



Dave Yost • Auditor of State

CITY OF ALLIANCE
STARK COUNTY

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Dave Yost • Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 15, 2011.

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

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

Dave Yost
Auditor of State

June 15, 2011



Dave Yost • Auditor of State

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

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

To the City Council:

Compliance

We have audited the compliance of City of Alliance (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of City of Alliance's major federal programs for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Alliance complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

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

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

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

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 15, 2011.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance, Stark County, (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject 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.

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

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

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

Dave Yost
Auditor of State

June 15, 2011

CITY OF ALLIANCE
STARK COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	2010 Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
Community Development Block Grants/Entitlement Grants	N/A	14.218	761,189
Community Development Block Grant Revolving Loan Program	N/A	14.218	29,364
ARRA - Community Development Block Grant Entitlement Grants	N/A	14.253	<u>6,768</u>
<i>Total Community Development Block Grant</i>			797,321
<i>Passed through the Ohio Department of Development Community Development Block Grants/State's Program</i>	1311334820	14.228	<u>108,367</u>
Total U.S. Department of Housing and Urban Development			905,688
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Area Agency on Aging</i>			
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	10B	93.044	3,262
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Health and the City of Canton Health Department</i>			
ARRA - Special Supplemental Nutrition Program for Women, Infants and Children	Not Available	10.557	145,544
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct</i>			
Bulletproof Vest Partnership Program	N/A	16.607	700
<i>Passed through Stark County</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program, Grants to Units of Local Government	Not Available	16.804	14,121
<i>Passed through The City of Canton</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program, Grants to Units of Local Government	Not Available	16.804	<u>14,993</u>
Total U.S. Department of Justice			29,814
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct</i>			
Assistance to Firefighters Grant	N/A	97.044	<u>20,341</u>
Total			<u>\$ 1,104,649</u>

The accompanying notes are an integral part of this schedule.

**CITY OF ALLIANCE
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

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

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

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

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

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2010 is as follows:

Beginning loans receivable balance as of January 1, 2010	\$35,870
Loans made	0
Loan principal repaid	4,479
Ending loans receivable balance as of December 31, 2010	\$31,391
Cash balance on hand in the revolving loan fund as of December 31, 2010	\$94,881
Administrative costs expended during 2010	0

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2010, the City estimates \$0 to be uncollectable.

NOTE D - MATCHING REQUIREMENTS

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

**CITY OF ALLIANCE
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant CFDA #14.218 and 14.253 ARRA – Special Supplemental Nutrition for Women, Infants, and Children CFDA #10.557
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

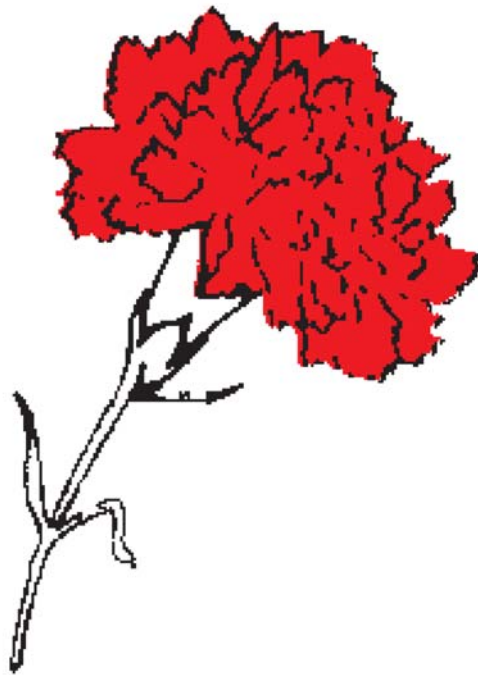
None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

City of Alliance, Ohio

“The Carnation City”



Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010

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The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



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June 15, 2011

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, 2010, and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*". In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Alliance (the primary government) and its potential component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Alliance, this includes the departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services. The City has no component units for 2010.

The City of Alliance

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

The City is in the Canton Metropolitan Statistical Area (MSA) comprised of the Ohio counties of Carroll and Stark and being the 128th largest of 366 MSA's in the United States (based on the 2010 census). The City's population of 22,522 placed it as the third largest city in the County. The City's area is 8.677 square miles, of which approximately 8.6 square miles are located in Stark County and .077 square miles are located in Mahoning County.

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

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

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

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

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

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

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

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

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

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

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

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

City Government

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

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

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

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

Financial Matters

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

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

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

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

Financial Outlook

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

Long-Term Financial Planning

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

Financial Information

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

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

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

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

Internal Accounting and Reporting Control

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

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

Awards

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Alliance, Ohio has received a Certificate of Achievement for the last eleven consecutive years (1999-2009). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

For the year ended December 31, 2009 the City received the "Making Your Tax Dollars Count Award" from the State of Ohio Auditor of State's Office. Fewer than five percent of all Ohio government agencies are eligible for this award. The award indicates that the 2009 CAFR demonstrates the City's commitment to careful spending, accurate fiscal recording and efficiency. Certain criteria must be met to receive the award that includes: the entity must complete and submit a CAFR, there must be no findings or issues present in the audit report and there must be no other concerns involving the entity.

Independent Audit

The financial records, books of accounts and transactions of the City of Alliance, Ohio, for the year ended December 31, 2010 have been audited by the Auditor of State, Dave Yost's Office. The Auditor's opinion has been included in this report.

Acknowledgments

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

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Kevin G. Knowles".

Kevin G. Knowles
City Auditor

CITY OF ALLIANCE, OHIO

City Officials

December 31, 2010

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

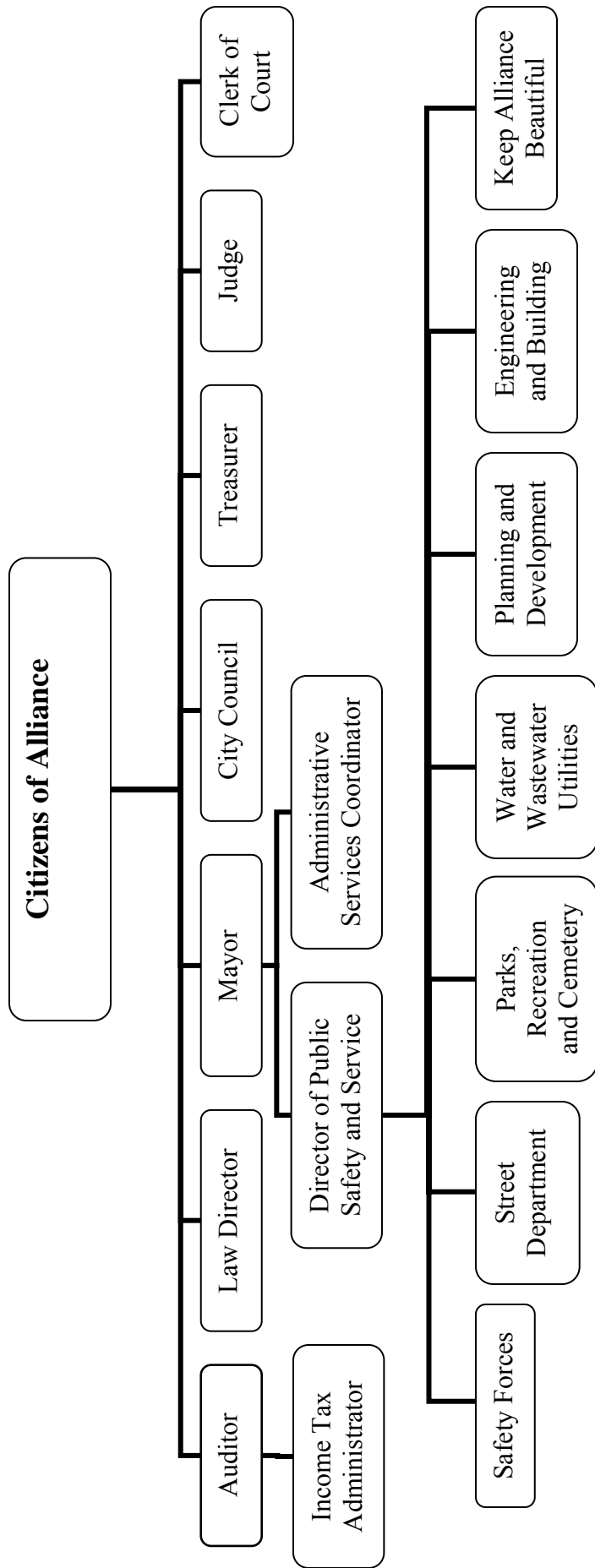
Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

