:			
Debt service:			
Principal retirement:			
Bond	402,015	320,000	82,015
Interest and fiscal charges:			
Bond.	11,597	15,856	(4,259)
Total expenditures	<u>413,612</u>	<u>335,856</u>	<u>77,756</u>
Excess of expenditures over revenues	<u>(349,612)</u>	<u>(261,827)</u>	<u>87,785</u>
Other financing sources:			
Transfers in.	259,612	263,987	4,375
Total other financing sources	<u>259,612</u>	<u>263,987</u>	<u>4,375</u>
Net change in fund balance.	(90,000)	2,160	92,160
Fund balance at beginning of year.	<u>98,301</u>	<u>98,301</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,301</u>	<u>\$ 100,461</u>	<u>\$ 92,160</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.

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, 2012

	Street Income Tax Construction	Municipal Road	Street Improvement	Total
Assets:				
Equity in pooled cash and cash equivalents	\$ 314,143	\$ -	\$ 7,206	\$ 321,349
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	202,974	-	-	202,974
Special assessments	36	-	-	36
Total assets	<u>\$ 517,153</u>	<u>\$ -</u>	<u>\$ 7,206</u>	<u>\$ 524,359</u>
Liabilities:				
Accounts payable	\$ 4,139	\$ -	\$ -	\$ 4,139
Total liabilities	<u>4,139</u>	<u>-</u>	<u>-</u>	<u>4,139</u>
Deferred inflows of resources:				
Special assessments revenue not available	36	-	-	36
Income tax revenue not available	79,518	-	-	79,518
Total liabilities and deferred inflows of resources	<u>83,693</u>	<u>-</u>	<u>-</u>	<u>83,693</u>
Fund balances:				
Restricted	-	-	7,206	7,206
Committed	433,460	-	-	433,460
Total fund balances	<u>433,460</u>	<u>-</u>	<u>7,206</u>	<u>440,666</u>
Total liabilities and fund balances	<u>\$ 517,153</u>	<u>\$ -</u>	<u>\$ 7,206</u>	<u>\$ 524,359</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, 2012

	Street Income Tax Construction	Municipal Road	Street Improvement	Total
Revenues:				
Municipal income taxes	\$ 654,527	\$ -	\$ -	\$ 654,527
Intergovernmental	3,750	107,421	-	111,171
Other	2,846	-	-	2,846
Total revenues	<u>661,123</u>	<u>107,421</u>	<u>-</u>	<u>768,544</u>
Expenditures:				
Capital outlay	890,716	127,078	4,900	1,022,694
Total expenditures.	<u>890,716</u>	<u>127,078</u>	<u>4,900</u>	<u>1,022,694</u>
Net change in fund balances	(229,593)	(19,657)	(4,900)	(254,150)
Fund balances at beginning of year.	663,053	19,657	12,106	694,816
Fund balances at end of year	<u>\$ 433,460</u>	<u>\$ -</u>	<u>\$ 7,206</u>	<u>\$ 440,666</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes.	\$ 634,075	\$ 664,847	\$ 30,772
Intergovernmental	-	3,750	3,750
Other	-	2,846	2,846
Total revenues.	<u>634,075</u>	<u>671,443</u>	<u>37,368</u>
Expenditures:			
Current:			
Capital outlay:			
Street income tax:			
Personal services.	135,000	134,000	1,000
Capital outlay.	914,074	810,189	103,885
Total expenditures	<u>1,049,074</u>	<u>944,189</u>	<u>104,885</u>
Net change in fund balance.	(414,999)	(272,746)	142,253
Fund balance at beginning of year	229,066	229,066	-
Prior year encumbrances appropriated	353,477	353,477	-
Fund balance at end of year.	<u>\$ 167,544</u>	<u>\$ 309,797</u>	<u>\$ 142,253</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 133,954	\$ 107,421	\$ (26,533)
Total revenues.	<u>133,954</u>	<u>107,421</u>	<u>(26,533)</u>
Expenditures:			
Current:			
Capital outlay:			
Transportation:			
Capital outlay	127,078	127,078	-
Total expenditures	<u>127,078</u>	<u>127,078</u>	<u>-</u>
Net change in fund balance.	6,876	(19,657)	(26,533)
Fund balance at beginning of year	<u>19,657</u>	<u>19,657</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 26,533</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (26,533)</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 935,820	\$ 949,782	\$ 13,962
Intergovernmental	96,520	3,900	(92,620)
Contributions and donations	-	1,500	1,500
Other.	-	26,076	26,076
Total revenues	<u>1,032,340</u>	<u>981,258</u>	<u>(51,082)</u>
Expenditures:			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay	2,374,815	1,502,603	872,212
Total expenditures	<u>2,374,815</u>	<u>1,502,603</u>	<u>872,212</u>
Excess of expenditures over revenues	<u>(1,342,475)</u>	<u>(521,345)</u>	<u>821,130</u>
Other financing sources (uses):			
Sale of notes	750,000	762,421	12,421
Transfers in	45,000	45,000	-
Transfers out	(165,000)	(161,872)	3,128
Total other financing sources (uses)	<u>630,000</u>	<u>645,549</u>	<u>15,549</u>
Net change in fund balance.	(712,475)	124,204	836,679
Fund balance at beginning of year	53,013	53,013	-
Prior year encumbrances appropriated	<u>689,016</u>	<u>689,016</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 29,554</u>	<u>\$ 866,233</u>	<u>\$ 836,679</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Capital outlay:			
Street improvement:			
Capital outlay	\$ 12,106	\$ 4,900	\$ 7,206
Total expenditures	<u>12,106</u>	<u>4,900</u>	<u>7,206</u>
 Net change in fund balance.	(12,106)	(4,900)	7,206
 Fund balance at beginning of year	<u>12,106</u>	<u>12,106</u>	<u>-</u>
 Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 7,206</u></u>	<u><u>\$ 7,206</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, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 4,872,319	\$ 4,727,823	\$ (144,496)
Other.	119,426	130,976	11,550
Total operating revenues	<u>4,991,745</u>	<u>4,858,799</u>	<u>(132,946)</u>
Operating expenses:			
Salaries and wages.	1,401,546	1,309,906	91,640
Fringe benefits.	644,899	608,539	36,360
Contractual services.	629,337	516,516	112,821
Materials and supplies.	978,874	868,640	110,234
Capital outlay.	1,357,396	603,769	753,627
Other.	5,500	3,005	2,495
Total operating expenses	<u>5,017,552</u>	<u>3,910,375</u>	<u>1,107,177</u>
Operating income (loss).	<u>(25,807)</u>	<u>948,424</u>	<u>974,231</u>
Nonoperating revenues:			
Sale of bonds	1,200,000	1,200,000	-
Municipal income taxes	362,330	379,913	17,583
Investment income.	200	2,366	2,166
Total nonoperating revenues	<u>1,562,530</u>	<u>1,582,279</u>	<u>19,749</u>
Income before transfers	<u>1,536,723</u>	<u>2,530,703</u>	<u>993,980</u>
Transfers out.	<u>(1,600,000)</u>	<u>(1,582,952)</u>	<u>17,048</u>
Net change in fund equity.	(63,277)	947,751	1,011,028
Fund equity beginning of year.	2,231,993	2,231,993	-
Prior year encumbrances appropriated . .	<u>82,300</u>	<u>82,300</u>	<u>-</u>
Fund equity end of year.	<u>\$ 2,251,016</u>	<u>\$ 3,262,044</u>	<u>\$ 1,011,028</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 3,750,000	\$ 3,657,878	\$ (92,122)
Licenses, permits, and fees.	20,000	22,277	2,277
Other.	-	123,455	123,455
Total operating revenues	<u>3,770,000</u>	<u>3,803,610</u>	<u>33,610</u>
Operating expenses:			
Salaries and wages.	1,667,034	1,551,260	115,774
Fringe benefits.	722,063	690,935	31,128
Contractual services.	2,515,301	702,096	1,813,205
Materials and supplies.	247,741	167,393	80,348
Capital outlay.	1,134,722	725,976	408,746
Other.	4,395	3,441	954
Total operating expenses	<u>6,291,256</u>	<u>3,841,101</u>	<u>2,450,155</u>
Operating loss	<u>(2,521,256)</u>	<u>(37,491)</u>	<u>2,483,765</u>
Nonoperating revenues:			
Investment income	210	4,893	4,683
Total nonoperating revenues	<u>210</u>	<u>4,893</u>	<u>4,683</u>
Loss before transfers	<u>(2,521,046)</u>	<u>(32,598)</u>	<u>2,488,448</u>
Transfers out.	<u>(140,000)</u>	<u>(133,436)</u>	<u>6,564</u>
Net change in fund equity.	(2,661,046)	(166,034)	2,495,012
Fund equity beginning of year.	5,536,043	5,536,043	-
Prior year encumbrances appropriated . .	<u>33,081</u>	<u>33,081</u>	<u>-</u>
Fund equity end of year.	<u>\$ 2,908,078</u>	<u>\$ 5,403,090</u>	<u>\$ 2,495,012</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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Other.	\$ 45,000	\$ 46,873	\$ 1,873
Total operating revenues	<u>45,000</u>	<u>46,873</u>	<u>1,873</u>
Operating expenses:			
Salaries and wages.	16,480	15,644	836
Fringe benefits.	3,323	2,883	440
Contractual services.	13,213	11,452	1,761
Materials and supplies.	11,937	11,898	39
Capital outlay.	4,450	1,689	2,761
Total operating expenses.	<u>49,403</u>	<u>43,566</u>	<u>5,837</u>
Net change in fund equity.	(4,403)	3,307	7,710
Fund equity beginning of year.	<u>100,484</u>	<u>100,484</u>	<u>-</u>
Fund equity end of year.	<u>\$ 96,081</u>	<u>\$ 103,791</u>	<u>\$ 7,710</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 internal service 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, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 2,444,000	\$ 2,685,223	\$ 241,223
Total operating revenues	<u>2,444,000</u>	<u>2,685,223</u>	<u>241,223</u>
Operating expenses:			
Claims.	<u>2,760,000</u>	<u>2,323,843</u>	<u>436,157</u>
Total operating expenses.	<u>2,760,000</u>	<u>2,323,843</u>	<u>436,157</u>
Net change in fund equity.	(316,000)	361,380	677,380
Fund equity at beginning of year	<u>325,463</u>	<u>325,463</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 9,463</u>	<u>\$ 686,843</u>	<u>\$ 677,380</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Agency Funds

