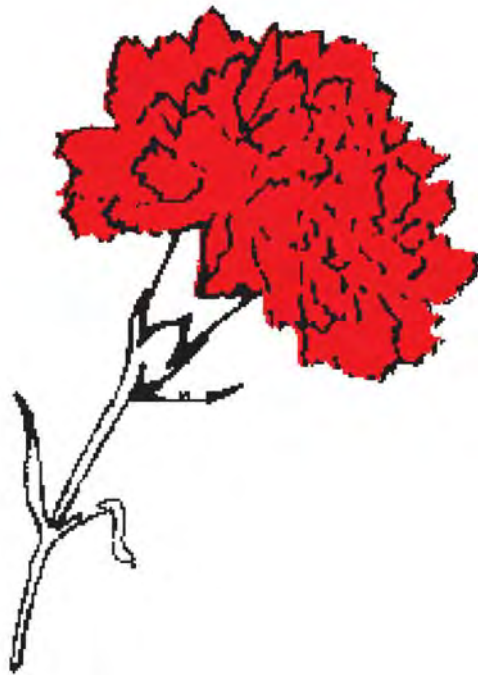


# **City of Alliance, Ohio**

“The Carnation City”



## **Comprehensive Annual Financial Report**

For the Year Ended December 31, 2019





88 East Broad Street  
Columbus, Ohio 43215  
IPARReport@ohioauditor.gov  
(800) 282-0370

Members of Council  
City of Alliance  
504 East Main Street  
Alliance, Ohio 44601

We have reviewed the *Independent Auditor's Report* of the City of Alliance, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 18, 2020

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**CITY OF ALLIANCE, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2019**

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The City of

**Alliance,** OHIO, 44601-2415

"The Carnation City"

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August 28, 2020

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, 2019, 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 is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Accounting Principles Generally Accepted in the United States of America (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 Auditors' 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*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". 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 Alliance City Health Department is a component unit of the City.

## **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, which is the 128<sup>th</sup> 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.

One daily newspaper serves the City. The City is within the broadcast area of numerous television stations and AM and FM radio stations. Time Warner Cable and AT&T provide 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. Stark State College operates a satellite center within 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, Stark County, and Stark State College of Technology located in Jackson Township, Stark County.

The City is served by Alliance Community Hospital (ACH), a 204 bed 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, basketball and volleyball courts and soccer fields. The City has a city owned pool at 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, 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 federal agency securities, a U.S. Government money market account, commercial paper accounts 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. Investments in 2019 consist of STAR Ohio, STAR Plus, and a portfolio of investments through Meeder Investment Management.

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 performed 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 performed by the State Tax Commissioner. Property taxes and assessments are billed and collected by county officials in Stark and Mahoning Counties.

### **Economic Conditions and Financial Outlook**

The City of Alliance, like many local government entities are dealing with revenue reductions, due to the elimination and decline of various sources, including the State of Ohio Estate Tax, Local Government Funding as well as 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. The combined effects of these losses along with increased costs, such as employee healthcare, wages and benefits, have been factors in the decline.

The City has experienced a continual decline in its general fund cash balance, in part due to a structural deficit as expenses have consistently exceeded revenues. The general fund balance has shrunk from a high of \$3.9 million in 2010 to a cash carryover of \$1,390,089 at December 31, 2019. In 2017 Moody's downgraded the City's rating on its outstanding general obligation debt from A1 to A2. This came after downgrading the City from Aa3 to A1 in 2015.

The City has attempted to reduce expenditures by attrition and incorporating part-time staff in virtually all departments. The City has incorporated modifications to its self-funded health care program which includes a wellness component, increased employee contributions, and spousal carveout with all bargaining units.

The Income Tax Department has increased collection efforts pursuing back taxes via civil and criminal court action. The City has also partnered with the Cleveland Income Tax Agency to pursue individuals that have not filed City income tax. The Tax Department also began certifying delinquent tax account to the Ohio Attorney General's office. The City's income tax collections are still feeling the effects due to the idling of Alliance Castings, the City's 4<sup>th</sup> largest employer in terms of withholding.

On January 18, 2018, the City was placed in fiscal caution by the Auditor of State of Ohio based on low carryover balances especially in the General Fund. The State later elevated the City to Fiscal Watch on May 31, 2018 due to City Council not approving a required recovery plan in the required timeframe. Alliance City Council voted to approve reallocating income tax revenues to increase the percentage received from 79% to 91% for the fourth consecutive year. This has the effect of reducing funds normally reserved for master capital and street funds.



## **Long-Term Financial Planning**

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

## **City of Alliance Opportunity Zone**

An area in the Downtown Alliance area was designated an Opportunity Zone. According to Opportunity Zones Ohio, "An Opportunity Zone is a low-income community where new investments may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury".

## **Park Levy**

Alliance voters passed a five-year 3.0 mill Parks and Recreation property tax levy in 2018. The levy generated \$711K in 2019 to fund the Parks operating and capital budgets. The levy allowed for Park expenses to be removed from the City's general fund.

## **Water - Sewer Rates**

The City increased sewer rates by 1.7%. The City's is required 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.

## **State Street Corridor Rehabilitation**

State Street (US62) was paved from the North bound ramp to Freshley Avenue and from Federal to Belleflower. Sidewalks were added from Oakhill to Freshley. New ADA ramps were installed in designated sections where there are currently none. The project was funded by ODOT, SCATS and City funding.

## **23<sup>rd</sup> Street Water Tower**

The exterior of the tower was coated in 2019. All towers will be part of a regular maintenance schedule as part of the agreement signed in 2018.

## **SAFER Grant**

The City began receiving FEMA funding for Staffing for Adequate Fire and Emergency Response (SAFER) funds to hire additional firefighters in 2019. The grant is for a 3 year period and provides for \$469,841 of federal funding. The grant pays for a portion of wages and fringe benefits along with a required matching component of City funds.

## **City of Alliance/Marlington Schools Waterline**

The City of Alliance cooperatively completed extended water services to the Marlington local School system. The project was completed in 3 phases and includes an EPA loan to the City which will be repaid on a pro-rated basis by Alliance and Marlington. The City will contribute labor and materials for a portion of this project.

### **Water Line Extension to Smith Township**

The City of Alliance extended water service to nearby Smith Township. This project now supplies water to a commercial area east of the city along Oyster Rd. and helps facilitate new commercial development.

### **Enhanced City website**

The City launched an enhanced website in 2019. The site provides for greater interactivity and transparency. The updated site will also allow residents to search for property and job listings. The site is [www.cityofalliance.com](http://www.cityofalliance.com).

### **City of Alliance recognized for Excellence in Financial Reporting**

The Government Finance Officers Association (GFOA) recognized the city of Alliance for its FY2018 Comprehensive Annual Financial Report (CAFR). The city's CAFR was honored after an impartial panel judged it to meet the high standards of the program, including demonstrating a constructive "spirit of full disclosure" to clearly communicate its accurate financial story and motivate potential users and user groups to read the CAFR.

### **Demolitions through Neighborhood Initiative Program (NIP)**

The City of Alliance completed this grant funded demolition program in 2019 which addressed many blighted homes throughout the community. Program included: acquisition, asbestos survey and abatement, demolition, grading & greening, tree removal, and sidewalk replacement. Overall, a total of 161 condemned structures were taken down

### **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.

### **Union Avenue Corridor Project**

Union Avenue (SR183) from College Street to Columbia Street. Replacing of curbs, installation of decorative street lighting and replacement of deteriorated sidewalk as needed. New ADA ramps will also be installed as needed. The majority of the funding will come from OPWC grant (\$295,000) and CDBG grants (\$136,000).

### **Performance Audit by Ohio State Auditor**

The City is working in conjunction with the State of Ohio Auditor's Office to complete a performance audit. The audit will focus on an analysis of safety and fleet management practices. The City hopes to be able to achieve savings based on their recommendations.

### **Contract Negotiations**

The City entered 2020 with 8 open contracts out of a total of 13 unions. The City has reached agreements with 6 of the 8. The City and FOP Police Supervisors and OPBA Dispatchers are in still in negotiations.

## **City Dog Park**

A Dog Park was dedicated in July of 2019, donations have been secured to commence the construction and further donations and grants will be pursued to enhance the facility. Anticipated opening is Spring of 2020.

## **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](mailto:auditor@allianceoh.gov).

## **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 ensure 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, 2018. 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 nineteen consecutive years (1999-2018). 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, 2019 have been audited by Julian & Grube, Inc. 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, Inc. for their assistance with the preparation of this Comprehensive Annual Financial Report.

Respectfully Submitted,



Kevin G. Knowles  
City Auditor

**CITY OF ALLIANCE, OHIO**

City Officials

December 31, 2019

Mayor	Alan Andreani
President of Council	Art Garnes
Councilman - Ward I	Sheila K. Cherry
Councilman - Ward II	Cindy King
Councilman - Ward III	Frank Minear
Councilman - Ward IV	Jim Edwards
Council-at-Large	Andrew Grove
Council-at-Large	Brian Simeone
Council-at-Large	Roger Rhome
Clerk of Council	Gerald T. Yost
Law Director	Jennifer Arnold
Judge	Andrew Zumbar
Clerk of Court	Mary Anne Carper
Civil Service	Joyce Lamb, W. John Gross, Renee Young

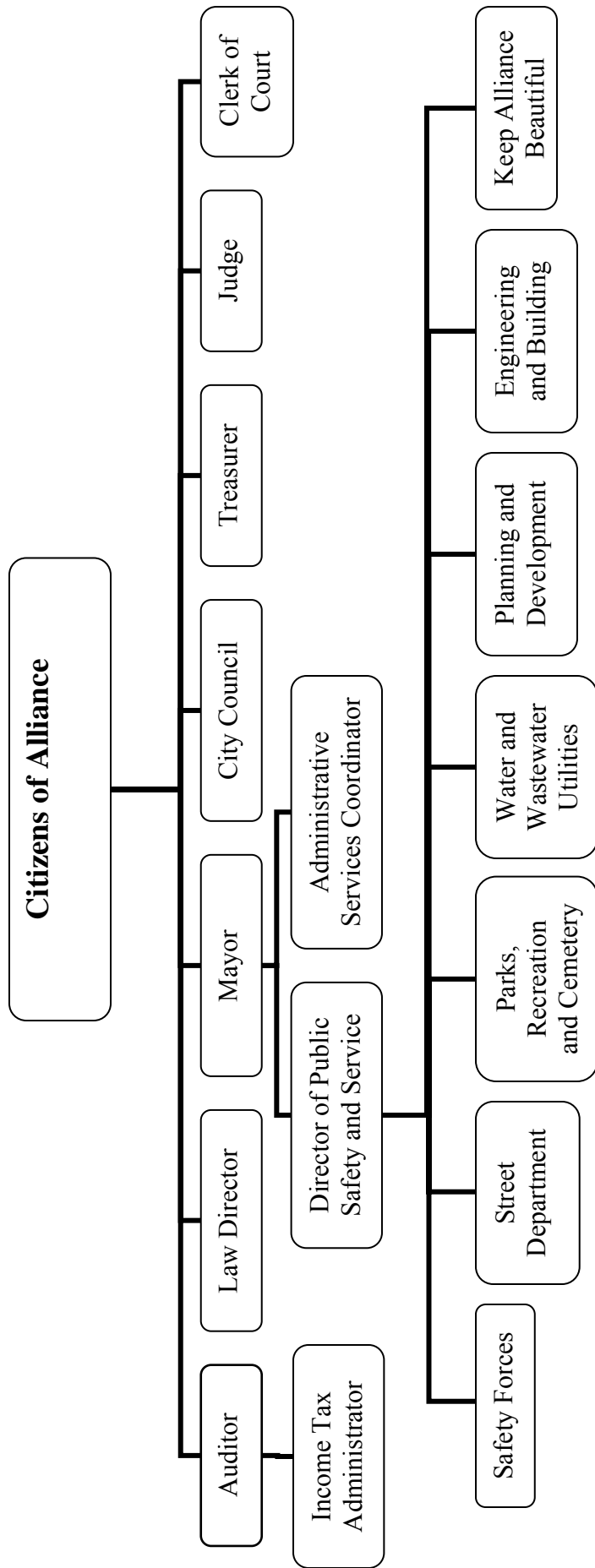
**Finance**

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

**Public Safety and Service**

Director of Public Safety and Service	Michael Dreger
Fire Chief	Jason Hunt
Police Chief	Scott Griffith
Director of Parks, Cemetery and Public Lands	Kimberly Cox
Water Plant	Amy Elliot
Wastewater Plant	Kim Laquatra
Water and Wastewater Distribution	Doug Hastings
Utility Billing and Collection	Angie Weir
Health and Human Services	Randy Flint
Planning and Development	Joe Mazzola
Senior Citizens Center	Helen Miller
Street Department	John Bertolini
Engineering	Curtis Bungard

# City of Alliance, Ohio Organizational Chart





Government Finance Officers Association

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, 2018**

Executive Director/CEO

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## FINANCIAL SECTION

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## Independent Auditor's Report

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

To the Members of Council and Mayor:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Alliance'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 of Alliance'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 of Alliance's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Revolving Loan funds, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City of Alliance. Additionally, as disclosed in Note 3 to the financial statements, the City of Alliance chose to implement GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*," allowing the City of Alliance to postpone the implementation of any newly applicable GASB pronouncements until the reporting date of December 31, 2020. We did not modify our opinion regarding these matters.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information 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 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 August 28, 2020, on our consideration of the City of Alliance'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 of Alliance's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
August 28, 2020

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## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019. 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 2019 are as follows:

- The total net position of the City increased \$10,829,479. Net position of governmental activities increased \$9,367,766 or 264.11% and net position of business-type activities increased \$1,461,713 or 5.58%.
- General revenues accounted for \$14,079,849 or 72.52% of total governmental activities revenue. Program specific revenues accounted for \$5,335,955 or 27.48% of total governmental activities revenue.
- The City had \$11,073,512 in expenses related to governmental activities; \$5,335,955 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$5,737,557 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$14,079,849.
- The general fund had revenues of \$13,802,256 in 2019. This represents an increase of \$415,934 from 2018. The expenditures and other financing uses of the general fund, which totaled \$12,663,768 in 2019, decreased \$192,254 from 2018. The general fund also had a special item of \$22,275. The net increase in fund balance for the general fund was \$1,160,763 or 65.70%.
- The revolving loan major fund had \$365,344 in revenues and \$262,595 in expenditures in 2019. The fund balance for the revolving loan fund increased \$102,749 or 3.18%.
- Net position for the business-type activities, which are made up of the water, sewer, Robertson Community Center, and community improvement funds, increased \$1,461,713 from a net position balance of \$26,205,551 in 2018 to a net position balance of \$27,667,264 in 2019.
- The water fund had \$5,682,228 in operating revenues and \$4,364,593 in operating expenses in 2019. The water fund also had non-operating revenues of \$505,888 and non-operating expenses of \$184,070. The net position of the water fund increased \$1,639,453 or 12.83%.
- The sewer fund had \$5,096,377 in operating revenues and \$5,281,067 in operating expenses in 2019. The sewer fund also had non-operating revenues of \$128,566 and non-operating expenses of \$97,533. The net position of the sewer fund decreased \$153,657 or 1.19%.

#### **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.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

#### **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 2019?" 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, community center, and community improvement funds 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.

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 29.

##### ***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.



## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

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, and the revolving loan 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, community center, and community improvement funds. 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 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 two agency funds to account for segregated cash for the municipal court and 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 59-129 of this report.

#### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and net OPEB liability. The required supplementary information can be found on pages 132-146 of this report.

**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**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, 2019 compared to December 31, 2018.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current assets	\$ 15,727,931	\$ 13,983,302	\$ 14,204,565	\$ 14,057,375	\$ 29,932,496	\$ 28,040,677
Capital assets, net	<u>17,793,452</u>	<u>18,379,403</u>	<u>31,108,103</u>	<u>30,140,148</u>	<u>48,901,555</u>	<u>48,519,551</u>
Total assets	<u>33,521,383</u>	<u>32,362,705</u>	<u>45,312,668</u>	<u>44,197,523</u>	<u>78,834,051</u>	<u>76,560,228</u>
<b>Deferred outflows of resources</b>						
Unamortized deferred charges	-	-	104,841	224,659	104,841	224,659
Pensions	6,277,945	2,709,599	1,561,446	155,137	7,839,391	2,864,736
OPEB	<u>1,477,559</u>	<u>1,323,576</u>	<u>196,040</u>	<u>771,984</u>	<u>1,673,599</u>	<u>2,095,560</u>
Total deferred outflows of resources	<u>7,755,504</u>	<u>4,033,175</u>	<u>1,862,327</u>	<u>1,151,780</u>	<u>9,617,831</u>	<u>5,184,955</u>
<b>Liabilities</b>						
Current liabilities	1,122,783	1,316,705	246,023	599,486	1,368,806	1,916,191
Long-term liabilities:						
Due within one year	796,982	857,894	2,095,715	1,927,756	2,892,697	2,785,650
Net pension liability	22,857,573	16,221,066	5,222,793	3,037,933	28,080,366	19,258,999
Net OPEB liability	4,861,681	13,981,415	2,443,231	2,071,595	7,304,912	16,053,010
Other amounts	<u>2,415,483</u>	<u>2,467,277</u>	<u>9,240,394</u>	<u>10,391,015</u>	<u>11,655,877</u>	<u>12,858,292</u>
Total liabilities	<u>32,054,502</u>	<u>34,844,357</u>	<u>19,248,156</u>	<u>18,027,785</u>	<u>51,302,658</u>	<u>52,872,142</u>
<b>Deferred inflows of resources</b>						
Property taxes	1,762,325	1,756,528	-	-	1,762,325	1,756,528
Pension	723,609	2,310,196	179,375	873,154	902,984	3,183,350
OPEB	<u>915,652</u>	<u>1,031,766</u>	<u>80,200</u>	<u>242,813</u>	<u>995,852</u>	<u>1,274,579</u>
Total deferred inflows of resources	<u>3,401,586</u>	<u>5,098,490</u>	<u>259,575</u>	<u>1,115,967</u>	<u>3,661,161</u>	<u>6,214,457</u>
<b>Net Position</b>						
Net investment in capital assets	17,381,872	17,926,582	20,478,007	18,528,115	37,859,879	36,454,697
Restricted	4,809,108	4,964,884	1,878,329	1,471,659	6,687,437	6,436,543
Unrestricted (deficit)	<u>(16,370,181)</u>	<u>(26,438,433)</u>	<u>5,310,928</u>	<u>6,205,777</u>	<u>(11,059,253)</u>	<u>(20,232,656)</u>
Total net position (deficit)	<u>\$ 5,820,799</u>	<u>\$ (3,546,967)</u>	<u>\$ 27,667,264</u>	<u>\$ 26,205,551</u>	<u>\$ 33,488,063</u>	<u>\$ 22,658,584</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2019, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,488,063. At year-end, net position for governmental activities was a balance of \$5,820,799 and net position for business-type activities was a balance of \$27,667,264.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

The net pension liability and net OPEB liability, as well as the deferred inflows and outflows of resources related to pension and OPEB fluctuated considerably. These liabilities represent the City's share of the two state retirement systems' present value of estimated future pension benefits less the assets available to pay those benefits. This will fluctuate annually based on a number of factors including investment returns, actuarial assumptions used, and the City's proportionate share of the net pension and net OPEB cost. As a result many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB. The result would be net position at December 31, 2019 of \$27,398,688 for governmental activities and \$33,815,157 for business-type activities.

Other than pensions and OPEB, significant changes for governmental activities include an increase in current assets, which is mostly due to higher cash balances and increased property taxes receivable as a result of the new parks levy. Net capital assets decreased as depreciation expense exceeded current year additions. Current liabilities decreased due to less accounts payable throughout the City's funds.

The business-type activities also had higher cash balances at year-end leading to an increase in current assets. The increase in net capital assets is primarily due to the continued construction of the City's Powered Activated Carbon System. As with the governmental activities, current liabilities for the business-type activities decreased due to less accounts and contracts payable in the City's Water and Sewer funds. Long-term liabilities (other than pension and OPEB) decreased as the sewer and water fund continued to make payments on their long-term obligations.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2019, capital assets represented 62.03% 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, 2019, was \$17,381,872 and \$20,478,007 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.

A portion of the City's governmental net position, \$4,809,108, 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 is a deficit of \$16,370,181.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

The table below shows the changes in net position for 2018 and 2019.

**Change in Net Position**

	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Total 2019	Total 2018
<b>Revenues:</b>						
Program revenues:						
Charges for services and sales	\$ 1,857,775	\$ 2,155,001	\$ 12,130,738	\$ 11,960,765	\$ 13,988,513	\$ 14,115,766
Operating grants and contributions	2,915,262	3,154,892	-	-	2,915,262	3,154,892
Capital grants and contributions	562,918	233,320	-	269,500	562,918	502,820
<b>Total program revenues</b>	<b>5,335,955</b>	<b>5,543,213</b>	<b>12,130,738</b>	<b>12,230,265</b>	<b>17,466,693</b>	<b>17,773,478</b>
General revenues:						
Property taxes	1,988,388	1,057,126	-	-	1,988,388	1,057,126
Income taxes	10,702,325	10,366,624	432,114	405,720	11,134,439	10,772,344
Unrestricted grants	649,164	659,829	-	-	649,164	659,829
Interest	22,766	26,599	202,340	158,273	225,106	184,872
Gain on fair value of investments	199,082	17,869	-	-	199,082	17,869
Miscellaneous	518,124	362,698	-	-	518,124	362,698
<b>Total general revenues</b>	<b>14,079,849</b>	<b>12,490,745</b>	<b>634,454</b>	<b>563,993</b>	<b>14,714,303</b>	<b>13,054,738</b>
<b>Total revenues</b>	<b>19,415,804</b>	<b>18,033,958</b>	<b>12,765,192</b>	<b>12,794,258</b>	<b>32,180,996</b>	<b>30,828,216</b>
<b>Expenses:</b>						
General government	4,094,336	3,617,085	-	-	4,094,336	3,617,085
Security of persons and property	1,187,041	10,483,887	-	-	1,187,041	10,483,887
Public health services	724,395	1,058,035	-	-	724,395	1,058,035
Transportation	2,824,884	2,295,904	-	-	2,824,884	2,295,904
Community environment	1,138,812	1,583,160	-	-	1,138,812	1,583,160
Basic utility services	79,816	47,541	-	-	79,816	47,541
Leisure time activities	1,009,135	739,664	-	-	1,009,135	739,664
Interest and fiscal charges	15,093	16,497	-	-	15,093	16,497
Water	-	-	4,576,875	5,060,457	4,576,875	5,060,457
Sewer	-	-	5,409,140	5,086,176	5,409,140	5,086,176
Robertson Community Center	-	-	83,696	65,137	83,696	65,137
Community Improvement	-	-	1,233,768	1,243,119	1,233,768	1,243,119
<b>Total expenses</b>	<b>11,073,512</b>	<b>19,841,773</b>	<b>11,303,479</b>	<b>11,454,889</b>	<b>22,376,991</b>	<b>31,296,662</b>
Increase (decrease) in net position before special item	8,342,292	(1,807,815)	1,461,713	1,339,369	9,804,005	(468,446)
Special item - transfer of operations	1,025,474	-	-	-	1,025,474	-
<b>Change in net position</b>	<b>9,367,766</b>	<b>(1,807,815)</b>	<b>1,461,713</b>	<b>1,339,369</b>	<b>10,829,479</b>	<b>(468,446)</b>
Net position (deficit) at beginning year	(3,546,967)	(1,739,152)	26,205,551	24,866,182	22,658,584	23,127,030
<b>Net position (deficit) at end of year</b>	<b>\$ 5,820,799</b>	<b>\$ (3,546,967)</b>	<b>\$ 27,667,264</b>	<b>\$ 26,205,551</b>	<b>\$ 33,488,063</b>	<b>\$ 22,658,584</b>

**Governmental Activities**

Governmental activities net position increased \$9,367,766 in 2019. Total revenues increased while total expenses decreased. The City also reported a special item of \$1,025,474 as a result of the transfer of operations of the Alliance City Health Department. This had previously been included as a department of the City, but effective January 1, 2019 is now reported as a discretely presented component unit.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Total revenues increased mostly as a result of an increase in property taxes, income taxes, and capital grants and contributions. The increase in property taxes is due to increased collection as a result of the new parks levy. The increase in income taxes can be attributed to increased income taxes collected in the general fund. The increase in capital grants and contributions is primarily due to land that was donated to the City's Parks in the amount of \$212,700.

Total expenses decreased significantly which is primarily due to a decrease in the City's proportionate share of OPEB expense as required under GASB 75. This is especially evident in the security of persons and property expenses which resulted from changes in the net OPEB liability and related deferred inflows and outflows of resources related to the Ohio Police & Fire Pension System. These can vary from year to year based on the performance of the OPEB plan investments and changes in the actuarial assumptions used.

General government expenses totaled \$4,094,336. General government expenses were partially funded by \$1,401,813 in direct charges to users of the services. Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$1,187,041 of the total expenses of the City. These expenses were partially funded by \$180,066 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,915,262 in operating grants and contributions and \$562,918 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Capital grants and contributions in 2019 subsidized transportation and leisure time activity programs.

General revenues totaled \$14,079,849 and amounted to 72.52% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$12,690,713. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and homestead and rollback, making up \$649,164.

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.

**Governmental Activities**

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
<b>Program expenses:</b>				
General government	\$ 4,094,336	\$ 2,661,423	\$ 3,617,085	\$ 2,022,528
Security of persons and property	1,187,041	801,372	10,483,887	10,131,346
Public health services	724,395	647,149	1,058,035	712,070
Transportation	2,824,884	1,318,471	2,295,904	1,087,766
Community environment	1,138,812	(551,700)	1,583,160	(427,509)
Basic utility services	79,816	79,816	47,541	47,541
Leisure time activities	1,009,135	765,933	739,664	708,321
Interest and fiscal charges	<u>15,093</u>	<u>15,093</u>	<u>16,497</u>	<u>16,497</u>
Total expenses	<u>\$ 11,073,512</u>	<u>\$ 5,737,557</u>	<u>\$ 19,841,773</u>	<u>\$ 14,298,560</u>

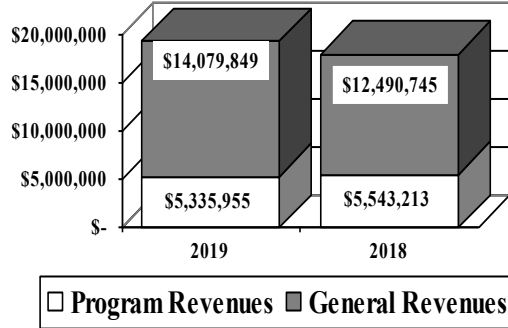
The dependence upon general revenues for governmental activities is apparent, with only 48.19% of expenses supported through program revenues.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

The graph below shows the City’s general revenues and program revenues for 2018 and 2019.

**Governmental Activities – General and Program Revenues**

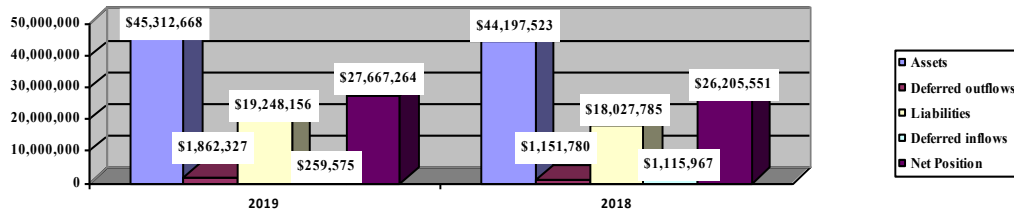


**Business-Type Activities**

Business-type activities include the water, sewer, community center, and community improvement enterprise funds. These programs had program revenues of \$12,130,738, general revenues of \$634,454 and expenses of \$11,303,479 for 2019.

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

**Net Position in Business - Type Activities**



**Financial Analysis of the Government’s Major 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.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

The City's governmental funds reported a combined fund balance of \$9,342,473 which is \$1,912,168 greater than last year's total of \$7,430,305. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2019 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/2019</u>	<u>Fund Balances</u> <u>12/31/2018</u>	<u>Change</u>
Major funds:			
General	\$ 2,927,408	\$ 1,766,645	\$ 1,160,763
Revolving loan	3,334,257	3,231,508	102,749
Other nonmajor governmental funds	<u>3,080,808</u>	<u>2,432,152</u>	<u>648,656</u>
Total	<u>\$ 9,342,473</u>	<u>\$ 7,430,305</u>	<u>\$ 1,912,168</u>

**General Fund**

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

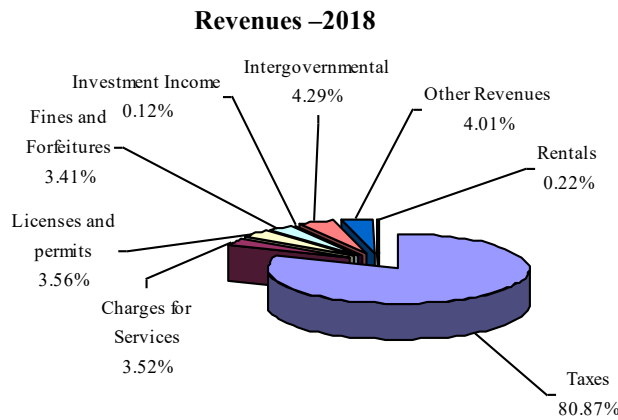
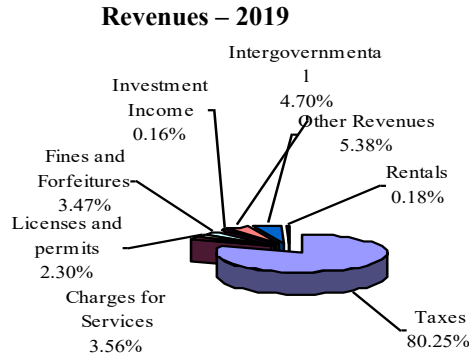
	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues:</b>				
Taxes	\$ 11,076,366	\$ 10,750,564	\$ 325,802	3.03 %
Charges for services	490,839	468,472	22,367	4.77 %
Licenses and permits	318,119	473,778	(155,659)	(32.85) %
Fines and forfeitures	478,602	453,660	24,942	5.50 %
Investment income	22,561	16,088	6,473	40.23 %
Intergovernmental	649,291	569,795	79,496	13.95 %
Rentals	24,446	29,486	(5,040)	(17.09) %
Other	<u>742,032</u>	<u>533,125</u>	<u>208,907</u>	39.19 %
Total	<u>\$ 13,802,256</u>	<u>\$ 13,294,968</u>	<u>\$ 507,288</u>	3.82 %

Revenues of the general fund increased \$507,288 or 3.82%. Taxes revenue consists of income taxes and property and other taxes, both of which increased in 2019 as discussed on page 28. Intergovernmental revenue increased \$79,496 or 13.95% due mainly to an increase in grant revenue received from the state. The decrease of \$155,659 or 32.85% in licenses and permits is due to decreased bank foreclosure registration revenues. Other revenues increased as a result of increased engineering and planning fees and cable franchise fees. The general fund also reported a gain on fair value of investments in 2019 after reporting a loss in 2018.



**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**



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

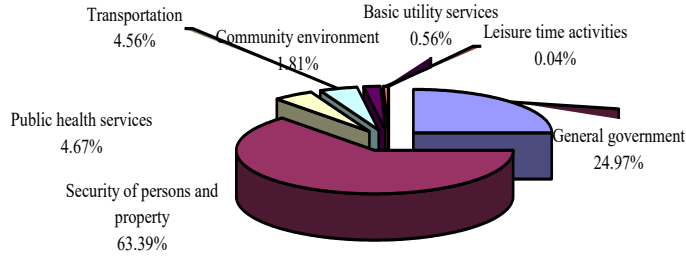
	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Expenditures:</b>				
General government	\$ 2,868,015	\$ 2,994,031	\$ (126,016)	(4.21) %
Security of persons and property	7,280,008	7,454,088	(174,080)	(2.34) %
Public health services	535,911	675,087	(139,176)	(20.62) %
Transportation	524,169	-	524,169	100.00 %
Community environment	207,505	155,972	51,533	33.04 %
Leisure time activities	4,303	576,601	(572,298)	(99.25) %
Basic utility services	64,144	42,758	21,386	50.02 %
<b>Total</b>	<u>\$ 11,484,055</u>	<u>\$ 11,898,537</u>	<u>\$ (414,482)</u>	<u>(3.48) %</u>

Expenditures of the general fund decreased \$414,482 or 3.48%. Leisure time activities decreased by \$572,298 or 99.25% because most of the activity for leisure time activity was moved to a new fund, the park levy fund. Transportation expenditures increased due to \$524,169 in street construction and maintenance in 2019, as the general fund had sufficient resources to help finance street improvements in 2019. Security of persons and property expenditures decreased due to fewer payables and accrued wages at the end of 2019.

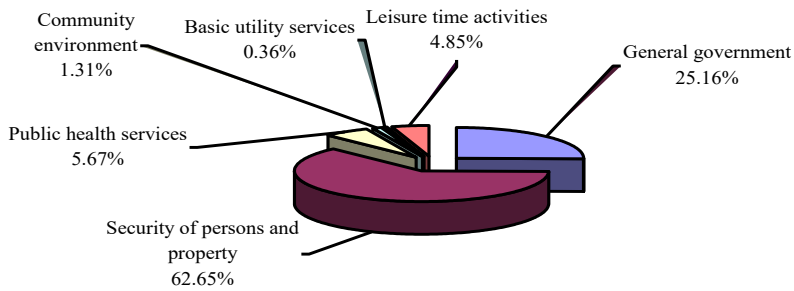
**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Expenditures – 2019**



**Expenditures – 2018**



***Revolving Loan Fund***

The revolving loan fund is reported as a major fund and had \$365,344 in revenues and \$262,595 in expenditures in 2019. Activity in this fund decreased in 2019 because the City expanded the Neighborhood Initiative Program in 2018, which focuses on improving blighted neighborhoods. The City is reimbursed for a majority of the costs through State grants. The fund balance for the revolving loan fund increased \$102,749 or 3.18% during the year, from \$3,231,508 to \$3,334,257.