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

City of Alliance, Ohio Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alliance
Ohio

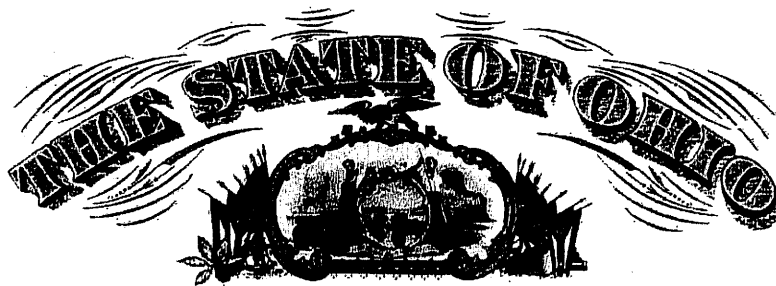
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director



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

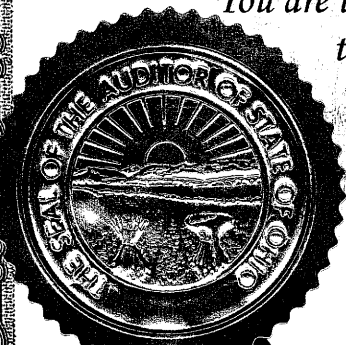
*is presented to
City of Alliance*

for excellence in financial reporting.

*You are a trustworthy guardian of taxpayer dollars
and deserve the highest amount of recognition
for your vigilance.*

*The 2009 Comprehensive Annual Financial Report (CAFR)
demonstrates your commitment to careful spending,
accurate fiscal recording and efficiency.*

*You are truly a model for government entities
throughout the state of Ohio.*



Mary Taylor

Mary Taylor, CPA
Auditor of State

FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and the Revolving Loan Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject 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.



Dave Yost
Auditor of State

June 15, 2011

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010. 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 2010 are as follows:

- The total net assets of the City increased \$1,591,209. Net assets of governmental activities increased \$1,254,182 or 4.24% over 2009 and net assets of business-type activities increased \$337,027 or 1.75% over 2009.
- General revenues accounted for \$14,708,813 or 81.11% of total governmental activities revenue. Program specific revenues accounted for \$3,424,971 or 18.89% of total governmental activities revenue.
- The City had \$16,879,602 in expenses related to governmental activities; \$3,424,971 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$13,454,631 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$14,708,813.
- The general fund had revenues of \$14,341,900 in 2010. This represents an increase of \$3,315,420 from 2009 revenues. The expenditures and other financing uses of the general fund, which totaled \$11,414,821 in 2010, increased \$235,511 from 2009. The net increase in fund balance for the general fund was \$2,927,079 or 126.33%, from \$2,317,016 in 2009 to \$5,244,095 in 2010.
- The revolving loan major fund had \$52,254 in revenues and \$585,058 in expenditures in 2010. The fund balance for the revolving loan fund decreased \$532,804 or 14.04%, from \$3,794,794 in 2009 to \$3,261,990 in 2010.
- Net assets for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$337,027 from a net asset balance of \$19,286,765 in 2009 to a net asset balance of \$19,623,792 in 2010.
- The water fund had \$3,935,652 in operating revenues and \$3,981,825 in operating expenses in 2010. The water fund also had non-operating revenues of \$345,227 and non-operating expenses of \$599,021. The net assets of the water fund decreased \$299,967 or 4.06%.
- The sewer fund had \$3,966,871 in operating revenues and \$3,323,030 in operating expenses in 2010. The sewer fund also had non-operating revenues of \$5,209, non-operating expenses of \$77,596 and capital contributions of \$144,918. The net assets of the sewer fund increased \$716,372 or 6.25%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

Using this Comprehensive Annual Financial Report

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

The statement of net assets and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

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

Governmental Funds

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

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

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one agency fund to account for monies received from cable franchise fees. The statement of fiduciary assets and liabilities can be found on page 56 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 57-90 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets at December 31, 2010 compared to December 31, 2009:

Net Assets						
	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>	Business-type Activities <u>2010</u>	Business-type Activities <u>2009</u>	Total <u>2010</u>	Total <u>2009</u>
<u>Assets</u>						
Current and other assets	\$ 17,506,461	\$ 16,034,121	\$ 11,465,190	\$ 11,823,588	\$ 28,971,651	\$ 27,857,709
Capital assets, net	<u>19,598,580</u>	<u>20,140,286</u>	<u>22,636,925</u>	<u>23,360,035</u>	<u>42,235,505</u>	<u>43,500,321</u>
Total assets	<u>37,105,041</u>	<u>36,174,407</u>	<u>34,102,115</u>	<u>35,183,623</u>	<u>71,207,156</u>	<u>71,358,030</u>
<u>Liabilities</u>						
Long-term liabilities						
outstanding	4,193,138	4,487,987	14,013,851	15,417,027	18,206,989	19,905,014
Other liabilities	<u>2,108,971</u>	<u>2,137,670</u>	<u>464,472</u>	<u>479,831</u>	<u>2,573,443</u>	<u>2,617,501</u>
Total liabilities	<u>6,302,109</u>	<u>6,625,657</u>	<u>14,478,323</u>	<u>15,896,858</u>	<u>20,780,432</u>	<u>22,522,515</u>
<u>Net Assets</u>						
Invested in capital						
assets, net of related debt	18,368,580	18,500,286	9,524,020	8,804,341	27,892,600	27,304,627
Restricted	7,276,746	8,369,261	1,200,279	1,320,056	8,477,025	9,689,317
Unrestricted	<u>5,157,606</u>	<u>2,679,203</u>	<u>8,899,493</u>	<u>9,162,368</u>	<u>14,057,099</u>	<u>11,841,571</u>
Total net assets	<u>\$ 30,802,932</u>	<u>\$ 29,548,750</u>	<u>\$ 19,623,792</u>	<u>\$ 19,286,765</u>	<u>\$ 50,426,724</u>	<u>\$ 48,835,515</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$50,426,724. At year-end, net assets were \$30,802,932 and \$19,623,792 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2010, capital assets represented 59.31% of total assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2010, were \$18,368,580 and \$9,524,020 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net assets, \$7,276,746, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$5,157,606 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

The table below shows the changes in net assets for 2010 and 2009.