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.

Municipal Court Fund

This fund accounts for monies received from the municipal court which are distributed to various agencies.

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>1/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2012</u>
Carnation Cable Channel				
Assets:				
Equity in pooled cash and cash equivalents	\$ 11,156	\$ 85,245	\$ 96,401	\$ -
Receivables (net of allowances of uncollectibles):				
Accounts	23,866	23,320	23,866	23,320
Total assets	<u>\$ 35,022</u>	<u>\$ 108,565</u>	<u>\$ 120,267</u>	<u>\$ 23,320</u>
Liabilities:				
Due to others	\$ 35,022	\$ 108,565	\$ 120,267	\$ 23,320
Total liabilities.	<u>\$ 35,022</u>	<u>\$ 108,565</u>	<u>\$ 120,267</u>	<u>\$ 23,320</u>
Municipal Court Fund				
Assets:				
Cash and cash equivalents in segregated accounts .	\$ 14,924	\$ 925,443	\$ 918,960	\$ 21,407
Total assets	<u>\$ 14,924</u>	<u>\$ 925,443</u>	<u>\$ 918,960</u>	<u>\$ 21,407</u>
Liabilities:				
Due to others	\$ 14,924	\$ 925,443	\$ 918,960	\$ 21,407
Total liabilities.	<u>\$ 14,924</u>	<u>\$ 925,443</u>	<u>\$ 918,960</u>	<u>\$ 21,407</u>
All Agency Funds				
Assets:				
Cash and cash equivalents in segregated accounts .	\$ 26,080	\$ 1,010,688	\$ 1,015,361	\$ 21,407
Receivables (net of allowances of uncollectibles):				
Accounts	23,866	23,320	23,866	23,320
Total assets	<u>\$ 49,946</u>	<u>\$ 1,034,008</u>	<u>\$ 1,039,227</u>	<u>\$ 44,727</u>
Liabilities:				
Due to others	\$ 49,946	\$ 1,034,008	\$ 1,039,227	\$ 44,727
Total liabilities.	<u>\$ 49,946</u>	<u>\$ 1,034,008</u>	<u>\$ 1,039,227</u>	<u>\$ 44,727</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.

Contents

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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.

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.

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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.

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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.

184-185

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.

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

CITY OF ALLIANCE, OHIO

**NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2012</u>	<u>2011 (restated)</u>	<u>2010</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 19,194,878	\$ 19,233,554	\$ 19,217,527	\$ 18,500,286
Restricted for:				
Capital projects	1,286,549	31,763	1,154,738	1,447,623
Debt service	322,426	346,139	401,200	661,027
Special revenue	-	-	-	-
Transportation projects	386,247	285,686	374,892	265,771
Public health service programs	760,258	737,980	737,032	728,398
Community environment programs	3,859,082	3,976,347	3,892,153	4,521,279
Security programs	175,111	235,720	290,824	394,189
Police and fire pension	72,662	76,794	60,133	59,322
Other purposes	604,772	367,747	365,774	291,652
Unrestricted	<u>2,717,776</u>	<u>5,348,341</u>	<u>5,157,606</u>	<u>2,679,203</u>
Total governmental activities net position	<u>\$ 29,379,761</u>	<u>\$ 30,640,071</u>	<u>\$ 31,651,879</u>	<u>\$ 29,548,750</u>
Business-type activities				
Net investment in capital assets	\$ 11,655,997	\$ 9,633,092	\$ 9,524,020	\$ 8,804,341
Restricted:				
Debt service	592,084	618,439	609,249	637,561
Replacement and surplus reserve	1,903,787	616,385	591,030	682,495
Unrestricted	<u>8,314,065</u>	<u>8,897,636</u>	<u>8,899,493</u>	<u>9,162,368</u>
Total business-type activities net position	<u>\$ 22,465,933</u>	<u>\$ 19,765,552</u>	<u>\$ 19,623,792</u>	<u>\$ 19,286,765</u>
Total primary government				
Net investment in capital assets	\$ 30,850,875	\$ 28,866,646	\$ 28,741,547	\$ 27,304,627
Restricted for:				
Capital projects	1,286,549	31,763	1,154,738	1,447,623
Debt service	914,510	964,578	1,010,449	1,298,588
Special revenue	-	-	-	-
Replacement and surplus reserve	1,903,787	616,385	591,030	682,495
Transportation projects	386,247	285,686	374,892	265,771
Public health service programs	760,258	737,980	737,032	728,398
Community environment programs	3,859,082	3,976,347	3,892,153	4,521,279
Security programs	175,111	235,720	290,824	394,189
Police and fire pension	72,662	76,794	60,133	59,322
Other purposes	604,772	367,747	365,774	291,652
Unrestricted	<u>11,031,841</u>	<u>14,245,977</u>	<u>14,057,099</u>	<u>11,841,571</u>
Total primary government net position	<u>\$ 51,845,694</u>	<u>\$ 50,405,623</u>	<u>\$ 51,275,671</u>	<u>\$ 48,835,515</u>

Source: City financial records

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

Note: The City implemented GASB 63 and 65 in 2012.

2008	2007	2006	2005	2004	2003
\$ 17,764,197	\$ 18,197,128	\$ 18,707,921	\$ 19,015,248	\$ 9,184,300	\$ 8,614,889
1,751,872	1,155,599	1,115,068	1,457,599	1,822,941	1,369,346
915,520	960,434	1,139,016	128,199	128,809	-
-	-	5,780,614	5,961,372	5,912,729	5,814,454
325,698	960,327	-	-	-	-
734,587	726,240	-	-	-	-
4,785,006	3,850,510	-	-	-	-
448,672	-	-	-	-	-
58,717	59,516	-	-	-	-
290,657	796,984	-	-	-	-
2,624,597	2,708,070	2,062,100	1,084,862	751,439	2,143,124
<u>\$ 29,699,523</u>	<u>\$ 29,414,808</u>	<u>\$ 28,804,719</u>	<u>\$ 27,647,280</u>	<u>\$ 17,800,218</u>	<u>\$ 17,941,813</u>
\$ 6,945,805	\$ 5,947,976	\$ 6,893,121	\$ 6,435,656	\$ 6,159,014	\$ 5,097,337
869,875	838,787	1,583,849	1,533,905	1,495,291	2,324,516
493,477	506,138	724,445	846,888	904,389	-
9,119,655	8,736,925	5,803,278	5,009,687	4,564,432	5,446,828
<u>\$ 17,428,812</u>	<u>\$ 16,029,826</u>	<u>\$ 15,004,693</u>	<u>\$ 13,826,136</u>	<u>\$ 13,123,126</u>	<u>\$ 12,868,681</u>
\$ 24,710,002	\$ 24,145,104	\$ 25,601,042	\$ 25,450,904	\$ 15,343,314	\$ 13,712,226
1,751,872	1,155,599	1,115,068	1,457,599	1,822,941	1,369,346
1,785,395	1,799,221	2,722,865	1,662,104	1,624,100	2,324,516
-	-	5,780,614	5,961,372	5,912,729	5,814,454
493,477	506,138	724,445	846,888	904,389	-
325,698	960,327	-	-	-	-
734,587	726,240	-	-	-	-
4,785,006	3,850,510	-	-	-	-
448,672	-	-	-	-	-
58,717	59,516	-	-	-	-
290,657	796,984	-	-	-	-
11,744,252	11,444,995	7,865,378	6,094,549	5,315,871	7,589,952
<u>\$ 47,128,335</u>	<u>\$ 45,444,634</u>	<u>\$ 43,809,412</u>	<u>\$ 41,473,416</u>	<u>\$ 30,923,344</u>	<u>\$ 30,810,494</u>