**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.

In the general fund, the actual revenues and other financing sources of \$12,981,736 was more than the final budget amount of \$12,934,956. Actual expenditures and other financing uses of \$12,162,214 were lower than the final budget amount of \$12,487,933. The decrease of \$325,719 from final budgeted amounts to actual expenditures and other financing uses is due mainly to decreased spending for general government and security of persons and property. Budgeted expenditures and other financing uses were increased \$472,765 from the original to the final budget, mostly to account for additional transfers and advances to other funds. Budgeted revenues were increased \$1,217,879 from the original to the final budget in order to more closely reflect higher collections of income taxes and property taxes.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

***Proprietary Funds***

The City’s proprietary fund financial statements 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 pages 52-53) reported a combined net position of \$27,667,264, which is \$1,461,713 more than last year’s total of \$26,205,551.

The schedule below indicates the net position and the total change in net position as of December 31, 2019 and 2018 for all major and nonmajor business-type funds.

	<u>Net Position</u> <u>12/31/19</u>	<u>Net Position</u> <u>12/31/18</u>	<u>Change</u>
Major funds:			
Water	\$ 14,422,649	\$ 12,783,196	\$ 1,639,453
Sewer	12,773,275	12,926,932	(153,657)
Nonmajor funds	<u>497,866</u>	<u>463,197</u>	<u>34,669</u>
Total	<u>\$ 27,693,790</u>	<u>\$ 26,173,325</u>	<u>\$ 1,520,465</u>

***Water***

Net position of the City’s water fund increased \$1,639,453 or 12.83% during 2019 from \$12,783,196 to \$14,422,649. The table below compares the revenues, expenses, and other changes in net position for the past two years.

	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Operating revenues</u></b>				
Charges for services	\$ 5,600,426	\$ 5,574,485	\$ 25,941	0.47 %
Other	<u>81,802</u>	<u>118,252</u>	<u>(36,450)</u>	(30.82) %
Total operating revenues	<u>5,682,228</u>	<u>5,692,737</u>	<u>(10,509)</u>	(0.18) %
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,388,893	1,441,272	(52,379)	(3.63) %
Fringe benefits	972,113	767,053	205,060	26.73 %
Contractual services	569,651	723,112	(153,461)	(21.22) %
Materials and supplies	836,137	1,191,557	(355,420)	(29.83) %
Depreciation	548,469	500,692	47,777	9.54 %
Other	<u>49,330</u>	<u>150,714</u>	<u>(101,384)</u>	(67.27) %
Total operating expenses	<u>4,364,593</u>	<u>4,774,400</u>	<u>(409,807)</u>	(8.58) %
<b><u>Other changes in net position</u></b>				
Municipal income tax	432,114	405,720	26,394	6.51 %
Loss on disposal of capital assets	(5,301)	-	(5,301)	(100.00) %
Interest and fiscal charges	(178,769)	(296,222)	117,453	(39.65) %
Transfer out	-	(154,969)	154,969	100.00 %
Investment income	<u>73,774</u>	<u>67,629</u>	<u>6,145</u>	9.09 %
Total other changes in net position	<u>321,818</u>	<u>22,158</u>	<u>299,660</u>	1,352.38 %

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Operating revenues of the water fund decreased \$10,509 or 0.18%. This decrease is the result of fewer reimbursements being collected in the water fund. Operating expenses decreased \$409,807 or 8.58% due mainly to less materials and supplies expenses in 2019. Transfers in 2018 consisted of capital asset purchases from the water fund that were transferred to the sewer fund, and no transfers occurred in 2019.

***Sewer***

Net position of the City's sewer fund decreased \$153,657 or 1.19% during 2019 from \$12,926,932 to \$12,773,275. The table below compares the revenues, expenses, and other changes in net position for the past two years.

	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Operating revenues</u></b>				
Charges for services	\$ 5,016,043	\$ 4,913,442	\$ 102,601	2.09 %
Licenses and permits	32,635	19,868	12,767	64.26 %
Other	<u>47,699</u>	<u>30,812</u>	<u>16,887</u>	54.81 %
Total operating revenues	<u>5,096,377</u>	<u>4,964,122</u>	<u>132,255</u>	2.66 %
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,460,912	1,490,169	(29,257)	(1.96) %
Fringe benefits	1,013,814	764,336	249,478	32.64 %
Contractual services	894,530	1,189,951	(295,421)	(24.83) %
Materials and supplies	1,136,216	816,119	320,097	39.22 %
Depreciation	770,415	750,587	19,828	2.64 %
Other	<u>5,180</u>	<u>2,711</u>	<u>2,469</u>	91.07 %
Total operating expenses	<u>5,281,067</u>	<u>5,013,873</u>	<u>267,194</u>	5.33 %
<b><u>Other changes in net position</u></b>				
Transfers in	-	154,969	(154,969)	(100.00) %
Investment income	128,566	90,644	37,922	41.84 %
Interest and fiscal charges	(95,281)	(83,177)	(12,104)	14.55 %
Loss on disposal of capital assets	(2,252)	-	(2,252)	(100.00) %
Capital contributions	<u>-</u>	<u>269,500</u>	<u>(269,500)</u>	(100.00) %
Total other changes in net position	<u>31,033</u>	<u>431,936</u>	<u>(400,903)</u>	(92.82) %

Operating revenues of the sewer fund increased \$132,255 or 2.66%. This increase can mainly be attributed to a usage increase from the prior year as well as an increase in sewer rates. Operating expenses increased \$267,194 or 5.33% due mainly to an increase in spending for fringe benefits, and materials and supplies.

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2019, the City had \$48,901,555 (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, \$17,793,452 was reported in governmental activities and \$31,108,103 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosures.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

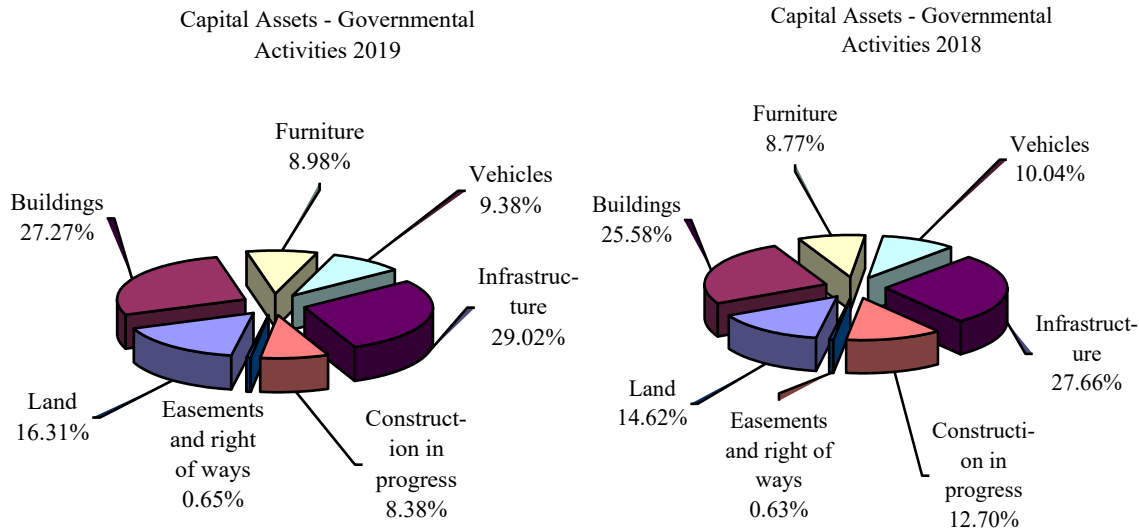
The following table shows December 31, 2019 balances compared to December 31, 2018:

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

	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>	Business-type Activities <u>2019</u>	Business-type Activities <u>2018</u>	Total <u>2019</u>	Total <u>2018</u>
Land	\$ 2,901,687	\$ 2,688,987	\$ 1,159,437	\$ 1,159,437	\$ 4,061,124	\$ 3,848,424
Easements and right of ways	116,018	116,018	-	-	116,018	116,018
Buildings, structures and improvements	4,852,674	4,696,852	11,815,783	11,822,046	16,668,457	16,518,898
Furniture, fixtures and equipment	1,598,020	1,610,941	5,069,822	4,579,247	6,667,842	6,190,188
Vehicles	1,669,402	1,836,999	-	-	1,669,402	1,836,999
Infrastructure	5,163,974	5,079,623	-	-	5,163,974	5,079,623
Land improvements	-	-	126,301	150,047	126,301	150,047
Water and sewer lines	-	-	8,903,208	9,207,188	8,903,208	9,207,188
Construction in progress	<u>1,491,677</u>	<u>2,332,499</u>	<u>4,033,552</u>	<u>3,222,183</u>	<u>5,525,229</u>	<u>5,554,682</u>
<b>Total</b>	<b><u>\$ 17,793,452</u></b>	<b><u>\$ 18,361,919</u></b>	<b><u>\$ 31,108,103</u></b>	<b><u>\$ 30,140,148</u></b>	<b><u>\$ 48,901,555</u></b>	<b><u>\$ 48,502,067</u></b>

The overall decrease for governmental activities is a result of depreciation expense of \$1,642,543 and net capital asset disposals of \$2,711 exceeding capital asset additions of \$1,076,787. For the business-type activities, the overall increase is a result of net capital asset additions of \$2,311,809 exceeding depreciation expense of \$1,333,185 and net capital asset disposals of \$10,669.

The following graphs show the breakdown of governmental capital assets by category at December 31, 2019 and December 31, 2018.

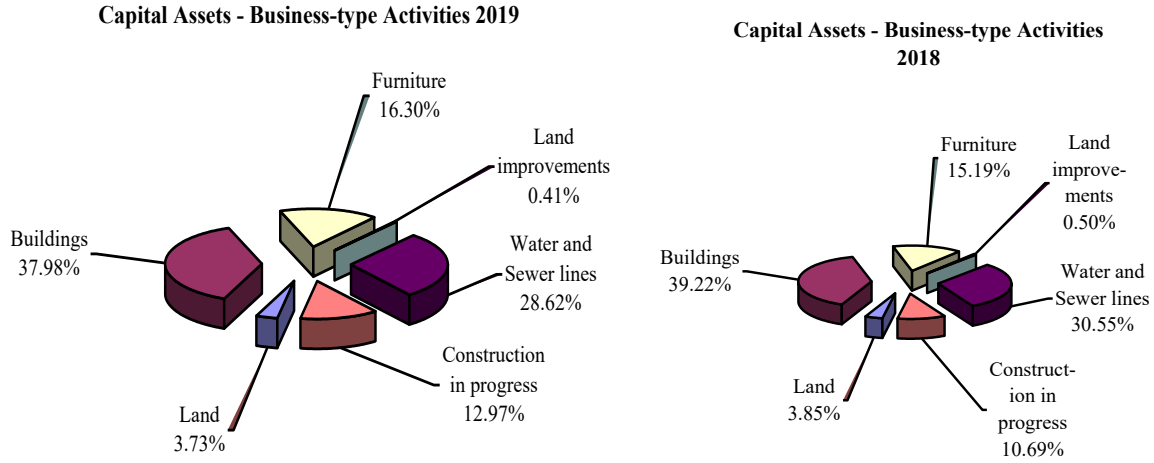


The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 29.02% of the City's total governmental capital assets.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2019 and December 31, 2018.



The City's largest business-type capital asset category is the buildings and improvements. The net book value of the City's building and improvements (cost less accumulated depreciation) represents approximately 37.98% of the City's total business-type capital assets. The City completed work on a sludge dewatering facility in 2019, which was removed from construction in progress and added to the building capital asset class.

***Debt Administration***

The City had the following long-term debt obligations outstanding at December 31, 2019 and 2018:

	Governmental Activities 2019	Governmental Activities 2018
Police and fire pension liability	\$ 271,288	\$ 283,521
SIB Loan	91,579	112,820
OPWC loan	<u>320,001</u>	<u>340,001</u>
Total long-term obligations	<u>\$ 682,868</u>	<u>\$ 736,342</u>
	Business-type Activities 2019	Business-type Activities 2018
Revenue bonds	\$ 1,447,258	\$ 2,840,553
General obligation bonds	805,121	860,131
OPWC loans	1,515,303	1,626,088
OWDA loans	<u>6,967,255</u>	<u>6,382,842</u>
Total long-term obligations	<u>\$ 10,734,937</u>	<u>\$ 11,709,614</u>

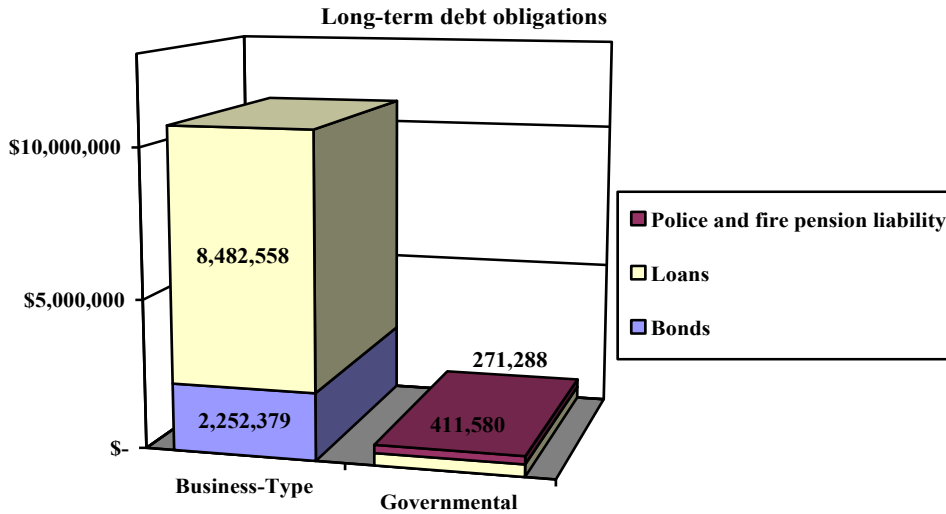
The only additions to long-term debt in 2019 were two OWDA loans in the amount of \$896,846 for a carbon feed system and the Marlington-Alliance Waterline.

See Note 11 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, 2019

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



### Economic Conditions and Financial Outlook

The City of Alliance, like many local government entities are dealing with revenue reductions, due to the elimination and decline of various sources, including the State of Ohio Estate Tax, Local Government Funding as well as 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. The combined effects of these losses along with increased costs, such as employee healthcare, wages and benefits, have been factors in the decline.

The City has experienced a continual decline in its general fund cash balance, in part due to a structural deficit as expenses have consistently exceeded revenues. The general fund balance has shrunk from a high of \$3.9 million in 2010 to a cash carryover of \$1,390,089 at December 31, 2019. In 2017 Moody's downgraded the City's rating on its outstanding general obligation debt from A1 to A2. This came after downgrading the City from Aa3 to A1 in 2015.

The City has attempted to reduce expenditures by attrition and incorporating part-time staff in virtually all departments. The City has incorporated modifications to its self-funded health care program which includes a wellness component, increased employee contributions, and spousal carveout with all bargaining units.

The Income Tax Department has increased collection efforts pursuing back taxes via civil and criminal court action. The City has also partnered with the Cleveland Central Collection Agency to pursue individuals that have not filed City income tax. The Tax Department also began certifying delinquent tax account to the Ohio Attorney General's office. The City's income tax collections are still feeling the effects due to the idling of Alliance Castings, the City's 4<sup>th</sup> largest employer in terms of withholding.

The City is examining current and potential revenue streams as well as analyzing ways to reduce expenditures in light of revenue reductions and increasing operating costs. Alliance residents approved a 3.0 mill, 5-year parks levy on May 8, 2018. It is estimated to provide \$865,000 annually. The Parks and Recreation Department was removed from the general fund beginning in 2019.

The City was placed in fiscal caution by the Auditor of State of Ohio based on low carryover balances especially in the General Fund. The State later elevated the City to Fiscal Watch due to City Council not approving a required recovery plan in the required timeframe. In 2019, Alliance City Council voted to approve reallocating income tax revenues to increase the percentage reported in the general fund from 79% to 91% for the third consecutive year. This has the effect of reducing funds normally reserved for master capital and street funds.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**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](mailto:auditor@allianceoh.gov).



CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Alliance City Health Department
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 7,574,762	\$ 9,200,095	\$ 16,774,857	\$ 83,125
Receivables:				
Municipal income taxes . . . . .	2,192,623	91,359	2,283,982	-
Property and other taxes . . . . .	2,114,558	-	2,114,558	-
Accounts . . . . .	162,626	1,122,037	1,284,663	-
Special assessments . . . . .	1,420,386	-	1,420,386	-
Intergovernmental . . . . .	1,118,193	-	1,118,193	-
Accrued interest . . . . .	48,872	-	48,872	-
Loans . . . . .	759,842	-	759,842	-
Internal balance . . . . .	26,526	(26,526)	-	-
Prepayments . . . . .	189,351	82,015	271,366	10,150
Materials and supplies inventory . . . . .	95,070	382,418	477,488	-
Net pension asset . . . . .	25,122	20,220	45,342	3,701
Restricted assets:				
Equity in pooled cash and cash equivalents . . . . .	-	1,652,595	1,652,595	-
Cash and cash equivalents with fiscal agents . . . . .	-	1,680,352	1,680,352	-
Capital assets:				
Non-depreciable capital assets . . . . .	4,509,382	5,192,989	9,702,371	-
Depreciable capital assets, net . . . . .	13,284,070	25,915,114	39,199,184	14,960
Total capital assets, net . . . . .	17,793,452	31,108,103	48,901,555	14,960
Total assets . . . . .	33,521,383	45,312,668	78,834,051	111,936
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding . . . . .	-	104,841	104,841	-
Pension . . . . .	6,277,945	1,561,446	7,839,391	292,512
OPEB . . . . .	1,477,559	196,040	1,673,599	39,374
Total deferred outflows of resources . . . . .	7,755,504	1,862,327	9,617,831	331,886
Total assets and deferred outflows of resources . . . . .	41,276,887	47,174,995	88,451,882	443,822
<b>Liabilities:</b>				
Accounts payable . . . . .	45,956	1,389	47,345	488
Contracts payable . . . . .	36,682	38,250	74,932	-
Accrued wages and benefits payable . . . . .	393,678	115,564	509,242	24,621
Claims payable . . . . .	138,884	-	138,884	-
Due to other governments . . . . .	146,254	35,105	181,359	20,920
Accrued interest payable . . . . .	981	55,715	56,696	-
Deposits held and due to others . . . . .	360,348	-	360,348	-
Long-term liabilities:				
Due within one year . . . . .	796,982	2,095,715	2,892,697	46,626
Due in more than one year:				
Net pension liability . . . . .	22,857,573	5,222,793	28,080,366	956,021
Net OPEB liability . . . . .	4,861,681	2,443,231	7,304,912	447,228
Other amounts due in more than one year . . . . .	2,415,483	9,240,394	11,655,877	127,753
Total liabilities . . . . .	32,054,502	19,248,156	51,302,658	1,623,657
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	1,762,325	-	1,762,325	-
Pension . . . . .	723,609	179,375	902,984	29,505
OPEB . . . . .	915,652	80,200	995,852	12,114
Total deferred inflows of resources . . . . .	3,401,586	259,575	3,661,161	41,619
Total liabilities and deferred inflows of resources . . . . .	35,456,088	19,507,731	54,963,819	1,665,276
<b>Net position:</b>				
Net investment in capital assets . . . . .	17,381,872	20,478,007	37,859,879	14,960
Restricted for:				
Debt service . . . . .	66,957	225,734	292,691	-
Capital projects . . . . .	38,390	-	38,390	-
Transportation projects . . . . .	143,503	-	143,503	-
Public service programs . . . . .	548,571	-	548,571	63,541
Community development programs . . . . .	3,327,370	-	3,327,370	-
Police and fire pension . . . . .	-	-	-	-
Security programs . . . . .	218,959	-	218,959	-
Other purposes . . . . .	465,358	-	465,358	-
Replacement and surplus reserve . . . . .	-	1,652,595	1,652,595	-
Unrestricted (deficit) . . . . .	(16,370,181)	5,310,928	(11,059,253)	(1,299,955)
Total net position (deficit) . . . . .	\$ 5,820,799	\$ 27,667,264	\$ 33,488,063	(1,221,454)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government . . . . .	\$ 4,094,336	\$ 1,401,813	\$ 31,100	\$ -
Security of persons and property . . . . .	1,187,041	180,066	205,603	-
Public health and welfare . . . . .	724,395	77,246	-	-
Transportation . . . . .	2,824,884	-	1,156,195	350,218
Community environment . . . . .	1,138,812	168,148	1,522,364	-
Basic utility services . . . . .	79,816	-	-	-
Leisure time activities . . . . .	1,009,135	30,502	-	212,700
Interest and fiscal charges . . . . .	15,093	-	-	-
<b>Total governmental activities . . . . .</b>	<b>11,073,512</b>	<b>1,857,775</b>	<b>2,915,262</b>	<b>562,918</b>
<b>Business-type activities:</b>				
Water . . . . .	4,576,875	5,682,228	-	-
Sewer . . . . .	5,409,140	5,096,377	-	-
Robertson Community Center . . . . .	83,696	49,807	-	-
Community Improvement . . . . .	1,233,768	1,302,326	-	-
<b>Total business-type activities . . . . .</b>	<b>11,303,479</b>	<b>12,130,738</b>	<b>-</b>	<b>-</b>
<b>Total primary government . . . . .</b>	<b>\$ 22,376,991</b>	<b>\$ 13,988,513</b>	<b>\$ 2,915,262</b>	<b>\$ 562,918</b>
<b>Component Unit:</b>				
Alliance City Health Department . . . . .	\$ 1,036,617	\$ 177,399	\$ 657,022	\$ -

**General revenues:**

Property taxes levied for:

- General purposes . . . . .
- Police pension . . . . .
- Fire pension . . . . .
- Park levy . . . . .

Municipal income taxes levied for:

- General purposes . . . . .
- Transportation projects . . . . .
- Capital improvements . . . . .
- Water department . . . . .

Grants and entitlements not restricted

- to specific programs . . . . .
- Investment earnings . . . . .
- Fair value adjustment . . . . .
- Miscellaneous . . . . .

Total general revenues . . . . .

Special item - transfer of operations . . . . .

Total general revenues and special item . . . . .

Change in net position . . . . .

**Net position (deficit) at beginning of year . . . . .**

**Net position (deficit) at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Alliance City Health Department</b>
\$ (2,661,423)	\$ -	\$ (2,661,423)	\$ -
(801,372)	-	(801,372)	-
(647,149)	-	(647,149)	-
(1,318,471)	-	(1,318,471)	-
551,700	-	551,700	-
(79,816)	-	(79,816)	-
(765,933)	-	(765,933)	-
(15,093)	-	(15,093)	-
<u>(5,737,557)</u>	<u>-</u>	<u>(5,737,557)</u>	<u>-</u>
-	1,105,353	1,105,353	-
-	(312,763)	(312,763)	-
-	(33,889)	(33,889)	-
-	68,558	68,558	-
-	<u>827,259</u>	<u>827,259</u>	<u>-</u>
<u>(5,737,557)</u>	<u>827,259</u>	<u>(4,910,298)</u>	<u>-</u>
			<u>(202,196)</u>
973,318	-	973,318	-
69,356	-	69,356	-
69,356	-	69,356	-
876,358	-	876,358	-
10,162,182	-	10,162,182	-
216,058	-	216,058	-
324,085	-	324,085	-
-	432,114	432,114	-
649,164	-	649,164	4,188
22,766	202,340	225,106	-
199,082	-	199,082	-
518,124	-	518,124	2,028
<u>14,079,849</u>	<u>634,454</u>	<u>14,714,303</u>	<u>6,216</u>
<u>1,025,474</u>	<u>-</u>	<u>1,025,474</u>	<u>(1,025,474)</u>
<u>15,105,323</u>	<u>634,454</u>	<u>15,739,777</u>	<u>(1,019,258)</u>
9,367,766	1,461,713	10,829,479	(1,221,454)
<u>(3,546,967)</u>	<u>26,205,551</u>	<u>22,658,584</u>	<u>-</u>
<u>\$ 5,820,799</u>	<u>\$ 27,667,264</u>	<u>\$ 33,488,063</u>	<u>\$ (1,221,454)</u>

**CITY OF ALLIANCE, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,292,307	\$ 2,574,205	\$ 2,541,187	\$ 7,407,699
Receivables (net of allowances for uncollectibles):				
Municipal income taxes . . . . .	2,078,424	-	114,199	2,192,623
Property and other taxes . . . . .	1,065,537	-	1,049,021	2,114,558
Accounts . . . . .	63,378	-	31,922	95,300
Intergovernmental . . . . .	263,203	-	854,990	1,118,193
Special assessments . . . . .	1,396,588	-	23,798	1,420,386
Accrued interest . . . . .	48,872	-	-	48,872
Due from other funds . . . . .	9,644	-	-	9,644
Loans . . . . .	-	759,842	-	759,842
Advances from other funds . . . . .	5,626	-	-	5,626
Interfund loans receivable . . . . .	145,564	-	-	145,564
Prepayments . . . . .	157,335	404	31,612	189,351
Materials and supplies inventory . . . . .	9,776	-	85,294	95,070
<b>Total assets . . . . .</b>	<b>\$ 7,536,254</b>	<b>\$ 3,334,451</b>	<b>\$ 4,732,023</b>	<b>\$ 15,602,728</b>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,883	\$ -	\$ 43,073	\$ 45,956
Contracts payable . . . . .	36,682	-	-	36,682
Accrued wages and benefits payable . . . . .	331,162	-	62,516	393,678
Interfund loans payable . . . . .	-	-	145,564	145,564
Due to other funds . . . . .	-	-	9,644	9,644
Due to other governments . . . . .	129,092	194	16,968	146,254
Advances to other funds . . . . .	-	-	5,626	5,626
Deposits held and due to others . . . . .	360,348	-	-	360,348
<b>Total liabilities . . . . .</b>	<b>860,167</b>	<b>194</b>	<b>283,391</b>	<b>1,143,752</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	848,595	-	913,730	1,762,325
Income tax revenue not available . . . . .	1,105,915	-	60,765	1,166,680
Delinquent property tax revenue not available . . . . .	197,940	-	135,291	333,231
Accrued interest not available . . . . .	32,181	-	-	32,181
Special assessments revenue not available . . . . .	1,396,588	-	23,798	1,420,386
Intergovernmental revenue not available . . . . .	167,460	-	234,240	401,700
<b>Total deferred inflows of resources . . . . .</b>	<b>3,748,679</b>	<b>-</b>	<b>1,367,824</b>	<b>5,116,503</b>
<b>Total liabilities and deferred inflows of resources.</b>	<b>4,608,846</b>	<b>194</b>	<b>1,651,215</b>	<b>6,260,255</b>
<b>Fund balances:</b>				
Nonspendable . . . . .	329,865	404	116,906	447,175
Restricted . . . . .	8,193	3,333,853	2,435,160	5,777,206
Committed . . . . .	87,828	-	648,707	736,535
Assigned . . . . .	799,469	-	-	799,469
Unassigned (deficit) . . . . .	1,702,053	-	(119,965)	1,582,088
<b>Total fund balances . . . . .</b>	<b>2,927,408</b>	<b>3,334,257</b>	<b>3,080,808</b>	<b>9,342,473</b>
<b>Total liabilities, deferred inflows of resources and fund balances . . . . .</b>	<b>\$ 7,536,254</b>	<b>\$ 3,334,451</b>	<b>\$ 4,732,023</b>	<b>\$ 15,602,728</b>

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, 2019

<b>Total governmental fund balances</b>	\$	9,342,473
<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.		17,793,452
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	\$ 1,166,680	
Property and other taxes receivable	333,231	
Interest receivable	32,181	
Special assessments receivable	1,420,386	
Intergovernmental receivable	401,700	
Total		3,354,178
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 \$26,526, is:		122,031
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(981)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	25,122	
Deferred outflows of resources	6,277,945	
Deferred inflows of resources	(723,609)	
Net pension liability	(22,857,573)	
Total		(17,278,115)
The net OPEB liability is not available to pay for current-period expenditures and are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	1,477,559	
Deferred inflows of resources	(915,652)	
Net OPEB liability	(4,861,681)	
Total		(4,299,774)
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:		
Police and fire pension liability	(271,288)	
Loans payable	(411,580)	
Compensated absences	(2,529,597)	
Total		(3,212,465)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>5,820,799</b>

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, 2019

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 10,114,600	\$ -	\$ 537,526	\$ 10,652,126
Property and other taxes. . . . .	961,766	-	918,965	1,880,731
Charges for services. . . . .	490,839	-	130,031	620,870
Licenses, permits and fees . . . . .	318,119	-	55,240	373,359
Fines and forfeitures . . . . .	478,602	-	173,056	651,658
Intergovernmental. . . . .	649,291	263,074	2,918,817	3,831,182
Investment income. . . . .	22,561	69,235	23,998	115,794
Rental income . . . . .	24,446	-	-	24,446
Contributions and donations. . . . .	5,281	-	1,176	6,457
Fair value adjustment . . . . .	199,082	-	-	199,082
Other . . . . .	537,669	33,035	148,345	719,049
Total revenues . . . . .	<u>13,802,256</u>	<u>365,344</u>	<u>4,907,154</u>	<u>19,074,754</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	2,868,015	-	526,136	3,394,151
Security of persons and property . . . . .	7,280,008	-	1,448,141	8,728,149
Public health and welfare. . . . .	535,911	-	143,450	679,361
Transportation . . . . .	524,169	-	1,072,398	1,596,567
Community environment . . . . .	207,505	262,595	625,280	1,095,380
Leisure time activities. . . . .	4,303	-	765,915	770,218
Basic utility services. . . . .	64,144	-	-	64,144
Capital outlay . . . . .	-	-	697,734	697,734
Debt service:				
Principal retirement. . . . .	-	-	53,474	53,474
Interest and fiscal charges . . . . .	-	-	15,138	15,138
Total expenditures . . . . .	<u>11,484,055</u>	<u>262,595</u>	<u>5,347,666</u>	<u>17,094,316</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>2,318,201</u>	<u>102,749</u>	<u>(440,512)</u>	<u>1,980,438</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	1,206,019	1,206,019
Transfers (out). . . . .	<u>(1,179,713)</u>	-	<u>(26,306)</u>	<u>(1,206,019)</u>
Total other financing sources (uses) . . . . .	<u>(1,179,713)</u>	-	<u>1,179,713</u>	-
<b>Special item:</b>				
Transfer of operations . . . . .	<u>22,275</u>	-	<u>(90,545)</u>	<u>(68,270)</u>
Net change in fund balances . . . . .	1,160,763	102,749	648,656	1,912,168
<b>Fund balances at beginning of year . . . . .</b>	<u>1,766,645</u>	<u>3,231,508</u>	<u>2,432,152</u>	<u>7,430,305</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 2,927,408</u>	<u>\$ 3,334,257</u>	<u>\$ 3,080,808</u>	<u>\$ 9,342,473</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, 2019

<b>Net change in fund balances - total governmental funds</b>	\$	1,912,168
<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 depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	\$ 1,076,787	
Current year depreciation	<u>(1,642,543)</u>	
Total		(565,756)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(2,711)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	50,197	
Property taxes	107,657	
Intergovernmental revenues	(120,430)	
Investment income	205	
Special assessments	<u>90,721</u>	
Total		128,350
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.		
		53,474
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		45
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,434,249	
OPEB	<u>26,358</u>	
Total		1,460,607
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(3,482,915)	
OPEB	<u>8,976,210</u>	
Total		5,493,295
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.		
		(128,497)
A portion of the transfer of operations reported as a special item did not provide or require the use of current financial resources and therefore are not reported as a special item in governmental funds.		
Net pension liability	537,495	
Net OPEB liability	366,523	
Compensated absences payable	165,414	
Deferred inflows of resources - pension	159,628	
Deferred inflows of resources - OPEB	48,190	
Capital assets, net of accumulated depreciation	(17,484)	
Net pension asset	(4,395)	
Deferred outflows of resources - pension	(134,178)	
Deferred outflows of resources - OPEB	<u>(27,449)</u>	
Total		1,093,744
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, less internal balances of \$58,752, is allocated among the governmental activities.		
		<u>(76,953)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>9,367,766</u></b>

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 8,827,288	\$ 9,657,720	\$ 9,732,470	\$ 74,750
Property and other taxes . . . . .	874,507	956,777	970,874	14,097
Charges for services . . . . .	431,205	515,369	535,868	20,499
Licenses, permits and fees . . . . .	202,999	222,096	228,119	6,023
Fines and forfeitures . . . . .	451,993	494,515	473,735	(20,780)
Intergovernmental . . . . .	574,314	628,343	629,879	1,536
Investment income . . . . .	29,725	32,521	35,547	3,026
Rental income . . . . .	27,292	29,860	25,308	(4,552)
Contributions and donations . . . . .	4,757	5,204	5,281	77
Other . . . . .	103,432	202,986	215,151	12,165
<b>Total revenues . . . . .</b>	<b>11,527,512</b>	<b>12,745,391</b>	<b>12,852,232</b>	<b>106,841</b>
<b>Expenditures:</b>				
Current:				
General government:				
Mayor:				
Salaries and wages . . . . .	96,475	96,475	96,474	1
Fringe benefits . . . . .	39,075	39,075	38,748	327
Contractual services . . . . .	1,846	1,846	1,641	205
Materials and supplies . . . . .	2,100	2,100	1,863	237
<b>Total mayor . . . . .</b>	<b>139,496</b>	<b>139,496</b>	<b>138,726</b>	<b>770</b>
Senior center:				
Salaries and wages . . . . .	37,500	37,500	37,486	14
Fringe benefits . . . . .	20,732	20,732	20,588	144
<b>Total senior center . . . . .</b>	<b>58,232</b>	<b>58,232</b>	<b>58,074</b>	<b>158</b>
Auditor:				
Salaries and wages . . . . .	87,702	87,702	85,526	2,176
Fringe benefits . . . . .	32,175	32,175	31,074	1,101
Contractual services . . . . .	16,400	16,400	15,217	1,183
Materials and supplies . . . . .	6,085	6,085	5,111	974
<b>Total auditor . . . . .</b>	<b>142,362</b>	<b>142,362</b>	<b>136,928</b>	<b>5,434</b>
Treasurer:				
Salaries and wages . . . . .	4,130	4,130	4,129	1
Fringe benefits . . . . .	799	799	791	8
Materials and supplies . . . . .	100	100	100	-
<b>Total treasurer . . . . .</b>	<b>5,029</b>	<b>5,029</b>	<b>5,020</b>	<b>9</b>
Law director:				
Salaries and wages . . . . .	200,131	200,131	200,131	-
Fringe benefits . . . . .	62,332	62,332	61,868	464
Contractual services . . . . .	5,112	5,112	4,482	630
Materials and supplies . . . . .	2,588	2,588	2,340	248
<b>Total law director . . . . .</b>	<b>270,163</b>	<b>270,163</b>	<b>268,821</b>	<b>1,342</b>
City council:				
Salaries and wages . . . . .	32,852	32,852	32,851	1
Fringe benefits . . . . .	6,403	6,403	6,248	155
<b>Total city council . . . . .</b>	<b>39,255</b>	<b>39,255</b>	<b>39,099</b>	<b>156</b>