	Change in Net Assets					
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services and sales	\$ 1,183,005	\$ 1,266,937	\$ 7,951,609	\$ 9,154,346	\$ 9,134,614	\$ 10,421,283
Operating grants and contributions	2,241,966	2,218,181	-	-	2,241,966	2,218,181
Capital grants and contributions	-	207,196	144,918	313,745	144,918	520,941
Total program revenues	3,424,971	3,692,314	8,096,527	9,468,091	11,521,498	13,160,405
General revenues:						
Property taxes	956,359	984,883	-	-	956,359	984,883
Income taxes	8,713,256	8,540,876	343,668	340,765	9,056,924	8,881,641
Unrestricted grants	4,524,885	1,714,806	-	-	4,524,885	1,714,806
Gain from sale of assets	-	-	-	109,180	-	109,180
Interest	10,202	21,096	6,768	15,215	16,970	36,311
Miscellaneous	504,111	747,714	-	-	504,111	747,714
Total general revenues	14,708,813	12,009,375	350,436	465,160	15,059,249	12,474,535
Total revenues	18,133,784	15,701,689	8,446,963	9,933,251	26,580,747	25,634,940
Expenses:						
General government	3,073,733	2,917,013	-	-	3,073,733	2,917,013
Security of persons and property	8,624,742	8,416,988	-	-	8,624,742	8,416,988
Public health services	1,015,414	952,822	-	-	1,015,414	952,822
Transportation	1,899,949	1,636,141	-	-	1,899,949	1,636,141
Community environment	1,355,294	969,055	-	-	1,355,294	969,055
Basic utility services	54,541	56,427	-	-	54,541	56,427
Leisure time activities	772,260	793,909	-	-	772,260	793,909
Interest	83,669	110,107	-	-	83,669	110,107
Water	-	-	4,616,259	4,498,029	4,616,259	4,498,029
Sewer	-	-	3,436,932	3,523,095	3,436,932	3,523,095
Robertson Community Center	-	-	56,745	54,174	56,745	54,174
Total expenses	16,879,602	15,852,462	8,109,936	8,075,298	24,989,538	23,927,760
Change in net assets	1,254,182	(150,773)	337,027	1,857,953	1,591,209	1,707,180
Net assets at beginning year	29,548,750	29,699,523	19,286,765	17,428,812	48,835,515	47,128,335
Net assets at end of year	\$ 30,802,932	\$ 29,548,750	\$ 19,623,792	\$ 19,286,765	\$ 50,426,724	\$ 48,835,515

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Governmental Activities

Governmental activities net assets increased \$1,254,182 in 2010.

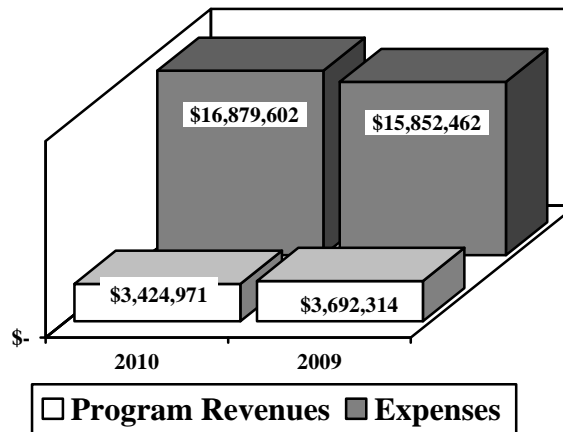
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$8,624,742 of the total expenses of the City. These expenses were partially funded by \$32,285 in direct charges to users of the services. General government expenses totaled \$3,073,733. General government expenses were partially funded by \$704,836 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,241,966 in operating grants and contributions and no capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$962,280 subsidized transportation and \$1,110,616 subsidized community environment.

General revenues totaled \$14,708,813, and amounted to 81.11% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$9,669,615. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and estate taxes, making up \$4,524,885.

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

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF ALLIANCE, OHIO

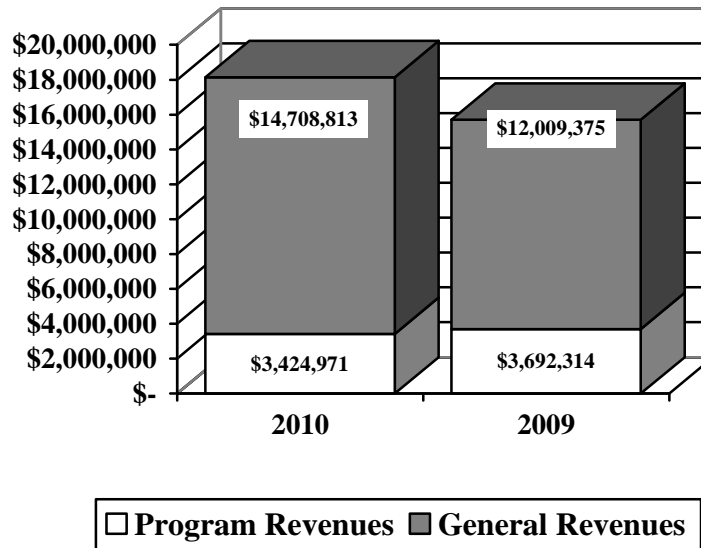
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Governmental Activities

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
Program expenses:				
General government	\$ 3,073,733	\$ 2,328,259	\$ 2,917,013	\$ 1,901,803
Security of persons and property	8,624,742	8,540,619	8,416,988	8,261,380
Public health services	1,015,414	632,404	952,822	593,306
Transportation	1,899,949	937,669	1,636,141	575,891
Community environment	1,355,294	154,415	969,055	(109,685)
Basic utility services	54,541	54,541	56,427	56,427
Leisure time activities	772,260	723,055	793,909	770,919
Interest	83,669	83,669	110,107	110,107
Total expenses	\$ 16,879,602	\$ 13,454,631	\$ 15,852,462	\$ 12,160,148

The dependence upon general revenues for governmental activities is apparent, with 79.71% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2010 and 2009.

Governmental Activities – General and Program Revenues



Business-Type Activities

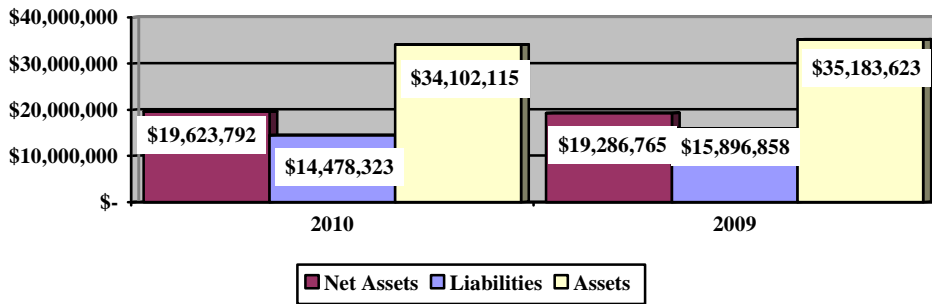
Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$8,096,527, general revenues of \$350,436 and expenses of \$8,109,936 for 2010.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

Net Assets in Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 42) reported a combined fund balance of \$12,018,020 which is \$2,043,348 more than last year's total of \$9,974,672. The revolving loan fund balance includes \$1,661,261 reserved for loans receivable. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2010 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/10</u>	<u>Fund Balances</u> <u>12/31/09</u>	<u>Increase/</u> <u>(Decrease)</u>
Major funds:			
General	\$ 5,244,095	\$ 2,317,016	\$ 2,927,079
Revolving loan	3,261,990	3,794,794	(532,804)
Other nonmajor governmental funds	<u>3,511,935</u>	<u>3,862,862</u>	<u>(350,927)</u>
Total	<u>\$ 12,018,020</u>	<u>\$ 9,974,672</u>	<u>\$ 2,043,348</u>

General Fund

The City's general fund balance increased \$2,927,079.

CITY OF ALLIANCE, OHIO

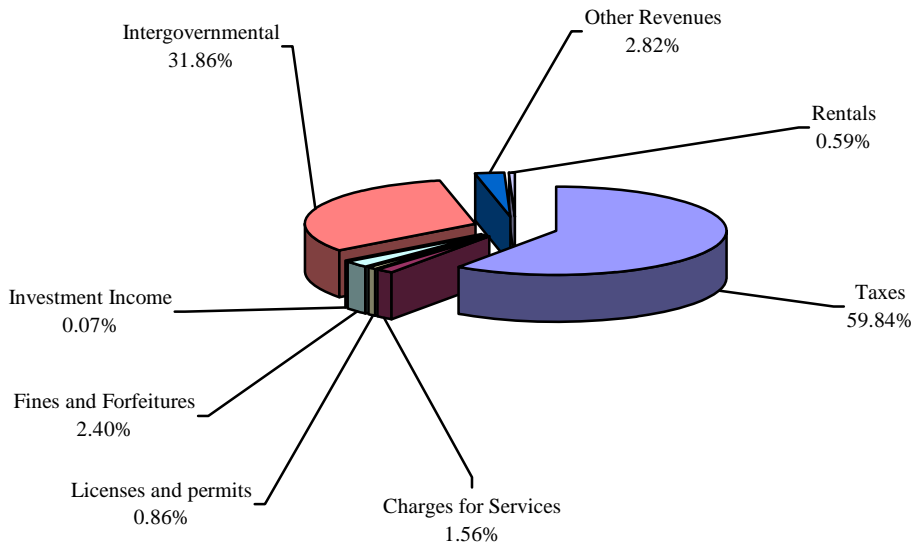
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Revenues				
Taxes	\$ 8,580,372	\$ 7,899,241	\$ 681,131	8.62 %
Charges for services	224,081	286,138	(62,057)	(21.69) %
Licenses and permits	123,924	98,552	25,372	25.74 %
Fines and forfeitures	343,918	413,992	(70,074)	(16.93) %
Investment income	10,202	21,096	(10,894)	(51.64) %
Intergovernmental	4,569,955	1,711,284	2,858,671	167.05 %
Rentals	84,887	91,888	(7,001)	(7.62) %
Other	<u>404,561</u>	<u>504,289</u>	<u>(99,728)</u>	<u>(19.78) %</u>
Total	<u>\$ 14,341,900</u>	<u>\$ 11,026,480</u>	<u>\$ 3,315,420</u>	30.07 %