CITY OF ALLIANCE, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program revenues:				
Governmental activities				
Charges for services:				
General government	\$ 1,061,567	\$ 974,521	\$ 704,836	\$ 984,588
Security of persons and property	50,980	68,727	32,285	14,278
Public health services	168,495	162,688	306,416	162,113
Transportation	-	-	-	-
Community environment	78,811	72,433	90,263	82,968
Leisure time activities	145,468	50,926	49,205	22,990
Interest and fiscal charges	-	-	-	-
Subtotal - charges for services	<u>1,505,321</u>	<u>1,329,295</u>	<u>1,183,005</u>	<u>1,266,937</u>
Operating grants and contributions				
General government	166,290	32,043	40,638	30,622
Security of persons and property	178,676	131,084	51,838	141,330
Public health services	186,825	200,510	76,594	197,403
Transportation	997,806	935,710	962,280	853,054
Community environment	679,300	1,544,671	1,110,616	995,772
Subtotal - operating grants and contributions	<u>2,208,897</u>	<u>2,844,018</u>	<u>2,241,966</u>	<u>2,218,181</u>
Capital grants and contributions				
Transportation	115,061	483,045	-	207,196
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Subtotal - capital grants and contributions	<u>115,061</u>	<u>483,045</u>	<u>-</u>	<u>207,196</u>
Total governmental activities program revenues	<u>3,829,279</u>	<u>4,656,358</u>	<u>3,424,971</u>	<u>3,692,314</u>
Business-type activities:				
Charges for services:				
Water	4,935,880	4,380,453	3,935,652	4,460,193
Sewer	3,716,822	3,980,135	3,966,871	4,618,220
Robertson Community Center	46,873	46,682	49,086	75,933
Capital grants and contributions	1,741,568	-	144,918	313,745
Total business-type activities program revenues	<u>10,441,143</u>	<u>8,407,270</u>	<u>8,096,527</u>	<u>9,468,091</u>
Total primary government	<u>\$ 14,270,422</u>	<u>\$ 13,063,628</u>	<u>\$ 11,521,498</u>	<u>\$ 13,160,405</u>
Expenses:				
Governmental activities				
General government	\$ 3,293,515	\$ 3,280,078	\$ 3,073,733	\$ 2,917,013
Security of persons and property	9,121,557	9,033,362	8,624,742	8,416,988
Public health services	1,069,283	1,034,561	1,015,414	952,822
Transportation	1,727,130	2,015,461	1,960,588	1,636,141
Community environment	942,663	1,856,513	1,355,294	969,055
Basic utility services	62,457	60,904	54,541	56,427
Leisure time activities	785,750	770,365	772,260	793,909
Other	-	-	-	-
Interest and fiscal charges	50,615	71,335	83,669	110,107
Bond issuance costs	50,234	-	-	-
Total governmental activities expenses	<u>17,103,204</u>	<u>18,122,579</u>	<u>16,940,241</u>	<u>15,852,462</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 948,427	\$ 1,091,967	\$ 1,029,473	\$ 1,007,370	\$ 879,558	\$ 936,325
157,747	506,379	93,262	-	-	-
165,168	173,292	162,627	150,203	151,688	139,243
-	-	-	-	-	50
207,862	94,094	110,248	128,596	123,380	152,257
31,456	30,315	35,154	59,195	20,125	20,128
36,025	31,765	-	-	-	-
<u>1,546,685</u>	<u>1,927,812</u>	<u>1,430,764</u>	<u>1,345,364</u>	<u>1,174,751</u>	<u>1,248,003</u>
16,550	11,069	94,223	77,760	-	44,448
66,882	77,632	-	-	15,939	47,413
181,104	177,890	187,919	178,869	168,865	213,500
1,042,127	883,294	-	-	-	-
798,218	540,042	945,837	940,819	440,217	-
<u>2,104,881</u>	<u>1,689,927</u>	<u>1,227,979</u>	<u>1,197,448</u>	<u>625,021</u>	<u>305,361</u>
326,119	125,478	69,653	-	-	-
-	-	-	100,000	356,235	-
-	-	-	-	-	46,887
<u>326,119</u>	<u>125,478</u>	<u>69,653</u>	<u>100,000</u>	<u>356,235</u>	<u>46,887</u>
<u>3,977,685</u>	<u>3,743,217</u>	<u>2,728,396</u>	<u>2,642,812</u>	<u>2,156,007</u>	<u>1,600,251</u>
4,343,787	4,377,711	4,420,598	4,119,622	3,917,644	3,917,191
4,180,728	4,016,634	3,686,640	3,252,855	3,351,600	3,341,118
56,293	52,404	51,582	44,464	-	-
24,295	29,052	-	-	410,572	170,307
<u>8,605,103</u>	<u>8,475,801</u>	<u>8,158,820</u>	<u>7,416,941</u>	<u>7,679,816</u>	<u>7,428,616</u>
<u>\$ 12,582,788</u>	<u>\$ 12,219,018</u>	<u>\$ 10,887,216</u>	<u>\$ 10,059,753</u>	<u>\$ 9,835,823</u>	<u>\$ 9,028,867</u>
\$ 3,086,862	\$ 3,016,883	\$ 4,043,160	\$ 3,055,599	\$ 2,953,410	\$ 2,138,370
8,407,092	7,539,046	6,917,630	7,437,917	6,908,599	7,095,318
965,155	961,261	852,080	812,097	877,649	718,678
1,787,268	2,285,361	1,124,564	2,003,429	1,078,691	1,036,841
783,718	854,061	1,440,811	819,843	1,146,965	943,633
62,750	47,762	113,162	66,864	62,048	70,332
769,611	693,235	650,091	667,520	647,592	598,089
-	-	-	-	-	-
114,938	120,829	129,179	150,982	155,793	175,161
-	-	-	-	-	-
<u>15,977,394</u>	<u>15,518,438</u>	<u>15,270,677</u>	<u>15,014,251</u>	<u>13,830,747</u>	<u>12,776,422</u>

- - Continued

CITY OF ALLIANCE, OHIO

CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Business-type activities:				
Water	\$ 4,415,238	\$ 4,834,781	\$ 4,616,259	\$ 4,498,029
Sewer	3,650,814	3,739,990	3,436,932	3,523,095
Robertson Community Center	<u>56,050</u>	<u>60,278</u>	<u>56,745</u>	<u>54,174</u>
Total business-type activities expenses	<u>8,122,102</u>	<u>8,635,049</u>	<u>8,109,936</u>	<u>8,075,298</u>
Total primary government	<u>\$ 25,225,306</u>	<u>\$ 26,757,628</u>	<u>\$ 25,050,177</u>	<u>\$ 23,927,760</u>
Net (expense) revenue				
Governmental activities	(13,273,925)	(13,466,221)	(13,515,270)	(12,160,148)
Business-type activities	<u>2,319,041</u>	<u>(227,779)</u>	<u>(13,409)</u>	<u>1,392,793</u>
Total primary government net expense	<u>\$ (10,954,884)</u>	<u>\$ (13,694,000)</u>	<u>\$ (13,528,679)</u>	<u>\$ (10,767,355)</u>
General revenues and other changes in net position				
Governmental activities				
Municipal income taxes	\$ 9,769,613	\$ 9,776,370	\$ 8,713,256	\$ 8,540,876
Property and other local taxes	1,071,476	929,774	956,359	984,883
Grants and entitlements				
not restricted to specific programs	880,730	1,103,878	4,524,885	1,714,806
Investment earnings	4,428	8,435	10,202	21,096
Miscellaneous	287,368	835,956	504,111	747,714
Transfers	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>12,013,615</u>	<u>12,454,413</u>	<u>14,708,813</u>	<u>12,009,375</u>
Business-type activities				
Municipal income taxes	374,081	386,543	343,668	340,765
Unrestricted grants and contributions	-	-	-	-
Investment earnings	7,259	5,279	6,768	15,215
Gain on sale of capital assets	-	-	-	109,180
Transfers	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>381,340</u>	<u>591,822</u>	<u>350,436</u>	<u>465,160</u>
Total primary government	<u>\$ 12,394,955</u>	<u>\$ 13,046,235</u>	<u>\$ 15,059,249</u>	<u>\$ 12,474,535</u>
Change in net position				
Governmental activities	\$ (1,260,310)	\$ (1,011,808)	\$ 1,193,543	\$ (150,773)
Business-type activities	<u>2,700,381</u>	<u>364,043</u>	<u>337,027</u>	<u>1,857,953</u>
Total primary government	<u>\$ 1,440,071</u>	<u>\$ (647,765)</u>	<u>\$ 1,530,570</u>	<u>\$ 1,707,180</u>

Source: City financial records

Note: The City implemented GASB 63 and 65 in fiscal year 2012.