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, 2019

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Clerk of council:				
Salaries and wages . . . . .	\$ 9,177	\$ 9,177	\$ 9,079	\$ 98
Fringe benefits. . . . .	1,741	1,741	1,682	59
Contractual services . . . . .	6,680	6,680	5,623	1,057
Materials and supplies. . . . .	150	150	69	81
Total clerk of council. . . . .	<u>17,748</u>	<u>17,748</u>	<u>16,453</u>	<u>1,295</u>
Judge and probation:				
Salaries and wages . . . . .	207,150	207,150	191,496	15,654
Fringe benefits. . . . .	88,290	88,290	77,820	10,470
Contractual services . . . . .	15,700	15,700	6,995	8,705
Materials and supplies. . . . .	6,800	6,800	5,001	1,799
Total judge and probation. . . . .	<u>317,940</u>	<u>317,940</u>	<u>281,312</u>	<u>36,628</u>
Clerk of courts:				
Salaries and wages . . . . .	248,540	248,540	245,382	3,158
Fringe benefits. . . . .	130,292	130,292	127,788	2,504
Contractual services . . . . .	45,600	45,600	39,836	5,764
Materials and supplies. . . . .	23,500	23,500	15,435	8,065
Total clerk of courts. . . . .	<u>447,932</u>	<u>447,932</u>	<u>428,441</u>	<u>19,491</u>
Civil service:				
Salaries and wages . . . . .	15,915	15,915	15,910	5
Fringe benefits. . . . .	2,781	2,781	2,116	665
Materials and supplies. . . . .	7,000	7,000	971	6,029
Total civil service. . . . .	<u>25,696</u>	<u>25,696</u>	<u>18,997</u>	<u>6,699</u>
Engineering:				
Salaries and wages . . . . .	105,864	105,864	92,561	13,303
Fringe benefits. . . . .	33,600	33,600	31,317	2,283
Contractual services . . . . .	26,582	26,582	19,216	7,366
Materials and supplies. . . . .	5,904	5,904	4,697	1,207
Total engineering. . . . .	<u>171,950</u>	<u>171,950</u>	<u>147,791</u>	<u>24,159</u>
State examiner:				
Contractual services . . . . .	15,000	15,000	14,664	336
Total state examiner . . . . .	<u>15,000</u>	<u>15,000</u>	<u>14,664</u>	<u>336</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Land and buildings:				
Salaries and wages . . . . .	\$ 50,400	\$ 50,400	\$ 47,055	\$ 3,345
Fringe benefits. . . . .	30,297	30,297	29,788	509
Contractual services . . . . .	294,100	344,100	314,319	29,781
Total land and buildings. . . . .	<u>374,797</u>	<u>424,797</u>	<u>391,162</u>	<u>33,635</u>
General administration:				
Salaries and wages . . . . .	37,000	37,000	33,383	3,617
Fringe benefits. . . . .	12,495	12,495	10,397	2,098
Contractual services . . . . .	154,187	154,187	133,831	20,356
Materials and supplies. . . . .	19,000	19,000	18,321	679
Other . . . . .	100	100	76	24
Total general administration. . . . .	<u>222,782</u>	<u>222,782</u>	<u>196,008</u>	<u>26,774</u>
Total general government. . . . .	<u>2,248,382</u>	<u>2,298,382</u>	<u>2,141,496</u>	<u>156,886</u>
Security of persons and property:				
Police:				
Salaries and wages . . . . .	2,853,542	2,864,984	2,862,329	2,655
Fringe benefits. . . . .	687,882	698,353	695,849	2,504
Contractual services . . . . .	222,286	222,286	207,940	14,346
Materials and supplies. . . . .	130,178	130,178	124,404	5,774
Total police. . . . .	<u>3,893,888</u>	<u>3,915,801</u>	<u>3,890,522</u>	<u>25,279</u>
Fire:				
Salaries and wages . . . . .	1,893,851	1,893,851	1,884,813	9,038
Fringe benefits. . . . .	442,083	460,536	458,389	2,147
Contractual services . . . . .	147,791	147,791	124,325	23,466
Materials and supplies. . . . .	37,200	37,200	26,928	10,272
Capital outlay. . . . .	4,000	4,000	254	3,746
Total fire . . . . .	<u>2,524,925</u>	<u>2,543,378</u>	<u>2,494,709</u>	<u>48,669</u>
Safety administration:				
Salaries and wages . . . . .	446,140	446,140	444,106	2,034
Fringe benefits. . . . .	174,325	174,325	171,583	2,742
Contractual services . . . . .	384,271	384,271	353,520	30,751
Total safety administration. . . . .	<u>1,004,736</u>	<u>1,004,736</u>	<u>969,209</u>	<u>35,527</u>
Prisoner support:				
Contractual services . . . . .	29,489	29,489	28,066	1,423
Total prisoner support. . . . .	<u>29,489</u>	<u>29,489</u>	<u>28,066</u>	<u>1,423</u>
Total security of persons and property . . . . .	<u>7,453,038</u>	<u>7,493,404</u>	<u>7,382,506</u>	<u>110,898</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public health services:				
Health administration:				
Contractual services . . . . .	\$ 561,474	\$ 550,099	\$ 516,456	\$ 33,643
Total health administration . . . . .	<u>561,474</u>	<u>550,099</u>	<u>516,456</u>	<u>33,643</u>
Total public health services . . . . .	<u>561,474</u>	<u>550,099</u>	<u>516,456</u>	<u>33,643</u>
Community environment:				
Zoning and building:				
Salaries and wages . . . . .	141,238	141,238	141,238	-
Fringe benefits. . . . .	25,127	25,127	23,354	1,773
Contractual services . . . . .	12,815	12,815	8,043	4,772
Materials and supplies. . . . .	4,530	4,530	3,663	867
Other . . . . .	675	675	672	3
Total zoning and building. . . . .	<u>184,385</u>	<u>184,385</u>	<u>176,970</u>	<u>7,415</u>
Total community environment . . . . .	<u>184,385</u>	<u>184,385</u>	<u>176,970</u>	<u>7,415</u>
Basic utility services:				
Storm sewer:				
Salaries and wages . . . . .	43,035	43,035	39,199	3,836
Fringe benefits. . . . .	25,915	25,915	25,619	296
Total storm sewer . . . . .	<u>68,950</u>	<u>68,950</u>	<u>64,818</u>	<u>4,132</u>
Total basic utility services. . . . .	<u>68,950</u>	<u>68,950</u>	<u>64,818</u>	<u>4,132</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Transportation:				
Street transportation:				
Capital outlay . . . . .	\$ 650,000	\$ 650,000	\$ 637,255	\$ 12,745
Total street transportation . . . . .	650,000	650,000	637,255	12,745
Total transportation. . . . .	650,000	650,000	637,255	12,745
Total expenditures . . . . .	11,166,229	11,245,220	10,919,501	325,719
Excess of revenues over expenditures. . . . .	361,283	1,500,171	1,932,731	432,560
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	69,565	69,565	9,504	(60,061)
Transfers out . . . . .	(848,939)	(1,179,713)	(1,179,713)	-
Advances in . . . . .	120,000	120,000	120,000	-
Advances out . . . . .	-	(63,000)	(63,000)	-
Total other financing sources (uses). . . . .	(659,374)	(1,053,148)	(1,113,209)	(60,061)
Net change in fund balance. . . . .	(298,091)	447,023	819,522	372,499
<b>Fund balance at beginning of year . . . . .</b>	404,520	404,520	404,520	-
<b>Prior year encumbrances appropriated . . . . .</b>	40,713	40,713	40,713	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 147,142</u>	<u>\$ 892,256</u>	<u>\$ 1,264,755</u>	<u>\$ 372,499</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 315,000	\$ 315,000	\$ 268,021	\$ (46,979)
Investment income . . . . .	44,000	44,000	69,235	25,235
Other. . . . .	<u>165,000</u>	<u>165,000</u>	<u>139,939</u>	<u>(25,061)</u>
Total revenues . . . . .	<u>524,000</u>	<u>524,000</u>	<u>477,195</u>	<u>(46,805)</u>
<b>Expenditures:</b>				
Current:				
Community environment:				
Salaries and wages . . . . .	18,000	36,000	17,487	18,513
Fringe benefits. . . . .	8,062	15,977	6,636	9,341
Contractual services . . . . .	425,515	425,515	252,885	172,630
Capital outlay . . . . .	<u>1,602,593</u>	<u>1,602,593</u>	<u>146,283</u>	<u>1,456,310</u>
Total expenditures. . . . .	<u>2,054,170</u>	<u>2,080,085</u>	<u>423,291</u>	<u>1,656,794</u>
Net change in fund balance . . . . .	(1,530,170)	(1,556,085)	53,904	1,609,989
<b>Fund balance at beginning of year . . . . .</b>	2,473,900	2,473,900	2,473,900	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>42,608</u>	<u>42,608</u>	<u>42,608</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ 986,338</u>	<u>\$ 960,423</u>	<u>\$ 2,570,412</u>	<u>\$ 1,609,989</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2019

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 2,925,507	\$ 5,928,903	\$ 345,685	\$ 9,200,095	\$ 167,063
Restricted assets:					
Cash and cash equivalents with fiscal agents . .	1,454,618	-	-	1,454,618	-
Receivables (net of allowance for uncollectibles):					
Accounts . . . . .	676,257	445,780	-	1,122,037	67,326
Municipal income taxes . . . . .	91,359	-	-	91,359	-
Prepayments . . . . .	40,516	40,928	571	82,015	-
Materials and supplies inventory . . . . .	310,708	71,710	-	382,418	-
Total current assets . . . . .	<u>5,498,965</u>	<u>6,487,321</u>	<u>346,256</u>	<u>12,332,542</u>	<u>234,389</u>
Noncurrent assets:					
Net pension asset . . . . .	9,836	10,243	141	20,220	-
Restricted assets:					
Equity in pooled cash and cash equivalents . .	1,652,595	-	-	1,652,595	-
Cash and cash equivalents with fiscal agents . .	225,734	-	-	225,734	-
Total restricted assets . . . . .	<u>1,878,329</u>	<u>-</u>	<u>-</u>	<u>1,878,329</u>	<u>-</u>
Capital assets:					
Non-depreciable capital assets . . . . .	2,788,536	2,404,453	-	5,192,989	-
Depreciable capital assets, net . . . . .	12,144,547	13,580,055	190,512	25,915,114	-
Total capital assets, net . . . . .	<u>14,933,083</u>	<u>15,984,508</u>	<u>190,512</u>	<u>31,108,103</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>16,821,248</u>	<u>15,994,751</u>	<u>190,653</u>	<u>33,006,652</u>	<u>-</u>
Total assets . . . . .	<u>22,320,213</u>	<u>22,482,072</u>	<u>536,909</u>	<u>45,339,194</u>	<u>234,389</u>
<b>Deferred outflows of resources:</b>					
Unamortized deferred charges on debt refunding . .	104,841	-	-	104,841	-
OPEB . . . . .	94,559	98,471	3,010	196,040	-
Pension . . . . .	758,372	789,150	13,924	1,561,446	-
Total deferred outflows of resources . . . . .	<u>957,772</u>	<u>887,621</u>	<u>16,934</u>	<u>1,862,327</u>	<u>-</u>
Total assets and deferred outflows of resources .	<u>\$ 23,277,985</u>	<u>\$ 23,369,693</u>	<u>\$ 553,843</u>	<u>\$ 47,201,521</u>	<u>\$ 234,389</u>

- Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS (CONTINUED)  
 DECEMBER 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	\$ 600	\$ 749	\$ 40	\$ 1,389	\$ -
Contracts payable . . . . .	38,250	-	-	38,250	-
Accrued wages and benefits payable . . . . .	60,907	54,657	-	115,564	-
Compensated absences . . . . .	102,729	122,933	-	225,662	-
Due to other governments . . . . .	17,356	16,468	1,281	35,105	-
Accrued interest payable . . . . .	1,908	46,447	-	48,355	-
Claims payable . . . . .	-	-	-	-	138,884
Payable from restricted assets:					
Revenue bonds payable - current . . . . .	1,447,258	-	-	1,447,258	-
Accrued interest payable . . . . .	7,360	-	-	7,360	-
General obligation bonds payable - current . . . . .	60,010	-	-	60,010	-
OWDA loans payable - current . . . . .	25,150	289,518	-	314,668	-
OPWC loans payable - current . . . . .	18,552	29,565	-	48,117	-
Total current liabilities . . . . .	<u>1,780,080</u>	<u>560,337</u>	<u>1,321</u>	<u>2,341,738</u>	<u>138,884</u>
Long-term liabilities:					
General obligation bonds payable . . . . .	745,111	-	-	745,111	-
OPWC loans payable . . . . .	909,063	558,123	-	1,467,186	-
Compensated absences payable . . . . .	216,120	159,390	-	375,510	-
OWDA loans payable . . . . .	1,341,831	5,310,756	-	6,652,587	-
Net pension liability . . . . .	2,540,652	2,645,782	36,359	5,222,793	-
Net OPEB liability . . . . .	1,188,521	1,237,701	17,009	2,443,231	-
Total long-term liabilities . . . . .	<u>6,941,298</u>	<u>9,911,752</u>	<u>53,368</u>	<u>16,906,418</u>	<u>-</u>
Total liabilities . . . . .	<u>8,721,378</u>	<u>10,472,089</u>	<u>54,689</u>	<u>19,248,156</u>	<u>138,884</u>
<b>Deferred inflows of resources:</b>					
OPEB . . . . .	42,239	37,622	339	80,200	-
Pension . . . . .	91,719	86,707	949	179,375	-
Total deferred inflows of resources . . . . .	<u>133,958</u>	<u>124,329</u>	<u>1,288</u>	<u>259,575</u>	<u>-</u>
<b>Net position:</b>					
Net investment in capital assets . . . . .	10,490,949	9,796,546	190,512	20,478,007	-
Restricted for:					
Debt service . . . . .	225,734	-	-	225,734	-
Replacement and surplus reserve . . . . .	1,652,595	-	-	1,652,595	-
Unrestricted . . . . .	<u>2,053,371</u>	<u>2,976,729</u>	<u>307,354</u>	<u>5,337,454</u>	<u>95,505</u>
Total net position . . . . .	<u>\$ 14,422,649</u>	<u>\$ 12,773,275</u>	<u>\$ 497,866</u>	<u>27,693,790</u>	<u>\$ 95,505</u>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				(26,526)	
Net position of business-type activities				<u>\$ 27,667,264</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 5,600,426	\$ 5,016,043	\$ 1,297,657	\$ 11,914,126	\$ 2,545,375
Licenses, permits and fees . . . . .	-	32,635	-	32,635	-
Other . . . . .	81,802	47,699	54,476	183,977	209,559
<b>Total operating revenues.</b> . . . . .	<b>5,682,228</b>	<b>5,096,377</b>	<b>1,352,133</b>	<b>12,130,738</b>	<b>2,754,934</b>
<b>Operating expenses:</b>					
Salaries and benefits . . . . .	1,388,893	1,460,912	19,950	2,869,755	-
Fringe benefits . . . . .	972,113	1,013,814	16,251	2,002,178	-
Contract services. . . . .	569,651	894,530	1,245,245	2,709,426	-
Materials and supplies . . . . .	836,137	1,136,216	21,667	1,994,020	-
Depreciation. . . . .	548,469	770,415	14,301	1,333,185	-
Claims. . . . .	-	-	-	-	2,890,639
Other . . . . .	49,330	5,180	50	54,560	-
<b>Total operating expenses.</b> . . . . .	<b>4,364,593</b>	<b>5,281,067</b>	<b>1,317,464</b>	<b>10,963,124</b>	<b>2,890,639</b>
<b>Operating income (loss).</b> . . . . .	<b>1,317,635</b>	<b>(184,690)</b>	<b>34,669</b>	<b>1,167,614</b>	<b>(135,705)</b>
<b>Nonoperating revenues (expenses):</b>					
Interest revenue . . . . .	73,774	128,566	-	202,340	-
Interest expense and fiscal charges . . . . .	(178,769)	(95,281)	-	(274,050)	-
Loss on disposal of capital assets. . . . .	(5,301)	(2,252)	-	(7,553)	-
Municipal income tax revenue . . . . .	432,114	-	-	432,114	-
<b>Total nonoperating revenues (expenses)</b> . . . . .	<b>321,818</b>	<b>31,033</b>	<b>-</b>	<b>352,851</b>	<b>-</b>
<b>Change in net position</b> . . . . .	<b>1,639,453</b>	<b>(153,657)</b>	<b>34,669</b>	<b>1,520,465</b>	<b>(135,705)</b>
<b>Net position at beginning of year</b> . . . . .	<b>12,783,196</b>	<b>12,926,932</b>	<b>463,197</b>		<b>231,210</b>
<b>Net position at end of year</b> . . . . .	<b>\$ 14,422,649</b>	<b>\$ 12,773,275</b>	<b>\$ 497,866</b>		<b>\$ 95,505</b>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				(58,752)	
Change in net position of business-type activities.				<u>\$ 1,461,713</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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
<b>Cash flows from operating activities:</b>					
Cash received from customers . . . . .	\$ 5,555,249	\$ 4,991,808	\$ 1,297,657	\$ 11,844,714	\$ -
Cash received from licenses and permits . . . . .	-	32,635	-	32,635	-
Cash received from other operations . . . . .	82,886	47,699	54,476	185,061	174,294
Cash received from interfund services provided . . . . .	-	-	-	-	2,545,375
Cash payments for salaries and benefits . . . . .	(1,389,151)	(1,469,213)	(19,940)	(2,878,304)	-
Cash payments for fringe benefits . . . . .	(277,744)	(280,586)	(3,417)	(561,747)	-
Cash payments for interfund services . . . . .	(271,426)	(317,288)	-	(588,714)	-
Cash payments for contractual services . . . . .	(606,277)	(1,008,919)	(1,244,271)	(2,859,467)	-
Cash payments for materials and supplies . . . . .	(821,046)	(1,194,886)	(21,667)	(2,037,599)	-
Cash payments for claims . . . . .	-	-	-	-	(2,942,234)
Cash payments for other expenses . . . . .	(49,330)	(5,180)	(50)	(54,560)	-
Net cash provided by (used in) operating activities . . . . .	2,223,161	796,070	62,788	3,082,019	(222,565)
<b>Cash flows from noncapital financing activities:</b>					
Cash received from municipal income taxes . . . . .	427,801	-	-	427,801	-
Net cash provided by noncapital financing activities . . . . .	427,801	-	-	427,801	-
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from sale of capital assets . . . . .	3,116	-	-	3,116	-
Acquisition of capital assets . . . . .	(1,882,436)	(556,451)	-	(2,438,887)	-
Proceeds from OWDA and OPWC loans . . . . .	896,846	-	-	896,846	-
Principal retirement on general obligation bonds . . . . .	(55,000)	-	-	(55,000)	-
Principal retirement on revenue bonds . . . . .	(1,385,000)	-	-	(1,385,000)	-
Principal retirement on OPWC loans . . . . .	(55,657)	(55,128)	-	(110,785)	-
Principal retirement on OWDA loans . . . . .	(26,075)	(286,358)	-	(312,433)	-
Interest and fiscal charges . . . . .	(74,427)	(97,385)	-	(171,812)	-
Net cash used in capital and related financing activities . . . . .	(2,578,633)	(995,322)	-	(3,573,955)	-
<b>Cash flows from investing activities:</b>					
Interest received . . . . .	73,774	128,566	-	202,340	-
Net cash provided by investing activities . . . . .	73,774	128,566	-	202,340	-
Net increase (decrease) in cash and cash equivalents . . . . .	146,103	(70,686)	62,788	138,205	(222,565)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>6,112,351</b>	<b>5,999,589</b>	<b>282,897</b>	<b>12,394,837</b>	<b>389,628</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b>\$ 6,258,454</b>	<b>\$ 5,928,903</b>	<b>\$ 345,685</b>	<b>\$ 12,533,042</b>	<b>\$ 167,063</b>

- Continued

**CITY OF ALLIANCE, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ 1,317,635	\$ (184,690)	\$ 34,669	\$ 1,167,614	\$ (135,705)
Adjustments:					
Depreciation . . . . .	548,469	770,415	14,301	1,333,185	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable . . . . .	(44,093)	(24,235)	-	(68,328)	(35,265)
Materials and supplies inventory . . . . .	10,469	(11,725)	-	(1,256)	-
Prepayments . . . . .	760	772	8	1,540	-
Net pension asset . . . . .	2,323	2,298	(1)	4,620	-
Deferred outflows - pension . . . . .	(379,282)	(405,674)	(4,506)	(789,462)	-
Deferred outflows - OPEB . . . . .	(18,621)	(20,147)	(2,135)	(40,903)	-
Accounts payable . . . . .	(73,785)	(161,449)	(305)	(235,539)	-
Contracts payable . . . . .	38,250	-	-	38,250	-
Accrued wages and benefits . . . . .	1,609	(9,069)	-	(7,460)	-
Intergovernmental payable . . . . .	(6,224)	(7,418)	1,281	(12,361)	-
Compensated absences payable . . . . .	181	(8,166)	-	(7,985)	-
Net pension liability . . . . .	1,053,616	1,112,020	19,224	2,184,860	-
Net OPEB liability . . . . .	174,497	191,814	5,325	371,636	-
Deferred inflows - pension . . . . .	(326,653)	(363,146)	(3,980)	(693,779)	-
Deferred inflows - OPEB . . . . .	(75,990)	(85,530)	(1,093)	(162,613)	-
Claims payable . . . . .	-	-	-	-	(51,595)
Net cash provided by (used in) operating activities . . . . .	<u>\$ 2,223,161</u>	<u>\$ 796,070</u>	<u>\$ 62,788</u>	<u>\$ 3,082,019</u>	<u>\$ (222,565)</u>

**Noncash capital and related financing activities:**

At December 31, 2018, capital assets purchased on account for the Sewer fund amounted to \$127,078.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2019

	<u>Agency</u>
<b>Assets:</b>	
Cash and cash equivalents in segregated accounts . . . . .	\$ 11,302
Receivables:	
Accounts . . . . .	<u>1,071</u>
Total assets . . . . .	<u>\$ 12,373</u>
<b>Liabilities:</b>	
Due to others . . . . .	<u>\$ 12,373</u>
Total liabilities . . . . .	<u>\$ 12,373</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### 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 on the foregoing criteria, the financial activities of the following potential component unit has been reflected in the accompanying basic financial statements as:

#### *DISCRETELY PRESENTED COMPONENT UNIT*

The component unit column in the combined financial statements identifies the financial data of the City's component unit: Alliance City Health Department. It is reported separately to emphasize that it is legally separate from the City.

Alliance City Health Department (the "Department") - is a legally separate health department. The Department's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The City appoints a voting majority of the Board and the City has a financial benefit/burden relationship with the Department.

Separately issued financial statements can be obtained from the Department by contacting Kevin Knowles, Alliance City Auditor, 504 E. Main Street, Alliance, OH 44601.

Information related to the Health Department is presented in Note 20.

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 16).

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### NOTE 1 - DESCRIPTION OF THE CITY - (Continued)

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 2019, the Mayor was an Ex-Officio non-voting member. 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.

**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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

**B. Fund Accounting**

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

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

*Revolving loan fund* - The revolving loan fund accounts for intergovernmental grants and principal and interest received from previous revolving loans intended to spur economic development in the City.

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 are used to account for Robertson Community Center operations and garbage collection services.

*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.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (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 of resources and all liabilities and deferred inflows of resources 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.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. 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 of resources and in the presentation of expenses versus expenditures.

*Deferred Inflows of Resources* - Deferred inflows of resources 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.

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 taxes, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees, investment earnings and special assessments.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, special assessments, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

**E. 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 appropriation 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 personal services and other level within each department within each fund. The City has chosen to show information at the object level of detail. Budgetary modifications at the legal level of control may only be made by resolution of the City Council.

**Tax Budget** - The Tax Budget is submitted to the County Auditor, Secretary of the County Budget Commission, by August 20 of each year for the period January 1 to December 31 of the following year.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

***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 legal level of budgetary control. 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.

***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.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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

During 2019, investments were limited to federal agency securities, a U.S. Government money market account, commercial paper, the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit 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.

During 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 for the general fund did not include any amounts assigned from other City funds during 2019.

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.

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**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is classified as "interfund loans receivable/payable" for the current portion of interfund loans. The non-current portion of interfund loans is classified as "advances to/from other funds". 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. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

**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.

On the governmental fund financial statements, reported materials and supplies inventory is equally offset by nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of current assets.

**I. Restricted Assets**

Restricted assets in the enterprise funds and business-type activities 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 statement 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 bond's face value and the amount reported on the statement of net position is presented in Note 11.B.

**K. Prepayments**

Payments made to vendors for services that will benefit beyond December 31, 2019 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

On the governmental fund financial statements, prepaid items are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of current assets.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

**L. Capital Assets and Depreciation**

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as that used for general capital assets. Donated capital assets are recorded at acquisition cost.

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 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.

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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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 committed. The City Council has by resolution authorized the City Auditor to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*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, 2019**

**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. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**S. 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, loans and long-term notes that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.



## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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

##### **T. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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.

##### **U. 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. The City’s proprietary funds had no contributions of capital in 2019.

##### **V. Pensions/Other Postemployment Benefits (OPEB)**

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

##### **W. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. In accordance with ORC Section 3709.36, the City's Health Department was recognized as a legally separate organization rather than continuing to operate as a department of the City. This change was effective January 1, 2019. In accordance with GASB Statement No. 69, a transfer of operations will be reported in the period the transfer occurred (2019). The net position of the assets, liabilities, and deferred inflows/outflows of resources will be reported as a special item for both entities.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2019, the City has implemented GASB Statement No. 88, “*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*” and GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*”.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City; however, certain disclosures in Note 11 have been modified to conform to the new requirements.

GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended December 31, 2019. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed by one year. The City has elected to postpone implementing the following pronouncements until the fiscal year ended December 31, 2020:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 90, *Majority Equity Interests*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

B. Deficit Fund Balances

Fund balances at December 31, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Park Levy	\$15,059
FEMA	22,980
Alliance Area Senior Citizens	2,527
Brownfield Grant	71,519

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (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 revenues, 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 accounts payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost basis (budget basis);
- (e) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (f) 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	\$ 819,522	\$ 53,904
Net adjustment for revenue accruals	183,134	(111,851)
Net adjustment for expenditure accruals	37,995	156,903
Net adjustments for other financing sources and uses	(18,633)	-
Funds budgeted elsewhere	13,411	-
Adjustments for encumbrances	125,334	3,793
GAAP basis	\$ 1,160,763	\$ 102,749

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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;
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, and Government National Mortgage 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 fair 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, 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.

**B. Cash and Cash Equivalents in Segregated Accounts**

At year end, the City had \$11,302 in cash held in segregated accounts for Municipal Court operations. This amount is not included in deposits with financial institutions below.

**C. Deposits with Financial Institutions**

At December 31, 2019, the carrying amount of all City deposits was \$1,551,662 and the bank balance of all City deposits was \$1,899,174. Of the bank balance, \$341,403 was covered by the FDIC, \$1,242,972 was covered by the Ohio Pooled Collateral System and \$314,799 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although 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, 2019, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities			
		6 months or less	7 to 12 months	19 - 24 months	Greater than 24 months
<i>Fair Value:</i>					
Commercial Paper	\$ 1,956,657	\$ 349,654	\$ 1,607,003	\$ -	\$ -
FFCB	2,611,871	274,758	897,538	650,540	789,035
FHLB	1,763,351	914,552	245,000	248,133	355,666
FNMA	1,803,769	299,592	663,056	488,867	352,254
FHLMC	2,918,551	-	1,000,630	-	1,917,921
Negotiable CDs	3,798,597	-	-	-	3,798,597
U.S. Government money market mutual funds	1,708,611	1,708,611	-	-	-
<i>Amortized Cost:</i>					
STAR Ohio	<u>1,994,735</u>	<u>1,994,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 18,556,142</u>	<u>\$ 5,541,902</u>	<u>\$ 4,413,227</u>	<u>\$ 1,387,540</u>	<u>\$ 7,213,473</u>

The City's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FFCB, FHLB, FNMA, FHLMC), commercial paper, and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase.

The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Auditor or qualified trustee.

*Credit Risk:* STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The commercial paper, the negotiable CD's, the federal agency securities and the U.S. government money market mutual funds 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, 2019:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Commercial Paper	\$ 1,956,657	10.54
FFCB	2,611,871	14.08
FHLB	1,763,351	9.50
FNMA	1,803,769	9.72
FHLMC	2,918,551	15.73
Negotiable CDs	3,798,597	20.47
U.S. Government money market funds	1,708,611	9.21
<i>Amortized cost:</i>		
STAR Ohio	<u>1,994,735</u>	<u>10.75</u>
Total	<u>\$ 18,556,142</u>	<u>100.00</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

**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 cash equivalents as reported on the statement of net position as of December 31, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,551,662
Investments	18,556,142
Cash in segregated accounts	<u>11,302</u>
Total	<u>\$ 20,119,106</u>
 <u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 7,574,762
Business-type activities	12,533,042
Agency	<u>11,302</u>
Total	<u>\$ 20,119,106</u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2019 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, accrued interest and special assessments. All receivables are expected to be collected within one year, except loans which are repaid over a period of five to fifteen years, and special assessments which are collected over the life of the assessment.

**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 preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 6 - RECEIVABLES - (Continued)**

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, 2019 and for which there is an enforceable legal claim. In the governmental funds, the current portion of the receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2019 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources 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 of resources.

The full tax rate for all City operations for the year ended December 31, 2019 was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 189,706,190
Commercial/industrial/mineral	122,708,240
Public utility	<u>15,722,660</u>
Total assessed value	<u>\$ 328,137,090</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, 2019 were \$759,842.

**C. Income Taxes**

Employers within the City are required to withhold income taxes on employee compensation and remit the taxes 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 2019, after income tax department expenditures, are to be credited to the following funds at the following percentages: 91 percent to the general fund, 3 percent to the capital improvements fund (a nonmajor governmental fund), 2 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 taxes receivable for 2019 was 2,192,623 in the governmental funds and \$91,359 in the water fund.

**D. Special Assessments**

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 6 - RECEIVABLES - (Continued)**

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, 2019, the total special assessments receivable was \$1,420,386.

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for 2019 is as follows. Amounts in the adjusted column in the table below are related to the transfers of operations of the Alliance City Health Department, Effective January 1, 2019. See Note 2.W for more detail.

<b><u>Governmental activities:</u></b>	Balance 12/31/2018	Adjustments	Balance 1/1/2019
<i>Capital assets, not being depreciated:</i>			
Land	\$ 2,688,987	\$ -	\$ 2,688,987
Easements and right of ways	116,018	-	116,018
Construction in progress	<u>2,332,499</u>	<u>-</u>	<u>2,332,499</u>
Total capital assets, not being depreciated	<u>5,137,504</u>	<u>-</u>	<u>5,137,504</u>
<i>Capital assets, being depreciated:</i>			
Buildings, structures and improvements	8,987,919	-	8,987,919
Furniture, fixtures and equipment	5,439,953	(42,170)	5,397,783
Vehicles	4,440,669	-	4,440,669
Infrastructure	<u>34,123,678</u>	<u>-</u>	<u>34,123,678</u>
Total capital assets, being depreciated	<u>52,992,219</u>	<u>(42,170)</u>	<u>52,950,049</u>
<i>Less: accumulated depreciation:</i>			
Buildings, structures and improvements	(4,291,067)	-	(4,291,067)
Furniture, fixtures and equipment	(3,811,528)	24,686	(3,786,842)
Vehicles	(2,603,670)	-	(2,603,670)
Infrastructure	<u>(29,044,055)</u>	<u>-</u>	<u>(29,044,055)</u>
Total accumulated depreciation	<u>(39,750,320)</u>	<u>24,686</u>	<u>(39,725,634)</u>
Total capital assets, being depreciated net	<u>13,241,899</u>	<u>(17,484)</u>	<u>13,224,415</u>
Governmental activities capital assets, net	<u>\$ 18,379,403</u>	<u>\$ (17,484)</u>	<u>\$ 18,361,919</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 7 - CAPITAL ASSETS - (Continued)**

<b><u>Governmental activities:</u></b>	<u>Balance</u> 1/1/2019	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 12/31/2019
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,688,987	\$ 212,700	\$ -	\$ 2,901,687
Easements and right of ways	116,018	-	-	116,018
Construction in progress	<u>2,332,499</u>	<u>594,043</u>	<u>(1,434,865)</u>	<u>1,491,677</u>
Total capital assets, not being depreciated	<u>5,137,504</u>	<u>806,743</u>	<u>(1,434,865)</u>	<u>4,509,382</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	8,987,919	451,215	-	9,439,134
Furniture, fixtures and equipment	5,397,783	164,087	(5,056)	5,556,814
Vehicles	4,440,669	-	(40,654)	4,400,015
Infrastructure	<u>34,123,678</u>	<u>1,089,607</u>	<u>-</u>	<u>35,213,285</u>
Total capital assets, being depreciated	<u>52,950,049</u>	<u>1,704,909</u>	<u>(45,710)</u>	<u>54,609,248</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(4,291,067)	(295,393)	-	(4,586,460)
Furniture, fixtures and equipment	(3,786,842)	(176,502)	4,550	(3,958,794)
Vehicles	(2,603,670)	(165,392)	38,449	(2,730,613)
Infrastructure	<u>(29,044,055)</u>	<u>(1,005,256)</u>	<u>-</u>	<u>(30,049,311)</u>
Total accumulated depreciation	<u>(39,725,634)</u>	<u>(1,642,543)</u>	<u>42,999</u>	<u>(41,325,178)</u>
Total capital assets, being depreciated net	<u>13,224,415</u>	<u>62,366</u>	<u>(2,711)</u>	<u>13,284,070</u>
Governmental activities capital assets, net	<u>\$ 18,361,919</u>	<u>\$ 869,109</u>	<u>\$ (1,437,576)</u>	<u>\$ 17,793,452</u>

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

<b><u>Governmental activities:</u></b>	
General government	\$ 241,817
Security of persons and property	283,605
Public health services	1,198
Transportation	1,008,634
Community environment	12,723
Basic utility services	2,241
Leisure time activities	<u>92,325</u>
Total depreciation expense - governmental activities	<u>\$ 1,642,543</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 7 - CAPITAL ASSETS - (Continued)**

<b><u>Business-type activities:</u></b>	Balance 12/31/2018	Additions	Deductions	Balance 12/31/2019
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,159,437	\$ -	\$ -	\$ 1,159,437
Construction in progress	<u>3,222,183</u>	<u>989,126</u>	<u>(177,757)</u>	<u>4,033,552</u>
Total capital assets, not being depreciated	<u>4,381,620</u>	<u>989,126</u>	<u>(177,757)</u>	<u>5,192,989</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,502,896	-	-	1,502,896
Buildings, structures and improvements	19,614,382	353,426	-	19,967,808
Water and sewer lines	25,928,750	176,777	-	26,105,527
Furniture, fixtures and equipment	<u>10,444,277</u>	<u>970,237</u>	<u>(106,698)</u>	<u>11,307,816</u>
Total capital assets, being depreciated	<u>57,490,305</u>	<u>1,500,440</u>	<u>(106,698)</u>	<u>58,884,047</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,352,849)	(23,746)	-	(1,376,595)
Buildings, structures and improvements	(7,792,336)	(359,689)	-	(8,152,025)
Water and sewer lines	(16,721,562)	(480,757)	-	(17,202,319)
Furniture, fixtures and equipment	<u>(5,865,030)</u>	<u>(468,993)</u>	<u>96,029</u>	<u>(6,237,994)</u>
Total accumulated depreciation	<u>(31,731,777)</u>	<u>(1,333,185)</u>	<u>96,029</u>	<u>(32,968,933)</u>
Total capital assets, being depreciated net	<u>25,758,528</u>	<u>167,255</u>	<u>(10,669)</u>	<u>25,915,114</u>
Business-type activities capital assets, net	<u>\$ 30,140,148</u>	<u>\$ 1,156,381</u>	<u>\$ (188,426)</u>	<u>\$ 31,108,103</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 2019, the City contracted with Ohio Municipal Joint Self-Insurance Pool for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Aggregate</u>
General Liability	\$ 1,000	\$3,000,000
Wrongful Acts	5,000	3,000,000
Law Enforcement	5,000	1,000,000
Automobile Liability	None	1,000,000
Bond	250	3,000,000
Crime - Theft	250	50,000
Crime - Forgery/Computer Fraud	250	100,000
Property	2,500	78,118,300
Inland Marine	1,000	2,990,343
Electronic Data Processing	1,000	593,816
Excess Liability	N/A	\$3,000,000

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 8 - RISK MANAGEMENT - (Continued)**

The excess liability deduction only applies to liability not covered by primary general liability, auto liability, etc. The inland marine limit includes scheduled, unscheduled and emergency portable equipment.