Revenues of the general fund increased \$3,315,420 or 30.07%. Tax revenues increased \$681,131 or 8.62%. The increase is the result of increase in individual income tax withholdings during the year. The investment income decreased \$10,894 or 51.64%. This decrease is due mainly to decreased interest rates earned on investments during 2010. The decrease of \$7,001 or 7.62% in rentals is due to a decline in oil and gas well revenue. Intergovernmental revenue increased \$2,858,671 or 167.05% due mainly to an increase of \$2,801,508 in estate tax receipts. All other revenue remained comparable to 2009.

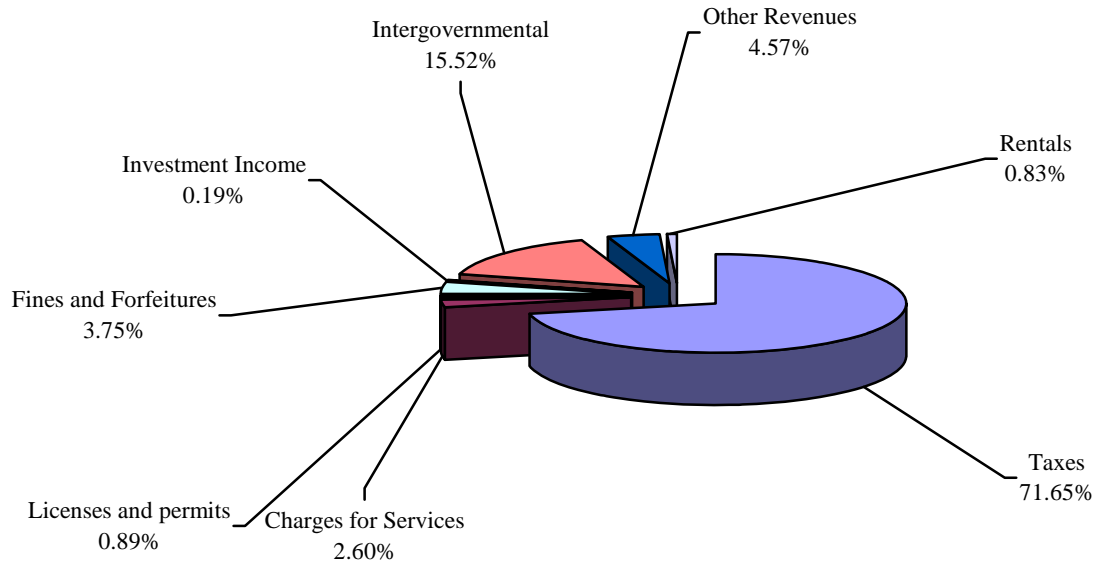
Revenues – 2010



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Revenues –2009



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

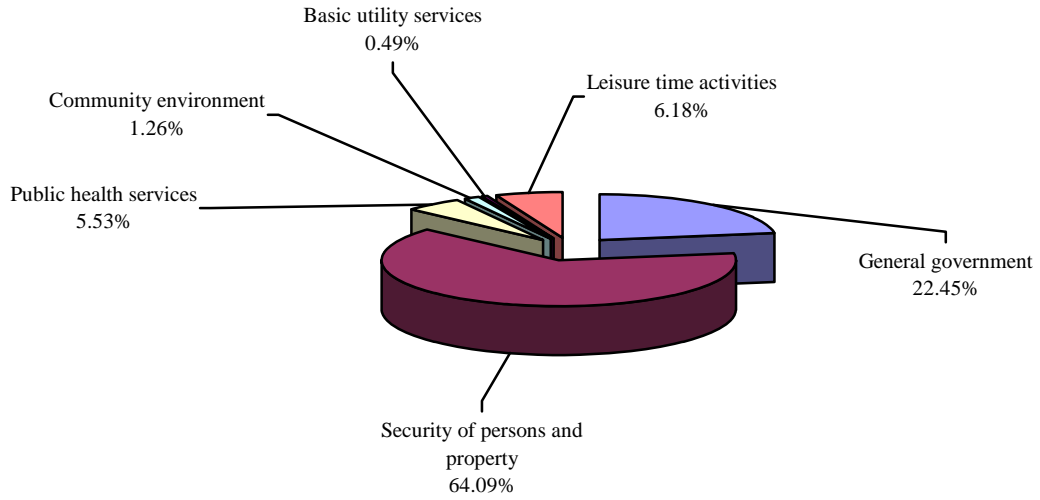
	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Expenditures:				
General government	\$ 2,387,766	\$ 2,223,292	\$ 164,474	7.40 %
Security of persons and property	6,814,928	6,775,267	39,661	0.59 %
Public health services	588,404	569,095	19,309	3.39 %
Transportation	-	18,409	(18,409)	(100.00) %
Community environment	133,717	115,926	17,791	15.35 %
Leisure time activities	657,273	687,874	(30,601)	(4.45) %
Basic utility services	<u>51,936</u>	<u>53,228</u>	<u>(1,292)</u>	(2.43) %
Total	<u>\$ 10,634,024</u>	<u>\$ 10,443,091</u>	<u>\$ 190,933</u>	1.83 %

Expenditures of the general fund increased \$190,933 or 1.83%. The most significant increase was in the area of general government. General government expenditures increased \$164,474 or 7.40% due mainly to an increase in various general government expenditures. All other major expenditures remained comparable to 2009.

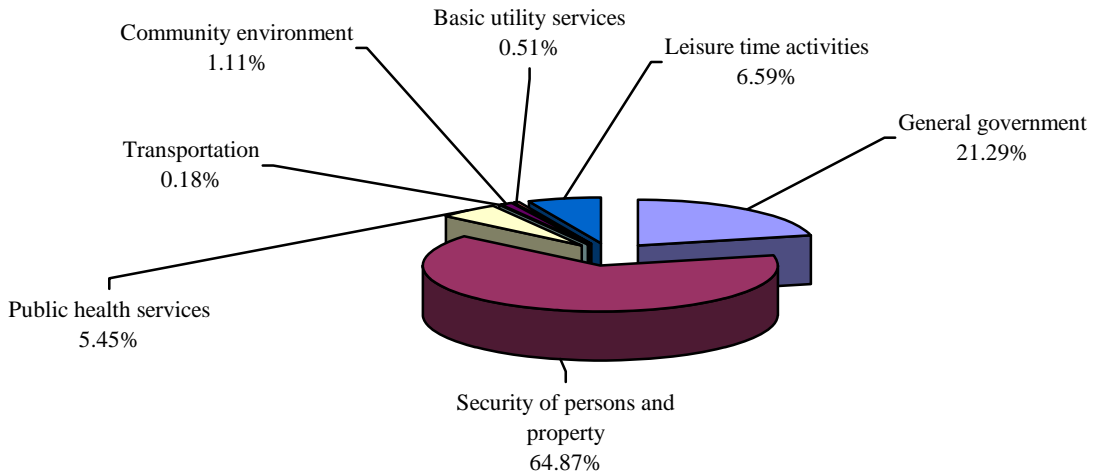
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Expenditures – 2010



Expenditures – 2009



CITY OF ALLIANCE, OHIO

MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010

Revolving Loan Fund

The revolving loan major fund had \$52,254 in revenues and \$585,058 in expenditures in 2010. The fund balance for the revolving loan fund decreased \$532,804 or 14.04%, from \$3,794,794 in 2009 to \$3,261,990 in 2010. The increase in fund balance is the result of changes in loan activity in the City.