2008	2007	2006	2005	2004	2003
\$ 3,974,057	\$ 4,391,750	\$ 4,151,267	\$ 4,099,091	\$ 4,210,253	\$ 4,377,606
3,629,692	3,637,428	3,439,175	3,216,935	3,322,084	3,132,644
76,277	79,192	57,972	76,859	-	-
<u>7,680,026</u>	<u>8,108,370</u>	<u>7,648,414</u>	<u>7,392,885</u>	<u>7,532,337</u>	<u>7,510,250</u>
<u>\$ 23,657,420</u>	<u>\$ 23,626,808</u>	<u>\$ 22,919,091</u>	<u>\$ 22,407,136</u>	<u>\$ 21,363,084</u>	<u>\$ 20,286,672</u>
(11,999,709)	(11,775,221)	(12,542,281)	(12,371,439)	(11,674,740)	(11,176,171)
925,077	367,431	510,406	24,056	147,479	(81,634)
<u>\$ (11,074,632)</u>	<u>\$ (11,407,790)</u>	<u>\$ (12,031,875)</u>	<u>\$ (12,347,383)</u>	<u>\$ (11,527,261)</u>	<u>\$ (11,257,805)</u>
\$ 8,844,311	\$ 8,685,830	\$ 8,344,521	\$ 7,626,396	\$ 7,537,702	\$ 6,706,398
1,331,701	1,577,482	1,503,423	1,523,469	1,370,645	1,493,119
1,458,034	1,359,491	3,118,133	1,998,723	1,951,422	2,879,685
154,923	548,794	326,744	266,974	151,771	117,106
495,455	213,713	372,327	680,693	506,605	627,687
-	-	34,572	(59,725)	15,000	-
<u>12,284,424</u>	<u>12,385,310</u>	<u>13,699,720</u>	<u>12,036,530</u>	<u>11,533,145</u>	<u>11,823,995</u>
349,905	348,248	307,661	383,794	69,164	268,840
-	-	-	414,108	-	-
124,004	309,454	395,062	228,161	52,802	41,794
-	-	-	-	-	-
-	-	(34,572)	59,725	(15,000)	-
<u>473,909</u>	<u>657,702</u>	<u>668,151</u>	<u>1,085,788</u>	<u>106,966</u>	<u>310,634</u>
<u>\$ 12,758,333</u>	<u>\$ 13,043,012</u>	<u>\$ 14,367,871</u>	<u>\$ 13,122,318</u>	<u>\$ 11,640,111</u>	<u>\$ 12,134,629</u>
\$ 284,715	\$ 610,089	\$ 1,157,439	\$ (334,909)	\$ (141,595)	\$ 647,824
1,398,986	1,025,133	1,178,557	1,109,844	254,445	229,000
<u>\$ 1,683,701</u>	<u>\$ 1,635,222</u>	<u>\$ 2,335,996</u>	<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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General fund:				
Nonspendable	\$ 90,479	\$ 88,225	\$ -	\$ -
Committed	134,581	10,289	-	-
Assigned	135,180	64,886	-	-
Unassigned	2,672,552	3,789,207	-	-
Reserved	-	-	36,264	39,787
Unreserved	-	-	5,207,831	2,277,229
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fund	<u>\$ 3,032,792</u>	<u>\$ 3,952,607</u>	<u>\$ 5,244,095</u>	<u>\$ 2,317,016</u>
All other governmental funds:				
Nonspendable	\$ 41,511	\$ 38,929	\$ -	\$ -
Restricted	5,891,152	5,797,381	-	-
Committed	1,099,759	1,575,115	-	-
Assigned	1,000	1,000	-	-
Unassigned (deficit)	-	(3,142)	-	-
Reserved	-	-	1,920,513	2,396,244
Unreserved, reported in:				
Special revenue funds	-	-	2,261,677	2,234,113
Debt service fund (deficit)	-	-	126,581	253,537
Capital projects funds	-	-	869,425	997,814
Revolving loan fund	-	-	1,595,729	1,775,948
	<hr/>	<hr/>	<hr/>	<hr/>
Total all other governmental funds	<u>\$ 7,033,422</u>	<u>\$ 7,409,283</u>	<u>\$ 6,773,925</u>	<u>\$ 7,657,656</u>
Total governmental funds	<u>\$ 10,066,214</u>	<u>\$ 11,361,890</u>	<u>\$ 12,018,020</u>	<u>\$ 9,974,672</u>

Source: City financial records

Note: The City implemented GASB 54 in 2011.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,034	60,413	78,177	6,271	7,277	57,758
<u>2,415,812</u>	<u>2,827,425</u>	<u>1,960,128</u>	<u>1,623,549</u>	<u>1,449,575</u>	<u>1,559,008</u>
<u>\$ 2,469,846</u>	<u>\$ 2,887,838</u>	<u>\$ 2,038,305</u>	<u>\$ 1,629,820</u>	<u>\$ 1,456,852</u>	<u>\$ 1,616,766</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,053,742	2,122,823	2,008,866	2,666,144	2,558,410	3,150,503
2,670,338	2,468,519	2,046,513	1,887,440	1,772,658	1,744,308
383,562	405,002	530,268	128,199	128,809	(2,001,533)
1,253,617	879,040	877,141	1,179,745	1,500,142	851,257
<u>1,877,054</u>	<u>1,770,809</u>	<u>1,850,228</u>	<u>1,503,868</u>	<u>1,354,590</u>	<u>1,217,403</u>
<u>\$ 8,238,313</u>	<u>\$ 7,646,193</u>	<u>\$ 7,313,016</u>	<u>\$ 7,365,396</u>	<u>\$ 7,314,609</u>	<u>\$ 4,961,938</u>
<u>\$ 10,708,159</u>	<u>\$ 10,534,031</u>	<u>\$ 9,351,321</u>	<u>\$ 8,995,216</u>	<u>\$ 8,771,461</u>	<u>\$ 6,578,704</u>

CITY OF ALLIANCE, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
Municipal income taxes	\$ 9,768,208	\$ 9,670,227	\$ 8,718,059	\$ 8,516,605
Property and other taxes	986,268	955,054	969,712	980,354
Charges for services	313,836	251,838	224,081	286,138
Licenses permits and fees	241,853	219,834	336,829	177,116
Fines and forfeitures	554,343	461,502	512,398	553,954
Intergovernmental	3,058,631	4,349,101	6,833,514	4,248,142
Special assessments	74,029	62,204	68,563	63,244
Investment income	47,283	74,730	64,763	109,236
Rental income	88,653	101,858	84,887	91,888
Contributions and donations	5,617	4,384	6,231	8,660
Other	608,534	1,039,446	712,218	931,047
Total revenues	<u>15,747,255</u>	<u>17,190,178</u>	<u>18,531,255</u>	<u>15,966,384</u>
Expenditures				
Current:				
General government	2,736,209	2,749,939	2,492,289	2,389,066
Security of persons and property	8,375,312	8,220,965	7,857,210	7,821,330
Public health services	979,756	956,336	944,131	911,403
Transportation	789,652	1,106,279	966,818	963,850
Community environment	859,742	1,759,825	1,676,693	1,167,061
Leisure time activities	653,096	631,225	657,273	687,874
Basic utility services	59,583	55,238	51,936	53,228
Capital outlay	2,957,264	2,089,454	1,335,972	2,194,333
Debt service:				
Principal retirement	329,115	308,740	418,380	403,036
Interest and fiscal charges	53,201	73,267	87,205	108,690
Bond issuance cost	50,234	-	-	-
Total expenditures	<u>17,843,164</u>	<u>17,951,268</u>	<u>16,487,907</u>	<u>16,699,871</u>
Excess (deficiency) of revenues over (under) expenditures	(2,095,909)	(761,090)	2,043,348	(733,487)
Other financing sources (uses)				
Sale of refunded bond	455,000	-	-	-
Payment to refunding bond escrow agent	(444,652)	-	-	-
Premium on refunded bond issuance	8,169	-	-	-
General obligation bonds issued	775,000	-	-	-
Premium on bond issuance	6,716	-	-	-
Notes issued	-	-	-	-
OPWC loan issuance	-	304,960	-	-
Transfers in	1,130,886	1,393,096	1,066,718	1,030,531
Transfers (out)	<u>(1,130,886)</u>	<u>(1,593,096)</u>	<u>(1,066,718)</u>	<u>(1,030,531)</u>
Total other financing sources (uses)	<u>800,233</u>	<u>104,960</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,295,676)</u>	<u>\$ (656,130)</u>	<u>\$ 2,043,348</u>	<u>\$ (733,487)</u>
Capital expenditures	\$ 1,991,679	\$ 1,605,167	\$ 982,102	\$ 1,891,704
Debt service as a percentage of noncapital expenditures	2.41%	2.34%	3.26%	3.46%