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

**B. Workers' Compensation**

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

**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 \$80,000 per employee. A third party administrator, Aultcare, reviews all claims which are then paid by the City.

The claims liability of \$138,884 reported in the self-insurance fund at December 31, 2019, 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
2017	\$ 155,239	\$ 2,560,111	\$ (2,499,740)	\$ 215,610
2018	215,610	2,458,741	(2,483,872)	190,479
2019	190,479	2,890,639	(2,942,234)	138,884

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 9 - INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

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>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 1,179,713
Nonmajor governmental funds	Nonmajor governmental funds	<u>26,306</u>
Total		<u>\$ 1,206,019</u>

Transfers between governmental funds are eliminated on the government-wide financial statements. All transfers made in 2019 were in accordance with Ohio Revised Code sections 5705.14, 5705.15 and 5705.16.

**B. Due to/from other funds**

Interfund balances at December 31, 2019 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 9,644</u>

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements. Interfund balances between governmental funds and business-type activities are reported as an internal balance on the government-wide statement of activities.

**C. Interfund Loans**

Interfund loans consisted of the following at December 31, 2019, as reported on the fund financial statements.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 145,564</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 9 - INTERFUND TRANSACTIONS - (Continued)**

These balances resulted from the lag time between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**D. Advances to/from other funds**

The City had long-term interfund loans at December 31, 2019. These loans are not expected to be repaid in the subsequent year. The City has classified these loans as “advances to/from other funds” on the fund financial statements

The City had the following long-term advances outstanding at fiscal year end:

<u>Advance from</u>	<u>Advance to</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 5,626</u>

**NOTE 10 - TAX ABATEMENTS**

As of December 31, 2019, the City provides tax abatements through Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA’s are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity’s property tax bill.

The dollar amount of taxes abated as a result of these agreements in 2019 is not currently available.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 11 - LONG-TERM OBLIGATIONS**

**A. Governmental activities**

A schedule of changes in long-term obligations of the City during 2019 follows. Amounts in the adjusted column in the table below are related to the transfers of operations of the Alliance City Health Department, Effective January 1, 2019. See Note 2.W for more detail.

	Balance Outstanding 12/31/18	Adjustments	Balance Outstanding 1/1/19
<b><u>Governmental activities</u></b>			
<b><i>OPWC loans:</i></b>			
MLK bridge rehabilitation	340,001	-	340,001
Total OPWC loans	340,001	-	340,001
<b><i>SIB loans:</i></b>			
MLK bridge project	112,820	-	112,820
Total SIB loans	112,820	-	112,820
<b><i>Other long-term obligations:</i></b>			
Police and fire pension liability	283,521	-	283,521
Net pension liability	16,221,066	(537,495)	15,683,571
Net OPEB liability	13,981,415	(366,522)	13,614,893
Compensated absences	2,588,829	-	2,588,829
Total governmental activities	\$ 33,527,652	\$ (904,017)	\$ 32,623,635

	Balance Outstanding 1/1/19	Additions	Reductions	Balance Outstanding 12/31/19	Amounts Due Within One Year
<b><u>Governmental activities</u></b>					
<b><i>OPWC loans (direct borrowing):</i></b>					
MLK bridge rehabilitation	340,001	-	(20,000)	320,001	6,667
Total OPWC loans	340,001	-	(20,000)	320,001	6,667
<b><i>SIB loans (direct borrowing):</i></b>					
MLK bridge project	112,820	-	(21,241)	91,579	21,882
Total SIB loans	112,820	-	(21,241)	91,579	21,882
<b><i>Other long-term obligations:</i></b>					
Police and fire pension liability	283,521	-	(12,233)	271,288	12,758
Net pension liability	15,683,571	7,174,002	-	22,857,573	-
Net OPEB liability	13,614,893	594,589	(9,347,801)	4,861,681	-
Compensated absences	2,588,829	1,569	(60,801)	2,529,597	755,675
Total governmental activities	\$ 32,623,635	\$ 7,770,160	\$ (9,462,076)	\$ 30,931,719	\$ 796,982



## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

##### 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 property 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 are being made from the capital improvements fund (a nonmajor governmental fund).

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

##### State Infrastructure Bank (SIB) Loan

The City has entered into SIB Loan agreements to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These are considered to be direct borrowings since they have terms negotiated directly between the City and the lender and are not offered for public sale. The loans bear a 3.00% interest rate and mature in 2023. Principal and interest payments will be made from the capital improvements fund (a nonmajor governmental fund). During 2019, the City made a principal payment of \$21,241.

##### 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).

##### Net Pension Liability and Net OPEB Liability

See Notes 12 and 13 for more details. The City pays obligations related to employee compensations from the fund benefitting from their service.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2019 are as follows:

Year Ending December 31,	<u>Police and Fire Pension Liability</u>		<u>OPWC Loan - MLK Bridge</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 12,758	\$ 11,388	\$ 6,667	\$ -
2021	13,305	10,840	13,333	-
2022	13,877	10,269	13,333	-
2023	14,472	9,674	13,333	-
2024	15,093	9,052	13,333	-
2025 - 2029	85,758	34,970	66,665	-
2030 - 2034	105,812	14,916	66,665	-
2035 - 2039	10,213	217	66,665	-
2040 - 2044	-	-	60,007	-
Total	<u>\$ 271,288</u>	<u>\$ 101,326</u>	<u>\$ 320,001</u>	<u>\$ -</u>

Year Ending December 31,	<u>2014 SIB Loan - MLK Project</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 21,882	\$ 2,584
2021	22,544	1,923
2022	23,225	1,242
2023	23,928	540
Total	<u>\$ 91,579</u>	<u>\$ 6,289</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-type activities**

A schedule of changes in long-term obligations of the City during 2019 follows.

	Balance Outstanding 12/31/18	Additions	Reductions	Balance Outstanding 12/31/19	Amounts Due Within One Year
<b><u>Business-type activities:</u></b>					
<b><i>Revenue bonds:</i></b>					
2008 water refunding	\$ 2,825,000	\$ -	\$ (1,385,000)	\$ 1,440,000	\$ 1,440,000
Unamortized premium	15,553	-	(8,295)	7,258	7,258
Total revenue bonds	<u>2,840,553</u>	<u>-</u>	<u>(1,393,295)</u>	<u>1,447,258</u>	<u>1,447,258</u>
<b><i>General obligation bonds:</i></b>					
2012 water works improvement bonds	860,000	-	(55,000)	805,000	60,000
Unamortized premium	131	-	(10)	121	10
Total general obligation bonds	<u>860,131</u>	<u>-</u>	<u>(55,010)</u>	<u>805,121</u>	<u>60,010</u>
<b><i>OPWC loans (direct borrowing):</i></b>					
Gaskill (2002)	5,329	-	(1,331)	3,998	2,666
Beeson St. (2004)	82,707	-	(13,785)	68,922	6,893
WWTP clarifier (2006)	45,472	-	(5,684)	39,788	2,842
OPWC loan - raw influent pump replacement (2009)	239,808	-	(20,853)	218,955	10,426
Water UV Light Oxidation (2013)	983,272	-	(55,657)	927,615	18,552
WWTP Class A Biosolids (2018)	269,500	-	(13,475)	256,025	6,738
Total OPWC loans	<u>1,626,088</u>	<u>-</u>	<u>(110,785)</u>	<u>1,515,303</u>	<u>48,117</u>
<b><i>OWDA loans (direct borrowing):</i></b>					
Sludge dewatering facility (2016)	5,886,632	-	(286,358)	5,600,274	289,518
Marlington-Alliance Waterline (2017)	482,784	227,546	(26,075)	684,255	25,150
Carbon Feed System (2018)	13,426	669,300	-	682,726	-
Total OWDA loans	<u>6,382,842</u>	<u>896,846</u>	<u>(312,433)</u>	<u>6,967,255</u>	<u>314,668</u>
<b><i>Other long-term obligations:</i></b>					
Net pension liability	3,037,933	2,184,860	-	5,222,793	-
Net OPEB liability	2,071,595	371,636	-	2,443,231	-
Compensated absences	609,157	23,299	(31,284)	601,172	225,662
Total business-type activities	<u>\$ 17,428,299</u>	<u>\$ 3,476,641</u>	<u>\$ (1,902,807)</u>	<u>\$ 19,002,133</u>	<u>\$ 2,095,715</u>

**Series 2008 Water Refunding Bonds**

On September 24, 2008, the City issued revenue bonds (series 2008 water 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, 2019 is \$1,520,000.

The refunding issue is comprised of revenue bonds, par value \$14,275,000. The interest rate on the revenue bonds ranges from 3.0% - 4.0%. 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, 2019

**NOTE 11 - 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 41.38% percent of net revenues. The total principal and interest remaining to be paid on the series 2008 water refunding revenue bonds is \$1,497,600. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,498,000 and \$3,620,230, respectively.

Series 2012 Various Purpose Improvement and Refunding Bonds

On March 26, 2012, the City issued \$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 bonds are 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 ranges from 1.0% 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).

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance various water and sewer improvement projects. These loans bear no interest and are being repaid from user fees generated by the water fund and the sewer fund. Principal payments are made from the water and sewer funds.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

Ohio Water Development Authority (OWDA) Loans

The City has entered into three loan agreements with the OWDA to finance the construction of a sludge dewatering facility, the Marlinton-Alliance waterline project and a carbon feed system. These loans accrue interest that will be capitalized as they come due. The interest rates on the loans range from 0% to 1.47%. As of December 31, 2019, the loans are still open and amortization schedules are not yet available.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

Compensated absences

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

Net Pension Liability and Net OPEB Liability

See Notes 12 and 13 for details on the net pension liability and net OPEB liability, respectively.

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2019 are as follows:

Year Ending December 31,	2008 Water Refunding		2012 Water Works Improvement	
	Principal	Interest	Principal	Interest
2020	\$ 1,440,000	\$ 57,600	\$ 60,000	\$ 22,900
2021	-	-	60,000	21,700
2022	-	-	60,000	20,200
2023	-	-	60,000	18,700
2024	-	-	65,000	17,200
2025 - 2029	-	-	345,000	57,925
2030 - 2031	-	-	155,000	7,637
Total	<u>\$ 1,440,000</u>	<u>\$ 57,600</u>	<u>\$ 805,000</u>	<u>\$ 166,262</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifer	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,666	\$ -	\$ 6,893	\$ -	\$ 2,842	\$ -
2021	1,332	-	13,785	-	5,684	-
2022	-	-	13,785	-	5,684	-
2023	-	-	13,785	-	5,684	-
2024	-	-	13,782	-	5,684	-
2025	-	-	6,892	-	5,684	-
2026 - 2027	-	-	-	-	8,526	-
Total	<u>\$ 3,998</u>	<u>\$ -</u>	<u>\$ 68,922</u>	<u>\$ -</u>	<u>\$ 39,788</u>	<u>\$ -</u>

Year Ending December 31,	OPWC - Raw Influent Pump Replacement		OPWC - WTP Ultraviolet Light Oxidation		OPWC - WWTP Class A Biosolids	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 10,426	\$ -	\$ 18,552	\$ -	\$ 6,738	\$ -
2021	20,853	-	37,105	-	13,475	-
2022	20,853	-	37,105	-	13,475	-
2023	20,853	-	37,105	-	13,475	-
2024	20,853	-	37,105	-	13,475	-
2025 - 2029	104,265	-	185,525	-	67,375	-
2030 - 2034	20,852	-	185,525	-	67,375	-
2035 - 2039	-	-	185,525	-	60,637	-
2040 - 2044	-	-	185,516	-	-	-
2045	-	-	18,552	-	-	-
Total	<u>\$ 218,955</u>	<u>\$ -</u>	<u>\$ 927,615</u>	<u>\$ -</u>	<u>\$ 256,025</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, 2019, the City's total debt margin was \$34,166,404 and the unvoted debt margin was \$18,047,540.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

**D. Conduit Debt**

The City has issued Industrial Development Revenue Bonds for private-sector entities for the acquisition and construction of facilities deemed to be in the public's 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, 2019, \$62,210,000 had been issued and \$37,790,000 was still outstanding.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

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

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25



**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

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

	State and Local	Public Safety	Law Enforcement
<b>2019 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
<b>2019 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

\*\*\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

\*\*\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$861,084 for 2019. Of this amount, \$76,484 is reported as due to other governments.

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

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

	Police	Firefighters
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2019 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$957,162 for 2019. Of this amount, \$88,911 is reported as due to other governments.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2019, the specific liability of the City was \$271,288 payable in semi-annual payments through the year 2035.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2018, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.04560800%	0.04220400%	0.03004900%	0.19721500%	
Proportion of the net pension liability/asset current measurement date	<u>0.04625300%</u>	<u>0.04329100%</u>	<u>0.02786400%</u>	<u>0.20053100%</u>	
Change in proportionate share	<u>0.00064500%</u>	<u>0.00108700%</u>	<u>-0.00218500%</u>	<u>0.00331600%</u>	
Proportionate share of the net pension liability	\$ 11,711,738	\$ -	\$ -	\$ 16,368,628	\$ 28,080,366
Proportionate share of the net pension asset	-	(44,755)	(587)	-	(45,342)
Pension expense	2,489,970	12,419	(153)	2,070,912	4,573,148

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 540	\$ -	\$ 2,443	\$ 672,520	\$ 675,503
Net difference between projected and actual earnings on pension plan investments	1,589,610	9,644	194	2,016,600	3,616,048
Changes of assumptions	1,019,536	9,996	182	433,954	1,463,668
Changes in employer's proportionate percentage/ difference between employer contributions	103,925	-	-	162,001	265,926
Contributions subsequent to the measurement date	821,006	24,514	15,564	957,162	1,818,246
Total deferred outflows of resources	<u>\$ 3,534,617</u>	<u>\$ 44,154</u>	<u>\$ 18,383</u>	<u>\$ 4,242,237</u>	<u>\$ 7,839,391</u>
	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 153,781	\$ 18,280	\$ -	\$ 15,287	\$ 187,348
Changes in employer's proportionate percentage/ difference between employer contributions	217,486	-	-	498,150	715,636
Total deferred inflows of resources	<u>\$ 371,267</u>	<u>\$ 18,280</u>	<u>\$ -</u>	<u>\$ 513,437</u>	<u>\$ 902,984</u>

\$1,818,246 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2020	\$ 911,631	\$ 1,513	\$ 404	\$ 861,711	\$ 1,775,259
2021	543,955	(413)	373	420,238	964,153
2022	147,468	(210)	377	567,857	715,492
2023	739,285	2,807	455	880,817	1,623,364
2024	3	(1,155)	339	41,015	40,202
Thereafter	-	(1,181)	872	-	(309)
<b>Total</b>	<b>\$ 2,342,342</b>	<b>\$ 1,361</b>	<b>\$ 2,820</b>	<b>\$ 2,771,638</b>	<b>\$ 5,118,161</b>

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	<u>100.00 %</u>	<u>5.95 %</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the City’s proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the City’s proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 17,301,643	\$ 11,711,738	\$ 7,066,477
Combined Plan	(14,809)	(44,756)	(66,440)
Member-Directed Plan	(258)	(587)	(1,030)

**Actuarial Assumptions – OP&F**

OP&F’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below.

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%, plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F's Board and were effective beginning with the January 1, 2018 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
<b>Total</b>	<b>120.00 %</b>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$21,515,434	\$ 16,368,628	\$ 12,067,729

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

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

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### **NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$6,225 for 2019. Of this amount, \$553 is reported as due to other governments.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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 employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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.

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$22,909 for 2019. Of this amount, \$2,128 is reported as due to other governments.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.04493000%	0.19721500%	
Proportion of the net OPEB liability current measurement date	<u>0.04545300%</u>	<u>0.20053100%</u>	
Change in proportionate share	<u>0.00052300%</u>	<u>0.00331600%</u>	
Proportionate share of the net OPEB liability	\$ 5,478,770	\$ 1,826,142	\$ 7,304,912
OPEB expense	\$ 426,159	\$ (9,231,474)	\$ (8,805,315)

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 1,856	\$ -	\$ 1,856
Net difference between projected and actual earnings on OPEB plan investments	251,169	61,816	312,985
Changes of assumptions	176,639	946,585	1,123,224
Changes in employer's proportionate percentage/ difference between employer contributions	58,786	147,614	206,400
Contributions subsequent to the measurement date	6,225	22,909	29,134
Total deferred outflows of resources	<u>\$ 494,675</u>	<u>\$ 1,178,924</u>	<u>\$ 1,673,599</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 14,866	\$ 48,926	\$ 63,792
Changes of assumptions	-	505,563	505,563
Changes in employer's proportionate percentage/ difference between employer contributions	154,594	271,903	426,497
Total deferred inflows of resources	<u>\$ 169,460</u>	<u>\$ 826,392</u>	<u>\$ 995,852</u>

\$29,134 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2020	\$ 95,303	\$ 58,862	\$ 154,165
2021	55,317	58,862	114,179
2022	41,844	58,862	100,706
2023	126,526	77,558	204,084
2024	-	48,082	48,082
Thereafter	-	27,397	27,397
Total	\$ 318,990	\$ 329,623	\$ 648,613

***Actuarial Assumptions – OPERS***

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



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

**Discount Rate** - A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

- The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 7,009,389	\$ 5,478,770	\$ 4,261,524

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 5,266,287	\$ 5,478,770	\$ 5,723,494

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
<b>Total</b>	<b>120.00 %</b>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total OPEB liability was calculated using the discount rate of 4.66%. A discount rate of 3.24% was used to measure the total OPEB liability at December 31, 2017. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 2,224,740	\$ 1,826,142	\$ 1,491,554

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** - Due to the change from a self-funded plan to the stipend plan, disclosure of the healthcare cost trend rate for OP&F is no longer available.

***Changes Between Measurement Date and Report Date*** - Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current healthcare model to the stipend based healthcare model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Although the exact amount of these changes is not known, the overall decrease to the City's net OPEB liability is expected to be significant.

**NOTE 14 - OTHER EMPLOYEE BENEFITS**

**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. Several union contracts have additional language limiting employees hired within the past 15 years to either 960 hours or 25% of all hours on credit, whichever is less, or 25% of all hours on credit not to exceed 240 hours paid.

If any employee leaves the City for any reason, the City will pay the employee a maximum of 240 hours, except for IAFF employees who will be paid a maximum of 480 hours, for the compensatory time. As of December 31, 2019, the total liability for unpaid compensated absences was \$2,529,597 for the governmental activities and \$601,172 for the business-type activities.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### NOTE 15 - 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, 2019.

##### 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, 2019.

#### NOTE 16 - 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 2019, 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 85 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 2019, the City contributed \$35,035 to the Commission. Complete financial statements may be obtained from the Stark County Regional Planning Commission, 201 3<sup>rd</sup> Street NE, Suite 201, Canton, Ohio 44702.

***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 44707.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 17 - OTHER COMMITMENTS**

**A. Encumbrances**

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	\$ 88,467
Revolving loan fund	3,793
Other governmental	<u>655,816</u>
 Total	 <u>\$ 748,076</u>

**B. Contractual Commitments**

The City has entered into services agreements with various contractors for upgrades to and maintenance on the City's water tanks on Clark Street and 23<sup>rd</sup> Street and the Mid Park tank. The agreements are cancelable upon 90 days written notice after 5 years, 6 years and 7 years for Clark Street, 23<sup>rd</sup> Street and Mid Park, respectively. Payments are made from the water fund. The following is a schedule of the future minimum payments required under the agreements:

<u>Year</u>	<u>Clark Street</u>	<u>23rd Street</u>	<u>Mid Park</u>	<u>Total</u>
2020	\$ 177,236	\$ 132,608	\$ 130,051	\$ 439,895
2021	177,236	132,608	130,051	439,895
2022	177,236	132,608	130,051	439,895
2023	-	132,608	130,051	262,659
2024	<u>-</u>	<u>-</u>	<u>130,051</u>	<u>130,051</u>
Total	<u>\$ 531,708</u>	<u>\$ 530,432</u>	<u>\$ 650,255</u>	<u>\$ 1,712,395</u>



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 18 - 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	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 9,776	\$ -	\$ 85,294	\$ 95,070
Prepays	157,335	404	31,612	189,351
Unclaimed monies	<u>162,754</u>	<u>-</u>	<u>-</u>	<u>162,754</u>
Total nonspendable	<u>329,865</u>	<u>404</u>	<u>116,906</u>	<u>447,175</u>
Restricted:				
Judicial operations	-	-	557,740	557,740
Security programs	-	-	211,157	211,157
K-9 collections	8,193	-	-	8,193
Public health service programs	-	-	790,134	790,134
Transportation projects	-	-	463,590	463,590
Community environment programs	-	2,574,011	330,299	2,904,310
Capital projects	-	-	38,390	38,390
Long-term loans	-	759,842	-	759,842
Debt service	<u>-</u>	<u>-</u>	<u>43,850</u>	<u>43,850</u>
Total restricted	<u>8,193</u>	<u>3,333,853</u>	<u>2,435,160</u>	<u>5,777,206</u>
Committed:				
General government operations	87,828	-	-	87,828
Community environment programs	-	-	4,144	4,144
Leisure time activities programs	-	-	2,545	2,545
Transportation	-	-	2,761	2,761
Capital projects	<u>-</u>	<u>-</u>	<u>639,257</u>	<u>639,257</u>
Total committed	<u>87,828</u>	<u>-</u>	<u>648,707</u>	<u>736,535</u>
Assigned:				
General government operations	179,352	-	-	179,352
Security programs	4,311	-	-	4,311
Community environment programs	77,641	-	-	77,641
Subsequent year appropriations	<u>538,165</u>	<u>-</u>	<u>-</u>	<u>538,165</u>
Total assigned	<u>799,469</u>	<u>-</u>	<u>-</u>	<u>799,469</u>
Unassigned (deficit)	<u>1,702,053</u>	<u>-</u>	<u>(119,965)</u>	<u>1,582,088</u>
Total fund balances	<u>\$ 2,927,408</u>	<u>\$ 3,334,257</u>	<u>\$ 3,080,808</u>	<u>\$ 9,342,473</u>

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

#### NOTE 19 - SUBSEQUENT EVENT

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

#### NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT

The Alliance City Health Department Board is directed by a five member Board and a Health Commissioner. The Health Department services include communicable disease investigations, immunization clinics, environmental inspections, food inspections, mosquito control, housing inspection and demolition, vital statistics, public health nursing services, WIC Nutrition Program, and health-related licenses and permits.

The Health Department's management believes these financial statements present all activities for which the Health Department is financially accountable. The Health Department has no component units. The Health Department is a discretely presented component unit of the City of Alliance.

##### **Summary of Significant Accounting Policies**

The financial statements of the Health Department have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Health Department's accounting policies are described as follows.

***Basis of Presentation - Government-Wide Financial Statements*** - The statement of net position and the statement of activities display information about the Health Department as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Health Department has no fiduciary funds. The statements distinguish between those activities of the Health Department that are governmental and those that are considered business-type activities. The Health Department has no business-type activities.

The statement of net position presents the financial condition of the governmental activities and business-type activities for the Health Department at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health Department's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health Department, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Health Department.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

**Measurement Focus - Government-Wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Health Department are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**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.

**Revenues-Exchange and Nonexchange Transactions** - Revenues 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. Nonexchange transactions, in which the Health Department receives value without directly giving equal value in return, include intergovernmental contractual allocations from participating local governments, grants, entitlements, and donations. Revenue from intergovernmental contractual allocations, grants, entitlements and donations is recognized in the fiscal 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 Health Department must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Health Department on a reimbursement basis.

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Health Department, deferred inflows of resources are reported on the government-wide statement of net position for pension and OPEB.

**Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

**Capital Assets** - Capital assets are reported in the government-wide financial statements. In accordance with the City's policy, all capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Health Department maintains a capitalization threshold of \$5,000, in accordance with the City's policy.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

All reported capital assets are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, fixtures and equipment	5 - 20 years

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the Department's past experience of making termination payments.

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

**Net Position** - Net position represents the difference between all other elements on the statement of net position. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health Department's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Deposits and Investments**

The City Auditor is the custodian for the Health Department's cash. The City's cash and investment pool holds the Health Department's cash, which is reported at the City Auditor's carrying amount.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which the service is consumed.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

**Capital Assets**

Capital asset activity for the year ended December 31, 2019, for the Health Department was as follows:

	Balance			Balance
<b><u>Governmental activities:</u></b>	<u>01/01/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/19</u>
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures and equipment	\$ 42,170	\$ -	\$ -	\$ 42,170
<i>Less: accumulated depreciation:</i>				
Furniture, fixtures and equipment	(24,686)	(2,524)	-	(27,210)
Total capital assets being depreciated, net	17,484	(2,524)	-	14,960
Governmental activities capital assets, net	<u>\$ 17,484</u>	<u>\$ (2,524)</u>	<u>\$ -</u>	<u>\$ 14,960</u>

**Long-Term Obligations**

Changes in the Health Department's long-term obligations during the year consisted of the following.

<b>Governmental activities:</b>	Balance			Balance	Due Within
	<u>01/01/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/19</u>	<u>One Year</u>
Compensated absences	\$ 165,414	\$ 8,965	\$ -	\$ 174,379	\$ 46,626
Net pension liability	537,495	418,526	-	956,021	-
Net OPEB liability	366,523	80,705	-	447,228	-
Total governmental-type long-term obligations	<u>\$ 1,069,432</u>	<u>\$ 508,196</u>	<u>\$ -</u>	<u>\$ 1,577,628</u>	<u>\$ 46,626</u>

**Risk Management**

The Health Department is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Health Department is included under the City's programs for property and liability and workers' compensation, see Note 8 for detail.

**Employee Benefits**

The Health Department is included under the City's programs for life/health insurance and compensated absences, see Note 8.C and Note 14 for detail.

**Defined Benefit Pension Plans**

Plan descriptions and actuarial information for the Health Department's defined benefit pension plans are the same as the City's (see Note 12 for detail).

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

For 2019, the Health Department’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$70,289 for 2019. Of this amount, \$5,722 is reported as due to other governments.

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Health Department’s proportion of the net pension liability (asset) was based on the Health Departments’ share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense of the Health Department’s defined benefit pension plans:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.00342500%	0.00317000%	0.00225700%	
Proportion of the net pension liability/asset current measurement date	<u>0.00349100%</u>	<u>0.00326700%</u>	<u>0.00210300%</u>	
Change in proportionate share	<u>0.00006600%</u>	<u>0.00009700%</u>	<u>-0.00015400%</u>	
Proportionate share of the net pension liability	\$ 956,021	\$ -	\$ -	\$ 956,021
Proportionate share of the net pension asset	-	(3,654)	(47)	(3,701)
Pension expense	200,051	1,014	(12)	201,053

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

At December 31, 2019, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
<b>Deferred outflows of resources</b>				
Differences between expected and actual experience	\$ 44	\$ -	\$ 199	\$ 243
Net difference between projected and actual earnings on pension plan investments	129,761	787	16	130,564
Changes of assumptions	83,224	816	15	84,055
Contributions subsequent to the measurement date	7,361	-	-	7,361
Department contributions subsequent to the measurement date	67,018	2,001	1,270	70,289
Total deferred outflows of resources	<u>\$ 287,408</u>	<u>\$ 3,604</u>	<u>\$ 1,500</u>	<u>\$ 292,512</u>

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
<b>Deferred inflows of resources</b>				
Differences between expected and actual experience	\$ 12,553	\$ 1,492	\$ -	\$ 14,045
Changes in employer's proportionate percentage/ difference between employer contributions	15,460	-	-	15,460
Total deferred inflows of resources	<u>\$ 28,013</u>	<u>\$ 1,492</u>	<u>\$ -</u>	<u>\$ 29,505</u>

\$70,289 reported as deferred outflows of resources related to pension resulting from Health Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
2020	\$ 70,155	\$ 111	\$ 33	\$ 70,299
2021	36,521	-	30	36,551
2022	14,252	-	31	14,283
2023	71,449	-	37	71,486
2024	-	-	28	28
Thereafter	-	-	71	71
<b>Total</b>	<b>\$ 192,377</b>	<b>\$ 111</b>	<b>\$ 230</b>	<b>\$ 192,718</b>

***Sensitivity of the Health Department's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate*** - The following table presents the Health Department's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the Health Department's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 1,412,321	\$ 956,021	\$ 576,832
Combined Plan	(1,209)	(3,654)	(5,423)
Member-Directed Plan	(21)	(47)	(84)

**Defined Benefit OPEB Plan**

Plan descriptions and actuarial information for the Health Department's defined benefit OPEB plan are the same as the City's (see Note 13 for detail).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health Department's contractually required contribution was \$508 for 2019. Of this amount, \$42 is reported as due to other governments.

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPEB's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The Health Department's proportion of the net OPEB liability was based on the Health Department's share of contributions to the retirement plan relative to the contributions of all participating entities.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

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

	OPERS
Proportion of the net OPEB liability	
prior measurement date	0.00337400%
Proportion of the net OPEB liability	
current measurement date	0.00343000%
Change in proportionate share	0.00005600%
Proportionate share of the net OPEB liability	\$ 447,228
OPEB expense	\$ 426,159

At December 31, 2019, the Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred outflows of resources</b>	
Differences between expected and actual experience	\$ 151
Net difference between projected and actual earnings on OPEB plan investments	20,503
Changes of assumptions	14,419
Changes in employer's proportionate percentage/ difference between employer contributions	3,793
Contributions subsequent to the measurement date	508
Total deferred outflows of resources	\$ 39,374

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

	<u>OPERS</u>
<b>Deferred inflows of resources</b>	
Differences between expected and actual experience	\$ 1,213
Changes in employer's proportionate percentage/difference between employer contributions	10,901
Total deferred inflows of resources	<u>\$ 12,114</u>

\$508 reported as deferred outflows of resources related to OPEB resulting from Health Department contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>
Year Ending December 31:	
2020	\$ 7,992
2021	4,639
2022	3,509
2023	10,612
Total	<u>\$ 26,752</u>

***Sensitivity of the Health Department's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** - The following table presents the Health Department's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the Health Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Proportionate share of the net OPEB liability	\$ 572,172	\$ 447,228	\$ 347,865

***Sensitivity of the Health Department's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	\$ 429,883	\$ 447,228	\$ 467,205

**Contingencies**

**Grants** - The Health Department received financial assistance from federal and state agencies in the form of grants. The expenditure 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, if any, on the financial condition of the Health Department.