Budgeting Highlights – General Fund

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues of \$14,203,022 were higher than the final budget amount of \$14,079,216. Actual expenditures and other financing uses of \$11,421,889 were lower than the final budget amount of \$12,148,019. The decrease of \$726,130 from final budgeted amounts to actual expenditures and other financing uses is due to a decrease in transfers out and decreased spending in the following departments: auditor's office, income tax, land and buildings, general administration, police and fire. Budgeted expenditures and other financing uses were increased \$383,993 from the original to the final budget. This increase is due mainly to an increase of \$332,220 in transfers out. Budgeted revenues were increased \$2,783,866 from the original to the final budget.

Proprietary Funds

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

The City's business-type funds (as presented on the statement of net assets on page 52) reported a combined net assets of \$19,671,162, which is \$408,746 above last year's total of \$19,262,416.

The schedule below indicates the net assets and the total change in net assets as of December 31, 2010 for all major and nonmajor business-type funds.

	<u>Net Assets</u> <u>12/31/10</u>	<u>Net Assets</u> <u>12/31/09</u>	<u>Increase</u>
Major funds:			
Water	\$ 7,084,240	\$ 7,384,207	\$ (299,967)
Sewer	12,184,546	11,468,174	716,372
Nonmajor:			
Robertson Community Center	<u>402,376</u>	<u>410,035</u>	<u>(7,659)</u>
Total	<u>\$ 19,671,162</u>	<u>\$ 19,262,416</u>	<u>\$ 408,746</u>

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Water

The City's water fund decreased \$299,967 or 4.06% during 2010 from a net asset balance of \$7,384,207 in 2009 to \$7,084,240 in 2010.

	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 3,889,326	\$ 4,431,481	\$ (542,155)	(12.23) %
Other	<u>46,326</u>	<u>28,712</u>	<u>17,614</u>	61.35 %
Total operating revenues	<u>3,935,652</u>	<u>4,460,193</u>	<u>(524,541)</u>	(11.76) %
<u>Operating expenses</u>				
Salaries and benefits	1,345,143	1,299,897	45,246	3.48 %
Fringe benefits	546,035	567,831	(21,796)	(3.84) %
Contractual services	573,954	623,023	(49,069)	(7.88) %
Materials and supplies	929,836	712,776	217,060	30.45 %
Depreciation	584,822	581,533	3,289	0.57 %
Other	<u>2,035</u>	<u>13,011</u>	<u>(10,976)</u>	(84.36) %
Total operating expenses	<u>3,981,825</u>	<u>3,798,071</u>	<u>183,754</u>	4.84 %
<u>Non-operating revenues</u>				
Municipal income tax	343,668	340,765	2,903	0.85 %
Investment income	<u>1,559</u>	<u>4,816</u>	<u>(3,257)</u>	(67.63) %
Total non-operating revenues	<u>345,227</u>	<u>345,581</u>	<u>(354)</u>	(0.10) %
<u>Non-operating expenses</u>				
Interest and fiscal charges	<u>599,021</u>	<u>658,732</u>	<u>(59,711)</u>	(9.06) %
Total non-operating expenses	<u>\$ 599,021</u>	<u>\$ 658,732</u>	<u>\$ (59,711)</u>	(9.06) %

Operating revenues of the water fund decreased \$524,541 or 11.76%. This decrease is the result of a decrease in water consumption during the year. Operating expenses increased \$183,754 or 4.84% due to increases in materials and supplies. Interest and fiscal charges decreased \$59,711 or 9.06% due to costs associated with the City's water revenue bonds.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Sewer

The City's sewer fund increased \$716,372 or 6.25% during 2010 from a net asset balance of \$11,468,174 in 2009 to \$12,184,546 in 2010.

	<u>2010</u>	<u>2009</u>	<u>Increase/</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>	<u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 3,689,895	\$ 4,575,911	\$ (886,016)	(19.36) %
Licenses and permits	51,600	38,195	13,405	35.10 %
Other	<u>225,376</u>	<u>4,114</u>	<u>221,262</u>	5,378.27 %
Total operating revenues	<u>3,966,871</u>	<u>4,618,220</u>	<u>(651,349)</u>	(14.10) %
<u>Operating expenses</u>				
Salaries and benefits	1,492,399	1,517,616	(25,217)	(1.66) %
Fringe benefits	548,274	548,233	41	0.01 %
Contractual services	590,275	556,128	34,147	6.14 %
Materials and supplies	214,683	310,122	(95,439)	(30.77) %
Depreciation	476,417	406,237	70,180	17.28 %
Other	<u>982</u>	<u>30,515</u>	<u>(29,533)</u>	(96.78) %
Total operating expenses	<u>3,323,030</u>	<u>3,368,851</u>	<u>(45,821)</u>	(1.36) %
<u>Non-operating revenues</u>				
Capital contributions	144,918	313,745	(168,827)	(53.81) %
Investment income	<u>5,209</u>	<u>10,399</u>	<u>(5,190)</u>	(49.91) %
Total non-operating revenues	<u>150,127</u>	<u>433,324</u>	<u>(283,197)</u>	(65.35) %
<u>Non-operating expenses</u>				
Interest and fiscal charges	72,682	109,987	(37,305)	(33.92) %
Loss on disposal of capital assets	<u>4,914</u>	<u>-</u>	<u>4,914</u>	100.00 %
Total non-operating expenses	<u>\$ 77,596</u>	<u>\$ 109,987</u>	<u>\$ (32,391)</u>	(29.45) %

Operating revenues of the sewer fund decreased \$651,349 or 14.10%. This decrease can mainly be attributed to a consumption decrease from the prior year. Operating expenses decreased \$45,821 or 1.36% due to decreased spending for materials and supplies. The City received \$144,918 in Ohio Public Works Commission (OPWC) grants during the year that were used for sewer construction projects. Investment income decreased \$5,190 due to a decrease in interest rates earned on investments during 2010.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2010, the City had \$42,235,505 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$19,598,580 was reported in governmental activities and \$22,636,925 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosure.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

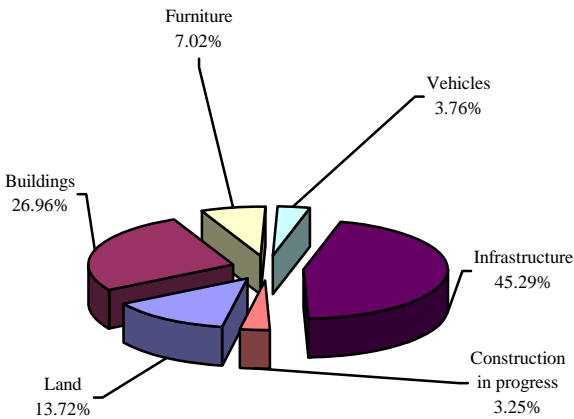
The following table shows December 31, 2010 balances compared to December 31, 2009:

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

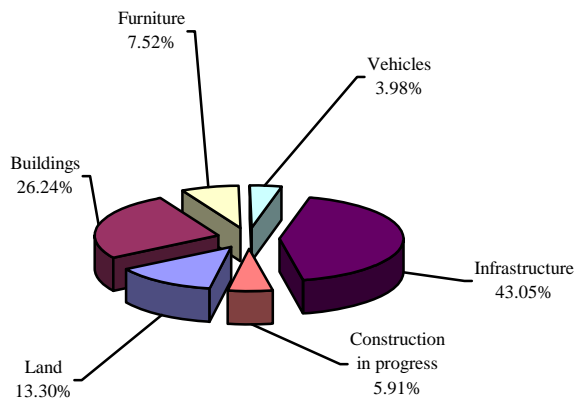
	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>	Business-type Activities <u>2010</u>	Business-type Activities <u>2009</u>	Total <u>2010</u>	Total <u>2009</u>
Land	\$ 2,688,987	\$ 2,678,287	\$ 869,941	\$ 869,941	\$ 3,558,928	\$ 3,548,228
Buildings, structures and improvements	5,282,908	5,284,813	5,307,714	5,584,953	10,590,622	10,869,766
Furniture, fixtures and equipment	1,377,524	1,515,074	2,930,672	1,628,567	4,308,196	3,143,641
Vehicles	736,320	800,887	-	-	736,320	800,887
Infrastructure	8,875,472	8,670,702	-	-	8,875,472	8,670,702
Land improvements	-	-	481,958	549,952	481,958	549,952
Water and sewer lines	-	-	12,936,276	13,383,814	12,936,276	13,383,814
Construction in progress	<u>637,369</u>	<u>1,190,523</u>	<u>110,364</u>	<u>1,342,808</u>	<u>747,733</u>	<u>2,533,331</u>
Total	<u>\$ 19,598,580</u>	<u>\$ 20,140,286</u>	<u>\$ 22,636,925</u>	<u>\$ 23,360,035</u>	<u>\$ 42,235,505</u>	<u>\$ 43,500,321</u>

The following graphs show the breakdown of governmental capital assets by category at December 31, 2010 and December 31, 2009.

**Capital Assets - Governmental Activities
2010**



**Capital Assets - Governmental Activities
2009**

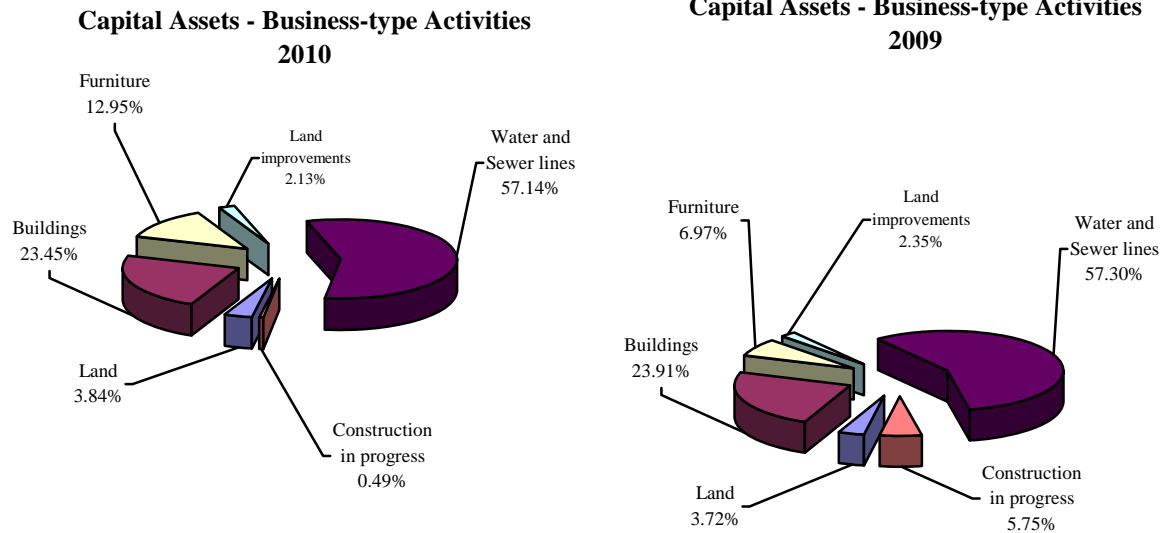


The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, right-of-way, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 45.29% of the City's total governmental capital assets.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2010 and December 31, 2009.



The City's largest business-type capital asset category is the sewer and water lines. This item plays a vital role in the income producing ability of the business-type activities. The net book value of the City's water and sewer lines (cost less accumulated depreciation) represents approximately 57.14% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2010 and 2009:

	Governmental Activities 2010	Governmental Activities 2009
General obligation bonds	\$ 980,000	\$ 1,335,000
Special assessment bonds	250,000	305,000
Police and fire pension liability	<u>364,896</u>	<u>373,276</u>
Total long-term obligations	<u>\$ 1,594,896</u>	<u>\$ 2,013,276</u>

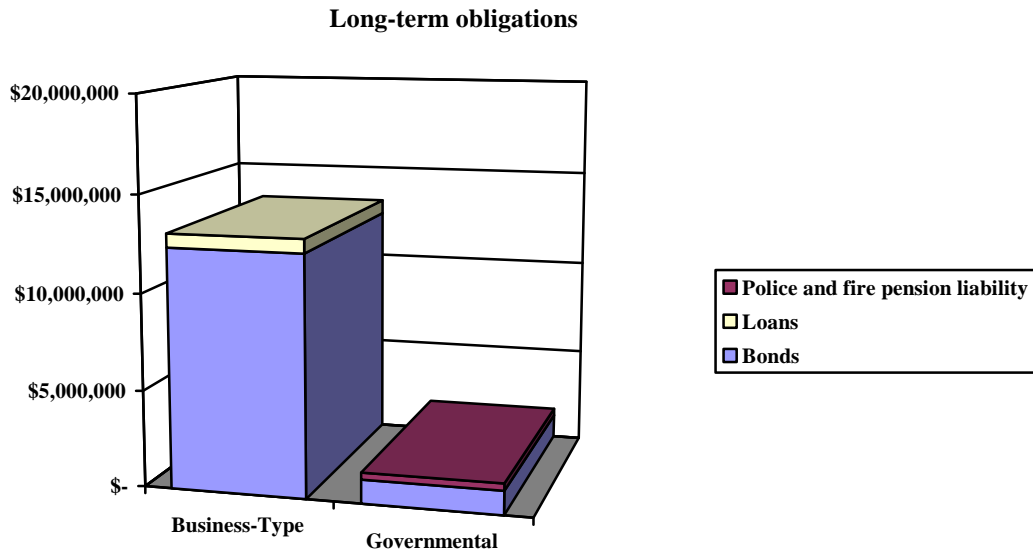
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Business-type Activities <u>2010</u>	Business-type Activities <u>2009</u>
Revenue bonds	\$ 11,213,711	\$ 12,132,188
General obligation bonds	<u>1,182,000</u>	<u>1,740,000</u>
Total bonds	<u>12,395,711</u>	<u>13,872,188</u>
OPWC loans	<u>717,194</u>	<u>683,506</u>
Total loans	<u>717,194</u>	<u>683,506</u>
Total long-term obligations	<u><u>\$ 13,112,905</u></u>	<u><u>\$ 14,555,694</u></u>

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

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



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

Economic Condition and Outlook

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

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

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

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

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

Alliance Castings LLC, a division of ACF, celebrated on March 9, 2004, the opening of a new factory in the former American Steel Foundries building in Alliance. The company is involved in the manufacturing of rail car undercarriage parts. Alliance Castings made an investment of over \$17 million in their new business. The State of Ohio provided both Ohio Enterprise Bond Fund financing and 166 direct loan financing. Additionally, the State provided a ten year, 70% job creation tax credit in addition to City of Alliance's local income tax incentive agreements.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

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

- A \$500,000 loan from master capital & water funds to the general fund.
- Change in the reallocation of the income tax split in 2005, 2006 and 2007 to increase the general fund's share from 79% to 86%
- Increase the income tax from 1.75% to 2.00% which was adopted by the residents of Alliance in May 2007 and went into effect July 1, 2007.
- The motor vehicle tax was increased \$5.00 per vehicle in January 2006 to support the construction, maintenance and repairs of the city's streets and highways.

In addition to the \$500,000 loan, the general fund derived an additional \$1,672,262 of support as a result of the 3 year income tax reallocation.