Source: City financial records

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	8,918,599	\$ 8,680,502	\$ 8,024,521	\$ 7,626,396	\$ 7,401,163	\$ 6,830,817
	1,317,000	1,654,590	1,369,882	1,523,469	1,370,645	1,493,119
	219,980	210,692	286,675	319,431	231,861	351,965
	211,965	189,557	198,136	214,178	219,095	251,699
	707,122	1,133,003	752,202	673,263	528,808	456,481
	3,339,642	3,328,039	4,088,770	3,305,958	3,049,565	3,343,052
	67,529	66,011	69,653	69,284	66,491	72,263
	284,258	528,586	326,744	266,974	165,781	117,106
	197,934	187,367	197,651	187,794	195,600	187,858
	8,936	21,875	-	-	-	-
	617,343	386,814	368,427	611,409	425,483	535,305
	<u>15,890,308</u>	<u>16,387,036</u>	<u>15,682,661</u>	<u>14,798,156</u>	<u>13,654,492</u>	<u>13,639,665</u>
	2,557,730	2,539,655	3,004,114	2,696,600	2,639,368	2,238,952
	7,894,771	7,367,104	7,120,972	6,884,123	6,464,712	6,571,883
	916,506	897,770	847,880	814,061	772,536	743,463
	1,078,028	1,426,146	779,409	806,465	952,269	944,347
	745,376	805,669	1,437,792	866,213	1,110,544	959,165
	707,879	622,482	591,116	565,882	544,468	580,700
	56,634	29,842	103,710	57,412	54,497	54,340
	1,249,970	1,007,670	1,218,871	1,052,146	844,885	1,865,747
	387,705	382,388	372,083	376,792	111,512	2,846,232
	121,581	125,600	129,181	150,982	146,952	178,561
	-	-	-	-	-	-
	<u>15,716,180</u>	<u>15,204,326</u>	<u>15,605,128</u>	<u>14,270,676</u>	<u>13,641,743</u>	<u>16,983,390</u>
	174,128	1,182,710	77,533	527,480	12,749	(3,343,725)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	2,165,000	-
	-	-	-	-	-	-
	-	-	-	-	-	240,000
	-	-	-	-	-	-
	1,120,695	1,066,863	1,353,119	1,368,001	1,260,384	1,735,416
	<u>(1,120,695)</u>	<u>(1,066,863)</u>	<u>(1,318,547)</u>	<u>(1,427,726)</u>	<u>(1,245,384)</u>	<u>(1,735,416)</u>
	-	-	34,572	(59,725)	2,180,000	240,000
\$	<u>174,128</u>	<u>\$ 1,182,710</u>	<u>\$ 112,105</u>	<u>\$ 467,755</u>	<u>\$ 2,192,749</u>	<u>\$ (3,103,725)</u>
\$	629,761	\$ 1,091,851	\$ 1,257,438	\$ 1,052,146	\$ 844,885	\$ 1,865,747
	3.38%	3.60%	3.49%	3.99%	2.02%	20.01%

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				
2012	\$ 7,682,227	\$ 1,351,720	\$ 9,033,947	\$ 1,240,725	\$ 10,274,672	2.00%
2011	7,136,465	1,352,612	8,489,077	1,447,690	9,936,767	2.00%
2010	6,651,975	1,250,681	7,902,656	940,634	8,843,290	2.00%
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%

Source: City of Alliance Income Tax Department

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

(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%.

CITY OF ALLIANCE, OHIO

INCOME TAX WITHHOLDINGS BY SECTOR
LAST TEN YEARS

Sector	2012	2011	2010	2009	2008	2007	2006	2005	2004
Industrial	42.0%	40.0%	31.0%	33.1%	37.6%	33.9%	36.7%	35.5%	31.7%
Medical	20.0%	21.0%	22.0%	24.1%	22.0%	23.3%	21.6%	21.2%	22.8%
Education	13.0%	14.0%	15.0%	15.4%	13.2%	21.1%	13.1%	12.8%	13.5%
Retail	6.0%	5.0%	7.0%	6.5%	7.3%	10.1%	7.3%	8.2%	9.1%
Service	6.0%	6.0%	6.0%	6.2%	5.7%	3.5%	5.7%	6.0%	6.0%
Food/Restaurant	4.0%	4.0%	5.0%	4.7%	4.1%	1.5%	4.3%	4.3%	4.8%
Carnation Mall Area	5.0%	5.0%	5.0%	5.3%	4.4%	3.1%	4.2%	3.7%	4.1%
Financial	2.0%	2.0%	2.0%	2.6%	3.3%	3.0%	3.4%	3.4%	3.5%
Construction	1.0%	1.0%	1.0%	0.5%	0.6%	0.5%	2.1%	3.4%	1.9%
Other	1.0%	2.0%	6.0%	1.6%	1.8%	0.0%	1.6%	1.5%	2.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: City of Alliance Income Tax Department

Note: Information prior to 2004 was not available.

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	OPWC Loans	General Obligation Bonds	Revenue Bonds	OPWC Loans			
2012	\$ 1,270,000	\$ 135,000	\$ 304,960	\$ 2,287,000	\$ 10,160,000	\$ 631,224	\$ 14,788,184	3.77%	\$ 657
2011	735,000	195,000	304,960	1,142,000	11,255,000	674,209	14,306,169	3.64%	635
2010	980,000	250,000	-	1,182,000	12,315,000	717,194	15,444,194	3.93%	686
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

Source: City financial records

Note: Population and personal income data are presented on page 184.

CITY OF ALLIANCE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	Population (1)	Assessed Value of Taxable Property (2)	Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Net Bonded Debt Per Capita
			Gross Bonded Debt (3)	Debt Service Available Balance	Net Bonded Debt		
2012	22,522	\$ 262,059,330	\$ 3,557,000	\$ 98,461	\$ 3,458,539	1.32%	\$ 153.56
2011	22,522	288,001,100	1,877,000	118,616	1,758,384	0.61%	78.07
2010	22,522	289,117,210	2,162,000	126,581	2,035,419	0.70%	90.37
2009	23,253	299,392,613	3,075,000	253,537	2,821,463	0.94%	121.34
2008	23,253	308,189,431	3,865,000	383,562	3,481,438	1.13%	149.72
2007	23,253	322,569,984	4,635,000	405,002	4,229,998	1.31%	181.91
2006	23,253	290,531,674	5,385,000	530,268	4,854,732	1.67%	208.78
2005	23,253	290,572,913	6,125,000	128,199	5,996,801	2.06%	257.89
2004	23,253	282,876,811	6,955,000	128,809	6,826,191	2.41%	293.56
2003	23,253	264,876,811	1,085,000	(2,001,533)	3,086,533	1.17%	132.74

Sources:

(1) U.S. Bureau of Census

(2) County Auditor

Note: (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, 2012**

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to City</u>
Direct - City of Alliance			
General obligation bonds	\$ 1,270,000	100.00%	\$ 1,270,000
Special assessment bonds	135,000	100.00%	135,000
OPWC loans	304,960	100.00%	304,960
	<u>1,709,960</u>		<u>1,709,960</u>
Overlapping debt:			
Alliance City Schools	8,531,995	90.16%	7,692,447
Stark County	5,852,973	4.05%	237,045
	<u>14,384,968</u>		<u>7,929,492</u>
Total direct and overlapping debt	<u>\$ 16,094,928</u>		<u>\$ 9,639,452</u>