**Litigation** - The Health Department is not party to any legal proceedings that, in the opinion of management, will have a material adverse effect on the financial condition of the Health Department.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SIX YEARS

	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.046253%	0.045608%	0.048872%	0.048789%
City's proportionate share of the net pension liability	\$ 11,711,738	\$ 7,155,011	\$ 11,097,999	\$ 8,450,870
City's covered payroll	\$ 5,779,421	\$ 5,746,500	\$ 6,345,067	\$ 6,022,642
City's proportionate share of the net pension liability as a percentage of its covered payroll	202.65%	124.51%	174.91%	140.32%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.043291%	0.042204%	0.045284%	0.043680%
City's proportionate share of the net pension asset	\$ 44,755	\$ 57,453	\$ 25,204	\$ 21,256
City's covered payroll	\$ 171,243	\$ 172,846	\$ 176,275	\$ 158,975
City's proportionate share of the net pension asset as a percentage of its covered payroll	26.14%	33.24%	14.30%	13.37%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	137.28%	116.55%	116.90%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.027864%	0.030049%	0.043375%	0.043228%
City's proportionate share of the net pension asset	\$ 587	\$ 1,049	\$ 181	\$ 165
City's covered payroll	\$ 146,370	\$ 164,700	\$ 178,258	\$ 240,742
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.40%	0.64%	0.10%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	113.42%	124.45%	103.40%	103.91%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>	<u>2014</u>
	0.048044%	0.048044%
\$	5,794,643	\$ 5,663,762
\$	5,899,225	\$ 5,845,338
	98.23%	96.89%
	86.45%	86.36%
	0.043697%	0.043697%
\$	16,824	\$ 4,585
\$	153,433	\$ 119,669
	10.97%	3.83%
	114.83%	104.56%
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a
	n/a	n/a

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST SIX YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	0.20053100%	0.19721500%	0.20455100%	0.20491200%
City's proportionate share of the net pension liability	\$ 16,368,628	\$ 12,103,989	\$ 12,956,102	\$ 13,182,132
City's covered payroll	\$ 4,598,780	\$ 4,093,300	\$ 4,552,466	\$ 4,233,608
City's proportionate share of the net pension liability as a percentage of its covered payroll	355.93%	295.70%	284.60%	311.37%
Plan fiduciary net position as a percentage of the total pension liability	63.07%	70.91%	68.36%	66.77%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2015</u>	<u>2014</u>
0.21463130%	0.21463130%
\$ 11,118,796	\$ 10,453,218
\$ 4,341,884	\$ 4,175,541
256.08%	250.34%
72.20%	73.00%

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 821,006	\$ 874,838	\$ 747,045	\$ 761,408
Contributions in relation to the contractually required contribution	<u>(821,006)</u>	<u>(874,838)</u>	<u>(747,045)</u>	<u>(761,408)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,864,329	\$ 5,779,421	\$ 5,746,500	\$ 6,345,067
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 24,514	\$ 25,921	\$ 22,470	\$ 21,153
Contributions in relation to the contractually required contribution	<u>(24,514)</u>	<u>(25,921)</u>	<u>(22,470)</u>	<u>(21,153)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 175,100	\$ 171,243	\$ 172,846	\$ 176,275
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 15,564	\$ 15,826	\$ 16,470	\$ 21,391
Contributions in relation to the contractually required contribution	<u>(15,564)</u>	<u>(15,826)</u>	<u>(16,470)</u>	<u>(21,391)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 155,640	\$ 146,370	\$ 164,700	\$ 178,258
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	12.00%

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 722,717	\$ 707,907	\$ 759,894	\$ 599,490	\$ 606,260	\$ 239,852
<u>(722,717)</u>	<u>(707,907)</u>	<u>(759,894)</u>	<u>(599,490)</u>	<u>(606,260)</u>	<u>(239,852)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,022,642	\$ 5,899,225	\$ 5,845,338	\$ 5,994,900	\$ 6,062,600	\$ 2,688,924
12.00%	12.00%	13.00%	10.00%	10.00%	8.92%
\$ 19,077	\$ 18,412	\$ 15,557	\$ 9,462	\$ 8,447	
<u>(19,077)</u>	<u>(18,412)</u>	<u>(15,557)</u>	<u>(9,462)</u>	<u>(8,447)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 158,975	\$ 153,433	\$ 119,669	\$ 119,019	\$ 106,252	
12.00%	12.00%	13.00%	7.95%	7.95%	
\$ 28,889					
<u>(28,889)</u>					
<u>\$ -</u>					
\$ 240,742					
12.00%					

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 504,789	\$ 509,379	\$ 439,734	\$ 524,512
Contributions in relation to the contractually required contribution	<u>(504,789)</u>	<u>(509,379)</u>	<u>(439,734)</u>	<u>(524,512)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,656,784	\$ 2,680,942	\$ 2,314,389	\$ 2,760,589
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 452,373	\$ 450,692	\$ 418,044	\$ 421,091
Contributions in relation to the contractually required contribution	<u>(452,373)</u>	<u>(450,692)</u>	<u>(418,044)</u>	<u>(421,091)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,924,991	\$ 1,917,838	\$ 1,778,911	\$ 1,791,877
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

Note: although the OP&F Pension Fund is a single pension plan, the City has elected to present contributions information for Police and Fire separately.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 475,279	\$ 497,799	\$ 397,100	\$ 294,093	\$ 310,923	\$ 304,125
<u>(475,279)</u>	<u>(497,799)</u>	<u>(397,100)</u>	<u>(294,093)</u>	<u>(310,923)</u>	<u>(304,125)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,501,468	\$ 2,619,995	\$ 2,500,105	\$ 2,306,612	\$ 2,438,612	\$ 2,385,294
19.00%	19.00%	15.88%	12.75%	12.75%	12.75%
\$ 407,053	\$ 404,644	\$ 341,347	\$ 287,740	\$ 294,805	\$ 289,105
<u>(407,053)</u>	<u>(404,644)</u>	<u>(341,347)</u>	<u>(287,740)</u>	<u>(294,805)</u>	<u>(289,105)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,732,140	\$ 1,721,889	\$ 1,674,638	\$ 1,668,058	\$ 1,709,014	\$ 1,675,971
23.50%	23.50%	20.38%	17.25%	17.25%	17.25%

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE YEARS

	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.045453%	0.044930%	0.048448%
City's proportionate share of the net OPEB liability	\$ 5,478,770	\$ 4,879,067	\$ 4,893,407
City's covered payroll	\$ 6,097,034	\$ 6,084,046	\$ 6,699,600
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.86%	80.19%	73.04%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST THREE YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.20053100%	0.19721500%	0.20455100%
City's proportionate share of the net OPEB liability	\$ 1,826,142	\$ 11,173,943	\$ 9,709,576
City's covered payroll	\$ 4,598,780	\$ 4,093,300	\$ 4,552,466
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	39.71%	272.98%	213.28%
Plan fiduciary net position as a percentage of the total OPEB liability	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 6,225	\$ 6,331	\$ 65,781	\$ 140,558
Contributions in relation to the contractually required contribution	<u>(6,225)</u>	<u>(6,331)</u>	<u>(65,781)</u>	<u>(140,558)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,195,069	\$ 6,097,034	\$ 6,084,046	\$ 6,699,600
Contributions as a percentage of covered payroll	0.10%	0.10%	1.08%	2.10%

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 123,632	\$ 120,949	\$ 59,624	\$ 246,997	\$ 248,932	\$ 312,195
<u>(123,632)</u>	<u>(120,949)</u>	<u>(59,624)</u>	<u>(246,997)</u>	<u>(248,932)</u>	<u>(312,195)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,422,359	\$ 6,052,658	\$ 5,965,007	\$ 6,113,919	\$ 6,168,852	\$ 2,688,924
1.93%	2.00%	1.00%	4.04%	4.04%	11.61%

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Police:</i>				
Contractually required contribution	\$ 13,284	\$ 13,405	\$ 11,572	\$ 14,176
Contributions in relation to the contractually required contribution	<u>(13,284)</u>	<u>(13,405)</u>	<u>(11,572)</u>	<u>(14,176)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,656,784	\$ 2,680,942	\$ 2,314,389	\$ 2,760,589
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 9,625	\$ 9,589	\$ 8,895	\$ 8,959
Contributions in relation to the contractually required contribution	<u>(9,625)</u>	<u>(9,589)</u>	<u>(8,895)</u>	<u>(8,959)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,924,991	\$ 1,917,838	\$ 1,778,911	\$ 1,791,877
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Note: although the OP&F Pension Fund is a single pension plan, the City has elected to present contributions information for Police and Fire separately.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 12,845	\$ 13,036	\$ 85,960	\$ 155,697	\$ 164,607	\$ 161,008
<u>(12,845)</u>	<u>(13,036)</u>	<u>(85,960)</u>	<u>(155,697)</u>	<u>(164,607)</u>	<u>(161,008)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,501,468	\$ 2,619,995	\$ 2,500,105	\$ 2,306,612	\$ 2,438,612	\$ 2,385,294
0.50%	0.50%	3.44%	6.75%	6.75%	6.75%
\$ 8,661	\$ 8,564	\$ 61,940	\$ 112,594	\$ 115,359	\$ 113,128
<u>(8,661)</u>	<u>(8,564)</u>	<u>(61,940)</u>	<u>(112,594)</u>	<u>(115,359)</u>	<u>(113,128)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,732,140	\$ 1,721,889	\$ 1,674,638	\$ 1,668,058	\$ 1,709,014	\$ 1,675,971
0.50%	0.50%	3.70%	6.75%	6.75%	6.75%

CITY OF ALLIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2019.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2019.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2019.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,949,494	\$ 43,850	\$ 547,843	\$ 2,541,187
Receivables (net of allowances for uncollectibles):				
Municipal income taxes . . . . .	-	-	114,199	114,199
Property and other taxes . . . . .	1,049,021	-	-	1,049,021
Accounts . . . . .	22,206	-	9,716	31,922
Intergovernmental . . . . .	746,720	-	108,270	854,990
Special assessments . . . . .	-	23,107	691	23,798
Prepayments . . . . .	31,612	-	-	31,612
Materials and supplies inventory . . . . .	85,294	-	-	85,294
Total assets . . . . .	<u>\$ 3,884,347</u>	<u>\$ 66,957</u>	<u>\$ 780,719</u>	<u>\$ 4,732,023</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 1,457	\$ -	\$ 41,616	\$ 43,073
Accrued wages and benefits payable . . . . .	62,516	-	-	62,516
Interfund loans payable . . . . .	145,564	-	-	145,564
Due to other funds . . . . .	9,644	-	-	9,644
Due to other governments . . . . .	16,968	-	-	16,968
Advances to other funds . . . . .	5,626	-	-	5,626
Total liabilities . . . . .	<u>241,775</u>	<u>-</u>	<u>41,616</u>	<u>283,391</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	913,730	-	-	913,730
Income tax revenue not available . . . . .	-	-	60,765	60,765
Delinquent property tax revenue not available . . . . .	135,291	-	-	135,291
Special assessments revenue not available . . . . .	-	23,107	691	23,798
Intergovernmental revenue not available . . . . .	234,240	-	-	234,240
Total deferred inflows of resources . . . . .	<u>1,283,261</u>	<u>23,107</u>	<u>61,456</u>	<u>1,367,824</u>
Total liabilities and deferred inflows of resources . . . . .	<u>1,525,036</u>	<u>23,107</u>	<u>103,072</u>	<u>1,651,215</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	116,906	-	-	116,906
Restricted . . . . .	2,352,920	43,850	38,390	2,435,160
Committed . . . . .	9,450	-	639,257	648,707
Unassigned (deficit) . . . . .	<u>(119,965)</u>	<u>-</u>	<u>-</u>	<u>(119,965)</u>
Total fund balances . . . . .	<u>2,359,311</u>	<u>43,850</u>	<u>677,647</u>	<u>3,080,808</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 3,884,347</u>	<u>\$ 66,957</u>	<u>\$ 780,719</u>	<u>\$ 4,732,023</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ -	\$ -	\$ 537,526	\$ 537,526
Property and other taxes . . . . .	918,965	-	-	918,965
Charges for services . . . . .	130,031	-	-	130,031
Licenses, permits and fees . . . . .	28,810	-	26,430	55,240
Fines and forfeitures . . . . .	173,056	-	-	173,056
Intergovernmental . . . . .	2,585,575	-	333,242	2,918,817
Investment income . . . . .	23,998	-	-	23,998
Contributions and donations . . . . .	75	-	1,101	1,176
Other . . . . .	132,495	-	15,850	148,345
Total revenues . . . . .	<u>3,993,005</u>	<u>-</u>	<u>914,149</u>	<u>4,907,154</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	526,136	-	-	526,136
Security of persons and property . . . . .	1,448,141	-	-	1,448,141
Public health and welfare . . . . .	143,450	-	-	143,450
Transportation . . . . .	1,072,398	-	-	1,072,398
Community environment . . . . .	625,280	-	-	625,280
Leisure time activities . . . . .	765,915	-	-	765,915
Capital outlay . . . . .	-	-	697,734	697,734
Debt service:				
Principal retirement . . . . .	12,233	-	41,241	53,474
Interest and fiscal charges . . . . .	11,912	-	3,226	15,138
Total expenditures . . . . .	<u>4,605,465</u>	<u>-</u>	<u>742,201</u>	<u>5,347,666</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(612,460)</u>	<u>-</u>	<u>171,948</u>	<u>(440,512)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	906,019	-	300,000	1,206,019
Transfers (out) . . . . .	(26,306)	-	-	(26,306)
Total other financing sources (uses) . . . . .	<u>879,713</u>	<u>-</u>	<u>300,000</u>	<u>1,179,713</u>
<b>Special item:</b>				
Transfer of operations . . . . .	<u>(90,545)</u>	<u>-</u>	<u>-</u>	<u>(90,545)</u>
Net change in fund balances . . . . .	176,708	-	471,948	648,656
<b>Fund balances at beginning of year . . . . .</b>	<u>2,182,603</u>	<u>43,850</u>	<u>205,699</u>	<u>2,432,152</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,359,311</u>	<u>\$ 43,850</u>	<u>\$ 677,647</u>	<u>\$ 3,080,808</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.

***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.

***Cemetery Fund***

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

***HUD Grant Fund***

This fund accounts for revenues received from the Federal government and expenditures as 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.

***Fire Pension Fund***

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

(continued)



**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds - continued**

***Police Pension Fund***

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

***Park Levy Fund***

This fund accounts for proceeds of a voted 5 year property tax levy to be used for the expenses of the parks and recreation department. This fund did not have any budgetary basis activity in 2018.

***Special Project Fund***

This fund accounts for proceeds of a State grant to clean up an abandoned gas station.

***FEMA Fund***

This fund accounts for grants from the Federal Emergency Management Agency (FEMA): Staffing for Adequate Fire and Emergency Response (SAFER) Grant and Fire Prevention and Safety (FP&S) Grant.

***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*
- Alliance Area Senior Citizens 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*
- Park Resources Fund*
- Downtown Special Events Fund*

**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 expenditures.

***Supply Revolving Fund***

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

***Auditor Transfer Fund***

This fund accounts for unclaimed funds, fire loss deposits, property foreclosure deposits, and contributions.

**CITY OF ALLIANCE, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2019

	<b>Street Repair and Maintenance</b>	<b>State Highway</b>	<b>Law Enforcement Block Grant</b>	<b>Motor Vehicle License</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 206,556	\$ 32,041	\$ 59,602	\$ 46,353
Receivables (net of allowances for uncollectibles):				
Property and other taxes . . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental . . . . .	357,350	28,974	-	18,828
Prepayments . . . . .	-	-	-	17,307
Materials and supplies inventory . . . . .	85,294	-	-	-
	<u>\$ 649,200</u>	<u>\$ 61,015</u>	<u>\$ 59,602</u>	<u>\$ 82,488</u>
<b>Total assets</b> . . . . .	<u>\$ 649,200</u>	<u>\$ 61,015</u>	<u>\$ 59,602</u>	<u>\$ 82,488</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 253	\$ -	\$ -	\$ -
Accrued wages and benefits payable . . . . .	25,447	-	-	-
Interfund loans payable . . . . .	-	-	-	-
Due to other funds . . . . .	-	-	-	-
Due to other governments . . . . .	7,708	-	-	-
Advances to other funds . . . . .	-	-	-	-
	<u>33,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b> . . . . .	<u>33,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available . . . . .	178,622	14,482	-	-
	<u>178,622</u>	<u>14,482</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b> . . . . .	<u>178,622</u>	<u>14,482</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	85,294	-	-	17,307
Restricted . . . . .	351,876	46,533	59,602	65,181
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
	<u>437,170</u>	<u>46,533</u>	<u>59,602</u>	<u>82,488</u>
<b>Total fund balances (deficit)</b> . . . . .	<u>437,170</u>	<u>46,533</u>	<u>59,602</u>	<u>82,488</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b> . . . . .	<u>\$ 649,200</u>	<u>\$ 61,015</u>	<u>\$ 59,602</u>	<u>\$ 82,488</u>

<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Cemetery</u>	<u>HUD Grant</u>
\$ 123,766	\$ 4,423	\$ 23,135	\$ 10,568	\$ 791,100	\$ -
-	-	-	-	-	-
4,970	-	10,975	-	-	-
-	-	-	-	-	300,432
-	-	235	-	1,818	1,937
-	-	-	-	-	-
<u>\$ 128,736</u>	<u>\$ 4,423</u>	<u>\$ 34,345</u>	<u>\$ 10,568</u>	<u>\$ 792,918</u>	<u>\$ 302,369</u>
\$ 155	\$ -	\$ -	\$ -	\$ 98	\$ 235
-	-	2,077	-	4,099	11,461
-	-	11,000	-	-	-
-	-	-	-	-	9,644
-	-	433	-	1,192	2,318
-	-	-	-	-	-
<u>155</u>	<u>-</u>	<u>13,510</u>	<u>-</u>	<u>5,389</u>	<u>23,658</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	235	-	1,818	1,937
128,581	4,423	20,600	10,568	785,711	276,774
-	-	-	-	-	-
-	-	-	-	-	-
<u>128,581</u>	<u>4,423</u>	<u>20,835</u>	<u>10,568</u>	<u>787,529</u>	<u>278,711</u>
<u>\$ 128,736</u>	<u>\$ 4,423</u>	<u>\$ 34,345</u>	<u>\$ 10,568</u>	<u>\$ 792,918</u>	<u>\$ 302,369</u>

Continued

**CITY OF ALLIANCE, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2019

	<u>Community Development Block Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Park Levy</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 27,434	\$ 10,000	\$ 10,000	\$ 29,679
Receivables (net of allowances for uncollectibles):				
Property and other taxes . . . . .	-	89,905	89,905	869,211
Accounts . . . . .	-	-	-	-
Intergovernmental . . . . .	-	4,048	4,048	33,040
Prepayments . . . . .	-	-	-	7,880
Materials and supplies inventory . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 27,434</u>	<u>\$ 103,953</u>	<u>\$ 103,953</u>	<u>\$ 939,810</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ 311
Accrued wages and benefits payable . . . . .	-	-	-	15,218
Interfund loans payable . . . . .	-	-	-	33,000
Due to other funds . . . . .	-	-	-	-
Due to other governments . . . . .	-	-	-	4,089
Advances to other funds . . . . .	-	-	-	-
Total liabilities . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,618</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	89,905	89,905	733,920
Delinquent property tax revenue not available . . . . .	-	-	-	135,291
Intergovernmental revenue not available . . . . .	-	4,048	4,048	33,040
Total deferred inflows of resources . . . . .	<u>-</u>	<u>93,953</u>	<u>93,953</u>	<u>902,251</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	7,880
Restricted . . . . .	27,434	10,000	10,000	-
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	(22,939)
Total fund balances (deficit) . . . . .	<u>27,434</u>	<u>10,000</u>	<u>10,000</u>	<u>(15,059)</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 27,434</u>	<u>\$ 103,953</u>	<u>\$ 103,953</u>	<u>\$ 939,810</u>

<u>FEMA</u>	<u>Other</u>	<u>Total</u>
\$ 7,020	\$ 567,817	\$ 1,949,494
-	-	1,049,021
-	6,261	22,206
-	-	746,720
-	2,435	31,612
-	-	85,294
<u>\$ 7,020</u>	<u>\$ 576,513</u>	<u>\$ 3,884,347</u>
\$ -	\$ 405	\$ 1,457
-	4,214	62,516
30,000	71,564	145,564
-	-	9,644
-	1,228	16,968
-	5,626	5,626
<u>30,000</u>	<u>83,037</u>	<u>241,775</u>
-	-	913,730
-	-	135,291
-	-	234,240
<u>-</u>	<u>-</u>	<u>1,283,261</u>
-	2,435	116,906
-	555,637	2,352,920
-	9,450	9,450
<u>(22,980)</u>	<u>(74,046)</u>	<u>(119,965)</u>
<u>(22,980)</u>	<u>493,476</u>	<u>2,359,311</u>
<u>\$ 7,020</u>	<u>\$ 576,513</u>	<u>\$ 3,884,347</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, 2019

	<u>Street Repair and Maintenance</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-
Licenses, permits and fees . . . . .	-	-	-
Fines and forfeitures . . . . .	-	-	46,605
Intergovernmental . . . . .	927,426	75,197	-
Investment income . . . . .	2,290	581	1,202
Contributions and donations . . . . .	-	-	-
Other . . . . .	43,792	246	-
Total revenues . . . . .	<u>973,508</u>	<u>76,024</u>	<u>47,807</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	-	-	-
Security of persons and property . . . . .	46,268	-	43,954
Public health and welfare . . . . .	-	-	-
Transportation . . . . .	706,072	72,317	-
Community environment . . . . .	-	-	-
Leisure time activities . . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	-	-
Interest and fiscal charges . . . . .	-	-	-
Total expenditures . . . . .	<u>752,340</u>	<u>72,317</u>	<u>43,954</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>221,168</u>	<u>3,707</u>	<u>3,853</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	-	-
Transfers (out) . . . . .	-	-	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>
<b>Special item:</b>			
Transfer of operations . . . . .	-	-	-
Net change in fund balances . . . . .	221,168	3,707	3,853
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<u>216,002</u>	<u>42,826</u>	<u>55,749</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 437,170</u>	<u>\$ 46,533</u>	<u>\$ 59,602</u>

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Cemetery</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	28,810
-	64,890	-	-	-	-
232,169	-	-	47,265	-	-
-	-	-	-	-	16,891
-	-	-	-	-	75
-	-	-	-	-	31,470
<u>232,169</u>	<u>64,890</u>	<u>-</u>	<u>47,265</u>	<u>-</u>	<u>77,246</u>
-	58,451	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	143,450
294,009	-	-	-	-	-
-	-	-	55,439	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>294,009</u>	<u>58,451</u>	<u>-</u>	<u>55,439</u>	<u>-</u>	<u>143,450</u>
<u>(61,840)</u>	<u>6,439</u>	<u>-</u>	<u>(8,174)</u>	<u>-</u>	<u>(66,204)</u>
-	-	-	-	-	102,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,000</u>
-	-	(90,545)	-	-	-
(61,840)	6,439	(90,545)	(8,174)	-	35,796
144,328	122,142	94,968	29,009	10,568	751,733
<u>\$ 82,488</u>	<u>\$ 128,581</u>	<u>\$ 4,423</u>	<u>\$ 20,835</u>	<u>\$ 10,568</u>	<u>\$ 787,529</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, 2019

	<b>HUD Grant</b>	<b>Community Development Block Grant</b>	<b>Fire Pension</b>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ -	\$ -	\$ 88,949
Charges for services . . . . .	-	-	-
Licenses, permits and fees . . . . .	-	-	-
Fines and forfeitures . . . . .	-	-	-
Intergovernmental . . . . .	773,763	-	10,123
Investment income. . . . .	-	556	-
Contributions and donations . . . . .	-	-	-
Other . . . . .	-	11,752	6,125
<b>Total revenues . . . . .</b>	<b>773,763</b>	<b>12,308</b>	<b>105,197</b>
<b>Expenditures:</b>			
Current:			
General government . . . . .	-	-	-
Security of persons and property . . . . .	-	-	466,073
Public health and welfare . . . . .	-	-	-
Transportation . . . . .	-	-	-
Community environment. . . . .	556,777	9,637	-
Leisure time activities . . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	-	6,943
Interest and fiscal charges . . . . .	-	-	6,761
<b>Total expenditures . . . . .</b>	<b>556,777</b>	<b>9,637</b>	<b>479,777</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	216,986	2,671	(374,580)
<b>Other financing sources:</b>			
Transfers in . . . . .	-	-	374,580
Transfers (out) . . . . .	-	-	-
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>374,580</b>
<b>Special item:</b>			
Transfer of operations . . . . .	-	-	-
Net change in fund balances . . . . .	216,986	2,671	-
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>61,725</b>	<b>24,763</b>	<b>10,000</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 278,711</b>	<b>\$ 27,434</b>	<b>\$ 10,000</b>



<u>Police Pension</u>	<u>Park Levy</u>	<u>Special Projects</u>	<u>FEMA</u>	<u>Other</u>	<u>Total</u>
\$ 88,949	\$ 741,067	\$ -	\$ -	\$ -	\$ 918,965
-	-	-	-	130,031	130,031
-	-	-	-	-	28,810
-	-	-	-	61,561	173,056
10,123	30,462	323,684	149,692	5,671	2,585,575
-	-	-	-	2,478	23,998
-	-	-	-	-	75
6,125	-	-	-	32,985	132,495
<u>105,197</u>	<u>771,529</u>	<u>323,684</u>	<u>149,692</u>	<u>232,726</u>	<u>3,993,005</u>
-	1,737	379,708	-	86,240	526,136
524,195	-	-	146,366	221,285	1,448,141
-	-	-	-	-	143,450
-	-	-	-	-	1,072,398
-	-	-	-	3,427	625,280
-	764,477	-	-	1,438	765,915
5,290	-	-	-	-	12,233
5,151	-	-	-	-	11,912
<u>534,636</u>	<u>766,214</u>	<u>379,708</u>	<u>146,366</u>	<u>312,390</u>	<u>4,605,465</u>
<u>(429,439)</u>	<u>5,315</u>	<u>(56,024)</u>	<u>3,326</u>	<u>(79,664)</u>	<u>(612,460)</u>
429,439	-	-	-	-	906,019
-	-	-	(26,306)	-	(26,306)
<u>429,439</u>	<u>-</u>	<u>-</u>	<u>(26,306)</u>	<u>-</u>	<u>879,713</u>
-	-	-	-	-	(90,545)
-	5,315	(56,024)	(22,980)	(79,664)	176,708
10,000	(20,374)	56,024	-	573,140	2,182,603
<u>\$ 10,000</u>	<u>\$ (15,059)</u>	<u>\$ -</u>	<u>\$ (22,980)</u>	<u>\$ 493,476</u>	<u>\$ 2,359,311</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 744,375	\$ 866,000	\$ 121,625
Investment income. . . . .	800	2,290	1,490
Other . . . . .	1,000	43,792	42,792
<b>Total revenues.</b> . . . .	<u>746,175</u>	<u>912,082</u>	<u>165,907</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages. . . . .	60,429	58,791	1,638
Fringe benefits . . . . .	7,270	7,097	173
Contractual services . . . . .	14,193	10,639	3,554
Materials and supplies. . . . .	800	120	680
<b>Total security of persons and property . .</b>	<u>82,692</u>	<u>76,647</u>	<u>6,045</u>
Transportation:			
Street transportation:			
Salaries and wages. . . . .	586,937	569,167	17,770
Fringe benefits . . . . .	106,600	104,700	1,900
Contractual services . . . . .	7,780	6,635	1,145
Materials and supplies . . . . .	66,725	58,180	8,545
<b>Total transportation.</b> . . . .	<u>768,042</u>	<u>738,682</u>	<u>29,360</u>
<b>Total expenditures</b> . . . . .	<u>850,734</u>	<u>815,329</u>	<u>35,405</u>
<b>Net change in fund balance</b> . . . . .	(104,559)	96,753	201,312
<b>Fund balance at beginning of year.</b> . . . .	99,532	99,532	-
<b>Prior year encumbrances appropriated</b> . . .	6,135	6,135	-
<b>Fund balance at end of year.</b> . . . .	<u>\$ 1,108</u>	<u>\$ 202,420</u>	<u>\$ 201,312</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 60,425	\$ 70,216	\$ 9,791
Investment income. . . . .	500	581	81
Other. . . . .	-	246	246
<b>Total revenues . . . . .</b>	<u>60,925</u>	<u>71,043</u>	<u>10,118</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Capital outlay . . . . .	85,000	81,817	3,183
<b>Total expenditures . . . . .</b>	<u>85,000</u>	<u>81,817</u>	<u>3,183</u>
 Net change in fund balance . . . . .	 (24,075)	 (10,774)	 13,301
 <b>Fund balance at beginning of year . . . . .</b>	 <u>33,315</u>	 <u>33,315</u>	 <u>-</u>
 <b>Fund balance at end of year. . . . .</b>	 <u>\$ 9,240</u>	 <u>\$ 22,541</u>	 <u>\$ 13,301</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 25,000	\$ 46,605	\$ 21,605
Investment income . . . . .	800	1,202	402
<b>Total revenues . . . . .</b>	<u>25,800</u>	<u>47,807</u>	<u>22,007</u>
 <b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies . . . . .	57,984	51,605	6,379
<b>Total expenditures . . . . .</b>	<u>57,984</u>	<u>51,605</u>	<u>6,379</u>
 Net change in fund balance . . . . .	(32,184)	(3,798)	28,386
 <b>Fund balance at beginning of year . . . . .</b>	56,430	56,430	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>984</u>	<u>984</u>	<u>-</u>
 <b>Fund balance at end of year . . . . .</b>	<u>\$ 25,230</u>	<u>\$ 53,616</u>	<u>\$ 28,386</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 239,131	\$ 230,521	\$ (8,610)
Total revenues . . . . .	<u>239,131</u>	<u>230,521</u>	<u>(8,610)</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits . . . . .	26,000	17,274	8,726
Contractual services . . . . .	118,880	113,687	5,193
Capital outlay . . . . .	206,166	170,157	36,009
Total expenditures . . . . .	<u>351,046</u>	<u>301,118</u>	<u>49,928</u>
Net change in fund balance . . . . .	(111,915)	(70,597)	41,318
<b>Fund balance at beginning of year . . . . .</b>	76,870	76,870	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>35,046</u>	<u>35,046</u>	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1</u>	<u>\$ 41,319</u>	<u>\$ 41,318</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 60,000	\$ 64,486	\$ 4,486
Total revenues . . . . .	<u>60,000</u>	<u>64,486</u>	<u>4,486</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Contractual services . . . . .	63,000	55,607	7,393
Materials and supplies . . . . .	21,000	14,860	6,140
Capital outlay . . . . .	15,000	2,497	12,503
Total expenditures . . . . .	<u>99,000</u>	<u>72,964</u>	<u>26,036</u>
Net change in fund balance . . . . .	(39,000)	(8,478)	30,522
<b>Fund balance at beginning of year . . . .</b>	<u>117,576</u>	<u>117,576</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 78,576</u>	<u>\$ 109,098</u>	<u>\$ 30,522</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Special item:</b>			
Transfer of operations . . . . .	\$ (81,912)	\$ (81,912)	-
Total special items . . . . .	<u>(81,912)</u>	<u>(81,912)</u>	<u>-</u>
<b>Fund balance at beginning of year . . . . .</b>	<u>86,335</u>	<u>86,335</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 4,423</u>	<u>\$ 4,423</u>	<u>\$ -</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 51,926	\$ 51,927	\$ 1
<b>Total revenues . . . . .</b>	<u>51,926</u>	<u>51,927</u>	<u>1</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
Litter control:			
Salaries and wages. . . . .	21,685	21,685	-
Fringe benefits. . . . .	3,707	3,536	171
Contractual services. . . . .	1,000	-	1,000
Materials and supplies. . . . .	36,375	28,164	8,211
<b>Total expenditures. . . . .</b>	<u>62,767</u>	<u>53,385</u>	<u>9,382</u>
 Net change in fund balance. . . . .	 (10,841)	 (1,458)	 9,383
 <b>Fund balance at beginning of year . . . . .</b>	 <u>24,593</u>	 <u>24,593</u>	 <u>-</u>
 <b>Fund balance at end of year . . . . .</b>	 <u>\$ 13,752</u>	 <u>\$ 23,135</u>	 <u>\$ 9,383</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, 2019

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

**CEMETERY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees . . . . .	\$ 41,883	\$ 28,810	\$ (13,073)
Investment income . . . . .	13,000	16,891	3,891
Contributions and donations . . . . .	-	75	75
Other . . . . .	5,900	9,180	3,280
Total revenues . . . . .	<u>60,783</u>	<u>54,956</u>	<u>(5,827)</u>
<b>Expenditures:</b>			
Current:			
Public health services:			
Cemetery:			
Salaries and wages. . . . .	95,000	91,232	3,768
Fringe benefits. . . . .	28,402	27,436	966
Contractual services. . . . .	22,757	19,692	3,065
Materials and supplies. . . . .	6,850	5,512	1,338
Total expenditures . . . . .	<u>153,009</u>	<u>143,872</u>	<u>9,137</u>
Excess of expenditures over revenues. . . . .	<u>(92,226)</u>	<u>(88,916)</u>	<u>3,310</u>
<b>Other financing sources:</b>			
Proceeds from sale of fixed assets . . . . .	14,000	22,290	8,290
Transfers in . . . . .	95,000	102,000	7,000
Total other financing sources. . . . .	<u>109,000</u>	<u>124,290</u>	<u>15,290</u>
Net change in fund balance . . . . .	16,774	35,374	18,600
<b>Fund balance at beginning of year . . . . .</b>	754,945	754,945	-
<b>Prior year encumbrances appropriated . . . . .</b>	143	143	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 771,862</u>	<u>\$ 790,462</u>	<u>\$ 18,600</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 1,524,918	\$ 587,497	\$ (937,421)
Total revenues . . . . .	<u>1,524,918</u>	<u>587,497</u>	<u>(937,421)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
HUD:			
Salaries and wages. . . . .	203,100	169,796	33,304
Fringe benefits. . . . .	193,890	81,281	112,609
Contractual services. . . . .	317,999	193,794	124,205
Materials and supplies. . . . .	14,700	8,986	5,714
Other . . . . .	774,465	342,110	432,355
Total expenditures . . . . .	<u>1,504,154</u>	<u>795,967</u>	<u>708,187</u>
Net change in fund balance . . . . .	20,764	(208,470)	(229,234)
<b>Fund balance (deficit) at beginning of year.</b>	(81,935)	(81,935)	-
<b>Prior year encumbrances appropriated. . .</b>	<u>69,111</u>	<u>69,111</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . .</b>	<u>\$ 7,940</u>	<u>\$ (221,294)</u>	<u>\$ (229,234)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Investment income . . . . .	\$ 205	\$ 556	\$ 351
Other . . . . .	16,752	11,752	(5,000)
Total revenues. . . . .	<u>16,957</u>	<u>12,308</u>	<u>(4,649)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
CDBG:			
Contractual services. . . . .	36,516	9,637	26,879
Total expenditures. . . . .	<u>36,516</u>	<u>9,637</u>	<u>26,879</u>
Net change in fund balance . . . . .	(19,559)	2,671	22,230
<b>Fund balance at beginning of year . . . . .</b>	24,639	24,639	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>124</u>	<u>124</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,204</u>	<u>\$ 27,434</u>	<u>\$ 22,230</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes. . . . .	\$ 87,337	\$ 88,949	\$ 1,612
Intergovernmental. . . . .	10,795	10,123	(672)
Other. . . . .	6,125	6,125	-
<b>Total revenues . . . . .</b>	<u>104,257</u>	<u>105,197</u>	<u>940</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits. . . . .	478,097	478,097	-
Contractual services . . . . .	1,681	1,680	1
<b>Total expenditures . . . . .</b>	<u>479,778</u>	<u>479,777</u>	<u>1</u>
 Excess of expenditures over revenues . . . . .	 <u>(375,521)</u>	 <u>(374,580)</u>	 <u>941</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	368,468	374,580	6,112
<b>Total other financing sources. . . . .</b>	<u>368,468</u>	<u>374,580</u>	<u>6,112</u>
 Net change in fund balance. . . . .	 (7,053)	 -	 7,053
<b>Fund balance at beginning of year . . . . .</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,947</u>	<u>\$ 10,000</u>	<u>\$ 7,053</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ 87,337	\$ 88,949	\$ 1,612
Intergovernmental . . . . .	10,795	10,123	(672)
Other . . . . .	6,125	6,125	-
<b>Total revenues . . . . .</b>	<u>104,257</u>	<u>105,197</u>	<u>940</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Fringe benefits . . . . .	532,956	532,956	-
Contractual services . . . . .	1,681	1,680	1
<b>Total expenditures . . . . .</b>	<u>534,637</u>	<u>534,636</u>	<u>1</u>
Excess of expenditures over revenues . . . . .	<u>(430,380)</u>	<u>(429,439)</u>	<u>941</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	420,380	429,439	9,059
<b>Total other financing sources . . . . .</b>	<u>420,380</u>	<u>429,439</u>	<u>9,059</u>
Net change in fund balance . . . . .	(10,000)	-	10,000
<b>Fund balance at beginning of year . . . . .</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**CITY OF ALLIANCE, OHIO**