Current Outlook

The City of Alliance will continue to face difficult budget decisions in the near future due to declining revenues and current economic conditions. In 2010, revenue sources such as real estate tax, local government funding and interest earnings all declined from the prior year. Revenue may continue to decrease due to expected cuts to local government funding as well as the possible elimination of the State of Ohio's inheritance tax.

Income tax collections, which provides for the bulk of general fund revenue, declined for the third consecutive year on a cash basis. Unemployment rates in Stark County reached 11.1% in December 2010 according to US Department of Labor statistics compared to 9.6% for the State. This is a reflection of the overall economy and could improve as the economy recovers.

2010 general fund expenditures totaled \$10,641,092 on a cash basis, \$132,409 less than 2009. In 2010, Alliance City Council passed Ordinance 16-10 which temporarily changed the standard income tax allocation. As a result, the general fund received an additional 6% or \$505,472 to assist in appropriations. In addition, the City received an abnormally large estate tax distribution totaling \$3,476,683. It is anticipated that further cost containment efforts and revenue enhancement actions will be necessary through the remainder of 2011 and beyond to avoid deficit spending. 2011 general fund original appropriations totaled \$11,385,455 compared to \$11,308,031 in 2010.

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 were implemented in order to improve the City's tax base. The City will continue employing innovative and creative measures to reduce expenses in light of the struggling local economy.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

Water Rates Increased- Sewer Unchanged

The City increased only water rates in 2010. The water rate increase was necessary to meet the rate covenant of the Trust Indenture as made by the City for the series 2008 water works system revenue refunding bonds (these bonds were sold to refund and retire the series 1990, series 1991 and 1998 waterworks bonds) to provide adequate funds to operate and maintain and perform replacements and capital improvements, and to make timely payments on debt service. Since January 1, 2005, users outside the limits of the City are surcharged at 75% of the inside user's City rate. There is a surcharge of 75% on the debt service portion only of the sewer rate by users in areas outside the City as well.

The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements.

Street Improvement Project

The City completed its 2010 street resurfacing project at cost of \$266,141. Areas included; Fernwood Boulevard from State Street to Sunset Drive, Overlook Drive from Rockhill Avenue to Union Avenue, and Gaskill Drive from Walnut Avenue to the north corporation line, Market Street from Arch Avenue to Liberty Avenue, and Western Avenue from Electric Boulevard to Rosemont Road.

Urban Development Action Grant (UDAG) Loan for Sun America

Alliance City council passed Ordinance 51-10 authorizing an Urban Development Action Grant (UDAG) loan in the amount of \$49,000 to Sun America Converting Group LLC. The loan was to be used for a capital equipment purchase.

Parks Department completes Butler Rodman Project

The City of Alliance park system, utilizing a grant from the Ohio Department of Natural Resources (ODNR), completed work on improvements to Butler Rodman Park. Overall, five projects were funded from the \$247,500 Ohio Department of Natural Resources (ODNR) Grant including restrooms, concession stand and storage area in Destination Playground at Rodman Park; the renovation of the playground at Western Electric mini-park; a grass infield installed at Butler-Rodman Park; and paving in Memorial Park.

Cat Fanciers' Association Inc. international headquarters moving to Alliance

The Cat Fanciers' Association Inc. (CFA) is moving their international headquarters from Manasquan, New Jersey to Alliance, Ohio. Alliance City Council authorized an Urban Development Action Grant (UDAG) loan in the amount of \$550,000 to aid in the acquisition of property, improvements and computer equipment. The CFA established in 1906, is the world's largest registry of pedigreed cats. In addition to housing the CFA headquarters, Alliance will be home to the largest cat museum in the United States. The move is expected to create approximately 13 new jobs.

Alliance City Employment Training Program

The Alliance City Training Program was established which awards up to \$1,000 to City residents to obtain job training. A total of \$50,000 of Urban Development Action Grants (UDAG) was earmarked for this program.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

2010 Census Results

The results of the 2010 U.S. Census were released showing a 3.1% decline in the City's population. According to U.S. Census figures, population totaled 22,522, down from 23,253 in 2000.

COPS Grant

The City of Alliance was awarded Community Oriented Policing Services (COPS) grant in the amount of \$372,966. The federal funding will provide for two police officers for a period of three years. The City will pay for the officer's salaries from the general fund after the three year period.

Alliance-Canton Legislative Committee on Water

Councilmen Steve Okey and Larry Thompson introduced Ordinance 15-10 to create the Alliance-Canton Legislative Committee on Water. The purpose of the Committee was to analyze the feasibility of purchasing water from the City of Canton, as well as the elimination of the City's Water Treatment Plant. The Committee met on two occasions with discussions centering on running a sixteen inch pipe for fourteen miles between the two cities. Estimates prepared by the Committee that were used for analysis did not provide adequate water supply to the City. The Committee has not made a final determination.

Demolition Program

Forty five condemned structures were demolished within the City during 2010. Funding came from both the Neighborhood Stabilization Program and Community Development Block Grants.

Major Initiatives

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

UV Light Water Treatment

City Council voted unanimously to investigate the possibility of integrating ultraviolet light (UV) oxidation in the water treatment process. If implemented, the process would eliminate up to 90% of 2-methylisoborneol (MIB) a chemical by-product of algae blooms responsible for taste and odor issues in treated water. This is strictly an aesthetic issue with the water. From a regulatory standpoint, there are no problems with the City's drinking water. The anticipated cost of this system would range somewhere between \$1 and \$1.5 million. A second UV light component is being considered should the savings from eliminating the use of other treatment chemicals make it practical. This would increase the odor/taste removal and be available for the disinfection should the need present itself in the future.

Neighborhood Stabilization Program

The City of Alliance will contribute \$742,000 received from the United States Department of Housing and Urban Development (HUD) to help fund the Alliance for Children and Families Inc. \$3.1 million dollar construction of a 10-family housing campus. This project is an effort to support homeless families and reintroduce them back into the community.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010

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

The City's renovation of the Dr. Martin Luther King, Jr. Viaduct will be completed in 2011. Stark County Area Transportation Study (SCATS) will provide \$942,080 in grant money. The City's anticipated contribution includes \$300,000 of Community Development Block funds, \$140,000 of master capital money along with a \$400,000 Ohio Public Works Commission (OPWC) zero percent loan to be financed over a thirty year period. Overall cost of the project is estimated at \$1,669,502. Improvements include replacing the chain-link fence along the edges of the viaduct, new lighting, improved signage, repairs to parapet walls, painting structural steel and resurfacing the deck.

City Cemetery Building to be replaced after arson

A new Alliance City Cemetery building will be constructed in 2011 to replace the previous cemetery building destroyed by a July, 2009 arson. The estimated cost of \$180,000 will be covered by the City's insurance policy. The City began replacing lost equipment related to the fire in 2009.

State Route 183 Bridge Project

Work will begin on lowering a section of State Route 183 between the area of Main Street and Ely. The project is designed to provide proper clearance for trucks near the area of the railroad bridge. Costs include moving water and sewer lines as well as acquisition of property to accommodate the project. The overall expected cost is \$6,274,396. The City's share of the project is estimated to approximately \$300,000.

Retail Expansion in Alliance

Several new retail locations are expected to be completed within the City in 2011. Kohl's Department store will be located on West State Street in the Texas Roadhouse Plaza. Kohl's will invest \$4.5 million in renovating the building at the proposed location. Panera Bread, Chipotle, and other retail establishments are to be housed in a newly constructed plaza next to Buckeye Village Plaza. Also, the University of Mount Union is partnering with Deville Development to construct a retail plaza on State Street south of campus.