Source: Ohio Municipal Advisory Council

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

CITY OF ALLIANCE, OHIO

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total assessed property value	\$ 262,059,330	\$ 288,001,100	\$ 288,748,770	\$ 299,234,860
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>27,516,230</u>	<u>30,240,116</u>	<u>30,318,621</u>	<u>31,419,660</u>
Debt outstanding				
General obligation bonds	1,270,000	735,000	980,000	1,335,000
Special assessment bonds	135,000	195,000	250,000	305,000
Enterprise general obligation bonds	2,287,000	1,142,000	1,182,000	1,740,000
OPWC loans	936,184	979,169	717,194	683,506
Revenue bonds	10,160,000	11,255,000	12,315,000	13,345,000
Notes	-	-	-	-
Total gross indebtedness	<u>14,788,184</u>	<u>14,306,169</u>	<u>15,444,194</u>	<u>17,408,506</u>
Less:				
Special assessment bonds	135,000	195,000	250,000	305,000
Enterprise general obligation bonds	2,287,000	1,142,000	1,182,000	1,740,000
OPWC loans	936,184	979,169	717,194	683,506
Revenue bonds	10,160,000	11,255,000	12,315,000	13,345,000
Total net debt applicable to debt limit	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 26,246,230</u>	<u>\$ 29,505,116</u>	<u>\$ 29,338,621</u>	<u>\$ 30,084,660</u>
Legal debt margin as a percentage of the debt limit	95.38%	97.57%	96.77%	95.75%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>14,413,263</u>	<u>15,840,061</u>	<u>15,881,182</u>	<u>16,457,917</u>
Total gross indebtedness	14,788,184	14,306,169	15,444,194	17,408,506
Less:				
Special assessment bonds	135,000	195,000	250,000	305,000
Enterprise general obligation bonds	2,287,000	1,142,000	1,182,000	1,740,000
OPWC loans	936,184	979,169	717,194	683,506
Revenue bonds	10,160,000	11,255,000	12,315,000	13,345,000
Net debt within 5 1/2 % limitations	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 13,143,263</u>	<u>\$ 15,105,061</u>	<u>\$ 14,901,182</u>	<u>\$ 15,122,917</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	91.19%	95.36%	93.83%	91.89%

Source: City financial records.

Notes:

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

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

2008	2007	2006	2005	2004	2003
\$ 296,983,320	\$ 296,403,070	\$ 290,531,674	\$ 290,572,913	\$ 282,876,811	\$ 264,876,811
<u>31,183,249</u>	<u>31,122,322</u>	<u>30,505,826</u>	<u>30,510,156</u>	<u>29,702,065</u>	<u>27,812,065</u>
1,680,000	2,015,000	2,345,000	2,665,000	2,995,000	895,000
355,000	400,000	445,000	490,000	530,000	570,000
2,185,000	2,620,000	3,040,000	3,460,000	3,960,000	190,000
354,826	376,957	399,088	301,855	318,302	45,272
14,275,000	15,000,000	15,820,000	16,605,000	17,355,000	21,330,000
-	-	-	-	-	2,495,000
<u>18,849,826</u>	<u>20,411,957</u>	<u>22,049,088</u>	<u>23,521,855</u>	<u>25,158,302</u>	<u>25,525,272</u>
355,000	400,000	445,000	490,000	530,000	570,000
2,185,000	2,620,000	3,040,000	3,460,000	3,960,000	190,000
354,826	376,957	399,088	301,855	318,302	45,272
14,275,000	15,000,000	15,820,000	16,605,000	17,355,000	21,330,000
<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>
<u>\$ 29,503,249</u>	<u>\$ 29,107,322</u>	<u>\$ 28,160,826</u>	<u>\$ 27,845,156</u>	<u>\$ 26,707,065</u>	<u>\$ 24,422,065</u>
94.61%	93.53%	92.31%	91.27%	89.92%	87.81%
<u>16,334,083</u>	<u>16,302,169</u>	<u>15,979,242</u>	<u>15,981,510</u>	<u>15,558,225</u>	<u>14,568,225</u>
18,849,826	20,411,957	22,049,088	23,521,855	25,158,302	25,525,272
355,000	400,000	445,000	490,000	530,000	570,000
2,185,000	2,620,000	3,040,000	3,460,000	3,960,000	190,000
354,826	376,957	399,088	301,855	318,302	45,272
14,275,000	15,000,000	15,820,000	16,605,000	17,355,000	21,330,000
<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>
<u>\$ 14,654,083</u>	<u>\$ 14,287,169</u>	<u>\$ 13,634,242</u>	<u>\$ 13,316,510</u>	<u>\$ 12,563,225</u>	<u>\$ 11,178,225</u>
89.71%	87.64%	85.32%	83.32%	80.75%	76.73%

CITY OF ALLIANCE, OHIO
PLEDGED REVENUE COVERAGE
SPECIAL ASSESSMENT BOND
LAST TEN YEARS

Year	Operating Revenues	Direct Operating Expenses	Net Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2012	\$ 74,029	\$ -	\$ 74,029	\$ 60,000	\$ 11,869	1.03
2011	62,204	-	62,204	55,000	15,169	0.89
2010	68,563	-	68,563	55,000	18,469	0.93
2009	63,244	-	63,244	50,000	21,219	0.89
2008	67,529	-	67,529	45,000	23,649	0.98
2007	66,011	-	66,011	45,000	25,854	0.93
2006	69,923	-	69,923	45,000	28,014	0.96
2005	69,284	-	69,284	40,000	29,894	0.99
2004	66,491	-	66,491	40,000	31,733	0.93
2003	63,516	-	63,516	35,000	33,309	0.93

Source: City financial records

CITY OF ALLIANCE, OHIO

PLEGGED 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	
2012	\$ 4,935,880	\$ 3,282,009	\$ 1,677,730	\$ 3,331,601	\$ 1,095,000	\$ 407,688	2.22
2011	4,380,453	3,632,635	1,678,027	2,425,845	1,060,000	439,963	1.62
2010	3,935,652	3,397,003	1,677,494	2,216,143	1,030,000	470,863	1.48
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

Source: City financial records

Notes:

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

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.

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>
2012	22,522	\$ 392,490,894	\$ 17,427	\$ 32,048	35.9	6.7%
2011	22,522	392,490,894	17,427	32,743	35.9	7.9%
2010	22,522	392,490,894	17,427	32,743	35.9	11.1%
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%

Sources:

(1) U.S. Census - 2000 and 2010

County Auditor

Notes:

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

(3) Stark County

Unemployment rate information is not available for the City, therefore the Stark County rate is disclosed.

CITY OF ALLIANCE, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND FIVE YEARS AGO

December 31, 2012			
Employer	Employees	Rank	Percentage of Total City Employment
University of Mount Union	1,851	1	15.43%
Alliance Community Hospital	1,121	2	9.34%
Alliance City Schools	854	3	7.12%
Alliance Castings	690	4	5.75%
Walmart	530	5	4.42%
Alliance Tubular Products	345	6	2.88%
Coastal Pet	315	7	2.63%
City of Alliance	313	8	2.61%
Terry's Tire Town	203	9	1.69%
Wally Armour	120	10	1.00%
Total	6,342		52.85%
Total City Employment (1)	12,000		

December 31, 2007 (2)			
Employer	Employees	Rank	Percentage of Total
Mount Union College	1,850	1	15.04%
Alliance Community Hospital	1,096	2	8.91%
Alliance City Schools	771	3	6.27%
Coastal Pet	723	4	5.88%
Alliance Castings	650	5	5.28%
Walmart	426	6	3.46%
Alliance Tubular	366	7	2.98%
City of Alliance	248	8	2.02%
Terry's Tire Town	158	9	1.28%
Robertson Heating	126	10	1.02%
Total	6,414		52.14%
Total City Employment (1)	12,300		

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

Notes:

- (1) Total City Employment is estimated by the City.
- (2) 2007 was the first year the City disclosed principal employers so comparative information before that date is not available.