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

**PARK LEVY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ 864,000	\$ 741,067	\$ (122,933)
Intergovernmental . . . . .	-	30,462	30,462
Total revenues . . . . .	<u>864,000</u>	<u>771,529</u>	<u>(92,471)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities:			
Park Levy:			
Salaries and wages. . . . .	420,680	401,130	19,550
Fringe benefits. . . . .	131,976	127,323	4,653
Contractual services. . . . .	82,923	81,720	1,203
Materials and supplies. . . . .	37,485	37,072	413
Capital outlay. . . . .	131,361	129,055	2,306
Total expenditures . . . . .	<u>804,425</u>	<u>776,300</u>	<u>28,125</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>59,575</u>	<u>(4,771)</u>	<u>(64,346)</u>
<b>Other financing sources:</b>			
Advance in. . . . .	-	33,000	33,000
Total other financing sources . . . . .	<u>-</u>	<u>33,000</u>	<u>33,000</u>
Net change in fund balance. . . . .	59,575	28,229	(31,346)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 59,575</u>	<u>\$ 28,229</u>	<u>\$ (31,346)</u>

**CITY OF ALLIANCE, OHIO**

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

**SPECIAL PROJECT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 441,076	\$ 323,684	\$ (117,392)
Total revenues . . . . .	<u>441,076</u>	<u>323,684</u>	<u>(117,392)</u>
<b>Expenditures:</b>			
Capital outlay:			
Capital outlay . . . . .	\$ 379,708	\$ 379,708	\$ -
Total expenditures . . . . .	<u>379,708</u>	<u>379,708</u>	<u>-</u>
Net change in fund balance. . . . .	61,368	(56,024)	(117,392)
<b>Fund balance at beginning of year . . . . .</b>	<u>56,024</u>	<u>56,024</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 117,392</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (117,392)</u></u>



**CITY OF ALLIANCE, OHIO**

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

**FEMA FUND**

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 266,663	\$ 149,692	\$ (116,971)
Total revenues . . . . .	<u>266,663</u>	<u>149,692</u>	<u>(116,971)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Fire:			
Salaries and wages . . . . .	109,419	109,419	-
Fringe benefits. . . . .	38,868	36,947	1,921
Total expenditures. . . . .	<u>148,287</u>	<u>146,366</u>	<u>1,921</u>
Excess of revenues over expenditures . . . . .	<u>118,376</u>	<u>3,326</u>	<u>(115,050)</u>
<b>Other financing sources (uses):</b>			
Advances in . . . . .	-	30,000	30,000
Transfers out . . . . .	(26,306)	(26,306)	-
Total other financing sources . . . . .	<u>(26,306)</u>	<u>3,694</u>	<u>30,000</u>
Net change in fund balance . . . . .	92,070	7,020	(85,050)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 92,070</u>	<u>\$ 7,020</u>	<u>\$ (85,050)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services. . . . .	\$ 88,000	\$ 119,887	\$ 31,887
Total revenues. . . . .	<u>88,000</u>	<u>119,887</u>	<u>31,887</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Salaries and wages. . . . .	124,638	123,079	1,559
Fringe benefits. . . . .	3,600	3,500	100
Contractual services. . . . .	25,550	10,930	14,620
Materials and supplies. . . . .	6,912	4,665	2,247
Total expenditures . . . . .	<u>160,700</u>	<u>142,174</u>	<u>18,526</u>
Net change in fund balance. . . . .	(72,700)	(22,287)	50,413
<b>Fund balance at beginning of year . . . . .</b>	71,690	71,690	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 90</u>	<u>\$ 50,503</u>	<u>\$ 50,413</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 10,125	\$ 10,144	\$ 19
Total revenues . . . . .	<u>10,125</u>	<u>10,144</u>	<u>19</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Capital outlay . . . . .	10,144	10,144	-
Total expenditures . . . . .	<u>10,144</u>	<u>10,144</u>	<u>-</u>
Net change in fund balance. . . . .	(19)	-	19
<b>Fund balance at beginning of year . . . . .</b>	<u>19</u>	<u>19</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 19</u></u>	<u><u>\$ 19</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 30,000	\$ (250)	\$ (30,250)
Investment income . . . . .	1,900	2,477	577
Total revenues. . . . .	<u>31,900</u>	<u>2,227</u>	<u>(29,673)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies . . . . .	140,000	72,869	67,131
Total expenditures . . . . .	<u>140,000</u>	<u>72,869</u>	<u>67,131</u>
Net change in fund balance. . . . .	(108,100)	(70,642)	37,458
<b>Fund balance at beginning of year . . . . .</b>	<u>140,758</u>	<u>140,758</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 32,658</u>	<u>\$ 70,116</u>	<u>\$ 37,458</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ 26,000	\$ 25,577	\$ (423)
Total revenues . . . . .	<u>26,000</u>	<u>25,577</u>	<u>(423)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies . . . . .	230,000	13,405	216,595
Total expenditures . . . . .	<u>230,000</u>	<u>13,405</u>	<u>216,595</u>
Net change in fund balance . . . . .	(204,000)	12,172	216,172
<b>Fund balance at beginning of year. . . . .</b>	<u>239,412</u>	<u>239,412</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 35,412</u></u>	<u><u>\$ 251,584</u></u>	<u><u>\$ 216,172</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other. . . . .	\$ 3,600	\$ 3,554	\$ (46)
Total revenues. . . . .	<u>3,600</u>	<u>3,554</u>	<u>(46)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies. . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total expenditures . . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance. . . . .	(400)	(446)	(46)
<b>Fund balance at beginning of year . . . . .</b>	<u>10,618</u>	<u>10,618</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 10,218</u></u>	<u><u>\$ 10,172</u></u>	<u><u>\$ (46)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 16,000	\$ 17,634	\$ 1,634
Total revenues . . . . .	<u>16,000</u>	<u>17,634</u>	<u>1,634</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Materials and supplies . . . . .	33,000	7,411	25,589
Capital outlay . . . . .	17,000	983	16,017
Total expenditures . . . . .	<u>50,000</u>	<u>8,394</u>	<u>41,606</u>
Net change in fund balance . . . . .	(34,000)	9,240	43,240
<b>Fund balance at beginning of year . . . . .</b>	<u>34,272</u>	<u>34,272</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 272</u>	<u>\$ 43,512</u>	<u>\$ 43,240</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 1,700	\$ 3,327	\$ 1,627
Total revenues . . . . .	<u>1,700</u>	<u>3,327</u>	<u>1,627</u>
<b>Expenditures:</b>			
Current:			
General government:			
Judge:			
Materials and supplies . . . . .	<u>3,000</u>	<u>1,360</u>	<u>1,640</u>
Total expenditures . . . . .	<u>3,000</u>	<u>1,360</u>	<u>1,640</u>
Net change in fund balance . . . . .	(1,300)	1,967	3,267
<b>Fund balance at beginning of year . . . . .</b>	<u>9,501</u>	<u>9,501</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 8,201</u></u>	<u><u>\$ 11,468</u></u>	<u><u>\$ 3,267</u></u>



**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ALLIANCE AREA SENIOR CITIZENS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 4,000	\$ -	\$ (4,000)
Other . . . . .	-	4,000	4,000
Total revenues . . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
General government:			
Senior center:			
Salaries and wages . . . . .	3,497	3,389	108
Fringe benefits . . . . .	593	540	53
Total expenditures . . . . .	<u>4,090</u>	<u>3,929</u>	<u>161</u>
Net change in fund balance . . . . .	(90)	71	161
<b>Fund balance at beginning of year . . . . .</b>	<u>829</u>	<u>829</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 739</u>	<u>\$ 900</u>	<u>\$ 161</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
CDBG:			
Materials and supplies. . . . .	\$ 4,491	\$ -	\$ 4,491
Total expenditures . . . . .	<u>4,491</u>	<u>-</u>	<u>4,491</u>
Net change in fund balance. . . . .	(4,491)	-	4,491
<b>Fund balance at beginning of year . . . . .</b>	<u>\$ 4,491</u>	<u>\$ 4,491</u>	<u>\$ -</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 4,491</u></u>	<u><u>\$ 4,491</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Fund balance at beginning of year . . . . .</b>	\$ 4,144	\$ 4,144	\$ -
<b>Fund balance at end of year. . . . .</b>	<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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 9,700	\$ 10,630	\$ 930
<b>Total revenues . . . . .</b>	<u>9,700</u>	<u>10,630</u>	<u>930</u>
 <b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Contractual services . . . . .	<u>12,000</u>	<u>6,600</u>	<u>5,400</u>
<b>Total expenditures . . . . .</b>	<u>12,000</u>	<u>6,600</u>	<u>5,400</u>
 Net change in fund balance . . . . .	(2,300)	4,030	6,330
 <b>Fund balance at beginning of year . . . . .</b>	<u>3,090</u>	<u>3,090</u>	<u>-</u>
 <b>Fund balance at end of year . . . . .</b>	<u><u>\$ 790</u></u>	<u><u>\$ 7,120</u></u>	<u><u>\$ 6,330</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COURT SECURITY GRANT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

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

**CITY OF ALLIANCE, OHIO**

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

**MUNICIPAL COURT SECURITY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 27,000	\$ 30,205	\$ 3,205
Total revenues . . . . .	<u>27,000</u>	<u>30,205</u>	<u>3,205</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Salaries and wages . . . . .	33,896	33,741	155
Fringe benefits . . . . .	6,544	6,383	161
Capital outlay . . . . .	15,000	1,462	13,538
Total expenditures . . . . .	<u>55,440</u>	<u>41,586</u>	<u>13,854</u>
Net change in fund balance . . . . .	(28,440)	(11,381)	17,059
<b>Fund balance at beginning of year . . . . .</b>	<u>96,914</u>	<u>96,914</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 68,474</u>	<u>\$ 85,533</u>	<u>\$ 17,059</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 500	\$ 200	\$ (300)
Other . . . . .	-	1,885	1,885
Total revenues . . . . .	<u>500</u>	<u>2,085</u>	<u>1,585</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Materials and supplies . . . . .	14,500	921	13,579
Total expenditures . . . . .	<u>14,500</u>	<u>921</u>	<u>13,579</u>
Net change in fund balance . . . . .	(14,000)	1,164	15,164
<b>Fund balance at beginning of year . . . . .</b>	<u>14,312</u>	<u>14,312</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 312</u>	<u>\$ 15,476</u>	<u>\$ 15,164</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ 1,200	\$ 1,555	\$ 355
<b>Total revenues . . . . .</b>	<u>1,200</u>	<u>1,555</u>	<u>355</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Parking facilities:			
Contractual services . . . . .	9,455	7,124	2,331
Other . . . . .	45	45	-
Total general government . . . . .	<u>9,500</u>	<u>7,169</u>	<u>2,331</u>
Net change in fund balance . . . . .	(8,300)	(5,614)	2,686
<b>Fund balance at beginning of year . . . . .</b>	<u>8,375</u>	<u>8,375</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 75</u>	<u>\$ 2,761</u>	<u>\$ 2,686</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities:			
Land reutilization:			
Contractual services . . . . .	\$ 2,446	\$ -	\$ 2,446
Total expenditures . . . . .	<u>2,446</u>	<u>-</u>	<u>2,446</u>
Net change in fund balance. . . . .	(2,446)	-	2,446
<b>Fund balance at beginning of year . . . . .</b>	<u>2,446</u>	<u>2,446</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 2,446</u></u>	<u><u>\$ 2,446</u></u>

**CITY OF ALLIANCE, OHIO**

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

**BROWNFIELD GRANT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 71,520	\$ 5,671	\$ (65,849)
Total revenues. . . . .	<u>71,520</u>	<u>5,671</u>	<u>(65,849)</u>
 Net change in fund balance. . . . .	71,520	5,671	(65,849)
 <b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balance at end of year . . . . .</b>	<u>\$ 71,520</u>	<u>\$ 5,671</u>	<u>\$ (65,849)</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PARK RESOURCES FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Fund balance at beginning of year . . . . .</b>	\$ 99	\$ 99	\$ -
<b>Fund balance at end of year. . . . .</b>	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ -</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DOWNTOWN SPECIAL EVENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Contributions and donations . . . . .	\$ 200	\$ -	\$ (200)
Total revenues . . . . .	<u>200</u>	<u>-</u>	<u>(200)</u>
<b>Expenditures:</b>			
Current:			
General government:			
General administration:			
Contractual services. . . . .	<u>898</u>	<u>898</u>	<u>-</u>
Total expenditures . . . . .	<u>898</u>	<u>898</u>	<u>-</u>
Net change in fund balance. . . . .	(698)	(898)	(200)
<b>Fund balance at beginning of year . . . . .</b>	<u>898</u>	<u>898</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 200</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (200)</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Municipal income taxes . . . . .	\$ 10,963,986	\$ 11,026,620	\$ 62,634
Other . . . . .	4,000	2,425	(1,575)
Total revenues . . . . .	<u>10,967,986</u>	<u>11,029,045</u>	<u>61,059</u>
<b>Expenditures:</b>			
Current:			
General government:			
Income tax:			
Salaries and wages. . . . .	149,995	133,509	16,486
Fringe benefits. . . . .	62,950	58,697	4,253
Contractual services . . . . .	49,600	38,069	11,531
Materials and supplies. . . . .	6,500	4,725	1,775
Other. . . . .	191,978	191,976	2
Total expenditures . . . . .	<u>461,023</u>	<u>426,976</u>	<u>34,047</u>
Excess of revenues over expenditures. . . . .	<u>10,506,963</u>	<u>10,602,069</u>	<u>95,106</u>
<b>Other financing (uses):</b>			
Transfers (out) . . . . .	<u>(10,695,022)</u>	<u>(10,695,022)</u>	<u>-</u>
Total other financing (uses) . . . . .	<u>(10,695,022)</u>	<u>(10,695,022)</u>	<u>-</u>
Net change in fund balance. . . . .	(188,059)	(92,953)	95,106
<b>Fund balance at beginning of year . . . . .</b>	<u>188,667</u>	<u>188,667</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 608</u>	<u>\$ 95,714</u>	<u>\$ 95,106</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ 176,200	\$ 240,366	\$ 64,166
Total revenues . . . . .	<u>176,200</u>	<u>240,366</u>	<u>64,166</u>
<b>Expenditures:</b>			
Current:			
General government:			
Maintenance:			
Contractual services . . . . .	307,993	240,173	67,820
Materials and supplies . . . . .	5,400	3,040	2,360
Capital outlay . . . . .	10,000	7,533	2,467
Total expenditures . . . . .	<u>323,393</u>	<u>250,746</u>	<u>72,647</u>
Net change in fund balance . . . . .	(147,193)	(10,380)	136,813
<b>Fund balance at beginning of year . . . . .</b>	172,374	172,374	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>2,993</u>	<u>2,993</u>	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 28,174</u>	<u>\$ 164,987</u>	<u>\$ 136,813</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees. . . . .	\$ 140,000	\$ 90,000	\$ (50,000)
Other . . . . .	4,300	100,560	96,260
<b>Total revenues . . . . .</b>	<u>144,300</u>	<u>190,560</u>	<u>46,260</u>
<b>Expenditures:</b>			
Current:			
General government:			
Auditor:			
Other . . . . .	333,000	91,151	241,849
<b>Total expenditures . . . . .</b>	<u>333,000</u>	<u>91,151</u>	<u>241,849</u>
<b>Net change in fund balance. . . . .</b>	(188,700)	99,409	288,109
<b>Fund balance at beginning of year . . . . .</b>	<u>431,886</u>	<u>431,886</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 243,186</u>	<u>\$ 531,295</u>	<u>\$ 288,109</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal retirement:			
Bond . . . . .	\$ 1,850,000	\$ 1,834,563	\$ 15,437
Interest and fiscal charges:			
Bond . . . . .	230,000	222,866	7,134
Total expenditures . . . . .	<u>2,080,000</u>	<u>2,057,429</u>	<u>22,571</u>
Excess of expenditures over revenues. . . . .	<u>(2,080,000)</u>	<u>(2,057,429)</u>	<u>22,571</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	<u>2,070,000</u>	<u>2,057,429</u>	<u>(12,571)</u>
Total other financing sources . . . . .	<u>2,070,000</u>	<u>2,057,429</u>	<u>(12,571)</u>
Net change in fund balance. . . . .	(10,000)	-	10,000
<b>Fund balance at beginning of year. . . . .</b>	<u>43,850</u>	<u>43,850</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 33,850</u>	<u>\$ 43,850</u>	<u>\$ 10,000</u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - CAPITAL PROJECT FUNDS**

**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).

***Capital Improvements Fund***

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

***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.

***Municipal Court Special Projects Fund***

This fund accounts for the monies received for the purpose of expenditures related to the capital acquisitions, improvements and replacements and any and all other special projects determined by the court or as authorized by law.

**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2019**

	<b>Street Income Tax Construction</b>	<b>Capital Improvements</b>	<b>Muni. Court Special Projects</b>	<b>Total</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 24,692	\$ 486,827	\$ 36,324	\$ 547,843
Receivables (net of allowances for uncollectibles):				
Municipal income taxes . . . . .	45,680	68,519	-	114,199
Accounts . . . . .	-	7,650	2,066	9,716
Intergovernmental . . . . .	-	108,270	-	108,270
Special assessments . . . . .	45	646	-	691
Total assets . . . . .	<u>\$ 70,417</u>	<u>\$ 671,912</u>	<u>\$ 38,390</u>	<u>\$ 780,719</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 41,616	\$ -	\$ 41,616
Total liabilities . . . . .	<u>-</u>	<u>41,616</u>	<u>-</u>	<u>41,616</u>
<b>Deferred inflows of resources:</b>				
Income tax revenue not available . . . . .	24,306	36,459	-	60,765
Special assessments revenue not available . . . .	45	646	-	691
Total liabilities and deferred inflows of resources .	<u>24,351</u>	<u>78,721</u>	<u>-</u>	<u>103,072</u>
<b>Fund balances:</b>				
Restricted . . . . .	-	-	38,390	38,390
Committed . . . . .	46,066	593,191	-	639,257
Total fund balances . . . . .	<u>46,066</u>	<u>593,191</u>	<u>38,390</u>	<u>677,647</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 70,417</u>	<u>\$ 671,912</u>	<u>\$ 38,390</u>	<u>\$ 780,719</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, 2019

	<b>Street Income Tax Construction</b>	<b>Municipal Road</b>	<b>Capital Improvements</b>	<b>Muni. Court Special Projects</b>	<b>Total</b>
<b>Revenues:</b>					
Municipal income taxes . . . . .	\$ 215,010	\$ -	\$ 322,516	\$ -	\$ 537,526
Licenses, permits and fees . . . . .	-	-	-	26,430	26,430
Intergovernmental . . . . .	-	112,016	221,226	-	333,242
Contributions and donations . . . . .	-	-	1,101	-	1,101
Other . . . . .	-	-	15,850	-	15,850
Total revenues . . . . .	<u>215,010</u>	<u>112,016</u>	<u>560,693</u>	<u>26,430</u>	<u>914,149</u>
<b>Expenditures:</b>					
Capital outlay . . . . .	230,078	93,012	370,725	3,919	697,734
Debt service:					
Principal retirement . . . . .	-	-	41,241	-	41,241
Interest and fiscal charges . . . . .	-	-	3,226	-	3,226
Total expenditures . . . . .	<u>230,078</u>	<u>93,012</u>	<u>415,192</u>	<u>3,919</u>	<u>742,201</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(15,068)</u>	<u>19,004</u>	<u>145,501</u>	<u>22,511</u>	<u>171,948</u>
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	300,000	-	300,000
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Net change in fund balances . . . . .	(15,068)	19,004	445,501	22,511	471,948
<b>Fund balances (deficit) at beginning of year. .</b>	<u>61,134</u>	<u>(19,004)</u>	<u>147,690</u>	<u>15,879</u>	<u>205,699</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 46,066</u>	<u>\$ -</u>	<u>\$ 593,191</u>	<u>\$ 38,390</u>	<u>\$ 677,647</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Street income tax:			
Capital outlay. . . . .	\$ 232,778	\$ 231,778	\$ 1,000
Total expenditures. . . . .	<u>232,778</u>	<u>231,778</u>	<u>1,000</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	<u>195,000</u>	<u>213,900</u>	<u>18,900</u>
Total other financing sources: . . . . .	<u>195,000</u>	<u>213,900</u>	<u>18,900</u>
Net change in fund balance. . . . .	(37,778)	(17,878)	19,900
<b>Fund balance at beginning of year. . . . .</b>	42,070	42,070	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>500</u>	<u>500</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 4,792</u></u>	<u><u>\$ 24,692</u></u>	<u><u>\$ 19,900</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 219,000	\$ 213,012	\$ (5,988)
Total revenues. . . . .	<u>219,000</u>	<u>213,012</u>	<u>(5,988)</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital outlay . . . . .	93,012	93,012	-
Total expenditures . . . . .	<u>93,012</u>	<u>93,012</u>	<u>-</u>
Excess of revenues over expenditures. . . . .	<u>125,988</u>	<u>120,000</u>	<u>(5,988)</u>
<b>Other financing (uses):</b>			
Transfers out . . . . .	(120,000)	(120,000)	-
Total other financing (uses) . . . . .	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
Net change in fund balance. . . . .	5,988	-	(5,988)
<b>Fund balance at beginning of year . . . . .</b>	-	-	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,988</u>	<u>\$ -</u>	<u>\$ (5,988)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 106,701	\$ 106,702	\$ 1
Contributions and donations . . . . .	1,101	1,101	-
Other . . . . .	12,600	12,600	-
Total revenues . . . . .	<u>120,402</u>	<u>120,403</u>	<u>1</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital improvements:			
Materials and supplies. . . . .	2,300	2,126	174
Capital outlay . . . . .	829,783	781,203	48,580
Total expenditures . . . . .	<u>832,083</u>	<u>783,329</u>	<u>48,754</u>
Excess of expenditures over revenues . . . .	<u>(711,681)</u>	<u>(662,926)</u>	<u>48,755</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets. . . . .	3,250	3,250	-
Transfers in. . . . .	626,901	620,851	(6,050)
Transfers (out). . . . .	<u>(37,800)</u>	<u>(37,800)</u>	<u>-</u>
Total other financing sources (uses) . . . .	<u>592,351</u>	<u>586,301</u>	<u>(6,050)</u>
Net change in fund balance. . . . .	(119,330)	(76,625)	42,705
<b>Fund balance at beginning of year . . . . .</b>	10,599	10,599	-
<b>Prior year encumbrances appropriated . .</b>	108,932	108,932	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 201</u>	<u>\$ 42,906</u>	<u>\$ 42,705</u>



**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MUNICIPAL COURT SPECIAL PROJECT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits, and fees . . . . .	\$ 23,000	\$ 26,349	\$ 3,349
Total revenues . . . . .	<u>23,000</u>	<u>26,349</u>	<u>3,349</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay . . . . .	<u>100,000</u>	<u>3,919</u>	<u>96,081</u>
Total expenditures . . . . .	<u>100,000</u>	<u>3,919</u>	<u>96,081</u>
Net change in fund balance. . . . .	(77,000)	22,430	99,430
<b>Fund balance at beginning of year . . . . .</b>	<u>13,894</u>	<u>13,894</u>	<u>-</u>
<b>Fund (deficit) at end of year . . . . .</b>	<u><u>\$ (63,106)</u></u>	<u><u>\$ 36,324</u></u>	<u><u>\$ 99,430</u></u>

## CITY OF ALLIANCE, OHIO

### FUND DESCRIPTIONS

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

#### **Major Enterprise Funds**

##### ***Water Fund***

This fund accounts for revenues generated from charges for the 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.

#### **Nonmajor Enterprise Funds**

##### ***Robertson Community Center Fund***

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

##### ***Community Improvement Fund***

This fund accounts for revenues generated from charges for garbage collection services.

**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 88,172	\$ 257,513	\$ 345,685
Prepayments. . . . .	571	-	571
Net pension asset. . . . .	141	-	141
Capital assets (net of accumulated depreciation) . . . . .	190,512	-	190,512
<b>Total assets . . . . .</b>	<b>279,396</b>	<b>257,513</b>	<b>536,909</b>
<b>Deferred outflows of resources:</b>			
Pension . . . . .	\$ 3,010	\$ -	\$ 3,010
OPEB . . . . .	13,924	-	13,924
<b>Total assets and deferred outflows of resources. . . . .</b>	<b>\$ 296,330</b>	<b>\$ 257,513</b>	<b>\$ 553,843</b>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 40	\$ -	\$ 40
Due to other governments . . . . .	1,281	-	1,281
Net pension liability . . . . .	36,359	-	36,359
Net OPEB liability . . . . .	17,009	-	17,009
<b>Total liabilities. . . . .</b>	<b>54,689</b>	<b>-</b>	<b>54,689</b>
<b>Deferred inflows of resources:</b>			
Pension . . . . .	\$ 339	\$ -	\$ 339
OPEB . . . . .	949	-	949
<b>Total liabilities and deferred inflows of resources. . . . .</b>	<b>55,977</b>	<b>-</b>	<b>55,977</b>
<b>Net position:</b>			
Net investment in capital assets. . . . .	190,512	-	190,512
Unrestricted . . . . .	49,841	257,513	307,354
<b>Total net position. . . . .</b>	<b>240,353</b>	<b>257,513</b>	<b>497,866</b>
<b>Total liabilities, deferred inflows of resources, and net position. . . . .</b>	<b>\$ 296,330</b>	<b>\$ 257,513</b>	<b>\$ 553,843</b>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Operating revenues:</b>			
Charges for services. . . . .	\$ -	\$ 1,297,657	\$ 1,297,657
Other operating revenues . . . . .	49,807	4,669	54,476
	<hr/>	<hr/>	<hr/>
Total operating revenues. . . . .	49,807	1,302,326	1,352,133
	<hr/>	<hr/>	<hr/>
<b>Operating expenses:</b>			
Personal services . . . . .	19,950	-	19,950
Fringe benefits. . . . .	16,251	-	16,251
Contractual services. . . . .	14,427	1,230,818	1,245,245
Materials and supplies. . . . .	18,717	2,950	21,667
Depreciation. . . . .	14,301	-	14,301
Other operating expenses . . . . .	50	-	50
	<hr/>	<hr/>	<hr/>
Total operating expenses. . . . .	83,696	1,233,768	1,317,464
	<hr/>	<hr/>	<hr/>
Operating income (loss) . . . . .	(33,889)	68,558	34,669
	<hr/>	<hr/>	<hr/>
<b>Net position at beginning of year . . . . .</b>	274,242	188,955	463,197
	<hr/>	<hr/>	<hr/>
<b>Net position at end of year . . . . .</b>	\$ 240,353	\$ 257,513	\$ 497,866
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ -	\$ 1,297,657	\$ 1,297,657
Cash received from other operations . . . . .	49,807	4,669	54,476
Cash payments for salaries and benefits . . . . .	(19,940)	-	(19,940)
Cash payments for fringe benefits . . . . .	(3,417)	-	(3,417)
Cash payments for contractual services. . . . .	(13,453)	(1,230,818)	(1,244,271)
Cash payments for materials and supplies . . . . .	(18,717)	(2,950)	(21,667)
Cash payments for other expenses . . . . .	(50)	-	(50)
Net cash provided by (used in) operating activities. . . . .	<u>(5,770)</u>	<u>68,558</u>	<u>62,788</u>
Net increase (decrease) in cash and cash equivalents. . .	(5,770)	68,558	62,788
<b>Cash and cash equivalents at beginning of year . . . .</b>	<u>93,942</u>	<u>188,955</u>	<u>282,897</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u><u>\$ 88,172</u></u>	<u><u>\$ 257,513</u></u>	<u><u>\$ 345,685</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss) . . . . .	\$ (33,889)	\$ 68,558	\$ 34,669
Adjustments:			
Depreciation. . . . .	14,301	-	14,301
Changes in assets and liabilities:			
Prepayments. . . . .	8	-	8
Net pension asset . . . . .	(1)	-	(1)
Deferred outflows - pension . . . . .	(4,506)	-	(4,506)
Deferred outflows - OPEB . . . . .	(2,135)	-	(2,135)
Accounts payable . . . . .	(305)	-	(305)
Due to other governments. . . . .	1,281	-	1,281
Net pension liability. . . . .	19,224	-	19,224
Net OPEB liability. . . . .	5,325	-	5,325
Deferred outflows - pension . . . . .	(3,980)	-	(3,980)
Deferred outflows - OPEB . . . . .	(1,093)	-	(1,093)
<b>Net cash provided by (used in) operating activities . . . . .</b>	<u><u>\$ (5,770)</u></u>	<u><u>\$ 68,558</u></u>	<u><u>\$ 62,788</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 5,307,000	\$ 5,555,249	\$ 248,249
Other . . . . .	73,100	310,432	237,332
Total operating revenues . . . . .	<u>5,380,100</u>	<u>5,865,681</u>	<u>485,581</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	1,532,712	1,389,151	143,561
Fringe benefits . . . . .	624,098	549,170	74,928
Contract services . . . . .	1,192,691	610,898	581,793
Materials and supplies . . . . .	1,101,641	940,432	161,209
Capital outlay . . . . .	3,103,802	1,979,834	1,123,968
Other . . . . .	253,484	83,072	170,412
Total operating expenses . . . . .	<u>7,808,428</u>	<u>5,552,557</u>	<u>2,255,871</u>
Operating income (loss) . . . . .	<u>(2,428,328)</u>	<u>313,124</u>	<u>2,741,452</u>
<b>Nonoperating revenues:</b>			
Proceeds from sale of fixed assets . . . . .	-	3,116	3,116
Interest revenue . . . . .	51,800	73,774	21,974
Loan proceeds . . . . .	1,100,000	682,726	(417,274)
Total nonoperating revenues . . . . .	<u>1,151,800</u>	<u>759,616</u>	<u>(392,184)</u>
Income (loss) before transfers . . . . .	<u>(1,276,528)</u>	<u>1,072,740</u>	<u>2,349,268</u>
Transfers in . . . . .	1,708,000	1,711,801	3,801
Transfers (out) . . . . .	<u>(2,976,105)</u>	<u>(2,864,758)</u>	<u>111,347</u>
Net change in net position . . . . .	<u>(2,544,633)</u>	<u>(80,217)</u>	<u>2,464,416</u>
<b>Net position beginning of year . . . . .</b>	4,078,180	4,078,180	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>338,418</u>	<u>338,418</u>	<u>-</u>
<b>Net position end of year . . . . .</b>	<u>\$ 1,871,965</u>	<u>\$ 4,336,381</u>	<u>\$ 2,464,416</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 4,600,000	\$ 4,991,808	\$ 391,808
Licenses, permits and fees . . . . .	19,000	32,635	13,635
Other . . . . .	-	81,134	81,134
Total operating revenues . . . . .	<u>4,619,000</u>	<u>5,105,577</u>	<u>486,577</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	1,615,955	1,469,214	146,741
Fringe benefits. . . . .	686,405	597,874	88,531
Contract services . . . . .	1,461,062	1,018,144	442,918
Materials and supplies. . . . .	777,958	537,145	240,813
Capital outlay . . . . .	2,780,156	2,492,919	287,237
Other. . . . .	56,000	5,180	50,820
Total operating expenses . . . . .	<u>7,377,536</u>	<u>6,120,476</u>	<u>1,257,060</u>
Operating loss . . . . .	<u>(2,758,536)</u>	<u>(1,014,899)</u>	<u>1,743,637</u>
<b>Nonoperating revenues:</b>			
Interest revenue . . . . .	90,000	128,566	38,566
Intergovernmental. . . . .	-	-	-
Loan proceeds . . . . .	-	-	-
Total nonoperating revenues . . . . .	<u>90,000</u>	<u>128,566</u>	<u>38,566</u>
Income (loss) before transfers. . . . .	<u>(2,668,536)</u>	<u>(886,333)</u>	<u>1,782,203</u>
Transfers in . . . . .	1,757,000	1,550,000	(207,000)
Transfers (out). . . . .	<u>(1,989,460)</u>	<u>(1,988,871)</u>	<u>589</u>
Net change in net position. . . . .	<u>(2,900,996)</u>	<u>(1,325,204)</u>	<u>1,575,792</u>
<b>Net position beginning of year . . . . .</b>	5,477,465	5,477,465	-
<b>Prior year encumbrances appropriated . .</b>	<u>522,124</u>	<u>522,124</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u><u>\$ 3,098,593</u></u>	<u><u>\$ 4,674,385</u></u>	<u><u>\$ 1,575,792</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ROBERTSON COMMUNITY CENTER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating revenues:</b>			
Other. . . . .	\$ 46,400	\$ 49,807	\$ 3,407
Total operating revenues. . . . .	<u>46,400</u>	<u>49,807</u>	<u>3,407</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	23,758	19,941	3,817
Fringe benefits. . . . .	4,021	3,417	604
Contract services . . . . .	16,035	13,452	2,583
Materials and supplies . . . . .	11,200	11,194	6
Capital outlay. . . . .	7,600	7,523	77
Other. . . . .	50	50	-
Total operating expenses . . . . .	<u>62,664</u>	<u>55,577</u>	<u>7,087</u>
Net change in net position . . . . .	(16,264)	(5,770)	10,494
<b>Net position beginning of year . . . . .</b>	<u>93,942</u>	<u>93,942</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 77,678</u>	<u>\$ 88,172</u>	<u>\$ 10,494</u>