CITY OF ALLIANCE, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SEVEN YEARS

Function/Program	2012	2011	2010	2009
General Government				
Council and clerk				
Number of ordinances passed	96	101	95	86
Number of Resolutions passed	13	6	10	9
Number of planning commission docket items	25	34	27	17
Zoning board of appeals docket items	17	20	26	20
Finance Department				
Number of checks/vouchers issued	3,802	4,013	3,936	4,305
Number of payroll checks issued	2,463	2,801	2,681	3,064
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 14,581	\$ 16,328	\$ 20,387	\$ 43,384
Number of receipts issued	2,513	2,461	2,546	1,686
Number of journal entries issued	360	424	424	221
Number of budget adjustments issued	13	10	8	23
Agency ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Health insurance costs- Medical	\$ 1,929,298	\$ 1,994,330	\$ 1,680,722	\$ 1,567,989
Health insurance costs- Dental	\$ 116,435	\$ 100,563	\$ 105,433	\$ 103,322
Health insurance costs- Administration	\$ 275,995	\$ 242,136	\$ 234,843	\$ 197,585
Health insurance total	\$ 2,337,029	\$ 2,337,029	\$ 2,020,998	\$ 1,868,896
General fund receipts (budgetary-basis)	\$ 10,397,109	\$ 10,450,333	\$ 14,203,022	\$ 11,248,650
General fund expenditures (budgetary-basis)	\$ 10,778,843	\$ 11,533,844	\$ 11,421,889	\$ 11,509,720
General fund cash balances	\$ 1,651,750	\$ 2,854,512	\$ 3,927,726	\$ 1,356,683
Income Tax Department				
Number of individual returns	8,141	8,024	8,084	8,418
Number of business returns	1,314	1,234	1,216	1,259
Number of business withholding accounts	4,817	4,785	4,467	4,459
Annual number of corporate withholding forms processed	3,544	3,659	3,380	3,220
Annual number of estimated payment forms processed	2,793	2,682	2,564	3,036
Annual number of reconciliation of withholding processed	3,441	3,632	3,576	3,436
Engineer Contracted Services				
Dollar amount of construction overseen by Engineer	n/a	\$ 613,528	\$ 268,152	\$ 1,029,635
Private Construction Overseen/Inspected	n/a	\$ 834,500	\$ 97,600	\$ 275,000
Engineering Design Contracts	n/a	\$ 33,395	\$ 25,917	\$ 178,198
Municipal Court				
Number of civil cases filed	1,694	1,717	1,924	1,988
Number of criminal cases filed	2,338	2,262	1,763	1,746
Number of traffic cases filed	4,644	2,733	3,268	3,519
Total cases filed	8,676	6,712	6,955	7,253
Number of civil cases disposed	1,667	1,727	1,818	2,059
Number of criminal cases disposed	2,311	2,147	1,740	1,748
Number of traffic cases disposed	4,585	2,728	3,324	3,465
Total cases disposed	8,563	6,602	6,882	7,272
Vital Statistics				
Certificates filed	772	734	799	803
Number of births	430	402	401	450
Number of deaths	342	332	398	353
Certificates issued	3,100	3,270	3,621	4,078
Burial permits issued	364	304	392	365

<u>2008</u>	<u>2007</u>	<u>2006</u>
95	97	116
18	32	27
26	30	34
32	23	37
4,212	3,857	3,632
3,823	4,154	4,458
\$ 338,202	\$ 758,752	\$ 621,555
1,427	1,278	1,294
442	516	362
12	15	11
Aaa	Aaa	Aaa
\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
n/a	n/a	n/a
n/a	n/a	n/a
\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
\$ 10,977,577	\$ 11,819,838	\$ 9,820,070
\$ 11,495,283	\$ 10,626,337	\$ 9,911,961
\$ 1,602,045	\$ 2,109,644	\$ 471,014
8,770	8,392	8,372
1,279	1,230	1,224
4,470	4,702	4,683
3,288	n/a	n/a
3,364	2,905	3,612
3,651	3,651	2,898
\$ -	\$ 462,751	\$ 800,391
\$ 740,300	n/a	n/a
\$ 209,948	n/a	n/a
2,473	2,438	2,203
1,894	1,815	1,592
2,603	3,013	3,864
6,970	7,266	7,659
2,524	2,375	2,075
1,952	1,721	1,535
2,651	3,032	3,823
7,127	7,128	7,433
778	893	746
432	522	438
346	371	308
4,402	5,324	4,715
333	303	434

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CITY OF ALLIANCE, OHIO

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

Function/Program	2012	2011	2010	2009
Civil Service				
Number of police entry tests administered	-	1	-	-
Number of fire entry test administered	1	-	-	-
Number of police promotional tests administered	-	-	-	3
Number of fire promotional tests administered	1	1	-	-
Number of hires of police officers from certified lists	1	3	2	-
Number of hires of fire/medics from certified lists	-	-	-	-
Number of promotions from police certified lists	-	-	1	3
Number of promotions from fire certified lists	1	-	-	-
Building Department Indicators				
Construction permits issued	317	296	346	290
Estimated value of construction	\$ 9,368,510	\$ 13,075,583	\$ 13,906,316	\$ 12,270,074
Number of permits issued	818	802	1,324	1,164
Amount of revenue generated from permits	\$ 47,969	\$ 56,748	\$ 118,626	\$ 96,578
Number of contract registrations issued	286	209	248	119
Security of Persons & Property				
Police				
Total calls for services	50,504	41,283	43,950	42,920
Number of traffic citations issued	3,727	1,401	1,796	2,423
Number of parking citations issued	245	250	699	776
Number of criminal arrests	n/a	2,505	1,826	1,221
Number of accident reports completed	n/a	646	618	542
Felony offenses (F1-F5)	n/a	564	461	511
Misdemeanor offenses (M1-MM)	n/a	1,640	1,354	1,493
Police dept. auxiliary hours worked	1,297	1,204	1,418	956
DUI arrests	225	158	143	141
Prisoners	n/a	1,407	1,338	1,666
Motor vehicle accidents	648	771	803	908
Property damage accidents	648	771	669	790
Fatalities from motor vehicle accidents	1	-	2	-
Gasoline costs of fleet	\$ 151,234	\$ 142,749	\$ 105,476	\$ 84,070
Community diversion program - community service hours	n/a	85	94	396
Fire				
EMS/Rescue calls	2,179	2,220	2,024	1,885
Other EMS calls (assist ambulance, stand-by)	n/a	n/a	n/a	n/a
Structure fires	50	67	87	38
Fires other than structure	59	28	46	67
Other fire calls (electrical, smoke/odor, hazardous mat.)	649	796	738	530
Total calls for services	2,937	3,111	2,895	2,520
Fire with loss	43	35	41	43
Fires with losses exceeding \$10 K	17	9	5	9
Fire losses	\$ 1,811,335	\$ 276,650	\$ 2,416,875	\$ 627,410
Fire safety inspections	155	882	827	540
Number of times mutual aid given to fire and EMS	19	8	26	8
Number of times mutual aid received for fire and EMS	19	3	10	9
Fire Department receipts from fees & permits	\$ 990	\$ 727	\$ 961	\$ 855
Fire department total receipts	\$ 2,708	\$ 727	\$ 26,502	\$ 9,700
Public Health and Welfare				
Number of health inspections	1,085	1,423	1,363	1,476
Cemetery burials	64	78	78	73
Cemetery cremations	21	21	13	21
Cemetery sale of lots	20,692	30	45	69
Cemetery receipts	\$ 49,306	\$ 49,306	\$ 58,946	\$ 60,110

<u>2008</u>	<u>2007</u>	<u>2006</u>
-	1	1
-	1	-
1	-	3
-	4	-
-	-	6
-	2	-
1	-	5
-	4	-
333	352	410
\$ 29,005,371	\$ 14,782,277	\$ 19,463,377
909	880	936
\$ 88,359	\$ 75,508	\$ 85,131
133	135	148

44,302	49,742	59,394
2,034	2,283	2,594
286	316	383
3,733	2,364	2,471
647	699	680
565	456	533
1,652	1,908	1,354
1,200	2,045	912
130	110	117
1,744	1,890	1,682
1,040	1,326	1,275
892	1,181	513
1	4	2
\$ 114,869	\$ 85,139	\$ 77,146
249	339	890

1,925	1,759	459
n/a	107	247
36	42	43
69	80	100
699	549	542
2,729	2,537	1,391
64	58	61
8	10	9
\$ 388,255	\$ 484,155	\$ 660,420
223	775	982
3	3	8
7	3	5
\$ 813	\$ 125	\$ 1,330
\$ 13,905	\$ 5,026	\$ 11,902

1,531	1,562	1,551
62	63	75
19	23	25
78	60	37
\$ 71,373	\$ 69,088	\$ 48,607

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CITY OF ALLIANCE, OHIO

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

Function/Program	2012	2011	2010	2009
Leisure Time Activities				
Recreation				
Recreation mens & womens league receipts	\$ 3,050	\$ 4,750	\$ 4,520	\$ 3,330
Other fees	\$ 975	\$ -	\$ -	\$ -
Cabin rentals	\$ 8,110	\$ 17,822	\$ 16,595	\$ 16,790
Robertson community center facility rentals	\$ 15,660	\$ 10,697	\$ 10,382	\$ 11,021
Robertson community center swimming pool receipts	\$ 31,213	\$ 35,985	\$ 38,439	\$ 32,949
Total recreation department receipts	\$ 59,008	\$ 69,254	\$ 69,936	\$ 64,095
Community Development				
Grant amounts received due to economic development dept.	\$ -	\$ -	\$ 726,519	\$ 693,414
Basic Utility Services				
Refuse disposal per year (in tons) January - December	7,571	n/a	7,306	8,885
Refuse disposal costs per year January - December	792,115	n/a	\$ 850,514	\$ 832,922
Annual recycling tonnage (excluding leaf and compost)	601	n/a	647.43	598.67
Percentage of waste recycled	7.93	n/a	8.86	6.31
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)	2,635	2,290	2,240	2,327
Guardrail repair (hours)	-	-	-	-
Paint striping (hours)	1,092	950	945	920
Street sweeper (hours)	650	633	518	719
Cold patch (hours)	3,697	4,350	4,235	4,395
Snow and ice removal regular hours	3,735	4,980	5,950	5,280
Snow and ice removal overtime hours	794	825	1,383	837
Tons of snow melting salt purchased (Nov-Mar)	2,407	4,229	3,402	2,987
Cost of salt purchased	\$ 123,530	\$ 218,217	\$ 172,872	\$ 140,713
Sewer and sanitary calls for service	115	86	87	96
After hours sewer calls (hours)	84	47	102	48
Sewer crew (hours)	18,284	17,615	17,349	18,335
Sewer jet, vac-all, other services (hours)	-	1,304	1,668	1,052
Landscaping, stump-chipper service (hours)	376	241	289	765
Leaf collection (hours)	1,689	1,597	1,706	1,716
Sign department (hours)	1,025	1,160	1,320	1,040
Water Department				
Water rates per 1st 300 Cu ft of water used (inside City rate)	\$ 5.28	\$ 4.93	\$ 4.93	\$ 4.61
Water rates per 1st 300 Cu ft of water used (outside City rate)	\$ 9.24	\$ 8.63	\$ 8.63	\$ 8.07
Avg. number of water accounts billed monthly (Cu. Ft)	9,889	9,813	9,851	9,819
Total water collections annually (including P&I)	\$ 4,900,519	\$ 4,316,764	\$ 4,208,926	\$ 4,057,088
Payments for bulk water purchases	\$ 29,638	\$ 36,271	\$ 34,668	\$ 31,726
Wastewater Department				
Wastewater rates per 1st 300 Cu ft of water used (inside City rate)	\$ 3.20	\$ 3.44	\$ 3.44	\$ 3.44
Wastewater rates per 1st 300 Cu ft of water used (outside City rate)	\$ 3.48	\$ 3.89	\$ 3.89	\$ 3.89
Total flow of wastewater treatment plant (billions of gallons)	1.10	1.71	1.52	1.33
Average daily flow (millions of gallons per day)	3.00	4.68	4.00	4.00
Tons of dry sludge removed	1,111	669	663	663

Source: Various City of Alliance departments

Note: Information prior to 2006 is not available

<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 2,100	\$ 1,865	\$ 3,530
\$ 880	\$ 1,683	\$ 1,434
\$ 16,404	\$ 12,815	\$ 11,047
\$ 10,762	\$ 10,132	\$ 7,273
\$ 43,664	\$ 42,239	\$ 44,309
\$ 73,810	\$ 68,734	\$ 67,593
<hr/>		
\$ 680,239	\$ 707,476	\$ 923,769
<hr/>		
11,371	8,796	9,645
\$ 612,118	\$ 791,537	\$ 542,354
572.87	532.80	608.02
5.04	5.70	5.72
<hr/>		
8.677	8.677	8.677
8.600	8.600	8.600
0.077	0.077	0.077
106.462	106.462	106.462
79.343	79.343	79.343
27.119	27.119	27.119
735	735	735
1,650	1,500	750
-	25	50
1,080	1,200	1,200
607	553	620
3,780	3,500	3,000
6,912	6,500	6,000
1,333	970	600
3,511	2,352	2,044
\$ 125,622	\$ 83,185	\$ 70,776
96	110	108
36	57	112
18,327	18,458	17,952
1,381	1,036	2,100
807	650	800
1,285	1,532	1,688
800	800	800
<hr/>		
\$ 4.48	\$ 4.35	\$ 4.35
\$ 7.83	\$ 7.61	\$ 7.61
9,875	9,909	9,897
\$ 4,208,863	\$ 4,224,254	\$ 4,188,073
\$ 14,222	\$ 30,181	\$ 34,029
<hr/>		
\$ 3.28	\$ 3.12	\$ 3.12
\$ 3.71	\$ 3.54	\$ 3.54
1.68	1.64	1.73
4.62	4.50	4.75
1,146	1,191	1,378

CITY OF ALLIANCE, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SEVEN YEARS**

Function/Program	2012	2011	2010	2009	2008	2007	2006
General Government							
Square footage occupied	57,321	57,321	57,321	57,321	57,321	57,321	57,321
Police							
Stations	1	1	1	1	1	1	1
Square footage of building	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Vehicles	36	33	31	39	39	39	39
Fire							
Stations	2	2	2	2	2	2	2
Square footage of building	13,351	13,351	13,351	13,351	13,351	13,351	13,351
Vehicles	11	10	9	9	9	9	9
Recreation							
Number of parks	24	24	24	24	24	24	24
Acres of parks	220	220	220	220	220	220	220
Other Public Works							
Streets	107	107	107	107	107	107	107
Traffic lights	38	38	38	38	38	38	35
Wastewater							
Sanitary sewers (miles)	119	119	119	119	119	119	119
Storm sewers (miles)	104	104	104	104	104	104	104
Water Department							
Water lines (miles)	120	120	120	120	120	120	120

Source: Various City of Alliance departments.

Note: Information prior to 2006 was unavailable.

CITY OF ALLIANCE, OHIO

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

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government									
Mayor	4.00	4.00	4.00	3.75	3.75	3.75	4.50	4.00	5.00
Auditor	4.50	4.50	4.50	4.50	4.50	4.50	3.00	5.00	5.00
Law Director	3.50	4.50	4.50	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	4.50	4.50	4.50
Judge	5.50	5.50	5.00	5.00	5.50	5.50	5.50	6.00	6.00
Clerk of Courts	6.50	6.00	6.50	7.50	7.50	7.50	7.50	7.50	7.50
Civil Service	2.00	2.00	2.00	1.50	2.00	2.00	1.00	2.00	2.00
Engineering	6.50	7.00	6.50	6.50	6.50	6.00	6.00	7.00	7.50
City Hall Maintenance	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50
Income Tax	3.50	3.50	3.50	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	0.50	0.50	0.50
Senior Center & Agency on Aging	1.00	1.50	1.50	1.50	1.50	1.00	0.50	1.50	1.50
Security of Persons and Property									
Police	43.00	43.00	41.00	42.00	41.00	40.50	39.50	49.00	48.00
Police - auxiliary/guards	11.00	10.00	9.00	9.00	9.00	7.00	8.00	8.00	8.00
Police - dispatchers/office/other	14.50	14.00	14.00	14.00	14.00	14.00	13.50	10.00	10.00
Fire	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.50	32.50
Public Health Services									
Health	13.00	12.50	13.00	13.00	13.00	13.00	12.50	13.50	13.50
Cemetery	3.50	4.00	3.00	2.00	2.00	2.00	2.00	2.00	3.00
Leisure Time Activity									
Parks and recreation	21.50	24.50	21.00	21.00	20.00	19.50	10.00	14.00	15.00
Litter	0.50	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.50
Community Development									
Building (CDBG)	4.00	3.00	4.00	5.00	3.75	3.75	3.00	2.50	2.00
Transportation									
Street maintenance & repair	11.00	13.50	13.00	12.50	12.50	12.50	13.00	13.00	14.00
Basic Utility Services									
Sewer	29.00	29.00	27.25	26.75	24.25	24.25	26.00	29.50	29.50
Water	25.50	24.00	24.25	23.25	26.25	26.25	21.00	20.50	22.00
Billing and collection	5.50	8.00	8.00	8.00	7.50	7.50	8.00	8.00	8.00
Total	257.00	263.00	253.50	253.75	251.50	247.50	231.00	250.50	256.50

Source: City Payroll Department W2 Audit Listing

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

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

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Dave Yost • 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 16, 2013**