**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMMUNITY IMPROVEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services. . . . .	\$ 1,248,000	\$ 1,297,657	\$ 49,657
Other. . . . .	2,000	4,669	2,669
Total operating revenues. . . . .	<u>1,250,000</u>	<u>1,302,326</u>	<u>52,326</u>
<b>Operating expenses:</b>			
Contract services . . . . .	1,240,080	1,230,818	9,262
Materials and supplies . . . . .	4,000	2,950	1,050
Capital outlay. . . . .	159,920	126,131	33,789
Total operating expenses . . . . .	<u>1,404,000</u>	<u>1,359,899</u>	<u>44,101</u>
Net change in net position . . . . .	(154,000)	(57,573)	96,427
<b>Net position beginning of year . . . . .</b>	<u>188,955</u>	<u>188,955</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 34,955</u>	<u>\$ 131,382</u>	<u>\$ 96,427</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  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**INTERNAL SERVICE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 2,528,000	\$ 2,545,375	\$ 17,375
Other . . . . .	110,000	174,294	64,294
Total operating revenues . . . . .	<u>2,638,000</u>	<u>2,719,669</u>	<u>81,669</u>
<b>Operating expenses:</b>			
Claims . . . . .	<u>3,000,908</u>	<u>2,944,050</u>	<u>56,858</u>
Total operating expenses . . . . .	<u>3,000,908</u>	<u>2,944,050</u>	<u>56,858</u>
Net change in net position. . . . .	(362,908)	(224,381)	138,527
Net position beginning of year . . . . .	388,720	388,720	-
Prior year encumbrances appropriated . .	<u>908</u>	<u>908</u>	<u>-</u>
Net position end of year. . . . .	<u>\$ 26,720</u>	<u>\$ 165,247</u>	<u>\$ 138,527</u>

**CITY OF ALLIANCE, OHIO**

FUND DESCRIPTION

**Agency Funds**

These funds are purely custodial (assets equal liabilities) and thus do 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, 2019

	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2019</u>
<b>Carnation Cable Channel</b>				
<b>Assets:</b>				
Receivables (net of allowances of uncollectibles):				
Accounts . . . . .	\$ 880	\$ 1,071	\$ 880	\$ 1,071
Total assets . . . . .	<u>\$ 880</u>	<u>\$ 1,071</u>	<u>\$ 880</u>	<u>\$ 1,071</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 880	\$ 1,071	\$ 880	\$ 1,071
Total liabilities . . . . .	<u>\$ 880</u>	<u>\$ 1,071</u>	<u>\$ 880</u>	<u>\$ 1,071</u>
<b>Municipal Court Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts	\$ 13,557	\$ 1,911,133	\$ 1,913,388	\$ 11,302
Total assets . . . . .	<u>\$ 13,557</u>	<u>\$ 1,911,133</u>	<u>\$ 1,913,388</u>	<u>\$ 11,302</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 13,557	\$ 1,911,133	\$ 1,913,388	\$ 11,302
Total liabilities. . . . .	<u>\$ 13,557</u>	<u>\$ 1,911,133</u>	<u>\$ 1,913,388</u>	<u>\$ 11,302</u>
<b>All Agency Funds</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts	\$ 13,557	\$ 1,911,133	\$ 1,913,388	\$ 11,302
Receivables (net of allowances for uncollectibles):				
Accounts . . . . .	880	1,071	880	1,071
Total assets . . . . .	<u>\$ 14,437</u>	<u>\$ 1,912,204</u>	<u>\$ 1,914,268</u>	<u>\$ 12,373</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 14,437	\$ 1,912,204	\$ 1,914,268	\$ 12,373
Total liabilities . . . . .	<u>\$ 14,437</u>	<u>\$ 1,912,204</u>	<u>\$ 1,914,268</u>	<u>\$ 12,373</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>222-231</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	<b>232</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>233-239</b>
<b>Demographic and Economic Information</b> 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.	<b>240-241</b>
<b>Operating Information</b> 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.	<b>242-249</b>

**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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 17,381,872	\$ 17,926,582	\$ 18,803,807	\$ 19,802,449
Restricted for:				
Capital projects	38,390	15,879	-	-
Debt service	66,957	66,216	65,369	64,617
Transportation projects	143,503	206,857	156,417	89,780
Public service programs	548,571	843,181	982,136	1,016,857
Community environment programs	3,327,370	3,233,795	2,854,058	3,184,299
Police and fire pension	-	20,000	66,555	34,220
Security programs	218,959	290,587	347,508	344,515
Other purposes	465,358	288,369	189,666	302,795
Unrestricted (deficit)	<u>(16,370,181)</u>	<u>(26,438,433)</u>	<u>(25,204,668)</u>	<u>(10,943,407)</u>
Total governmental activities net position	<u>\$ 5,820,799</u>	<u>\$ (3,546,967)</u>	<u>\$ (1,739,152)</u>	<u>\$ 13,896,125</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 20,478,007	\$ 18,528,115	\$ 17,053,900	\$ 15,854,399
Restricted:				
Debt service	225,734	407,837	439,150	449,748
Replacement and surplus reserve	1,652,595	1,063,822	1,132,890	866,353
Unrestricted	<u>5,310,928</u>	<u>6,205,777</u>	<u>6,240,242</u>	<u>8,420,942</u>
Total business-type activities net position	<u>\$ 27,667,264</u>	<u>\$ 26,205,551</u>	<u>\$ 24,866,182</u>	<u>\$ 25,591,442</u>
<b>Total primary government</b>				
Net investment in capital assets	\$ 37,859,879	\$ 36,454,697	\$ 35,857,707	\$ 35,656,848
Restricted for:				
Capital projects	38,390	15,879	-	-
Debt service	292,691	474,053	504,519	514,365
Replacement and surplus reserve	1,652,595	1,063,822	1,132,890	866,353
Transportation projects	143,503	206,857	156,417	89,780
Public service programs	548,571	843,181	982,136	1,016,857
Community environment programs	3,327,370	3,233,795	2,854,058	3,184,299
Security programs	218,959	290,587	347,508	344,515
Police and fire pension	-	20,000	66,555	34,220
Other purposes	465,358	288,369	189,666	302,795
Unrestricted (deficit)	<u>(11,059,253)</u>	<u>(20,232,656)</u>	<u>(18,964,426)</u>	<u>(2,522,465)</u>
Total primary government net position	<u>\$ 33,488,063</u>	<u>\$ 22,658,584</u>	<u>\$ 23,127,030</u>	<u>\$ 39,487,567</u>

**Source:** City financial records.

**Notes:** The net position at December 31, 2014 has been restated for the implementation of GASB Statement No. 68 and 71.

The net position at December 31, 2017 has been restated for the implementation of GASB Statement No. 75.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	19,340,616	\$ 19,325,774	\$ 19,528,061	\$ 19,194,878	\$ 19,233,554	\$ 19,217,527
	-	86,105	936,012	1,286,549	31,763	1,154,738
	145,057	425,849	191,036	322,426	346,139	401,200
	117,694	357,951	375,369	386,247	285,686	374,892
	1,048,390	1,175,610	759,389	760,258	737,980	737,032
	3,184,160	3,329,142	3,318,742	3,859,082	3,976,347	3,892,153
	24,686	38,397	69,984	72,662	76,794	60,133
	355,439	392,320	232,414	175,111	235,720	290,824
	148,897	119,585	903,606	604,772	367,747	365,774
	(8,403,601)	(7,859,134)	2,743,270	2,717,776	5,348,341	5,157,606
\$	<u>15,961,338</u>	<u>\$ 17,391,599</u>	<u>\$ 29,057,883</u>	<u>\$ 29,379,761</u>	<u>\$ 30,640,071</u>	<u>\$ 31,651,879</u>
\$	14,314,561	\$ 13,620,315	\$ 12,266,157	\$ 11,655,997	\$ 9,633,092	\$ 9,524,020
	520,304	548,950	573,116	592,084	618,439	609,249
	878,195	522,362	1,152,065	1,903,787	616,385	591,030
	8,390,452	7,305,450	9,757,719	8,314,065	8,897,636	8,899,493
\$	<u>24,103,512</u>	<u>\$ 21,997,077</u>	<u>\$ 23,749,057</u>	<u>\$ 22,465,933</u>	<u>\$ 19,765,552</u>	<u>\$ 19,623,792</u>
\$	33,655,177	\$ 32,946,089	\$ 31,794,218	\$ 30,850,875	\$ 28,866,646	\$ 28,741,547
	-	86,105	936,012	1,286,549	31,763	1,154,738
	665,361	974,799	764,152	914,510	964,578	1,010,449
	878,195	522,362	1,152,065	1,903,787	616,385	591,030
	117,694	357,951	375,369	386,247	285,686	374,892
	1,048,390	1,175,610	759,389	760,258	737,980	737,032
	3,184,160	3,329,142	3,318,742	3,859,082	3,976,347	3,892,153
	355,439	392,320	232,414	175,111	235,720	290,824
	24,686	38,397	69,984	72,662	76,794	60,133
	148,897	119,585	903,606	604,772	367,747	365,774
	(13,149)	(553,684)	12,500,989	11,031,841	14,245,977	14,057,099
\$	<u>40,064,850</u>	<u>\$ 39,388,676</u>	<u>\$ 52,806,940</u>	<u>\$ 51,845,694</u>	<u>\$ 50,405,623</u>	<u>\$ 51,275,671</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,401,813	\$ 1,554,322	\$ 1,043,042	\$ 1,282,857
Security of persons and property	180,066	220,814	164,757	107,598
Public health and welfare	77,246	180,031	169,774	179,096
Transportation	-	-	-	-
Community environment	168,148	168,491	129,587	124,538
Leisure time activities	30,502	31,343	26,935	28,699
Subtotal - charges for services	<u>1,857,775</u>	<u>2,155,001</u>	<u>1,534,095</u>	<u>1,722,788</u>
Operating grants and contributions:				
General government	31,100	40,235	100,439	520,850
Security of persons and property	205,603	116,727	54,318	68,815
Public health and welfare	-	165,934	136,102	127,350
Transportation	1,156,195	989,818	1,062,884	939,324
Community environment	1,522,364	1,842,178	1,249,650	1,086,050
Subtotal - operating grants and contributions	<u>2,915,262</u>	<u>3,154,892</u>	<u>2,603,393</u>	<u>2,742,389</u>
Capital grants and contributions:				
General government	-	-	-	-
Security of persons and property	-	15,000	-	-
Transportation	350,218	218,320	366,748	1,279,658
Leisure time activities	212,700	-	305,627	-
Subtotal - capital grants and contributions	<u>562,918</u>	<u>233,320</u>	<u>672,375</u>	<u>1,279,658</u>
Total governmental activities program revenues	<u>5,335,955</u>	<u>5,543,213</u>	<u>4,809,863</u>	<u>5,744,835</u>
Business-type activities:				
Charges for services:				
Water	5,682,228	5,692,737	5,026,836	5,336,229
Sewer	5,096,377	4,964,122	4,398,714	4,446,894
Robertson Community Center	49,807	48,031	48,188	54,348
Community Improvement	1,302,326	1,255,875	526,604	-
Capital grants and contributions	-	269,500	675,292	-
Total business-type activities program revenues	<u>12,130,738</u>	<u>12,230,265</u>	<u>10,675,634</u>	<u>9,837,471</u>
Total primary government	<u>\$ 17,466,693</u>	<u>\$ 17,773,478</u>	<u>\$ 15,485,497</u>	<u>\$ 15,582,306</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 4,094,336	\$ 3,617,085	\$ 3,688,938	\$ 4,360,652
Security of persons and property	1,187,041	10,483,887	9,688,773	9,647,261
Public health and welfare	724,395	1,058,035	1,099,398	1,038,202
Transportation	2,824,884	2,295,904	2,411,821	2,582,067
Community environment	1,138,812	1,583,160	1,699,760	1,410,889
Basic utility services	79,816	47,541	65,837	61,731
Leisure time activities	1,009,135	739,664	777,138	765,229
Interest and fiscal charges	15,093	16,497	19,154	26,933
Total governmental activities expenses	<u>11,073,512</u>	<u>19,841,773</u>	<u>19,450,819</u>	<u>19,892,964</u>

2015	2014	2013	2012	2011	2010
\$ 1,657,019	\$ 1,572,870	\$ 1,090,395	\$ 1,061,567	\$ 974,521	\$ 704,836
76,764	65,939	464,505	50,980	68,727	32,285
200,787	161,864	162,282	168,495	162,688	306,416
-	272	-	-	-	-
158,407	59,609	64,284	78,811	72,433	90,263
7,420	26,106	24,022	145,468	50,926	49,205
<u>2,100,397</u>	<u>1,886,660</u>	<u>1,805,488</u>	<u>1,505,321</u>	<u>1,329,295</u>	<u>1,183,005</u>
49,925	56,207	199,541	166,290	32,043	40,638
88,367	119,213	185,490	178,676	131,084	51,838
122,410	133,115	148,884	186,825	200,510	76,594
986,928	975,748	997,472	997,806	935,710	962,280
731,338	999,489	645,228	679,300	1,544,671	1,110,616
<u>1,978,968</u>	<u>2,283,772</u>	<u>2,176,615</u>	<u>2,208,897</u>	<u>2,844,018</u>	<u>2,241,966</u>
12,500	263	-	-	-	-
-	-	-	-	-	-
331,606	543,314	660,617	115,061	483,045	-
-	-	-	-	-	-
<u>344,106</u>	<u>543,577</u>	<u>660,617</u>	<u>115,061</u>	<u>483,045</u>	<u>-</u>
<u>4,423,471</u>	<u>4,714,009</u>	<u>4,642,720</u>	<u>3,829,279</u>	<u>4,656,358</u>	<u>3,424,971</u>
5,244,227	5,027,585	5,080,395	4,935,880	4,380,453	3,935,652
4,546,914	4,245,435	4,516,682	3,716,822	3,980,135	3,966,871
44,928	47,494	43,062	46,873	46,682	49,086
-	-	-	-	-	-
-	-	-	1,741,568	-	144,918
<u>9,836,069</u>	<u>9,320,514</u>	<u>9,640,139</u>	<u>10,441,143</u>	<u>8,407,270</u>	<u>8,096,527</u>
<u>\$ 14,259,540</u>	<u>\$ 14,034,523</u>	<u>\$ 14,282,859</u>	<u>\$ 14,270,422</u>	<u>\$ 13,063,628</u>	<u>\$ 11,521,498</u>
\$ 3,786,152	\$ 3,530,481	\$ 3,429,427	\$ 3,293,515	\$ 3,280,078	\$ 3,073,733
9,005,619	8,983,758	8,727,248	9,121,557	9,033,362	8,624,742
952,886	944,102	961,188	1,069,283	1,034,561	1,015,414
2,584,976	1,946,535	1,852,335	1,727,130	2,015,461	1,960,588
941,453	1,132,317	1,419,894	942,663	1,856,513	1,355,294
41,870	68,828	72,018	62,457	60,904	54,541
748,255	741,638	711,074	785,750	770,365	772,260
28,195	39,947	45,757	50,615	71,335	83,669
<u>18,089,406</u>	<u>17,387,606</u>	<u>17,218,941</u>	<u>17,052,970</u>	<u>18,122,579</u>	<u>16,940,241</u>

Continued

**CITY OF ALLIANCE, OHIO**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Business-type activities:				
Water	\$ 4,576,875	\$ 5,060,457	\$ 4,721,033	\$ 4,574,627
Sewer	5,409,140	5,086,176	4,729,283	4,194,853
Robertson Community Center	83,696	65,137	350,405	63,466
Community Improvement	<u>1,233,768</u>	<u>1,243,119</u>	<u>80,802</u>	<u>-</u>
Total business-type activities expenses	<u>11,303,479</u>	<u>11,454,889</u>	<u>9,881,523</u>	<u>8,832,946</u>
Total primary government	<u>\$ 22,376,991</u>	<u>\$ 31,296,662</u>	<u>\$ 29,332,342</u>	<u>\$ 28,725,910</u>
<b>Net (expense) revenue:</b>				
Governmental activities	\$ (5,737,557)	\$ (14,298,560)	\$ (14,640,956)	\$ (14,148,129)
Business-type activities	<u>827,259</u>	<u>775,376</u>	<u>794,111</u>	<u>1,004,525</u>
Total primary government net expense	<u>\$ (4,910,298)</u>	<u>\$ (13,523,184)</u>	<u>\$ (13,846,845)</u>	<u>\$ (13,143,604)</u>
<b>General revenues and other changes in net position:</b>				
Governmental activities:				
Municipal income taxes	\$ 10,702,325	\$ 10,366,624	\$ 9,728,707	\$ 10,156,552
Property and other local taxes	1,988,388	1,057,126	934,726	955,825
Grants and entitlements				
not restricted to specific programs	649,164	659,829	547,218	606,027
Investment earnings	22,766	26,599	23,077	18,684
Gain (loss) on fair value adjustment	199,082	17,869	(68,725)	(8,977)
Miscellaneous	518,124	362,698	329,524	354,805
Transfers	-	-	-	-
Special item	<u>1,025,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>15,105,323</u>	<u>12,490,745</u>	<u>11,494,527</u>	<u>12,082,916</u>
Business-type activities:				
Municipal income taxes	432,114	405,720	380,242	399,981
Investment earnings	202,340	158,273	128,274	83,424
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>634,454</u>	<u>563,993</u>	<u>508,516</u>	<u>483,405</u>
Total primary government	<u>\$ 15,739,777</u>	<u>\$ 13,054,738</u>	<u>\$ 12,003,043</u>	<u>\$ 12,566,321</u>
<b>Change in net position:</b>				
Governmental activities	\$ 9,367,766	\$ (1,807,815)	\$ (3,146,429)	\$ (2,065,213)
Business-type activities	<u>1,461,713</u>	<u>1,339,369</u>	<u>1,302,627</u>	<u>1,487,930</u>
Total primary government	<u>\$ 10,829,479</u>	<u>\$ (468,446)</u>	<u>\$ (1,843,802)</u>	<u>\$ (577,283)</u>

Source: City financial records.

2015	2014	2013	2012	2011	2010
\$ 4,222,774	\$ 4,490,494	\$ 4,518,463	\$ 4,415,238	\$ 4,834,781	\$ 4,616,259
3,932,292	4,364,930	4,186,816	3,650,814	3,739,990	3,436,932
54,428	60,546	55,503	56,050	60,278	56,745
-	-	-	-	-	-
8,209,494	8,915,970	8,760,782	8,122,102	8,635,049	8,109,936
<u>\$ 26,298,900</u>	<u>\$ 26,303,576</u>	<u>\$ 25,979,723</u>	<u>\$ 25,175,072</u>	<u>\$ 26,757,628</u>	<u>\$ 25,050,177</u>
\$ (13,665,935)	\$ (12,673,597)	\$ (12,576,221)	\$ (13,223,691)	\$ (13,466,221)	\$ (13,515,270)
1,626,575	404,544	879,357	2,319,041	(227,779)	(13,409)
<u>\$ (12,039,360)</u>	<u>\$ (12,269,053)</u>	<u>\$ (11,696,864)</u>	<u>\$ (10,904,650)</u>	<u>\$ (13,694,000)</u>	<u>\$ (13,528,679)</u>
\$ 10,305,849	\$ 10,739,033	\$ 10,118,478	\$ 9,769,613	\$ 9,776,370	\$ 8,713,256
893,577	905,285	917,317	1,071,476	929,774	956,359
630,859	592,068	967,436	880,730	1,103,878	4,524,885
18,707	25,442	4,166	4,428	8,435	10,202
14,262	-	-	-	-	-
372,420	537,100	246,946	287,368	835,956	504,111
-	546,889	-	-	(200,000)	-
-	-	-	-	-	-
12,235,674	13,345,817	12,254,343	12,013,615	12,454,413	14,708,813
404,207	420,332	394,602	374,081	386,543	343,668
75,653	115,162	9,165	7,259	5,279	6,768
-	(546,889)	-	-	200,000	-
479,860	(11,395)	403,767	381,340	591,822	350,436
<u>\$ 12,715,534</u>	<u>\$ 13,334,422</u>	<u>\$ 12,658,110</u>	<u>\$ 12,394,955</u>	<u>\$ 13,046,235</u>	<u>\$ 15,059,249</u>
\$ (1,430,261)	\$ 672,220	\$ (321,878)	\$ (1,210,076)	\$ (1,011,808)	\$ 1,193,543
2,106,435	393,149	1,283,124	2,700,381	364,043	337,027
<u>\$ 676,174</u>	<u>\$ 1,065,369</u>	<u>\$ 961,246</u>	<u>\$ 1,490,305</u>	<u>\$ (647,765)</u>	<u>\$ 1,530,570</u>

**CITY OF ALLIANCE, OHIO**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General fund:</b>				
Nonspendable	\$ 329,865	\$ 246,779	\$ 262,989	\$ 256,700
Restricted	8,193	10,710	7,719	4,586
Committed	87,828	180,757	87,966	27,592
Assigned	799,469	245,393	877,671	186,256
Unassigned	1,702,053	1,083,006	-	916,477
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>2,927,408</u>	<u>1,766,645</u>	<u>1,236,345</u>	<u>1,391,611</u>
<b>All other governmental funds:</b>				
Nonspendable	117,310	87,916	75,111	109,983
Restricted	5,769,013	5,468,424	5,033,095	5,125,523
Committed	648,707	223,888	455,388	787,042
Assigned	-	-	-	-
Unassigned (deficit)	(119,965)	(116,568)	(12,107)	(203,737)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service fund	-	-	-	-
Capital projects funds	-	-	-	-
Revolving loan fund	-	-	-	-
Total all other governmental funds	<u>6,415,065</u>	<u>5,663,660</u>	<u>5,551,487</u>	<u>5,818,811</u>
Total governmental funds	<u>\$ 9,342,473</u>	<u>\$ 7,430,305</u>	<u>\$ 6,787,832</u>	<u>\$ 7,210,422</u>

**Source:** City financial records.

**Note:** The City implemented GASB 54 in 2011.



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 386,149	\$ 98,029	\$ 100,473	\$ 90,479	\$ 88,225	\$ -
-	-	-	-	-	-
59,451	103,593	86,927	134,581	10,289	-
1,299,804	1,566,149	1,380,734	135,180	64,886	-
1,159,618	1,130,672	1,237,121	2,672,552	3,789,207	-
-	-	-	-	-	36,264
-	-	-	-	-	5,207,831
<u>2,905,022</u>	<u>2,898,443</u>	<u>2,805,255</u>	<u>3,032,792</u>	<u>3,952,607</u>	<u>5,244,095</u>
53,784	31,068	15,867	41,511	38,929	-
5,372,753	5,859,314	5,671,080	5,891,152	5,797,381	-
760,187	1,057,921	825,390	1,099,759	1,575,115	-
-	1,000	1,000	1,000	1,000	-
(352,810)	-	(3,292)	-	(3,142)	-
-	-	-	-	-	1,920,513
-	-	-	-	-	2,261,677
-	-	-	-	-	126,581
-	-	-	-	-	869,425
-	-	-	-	-	1,595,729
<u>5,833,914</u>	<u>6,949,303</u>	<u>6,510,045</u>	<u>7,033,422</u>	<u>7,409,283</u>	<u>6,773,925</u>
<u>\$ 8,738,936</u>	<u>\$ 9,847,746</u>	<u>\$ 9,315,300</u>	<u>\$ 10,066,214</u>	<u>\$ 11,361,890</u>	<u>\$ 12,018,020</u>

**CITY OF ALLIANCE, OHIO**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>				
Municipal income taxes	\$ 10,652,126	\$ 10,357,967	\$ 9,808,805	\$ 10,183,234
Property and other taxes	1,880,731	1,053,399	948,761	954,561
Charges for services	620,870	608,412	515,589	376,950
Licenses, permits and fees	373,359	573,871	429,225	396,001
Fines and forfeitures	651,658	654,796	543,521	638,352
Intergovernmental	3,831,182	3,662,860	3,629,004	4,153,323
Special assessments	-	-	-	-
Investment income	314,876	102,375	18,485	58,434
Rental income	24,446	29,486	36,586	26,313
Contributions and donations	6,457	4,842	4,645	17,812
Other	719,049	754,170	599,485	943,409
Total revenues	<u>19,074,754</u>	<u>17,802,178</u>	<u>16,534,106</u>	<u>17,748,389</u>
<b>Expenditures</b>				
Current:				
General government	3,394,151	3,237,050	3,069,659	3,912,589
Security of persons and property	8,728,149	8,727,810	8,368,210	8,582,751
Public health and welfare	679,361	997,751	955,889	964,767
Transportation	1,596,567	1,029,882	848,817	1,287,637
Community environment	1,095,380	1,534,117	1,620,921	1,366,506
Leisure time activities	770,218	597,735	588,435	614,440
Basic utility services	64,144	42,758	55,032	55,108
Capital outlay	697,734	944,556	1,331,645	2,234,305
Debt service:				
Principal retirement	53,474	45,679	119,591	283,542
Interest and fiscal charges	15,138	16,540	18,854	23,503
Bond issuance cost	-	-	-	-
Total expenditures	<u>17,094,316</u>	<u>17,173,878</u>	<u>16,977,053</u>	<u>19,325,148</u>
Excess (deficiency) of revenues over (under) expenditures	1,980,438	628,300	(442,947)	(1,576,759)
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	14,173	20,357	48,245
Sale of refunded bond	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Premium on refunded bond issuance	-	-	-	-
General obligation bonds issued	-	-	-	-
Premium on bond issuance	-	-	-	-
SIB loan proceeds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Transfers in	1,206,019	1,056,630	890,824	975,197
Transfers (out)	(1,206,019)	(1,056,630)	(890,824)	(975,197)
Total other financing sources (uses)	<u>-</u>	<u>14,173</u>	<u>20,357</u>	<u>48,245</u>
<b>Special item</b>				
Transfer of operations	(68,270)	-	-	-
Net change in fund balances	<u>\$ 1,912,168</u>	<u>\$ 642,473</u>	<u>\$ (422,590)</u>	<u>\$ (1,528,514)</u>
Capital expenditures	\$ 1,076,787	\$ 646,138	\$ 1,087,878	\$ 2,153,633
Debt service as a percentage of noncapital expenditures	0.43%	0.38%	0.87%	1.79%

Source: City financial records.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	10,272,590	\$ 10,701,172	\$ 10,065,525	\$ 9,768,208	\$ 9,670,227	\$ 8,718,059
	897,035	897,977	916,991	986,268	955,054	969,712
	325,908	378,773	428,359	313,836	251,838	224,081
	658,533	225,825	226,663	241,853	219,834	336,829
	831,263	851,808	977,143	554,343	461,502	512,398
	2,758,634	2,796,166	3,390,528	3,058,631	4,349,101	6,833,514
	-	67,295	69,216	74,029	62,204	68,563
	61,429	44,593	44,886	47,283	74,730	64,763
	44,546	74,834	99,211	88,653	101,858	84,887
	10,498	13,092	42,346	5,617	4,384	6,231
	678,148	1,095,294	657,936	608,534	1,039,446	712,218
	<u>16,538,584</u>	<u>17,146,829</u>	<u>16,918,804</u>	<u>15,747,255</u>	<u>17,190,178</u>	<u>18,531,255</u>
	3,279,554	3,104,014	3,085,737	2,736,209	2,749,939	2,492,289
	8,420,148	8,618,050	8,548,046	8,375,312	8,220,965	7,857,210
	960,431	926,077	949,521	979,756	956,336	944,131
	1,304,365	897,753	867,372	789,652	1,106,279	966,818
	929,267	1,129,378	1,412,050	859,742	1,759,825	1,676,693
	626,454	613,020	627,704	653,096	631,225	657,273
	61,384	64,775	68,584	59,583	55,238	51,936
	1,778,871	1,382,029	1,833,204	2,957,264	2,089,454	1,335,972
	263,673	551,581	324,507	329,115	308,740	418,380
	32,081	42,434	48,033	53,201	73,267	87,205
	-	-	-	50,234	-	-
	<u>17,656,228</u>	<u>17,329,111</u>	<u>17,764,758</u>	<u>17,843,164</u>	<u>17,951,268</u>	<u>16,487,907</u>
	(1,117,644)	(182,282)	(845,954)	(2,095,909)	(761,090)	2,043,348
	8,834	-	-	-	-	-
	-	-	-	455,000	-	-
	-	-	-	(444,652)	-	-
	-	-	-	8,169	-	-
	-	-	-	775,000	-	-
	-	-	-	6,716	-	-
	-	167,839	-	-	-	-
	-	-	95,040	-	304,960	-
	823,331	1,734,266	1,243,765	1,130,886	1,393,096	1,066,718
	(823,331)	(1,187,377)	(1,243,765)	(1,130,886)	(1,593,096)	(1,066,718)
	<u>8,834</u>	<u>714,728</u>	<u>95,040</u>	<u>800,233</u>	<u>104,960</u>	<u>-</u>
	-	-	-	-	-	-
\$	<u>(1,108,810)</u>	<u>\$ 532,446</u>	<u>\$ (750,914)</u>	<u>\$ (1,295,676)</u>	<u>\$ (656,130)</u>	<u>\$ 2,043,348</u>
\$	1,625,458	\$ 1,189,258	\$ 1,871,185	\$ 1,991,679	\$ 1,605,167	\$ 982,102
	1.84%	3.68%	2.34%	2.41%	2.34%	3.26%

**CITY OF ALLIANCE, OHIO**

INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS

Tax Year (1)	Individual		Total Individual	Business	Total	Tax Rate
	Withholding	Non-withholding				
2019	\$ 8,223,459	\$ 1,489,420	\$ 9,712,879	\$ 1,240,004	\$ 10,952,883	2.00%
2018	8,106,422	1,349,692	9,456,114	1,201,548	10,657,662	2.00%
2017	7,945,320	1,360,127	9,305,447	985,722	10,291,169	2.00%
2016	8,960,233	927,033	9,887,266	1,490,436	11,377,702	2.00%
2015	8,065,388	1,474,251	9,539,640	1,116,699	10,656,339	2.00%
2014	8,049,056	1,443,002	9,492,058	1,470,963	10,963,021	2.00%
2013	7,678,323	1,377,277	9,055,600	1,227,886	10,283,486	2.00%
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%

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.

**CITY OF ALLIANCE, OHIO**

INCOME TAX WITHHOLDINGS BY SECTOR  
LAST TEN YEARS

Sector	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Industrial	43%	43%	45%	48%	47%	47%	46%	42%	40%	31%
Medical	18%	17%	18%	17%	17%	17%	17%	20%	21%	22%
Education	15%	14%	14%	13%	13%	12%	12%	13%	14%	15%
Retail	7%	7%	6%	5%	6%	6%	8%	6%	5%	7%
Service	5%	6%	5%	5%	5%	5%	5%	6%	6%	6%
Food/Restaurant	4%	3%	3%	4%	4%	3%	4%	4%	4%	5%
Carnation Mall Area	3%	4%	5%	4%	4%	4%	4%	5%	5%	5%
Financial	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Construction	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%
Other	1%	2%	1%	1%	1%	3%	1%	1%	2%	6%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: City of Alliance Income Tax Department.

CITY OF ALLIANCE, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Special Assessment Bonds	OPWC Loans	SIB Loans	General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans			
2019	\$ -	\$ -	\$ 320,001	\$ 21,882	\$ 805,121	\$ 1,447,258	\$ 6,967,255	\$ 1,515,303	\$ 11,076,820	2.82%	\$ 492
2018	-	-	340,001	112,820	860,131	2,840,553	6,382,842	1,626,088	12,162,435	3.10%	540
2017	-	-	353,334	133,437	915,141	4,178,848	4,918,213	1,436,678	11,935,651	3.04%	530
2016	75,000	-	366,667	153,449	970,151	5,467,143	744,614	1,516,768	9,293,792	2.37%	413
2015	315,000	-	380,000	167,839	1,025,161	6,715,438	-	1,596,858	10,200,296	2.60%	453
2014	555,000	-	393,333	167,839	1,080,171	7,923,733	-	1,581,084	11,701,160	2.98%	520
2013	1,029,591	70,000	400,000	-	2,197,181	9,092,028	-	1,555,078	14,343,878	3.65%	637
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

Source: City financial records.

Note: See the Demographics and Economic Statistics table for population and personal income data.

**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		
2019	22,522	\$ 328,137,090	\$ 805,121	\$ 43,850	\$ 761,271	0.23%	\$ 33.80
2018	22,522	285,398,790	860,131	43,850	816,281	0.29%	36.24
2017	22,522	280,881,810	915,141	43,850	871,291	0.31%	38.69
2016	22,522	280,881,810	1,045,151	43,850	1,001,301	0.36%	44.46
2015	22,522	278,005,220	1,340,161	126,550	1,213,611	0.44%	53.89
2014	22,522	264,521,390	1,635,171	396,305	1,238,866	0.47%	55.01
2013	22,522	259,506,760	3,226,772	96,408	3,130,364	1.21%	138.99
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

**Sources:**

(1) U.S. Census Bureau.

(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, 2019

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
<b>Direct - City of Alliance</b>			
OPWC loans	\$ 320,001	100.00%	\$ 320,001
SIB loans	21,882	100.00%	21,882
	<u>341,883</u>		<u>341,883</u>
<b>Overlapping debt:</b>			
Alliance City Schools	3,553,000	87.81%	3,119,889
Marlington Local School District	412,420	22.30%	91,970
Stark County	17,704,400	3.94%	697,553
Mahoning County	31,775,000	0.01%	3,178
	<u>53,444,820</u>		<u>3,912,590</u>
Total direct and overlapping debt	<u>\$ 53,786,703</u>		<u>\$ 4,254,473</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total assessed property value	\$ 328,137,090	\$ 285,398,790	\$ 280,881,810	\$ 278,005,220
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>34,454,394</u>	<u>29,966,873</u>	<u>29,492,590</u>	<u>29,190,548</u>
Debt outstanding:				
General obligation bonds	-	-	-	75,000
Special assessment bonds	-	-	-	-
SIB loans	91,579	112,820	133,437	153,449
Enterprise general obligation bonds	805,121	860,131	915,141	970,151
OPWC loans	1,515,303	1,626,088	1,790,012	1,883,435
Revenue bonds	<u>1,447,258</u>	<u>2,840,553</u>	<u>4,178,848</u>	<u>5,467,143</u>
Total gross indebtedness	<u>3,859,261</u>	<u>5,439,592</u>	<u>7,017,438</u>	<u>8,549,178</u>
Less:				
Special assessment bonds	-	-	-	-
SIB loans	91,579	112,820	133,437	153,449
Enterprise general obligation bonds	805,121	860,131	915,141	970,151
OPWC loans	1,515,303	1,626,088	1,790,012	1,883,435
Revenue bonds	<u>1,447,258</u>	<u>2,840,553</u>	<u>4,178,848</u>	<u>5,467,143</u>
Total net debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 34,454,394</u>	<u>\$ 29,966,873</u>	<u>\$ 29,492,590</u>	<u>\$ 29,115,548</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	99.74%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>\$ 18,047,540</u>	<u>\$ 15,696,933</u>	<u>\$ 15,448,500</u>	<u>\$ 15,290,287</u>
Total gross indebtedness	3,859,261	5,439,592	7,017,438	8,549,178
Less:				
Special assessment bonds	-	-	-	-
SIB loans	91,579	112,820	133,437	153,449
Enterprise general obligation bonds	805,121	860,131	915,141	970,151
OPWC loans	1,515,303	1,626,088	1,790,012	1,883,435
Revenue bonds	<u>1,447,258</u>	<u>2,840,553</u>	<u>4,178,848</u>	<u>5,467,143</u>
Net debt within 5 1/2 % limitations	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 18,047,540</u>	<u>\$ 15,696,933</u>	<u>\$ 15,448,500</u>	<u>\$ 15,215,287</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	100.00%	100.00%	100.00%	99.51%

**Source:** City financial records.

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



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 264,521,390	\$ 259,506,760	\$ 262,059,330	\$ 288,001,100	\$ 288,748,770	\$ 299,234,860
<u>27,774,746</u>	<u>27,248,210</u>	<u>27,516,230</u>	<u>30,240,116</u>	<u>30,318,621</u>	<u>31,419,660</u>
315,000	555,000	1,029,591	1,270,000	735,000	980,000
-	-	70,000	135,000	195,000	250,000
167,839	167,839	-	-	-	-
1,025,161	1,080,171	2,197,181	2,287,000	1,142,000	1,182,000
1,976,858	1,974,417	1,955,078	936,184	979,169	717,194
6,715,438	7,923,733	9,092,028	10,160,000	11,255,000	12,315,000
<u>10,200,296</u>	<u>11,701,160</u>	<u>14,343,878</u>	<u>14,788,184</u>	<u>14,306,169</u>	<u>15,444,194</u>
-	-	70,000	135,000	195,000	250,000
167,839	167,839	-	-	-	-
1,025,161	1,080,171	2,197,181	2,287,000	1,142,000	1,182,000
1,976,858	1,974,417	1,955,078	936,184	979,169	717,194
6,715,438	7,923,733	9,092,028	10,160,000	11,255,000	12,315,000
<u>315,000</u>	<u>555,000</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>
<u>\$ 27,459,746</u>	<u>\$ 26,693,210</u>	<u>\$ 26,486,639</u>	<u>\$ 28,970,116</u>	<u>\$ 29,583,621</u>	<u>\$ 30,439,660</u>
98.87%	97.96%	96.26%	95.80%	97.58%	96.88%
\$ 14,548,676	\$ 14,272,872	\$ 14,413,263	\$ 15,840,061	\$ 15,881,182	\$ 16,457,917
10,200,296	11,701,160	14,343,878	14,788,184	14,306,169	15,444,194
-	-	70,000	135,000	195,000	250,000
167,839	-	-	-	-	-
1,025,161	1,080,171	2,197,181	2,287,000	1,142,000	1,182,000
1,976,858	1,974,417	1,955,078	936,184	979,169	717,194
6,715,438	7,923,733	9,092,028	10,160,000	11,255,000	12,315,000
<u>315,000</u>	<u>722,839</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>
<u>\$ 14,233,676</u>	<u>\$ 13,550,033</u>	<u>\$ 13,383,672</u>	<u>\$ 14,570,061</u>	<u>\$ 15,146,182</u>	<u>\$ 15,477,917</u>
97.83%	94.94%	92.86%	91.98%	95.37%	94.05%

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

Year	Operating Revenues	Direct Operating Expenses (1)	Cash and cash equivalents with fiscal agent	Net Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2019	\$ 5,682,228	\$ 3,816,124	\$ 1,680,352	\$ 3,546,456	\$ 1,385,000	\$ 113,000	2.37
2018	5,692,737	4,273,708	1,695,753	3,114,782	1,330,000	166,200	2.08
2017	5,026,836	4,419,831	1,679,224	2,286,229	1,280,000	214,200	1.53
2016	5,336,229	4,223,454	1,226,707	2,339,482	1,240,000	257,600	1.56
2015	5,244,227	3,245,642	1,678,905	3,677,490	1,200,000	299,600	2.45
2014	5,027,585	3,406,534	1,678,985	3,300,036	1,160,000	338,750	2.20
2013	5,080,395	3,365,400	1,678,808	3,393,803	1,125,000	375,313	2.26
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

**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

<b>Year</b>	<b>Population (1)</b>	<b>Total Personal Income (2)</b>	<b>Personal Income Per Capita (1)</b>	<b>Median Household Income (1)</b>	<b>Median Age (1)</b>	<b>Stark County Unemployment Rate (3)</b>
2019	22,522	\$ 392,490,894	\$ 14,427	\$ 32,048	35.9	4.5%
2018	22,522	392,490,894	17,427	32,048	35.9	4.9%
2017	22,522	392,490,894	17,427	32,048	35.9	5.2%
2016	22,522	392,490,894	17,427	32,048	35.9	6.4%
2015	22,522	392,490,894	17,427	32,048	35.9	6.4%
2014	22,522	392,490,894	17,427	32,048	35.9	4.5%
2013	22,522	392,490,894	17,427	32,048	35.9	6.9%
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%

**Sources:**

(1) U.S. Census - 2010.

(3) Ohio Department of Job and Family Services labor market information, annual average.

**Notes:**

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

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 NINE YEARS AGO**

<b>December 31, 2019</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
University of Mount Union	1,784	1	15.51%
Alliance Community Hospital	1,128	2	9.81%
Alliance City Schools	788	3	6.85%
Coastal Pet Products	612	4	5.32%
Walmart	430	5	3.74%
Mac Trailer	411	6	3.57%
Trilogy	380	7	3.30%
City of Alliance	338	8	2.94%
Alliance Tubular Prod LLC	289	9	2.51%
Alliance Comm Medical	126	10	1.10%
<b>Total</b>	<b>6,286</b>		<b>54.65%</b>
Total City Employment (1)	<b>11,500</b>		

<b>December 31, 2010</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total</b>
University of Mount Union	1,875	1	15.63%
Alliance Community Hospital	1,173	2	9.78%
Alliance City Schools	853	3	7.11%
Alliance Tubular Products	750	4	6.25%
Coastal Pet	700	5	5.83%
WalMart	459	6	3.83%
City of Alliance	314	7	2.62%
Terry's Tire Town	158	8	1.32%
Robertson Heating	113	9	0.94%
Alliance Community Medical	61	10	0.51%
<b>Total</b>	<b>6,456</b>		<b>53.80%</b>
Total City Employment (1)	<b>12,000</b>		

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

**Notes:**

**(1)** Total City Employment is estimated by the City.

**CITY OF ALLIANCE, OHIO**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>General Government</b>				
<b>Council and clerk</b>				
Number of ordinances passed	73	62	61	69
Number of resolutions passed	9	12	8	13
Number of planning commission docket items	30	37	26	35
Zoning board of appeals docket items	8	13	17	32
<b>Finance Department</b>				
Number of checks/vouchers issued	4,180	4,184	4,012	4,188
Number of payroll checks issued (1)	9,102	9,142	7,830	2,126
Interest earnings for fiscal year				
(cash basis, includes water & sewer)	\$ 316,160	\$ 206,284	\$ 180,622	\$ 127,697
Number of receipts issued	2,500	2,495	2,633	289
Number of journal entries issued	224	173	251	283
Number of budget adjustments issued	28	40	32	15
Agency ratings - Moody's Financial Services	A2	A2	A2	A2
Health insurance costs- Medical	\$ 2,345,207	\$ 1,862,967	\$ 1,897,930	\$ 2,227,464
Health insurance costs- Dental	\$ 113,205	\$ 111,442	\$ 106,401	\$ 116,824
Health insurance costs- Administration	\$ 483,822	\$ 509,462	\$ 495,409	\$ 455,148
Health insurance total	\$ 2,942,234	\$ 2,483,871	\$ 2,499,740	\$ 2,799,436
General fund receipts (budgetary-basis)	\$ 12,852,232	\$ 12,157,619	\$ 11,533,809	\$ 12,057,771
General fund expenditures (budgetary-basis)	\$ 10,919,501	\$ 10,927,448	\$ 10,941,075	\$ 11,585,501
General fund cash balance	\$ 1,390,089	\$ 445,233	\$ 230,043	\$ 373,777
<b>Income Tax Department</b>				
Number of individual returns	7,079	7,266	7,809	8,045
Number of business returns	1,247	1,281	1,328	1,389
Number of business withholding accounts	10,293	9,771	9,438	9,238
Annual number of corporate withholding forms processed	4,080	4,324	3,523	3,447
Annual number of estimated payment forms processed	2,584	1,048	2,700	2,851
Annual number of reconciliation of withholdings processed	3,572	5,204	3,621	3,608
<b>Engineer Contracted Services</b>				
Dollar amount of construction overseen by engineer	n/a	\$ 540,573	\$ 800,000	\$ 898,839
Private construction overseen/inspected	n/a	\$ 809,350	\$ 897,129	\$ 931,250
Engineering design contracts	n/a	\$ 104,649	\$ 160,000	\$ 650
<b>Municipal Court</b>				
Number of civil cases filed	1,494	1,443	1,317	1,290
Number of criminal cases filed	2,069	1,943	1,547	2,237
Number of traffic cases filed	3,234	3,475	2,285	3,407
Total cases filed	6,797	6,861	5,149	6,934
Number of civil cases disposed	1,414	1,410	1,204	1,324
Number of criminal cases disposed	2,136	2,022	1,667	2,307
Number of traffic cases disposed	3,245	3,523	2,350	3,462
Total cases disposed	6,795	6,955	5,221	7,093
<b>Vital Statistics</b>				
Certificates filed	345	336	314	459
Number of births (2)	-	-	-	140
Number of deaths	345	336	314	319
Certificates issued	3,383	2,993	2,942	2,877
Burial permits issued	363	398	364	n/a

2015	2014	2013	2012	2011	2010
69	80	75	96	101	95
2	6	11	13	6	10
32	11	27	25	34	27
22	22	4	17	20	26
3,961	3,593	3,830	3,802	4,013	3,936
2,242	2,577	2,522	2,463	2,801	2,681
\$ 104,325	\$ 14,844	\$ 17,116	\$ 14,581	\$ 16,328	\$ 20,387
292	284	329	2,513	2,461	2,546
201	212	326	360	424	424
20	29	20	13	10	8
A1	Aaa	Aaa	Aaa	Aaa	Aaa
\$ 2,283,972	\$ 1,759,447	\$ 2,202,445	\$ 1,929,298	\$ 1,994,330	\$ 1,680,722
\$ 111,121	\$ 124,595	\$ 123,818	\$ 116,435	\$ 100,563	\$ 105,433
\$ 368,918	\$ 358,408	\$ 310,190	\$ 275,995	\$ 242,136	\$ 234,843
\$ 2,764,011	\$ 2,242,450	\$ 2,636,453	\$ 2,337,029	\$ 2,337,029	\$ 2,020,998
\$ 11,796,835	\$ 11,713,463	\$ 11,188,999	\$ 10,397,109	\$ 10,450,333	\$ 14,203,022
\$ 12,361,924	\$ 10,870,256	\$ 10,663,936	\$ 10,778,843	\$ 11,533,844	\$ 11,421,889
\$ 651,973	\$ 1,197,685	\$ 1,249,079	\$ 1,651,750	\$ 2,854,512	\$ 3,927,726
8,418	8,372	8,070	8,141	8,024	8,084
1,259	1,224	1,304	1,314	1,234	1,216
4,459	4,683	4,989	4,817	4,785	4,467
3,422	3,612	3,451	3,544	3,659	3,380
2,735	2,898	2,680	2,793	2,682	2,564
3,925	3,612	3,550	3,441	3,632	3,576
\$ 953,981	\$ 550,000	\$ 954,950	n/a	\$ 613,528	\$ 268,152
\$ 857,900	\$ 1,056,500	n/a	n/a	\$ 834,500	\$ 97,600
\$ 52,975	\$ 28,600	\$ 20,625	n/a	\$ 33,395	\$ 25,917
1,389	1,476	1,371	1,694	1,717	1,924
1,995	2,042	2,290	2,338	2,262	1,763
4,544	5,528	4,844	4,644	2,733	3,268
7,928	9,046	8,505	8,676	6,712	6,955
1,396	1,453	1,402	1,667	1,727	1,818
2,058	2,127	2,402	2,311	2,147	1,740
4,581	5,537	4,858	4,585	2,728	3,324
8,035	9,117	8,662	8,563	6,602	6,882
714	694	754	772	734	799
387	385	416	430	402	401
309	309	338	342	332	398
3,176	3,172	3,255	3,100	3,270	3,621
323	365	n/a	364	304	392

**CITY OF ALLIANCE, OHIO**

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

Function/Program	2019	2018	2017	2016
<b>Civil Service</b>				
Number of police entry tests administered	-	-	1	-
Number of fire entry tests administered	1	-	1	-
Number of police promotional tests administered	-	-	2	1
Number of fire promotional tests administered	-	-	-	-
Number of hires of police officers from certified lists	3	2	1	2
Number of hires of fire/medics from certified lists	6	3	-	1
Number of promotions from police certified lists	-	-	4	1
Number of promotions from fire certified lists	-	4	-	-
<b>Building Department Indicators</b>				
Construction permits issued	170	223	242	260
Estimated value of construction	\$ 13,514,943	\$ 11,917,227	\$ 8,425,614	\$ 12,082,854
Number of permits issued	1,148	1,071	999	939
Amount of revenue generated from permits	\$ 14,769	\$ 120,933	\$ 104,138	\$ 105,491
Number of contract registrations issued	322	349	308	272
<b>Security of Persons &amp; Property</b>				
<b>Police</b>				
Total calls for services	35,953	48,493	57,259	59,871
Number of traffic citations issued	2,556	2,959	1,345	2,444
Number of parking citations issued	321	333	87	128
Number of criminal arrests	3,341	3,671	3,057	4,697
Number of accident reports completed	458	535	515	578
Felony offenses (F1-F5)	807	691	536	423
Misdemeanor offenses (M1-MM)	2,534	2,980	1,836	1,729
Police dept. auxiliary hours worked	586	535	820	844
DUI arrests	108	124	125	171
Prisoners	745	764	1,863	2,413
Motor vehicle accidents	458	535	543	578
Property damage accidents	458	535	543	99
Fatalities from motor vehicle accidents	-	1	-	2
Gasoline costs of fleet	\$ 76,184	\$ 76,352	\$ 70,038	\$ 65,464
Community diversion program - community service hours	n/a	n/a	n/a	n/a
<b>Fire</b>				
EMS/Rescue calls	911	1,881	2,209	2,184
Structure fires	31	23	20	32
Fires other than structure	50	46	55	46
Other fire calls (electrical, smoke/odor, hazardous mat.)	489	734	767	729
Total calls for services	1,481	2,684	3,059	3,021
Fire with loss	54	31	32	51
Fires with losses exceeding \$10,000	9	12	5	9
Fire losses	\$ 1,528,530	\$ 329,520	\$ 138,420	\$ 710,007
Fire safety inspections	487	416	1,069	1,045
Number of times mutual aid given to fire and EMS	3	5	2	6
Number of times mutual aid received for fire and EMS	3	4	8	3
Fire department receipts from fees & permits	\$ 15,080	\$ 14,745	\$ 605	\$ 820
Fire department total receipts	\$ 24,773	\$ 14,745	\$ 5,349	\$ 820
<b>Public Health and Welfare</b>				
Number of health inspections	1,069	747	n/a	1,009
Cemetery burials	40	37	37	46
Cemetery cremations	28	24	32	18
Cemetery sale of lots	42	36	n/a	74
Cemetery receipts	\$ 60,355	\$ 46,880	\$ 52,350	\$ 48,782



2015	2014	2013	2012	2011	2010
1	-	1	-	1	-
1	-	-	1	-	-
1	2	-	-	-	-
1	1	1	1	1	-
3	4	1	1	3	2
2	1	-	-	-	-
3	-	-	-	-	1
3	-	2	1	-	-
252	278	295	317	296	346
\$ 14,100,000	\$ 18,635,280	\$ 26,214,855	\$ 9,368,510	\$ 13,075,583	\$ 13,906,316
967	894	720	818	802	1,324
\$ 103,103	\$ 86,670	\$ 52,130	\$ 47,969	\$ 56,748	\$ 118,626
253	290	308	286	209	248
58,286	66,082	43,231	50,504	41,283	43,950
4,268	6,188	4,122	3,727	1,401	1,796
505	166	125	245	250	699
3,843	3,248	2,883	n/a	2,505	1,826
572	567	547	n/a	646	618
641	668	583	n/a	564	461
2,465	2,580	1,981	n/a	1,640	1,354
834	1,230	1,723	1,297	1,204	1,418
141	220	215	225	158	143
2,063	2,056	1,498	n/a	1,407	1,338
834	587	557	648	771	803
817	587	557	648	771	669
1	-	1	1	-	2
\$ 76,952	\$ 127,200	\$ 146,593	\$ 151,234	\$ 142,749	\$ 105,476
n/a	n/a	n/a	n/a	85	94
2,337	2,311	2,142	2,179	2,220	2,024
35	40	39	50	67	87
49	46	39	59	28	46
719	645	620	649	796	738
3,150	3,042	2,840	2,937	3,111	2,895
47	55	21	43	35	41
9	10	7	17	9	5
\$ 477,490	\$ 325,149	\$ 285,280	\$ 1,811,335	\$ 276,650	\$ 2,416,875
1,217	1,090	909	155	882	827
8	16	27	19	8	26
2	4	11	19	3	10
\$ 1,040	\$ 630	\$ 920	\$ 990	\$ 727	\$ 961
\$ 5,418	\$ 3,374	\$ 2,421	\$ 2,708	\$ 727	\$ 26,502
678	633	910	1,085	1,423	1,363
53	59	80	64	78	78
34	17	22	21	21	13
75	35	48	61	30	45
\$ 62,855	\$ 58,665	\$ 52,300	\$ 49,306	\$ 49,306	\$ 58,946

**CITY OF ALLIANCE, OHIO**

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

Function/Program	2019	2018	2017	2016
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Recreation mens & womens league receipts	\$ -	\$ -	\$ -	\$ 760
Other fees	\$ -	\$ -	\$ -	\$ -
Cabin rentals	\$ 21,630	\$ 19,200	\$ 18,905	\$ 23,055
Robertson community center facility rentals	\$ 13,574	\$ 14,165	\$ 12,458	\$ 11,463
Robertson community center swimming pool receipts	\$ 36,232	\$ 33,866	\$ 35,730	\$ 42,886
Total recreation department receipts	\$ 71,436	\$ 67,231	\$ 67,093	\$ 78,163
<b>Community Development</b>				
Grant amounts received due to economic development dept.	\$ -	\$ -	\$ -	\$ -
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons) January - December	8,754	8,092	7,353	7,974
Refuse disposal costs per year January - December	\$ 1,361,088	\$ 1,130,991	\$ 904,490	\$ 859,771
Annual recycling tonnage (excluding leaf and compost)	958	998	651	559
Percentage of waste recycled	9.14	8.11	11.29	14.28
<b>Transportation</b>				
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)	4,860	5,160	6,915	3,305
Guardrail repair (hours)	-	-	-	3
Paint striping (hours)	1,380	1,110	310	462
Street sweeper (hours)	402	1,314	409	213
Cold patch (hours)	2,500	2,812	409	2,845
Snow and ice removal regular hours	2,640	2,412	2,563	3,012
Snow and ice removal overtime hours	785	600	384	714
Tons of snow melting salt purchased (Nov-Mar)	631	2,079	1,603	2,300
Cost of salt purchased	\$ 46,845	\$ 123,696	\$ 65,825	\$ 90,137
Sewer and sanitary calls for service	26	18	n/a	51
After hours sewer calls (hours)	8	48	n/a	14
Sewer crew (hours)	11,315	13,636	n/a	21,005
Sewer jet, vac-all, other services (hours)	n/a	n/a	n/a	1,101
Landscaping, stump-chipper service (hours)	175	56	131	101
Leaf collection (hours)	1,655	2,176	811	1,445
Sign department (hours)	920	882	1,568	1,782
<b>Water Department</b>				
Water rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 6.36	\$ 6.36	\$ 6.35	\$ 5.99
Water rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 11.13	\$ 11.13	\$ 11.13	\$ 10.49
Avg. number of water accounts billed monthly (Cu. Ft.)	9,740	9,752	9,780	9,703
Total water collections annually (including P&I)	\$ 5,729,395	\$ 5,767,277	\$ 5,337,028	\$ 5,400,479
Payments for bulk water purchases	\$ 51,684	\$ 79,604	\$ 31,371	\$ 47,276
<b>Wastewater Department</b>				
Wastewater rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 3.74	\$ 3.74	\$ 3.67	\$ 3.46
Wastewater rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 4.06	\$ 4.06	\$ 3.99	\$ 3.76
Total flow of wastewater treatment plant (billions of gallons)	1.60	1.72	1.46	1.42
Average daily flow (millions of gallons per day)	4.40	4.80	4.00	3.90
Tons of dry sludge removed	1,884	1,977	1,294	730

**Source:** Various City of Alliance departments.

**Notes:** (1) Beginning in 2017, this figure includes direct deposit checks.  
(2) The Alliance Community Hospital ceased its birth center operations in 2016.

	2015	2013	2012	2011	2010	2009
\$	-	\$ 1,115	\$ 1,470	\$ 3,050	\$ 4,750	\$ 4,520
\$	-	\$ -	\$ -	\$ 975	\$ -	\$ -
\$	18,920	\$ 30,565	\$ 8,160	\$ 8,110	\$ 17,822	\$ 16,595
\$	11,284	\$ 12,343	\$ 10,962	\$ 15,660	\$ 10,697	\$ 10,382
\$	33,643	\$ 34,976	\$ 32,077	\$ 31,213	\$ 35,985	\$ 38,439
\$	63,847	\$ 78,999	\$ 52,669	\$ 59,008	\$ 69,254	\$ 69,936
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 726,519
	6,828	8,095	6,887	7,571	n/a	7,306
\$	863,604	\$ 836,118	\$ 748,953	\$ 792,115	n/a	\$ 850,514
	583	730	579	601	n/a	647.43
	11.71	11.08	7.75	7.93	n/a	8.86
	8,677	8,677	8,677	8,677	8,677	8,677
	8,600	8,600	8,600	8,600	8,600	8,600
	0,077	0,077	0,077	0,077	0,077	0,077
	106,462	106,462	106,462	106,462	106,462	106,462
	79,343	79,343	79,343	79,343	79,343	79,343
	27,119	27,119	27,119	27,119	27,119	27,119
	735	735	735	735	735	735
	5,120	3,695	3,095	2,635	2,290	2,240
	-	-	37	-	-	-
	640	932	1,065	1,092	950	945
	623	485	378	650	633	518
	3,840	3,453	3,785	3,697	4,350	4,235
	3,915	3,820	4,865	3,735	4,980	5,950
	882	834	748	794	825	1,383
	2,742	2,990	2,603	2,407	4,229	3,402
\$	153,970	\$ 82,209	\$ 96,658	\$ 123,530	\$ 218,217	\$ 172,872
	84	86	100	115	86	87
	57	75	54	84	47	102
	21,490	18,391	19,055	18,284	17,615	17,349
	1,359	1,280	1,455	-	1,304	1,668
	193	89	171	376	241	289
	1,474	1,481	1,041	1,689	1,597	1,706
	1,165	943	1,295	1,025	1,160	1,320
\$	5.82	\$ 5.65	\$ 5.65	\$ 5.28	\$ 4.93	\$ 4.93
\$	10.18	\$ 9.89	\$ 9.89	\$ 9.24	\$ 8.63	\$ 8.63
	9,640	9,846	9,850	9,889	9,813	9,851
\$	5,175,035	\$ 5,014,397	\$ 5,091,119	\$ 4,900,519	\$ 4,316,764	\$ 4,208,926
\$	29,615	\$ 20,394	\$ 27,752	\$ 29,638	\$ 36,271	\$ 34,668
\$	3.36	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.44	\$ 3.44
\$	3.65	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.89	\$ 3.89
	1.90	1.93	1.10	1.10	1.71	1.52
	5.20	5.30	3.00	3.00	4.68	4.00
	840	993	960	1,111	669	663

**CITY OF ALLIANCE, OHIO**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>General Government</b>										
Square footage occupied	57,231	57,231	57,231	57,231	57,321	57,321	57,321	57,321	57,321	57,321
<b>Police</b>										
Stations	1	1	1	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	21,600	21,600	21,600
Vehicles	43	43	43	43	42	45	45	36	33	31
<b>Fire</b>										
Stations	2	2	2	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	13,351	13,351	13,351
Vehicles	10	10	10	10	10	10	10	11	10	9
<b>Recreation</b>										
Number of parks	24	24	24	24	24	24	24	24	24	24
Acres of parks	220	220	220	220	220	220	220	220	220	220
<b>Other Public Works</b>										
Streets	107	107	107	107	107	107	107	107	107	107
Traffic lights	39	39	39	39	39	39	39	38	38	38
<b>Wastewater</b>										
Sanitary sewers (miles)	119	119	119	119	119	119	119	119	119	119
Storm sewers (miles)	104	104	104	104	104	104	104	104	104	104
<b>Water Department</b>										
Water lines (miles)	120	120	120	120	120	120	120	120	120	120

Source: Various City of Alliance departments.

**CITY OF ALLIANCE, OHIO**

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

Function/Program	2019		2018		2017		2016		2015		2014	2013	2012	2011	2010
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT					
<b>General Government</b>															
Mayor	4.00	3.00	4.00	1.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	4.00	4.00	4.00	4.00
Auditor	4.50	0.00	3.50	0.00	4.50	0.00	4.50	0.00	4.50	0.00	4.50	4.50	4.50	4.50	4.50
Law Director	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	4.00	4.50	3.50	4.50	4.50
Council	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	4.50	4.50	4.50	4.50	4.50
Judge	6.00	3.00	6.00	1.50	6.00	2.00	6.00	2.00	5.00	2.00	6.50	5.50	5.50	5.50	5.00
Clerk of Courts	8.00	0.00	8.00	0.00	7.00	1.00	7.00	1.00	7.00	1.00	7.50	6.50	6.50	6.00	6.50
Civil Service	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	2.00	2.00	2.00	2.00	2.00
Engineering	4.00	3.00	4.00	0.50	6.00	3.00	6.00	3.00	6.00	1.50	8.00	6.50	6.50	7.00	6.50
City Hall Maintenance	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Income Tax	3.00	0.00	2.50	1.00	2.50	1.00	2.50	1.00	3.50	0.00	3.50	3.50	3.50	3.50	3.50
Treasurer	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.50	0.50	0.50	0.50	0.50
Senior Center & Agency on Agin	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	1.00	1.00	1.50	1.50
<b>Security of Persons and Property</b>															
Police	37.00	3.00	37.00	3.00	37.00	3.00	40.00	3.00	40.00	3.00	41.00	43.00	43.00	43.00	41.00
Police - auxiliary/guards	0.00	17.00	0.00	17.00	0.00	17.00	0.00	17.00	0.00	20.00	11.00	10.00	11.00	10.00	9.00
Police - dispatchers/office/other	12.00	4.00	12.00	5.00	12.00	5.00	12.00	5.00	13.00	5.00	14.50	14.00	14.50	14.00	14.00
Fire	33.00	0.00	32.00	0.00	26.00	0.00	28.00	0.00	28.00	0.00	31.00	31.00	31.00	31.00	31.00
<b>Public Health Services</b>															
Health	9.00	5.00	9.00	2.00	9.00	5.00	9.00	5.00	9.00	2.00	12.50	12.50	13.00	12.50	13.00
Cemetery	1.00	6.00	1.00	6.00	1.00	7.00	1.00	7.00	1.00	2.00	3.00	3.00	3.50	4.00	3.00
<b>Leisure Time Activities</b>															
Parks and recreation	5.00	13.00	5.00	14.00	5.00	25.00	5.00	25.00	5.00	4.50	23.00	21.00	21.50	24.50	21.00
Litter	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	0.50	0.50	0.50	0.50	1.00	0.00
<b>Community Development</b>															
Building (CDBG)	5.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	3.00	0.00	4.00	4.00	4.00	3.00	4.00
<b>Transportation</b>															
Street maintenance & repair	11.00	6.00	11.00	3.00	11.00	1.00	11.00	1.00	12.00	0.00	12.00	11.00	11.00	13.50	13.00
<b>Basic Utility Services</b>															
Sewer	24.00	7.00	24.00	5.00	23.00	0.25	23.00	0.25	28.00	0.00	28.50	29.00	29.00	29.00	27.25
Water	25.00	0.00	26.00	0.50	23.00	0.25	23.00	0.25	23.00	0.00	25.50	25.00	25.50	24.00	24.25
Billing and collection	5.00	3.00	5.00	2.00	8.00	0.00	8.00	0.00	6.00	0.00	5.50	5.50	5.50	8.00	8.00
<b>Total</b>	<b>200.50</b>	<b>95.00</b>	<b>198.00</b>	<b>83.50</b>	<b>193.00</b>	<b>92.50</b>	<b>198.00</b>	<b>92.50</b>	<b>202.00</b>	<b>62.50</b>	<b>260.00</b>	<b>254.50</b>	<b>257.00</b>	<b>263.00</b>	<b>253.50</b>

Source: City Payroll Department W-2 Audit Listing.

Note: In 2015, the City began accounting for full-time employees (FT) and part-time employees (PT) separately.

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**CITY OF ALLIANCE**  
STARK COUNTY, OHIO

**Supplemental Reports**

**For the Year Ended  
December 31, 2019**

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

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CITY OF ALLIANCE  
STARK COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM / CLUSTER TITLE	PASS THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	FEDERAL CFDA NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through City of Canton Health Department</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	7620011WA1219 / 7620011WA1320	10.557	\$ -	\$ 117,178
<b>Total U.S. Department of Agriculture</b>			-	117,178
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Direct</i>				
<b>CDBG - Entitlement Grants Cluster:</b>				
Community Development Block Grants/Entitlement Grants	B-14-MC-39-0031	14.218	14,590	26,889
Community Development Block Grants/Entitlement Grants	B-15-MC-39-0031	14.218	-	2,233
Community Development Block Grants/Entitlement Grants	B-16-MC-39-0031	14.218	-	6,248
Community Development Block Grants/Entitlement Grants	B-17-MC-39-0031	14.218	32,792	159,844
Community Development Block Grants/Entitlement Grants	B-18-MC-39-0031	14.218	54,749	336,143
Community Development Block Grants/Entitlement Grants	B-19-MC-39-0031	14.218	31,284	52,344
<b>Total CDBG - Entitlement Grants Cluster</b>			133,415	583,701
<b>Total U.S. Department of Housing and Urban Development</b>			133,415	583,701
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through Ohio Department of Transportation</i>				
<b>Highway Planning and Construction Cluster:</b>				
Highway Planning and Construction	PID 99896	20.205	-	176,000
<b>Total Highway Planning and Construction Cluster</b>			-	176,000
<b>Total U.S. Department of Transportation</b>			-	176,000
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Passed Through Stark County Commissioner's Office</i>				
Edward Byrne Memorial Justice Assistance Grant Program	2018-DJ-BX-0177	16.738	-	10,144
<b>Total U.S. Department of Justice</b>			-	10,144
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through City of Canton Health Department</i>				
Immunization Cooperative Agreements	7620012GV0119 / 7620012GV0220	93.268	-	15,285
HIV Prevention Activities - Health Department Based	7620012HP1219	93.940	-	10,974
<b>Total U.S. Department of Health and Human Services</b>			-	26,259
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Direct</i>				
Assistance to Firefighters Grants	EMW-2017-FP-00599	97.044	-	75,207
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	EMW-2017-FH-00447	97.083	-	175,824
<b>Total U.S. Department of Homeland Security</b>			-	251,031
<b>Total</b>			<b>\$ 133,415</b>	<b>\$ 1,164,313</b>

The accompanying notes are an integral part of this schedule.

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Alliance (the “City”) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

**NOTE 2 – DE MINIMIS COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - SUBRECIPIENTS**

The City passes certain federal awards received from U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note 1 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 the use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the awards performance goals.

**NOTE 4 - 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.

**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 Mayor and Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements and have issued our report thereon dated August 28, 2020, wherein we noted as discussed in Note 19, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City of Alliance. Additionally, as disclosed in Note 3 to the financial statements, the City of Alliance chose to implement GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*," allowing the City of Alliance to postpone the implementation of any newly applicable GASB pronouncements until the reporting date of December 31, 2020.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Alliance'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 of Alliance's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a period at the end.

Julian & Grube, Inc.  
August 28, 2020

**Independent Auditor's Report on Compliance with Requirements Applicable to  
The Major Federal Program and on Internal Control Over Compliance and the  
Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance***

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

To the Members of Council and Mayor:

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

We have audited the City of Alliance's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Alliance's major federal program for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Alliance's major federal program.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to opine on the City of Alliance's compliance for the City of Alliance's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Alliance'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 of Alliance's major program. However, our audit does not provide a legal determination of the City of Alliance'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, 2019.

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

The City of Alliance'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 of Alliance's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Alliance's internal control over compliance.

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements. We issued our unmodified report thereon dated August 28, 2020. Our opinion also explained that the City of Alliance adopted *Governmental Accounting Standard No. 95* during the year. We conducted our audit to opine on the City of Alliance's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
August 28, 2020

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2019**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	CDBG – Entitlement Grants Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

None.

<b>3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS</b>
--

None.

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR SECTION 200.511(b)  
DECEMBER 31, 2019**

<b><u>Finding Number</u></b>	<b><u>Year Initially Occurred</u></b>	<b><u>Finding Summary</u></b>	<b><u>Status</u></b>	<b><u>Additional Information</u></b>
2018-001	2018	<u>Material Weakness: Financial Statement Presentation</u> - The presentation of materially correct financial statements and the related notes is the responsibility of management and is an important part of the City's overall purpose. Financial reporting requires internal controls to help ensure the accuracy of the activity reported. Certain adjustments were made to the financial statements and note disclosures to properly state the components of net position.	Corrective Action Taken and Finding is Fully Corrected	N/A



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF ALLIANCE**

**STARK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/1/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)