Request for Information

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

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 9,476,219	\$ 7,023,958	\$ 16,500,177
Receivables (net of allowances for uncollectibles):			
Municipal income taxes.	2,764,703	115,196	2,879,899
Property and other taxes	1,216,078	-	1,216,078
Accounts.	63,187	1,346,155	1,409,342
Special assessments	1,032,355	-	1,032,355
Intergovernmental	1,121,110	-	1,121,110
Loans	1,692,652	-	1,692,652
Internal balances	47,370	(47,370)	-
Prepayments	21,271	21,016	42,287
Materials and supplies inventory	51,201	468,842	520,043
Deferred charges.	-	268,869	268,869
Restricted assets:			
Equity in pooled cash and cash equivalents	-	591,030	591,030
Cash and cash equivalents with fiscal agents	20,315	1,677,494	1,697,809
Capital assets:			
Land and construction in progress	3,326,356	980,305	4,306,661
Depreciable capital assets, net	16,272,224	21,656,620	37,928,844
Total capital assets	<u>19,598,580</u>	<u>22,636,925</u>	<u>42,235,505</u>
Total assets.	<u>37,105,041</u>	<u>34,102,115</u>	<u>71,207,156</u>
Liabilities:			
Accounts payable	263,448	171,065	434,513
Accrued wages and benefits payable	133,664	43,473	177,137
Claims payable.	154,053	-	154,053
Due to other governments	519,138	118,853	637,991
Accrued interest payable	10,308	131,081	141,389
Unearned revenue	1,028,360	-	1,028,360
Long-term liabilities:			
Due within one year	1,031,413	1,359,352	2,390,765
Due in more than one year	3,161,725	12,654,499	15,816,224
Total liabilities	<u>6,302,109</u>	<u>14,478,323</u>	<u>20,780,432</u>
Net assets:			
Invested in capital assets, net of related debt	18,368,580	9,524,020	27,892,600
Restricted for:			
Capital projects	1,154,738	-	1,154,738
Debt service	401,200	609,249	1,010,449
Transportation projects.	374,892	-	374,892
Public health service programs.	737,032	-	737,032
Community environment programs	3,892,153	-	3,892,153
Security programs	290,824	-	290,824
Police and fire pension.	60,133	-	60,133
Other purposes	365,774	-	365,774
Replacement and surplus reserve	-	591,030	591,030
Unrestricted.	<u>5,157,606</u>	<u>8,899,493</u>	<u>14,057,099</u>
Total net assets	<u>\$ 30,802,932</u>	<u>\$ 19,623,792</u>	<u>\$ 50,426,724</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 3,073,733	\$ 704,836	\$ 40,638	\$ -
Security of persons and property . . .	8,624,742	32,285	51,838	-
Public health services	1,015,414	306,416	76,594	-
Transportation	1,899,949	-	962,280	-
Community environment	1,355,294	90,263	1,110,616	-
Basic utility services.	54,541	-	-	-
Leisure time activity	772,260	49,205	-	-
Interest and fiscal charges.	83,669	-	-	-
Total governmental activities.	<u>16,879,602</u>	<u>1,183,005</u>	<u>2,241,966</u>	<u>-</u>
Business-type activities:				
Water.	4,616,259	3,935,652	-	-
Sewer.	3,436,932	3,966,871	-	144,918
Robertson Community Center.	56,745	49,086	-	-
Total business-type activities	<u>8,109,936</u>	<u>7,951,609</u>	<u>-</u>	<u>144,918</u>
Totals	<u>\$ 24,989,538</u>	<u>\$ 9,134,614</u>	<u>\$ 2,241,966</u>	<u>\$ 144,918</u>

General revenues:

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (2,328,259)	\$ -	\$ (2,328,259)
(8,540,619)	-	(8,540,619)
(632,404)	-	(632,404)
(937,669)	-	(937,669)
(154,415)	-	(154,415)
(54,541)	-	(54,541)
(723,055)	-	(723,055)
(83,669)	-	(83,669)
<u>(13,454,631)</u>	<u>-</u>	<u>(13,454,631)</u>
-	(680,607)	(680,607)
-	674,857	674,857
-	(7,659)	(7,659)
<u>-</u>	<u>(13,409)</u>	<u>(13,409)</u>
<u>(13,454,631)</u>	<u>(13,409)</u>	<u>(13,468,040)</u>
803,757	-	803,757
76,301	-	76,301
76,301	-	76,301
7,758,136	-	7,758,136
432,930	-	432,930
522,190	-	522,190
-	343,668	343,668
4,524,885	-	4,524,885
10,202	6,768	16,970
504,111	-	504,111
<u>14,708,813</u>	<u>350,436</u>	<u>15,059,249</u>
1,254,182	337,027	1,591,209
<u>29,548,750</u>	<u>19,286,765</u>	<u>48,835,515</u>
<u>\$ 30,802,932</u>	<u>\$ 19,623,792</u>	<u>\$ 50,426,724</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	<u>General</u>	<u>Revolving Loan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents. . . .	\$ 4,157,362	\$ 1,604,822	\$ 2,929,534	\$ 8,691,718
Receivables (net of allowance for uncollectibles):				
Municipal income taxes	2,275,120	-	489,583	2,764,703
Property and other taxes.	991,894	-	224,184	1,216,078
Accounts	63,003	-	184	63,187
Intergovernmental.	478,420	-	642,690	1,121,110
Special assessments	717,977	-	314,378	1,032,355
Loans	-	1,661,261	31,391	1,692,652
Prepayments.	15,858	-	5,413	21,271
Materials and supplies inventory	12,909	-	38,292	51,201
Restricted assets:				
Cash with fiscal and escrow agents	-	-	20,315	20,315
Total assets	<u>\$ 8,712,543</u>	<u>\$ 3,266,083</u>	<u>\$ 4,695,964</u>	<u>\$ 16,674,590</u>
Liabilities:				
Accounts payable	\$ 127,457	\$ 2,074	\$ 133,917	\$ 263,448
Accrued wages and benefits	118,273	-	15,391	133,664
Due to other governments	475,919	2,019	41,200	519,138
Deferred revenue	1,911,243	-	800,717	2,711,960
Unearned revenue	835,556	-	192,804	1,028,360
Total liabilities	<u>3,468,448</u>	<u>4,093</u>	<u>1,184,029</u>	<u>4,656,570</u>
Fund balances:				
Reserved for encumbrances	7,497	5,000	179,156	191,653
Reserved for prepayments.	15,858	-	5,413	21,271
Reserved for loans receivable	-	1,661,261	31,391	1,692,652
Reserved for materials and supplies inventory . . .	12,909	-	38,292	51,201
Unreserved, undesignated, reported in:				
General fund.	5,207,831	-	-	5,207,831
Special revenue funds	-	1,595,729	2,261,677	3,857,406
Debt service fund	-	-	126,581	126,581
Capital projects funds	-	-	869,425	869,425
Total fund balances.	<u>5,244,095</u>	<u>3,261,990</u>	<u>3,511,935</u>	<u>12,018,020</u>
Total liabilities and fund balances	<u>\$ 8,712,543</u>	<u>\$ 3,266,083</u>	<u>\$ 4,695,964</u>	<u>\$ 16,674,590</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010

Total governmental fund balances \$ 12,018,020

Amounts reported for governmental activities on the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 19,598,580

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

Municipal income taxes receivable	\$ 982,827	
Property and other taxes receivable	170,514	
Special assessments receivable	1,032,355	
Intergovernmental receivable	526,264	

Total 2,711,960

An internal service fund is used by management to charge the costs of the health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets. The net assets of the internal service fund, including internal balances of \$47,370, are:

677,818

Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.

(10,308)

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

General obligation bonds	(980,000)	
Special assessment bonds	(250,000)	
Police and fire pension liability	(364,896)	
Compensated absences	(2,598,242)	

Total (4,193,138)

Net assets of governmental activities \$ 30,802,932

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, 2010

	<u>General</u>	<u>Revolving Loan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 7,762,088	\$ -	\$ 955,971	\$ 8,718,059
Property and other taxes	818,284	-	151,428	969,712
Charges for services	224,081	-	-	224,081
Licenses, permits and fees	123,924	-	212,905	336,829
Fines and forfeitures	343,918	-	168,480	512,398
Intergovernmental	4,569,955	-	2,263,559	6,833,514
Special assessments	-	-	68,563	68,563
Investment income	10,202	52,056	2,505	64,763
Rental income	84,887	-	-	84,887
Contributions and donations	245	-	5,986	6,231
Other	404,316	198	307,704	712,218
Total revenues	<u>14,341,900</u>	<u>52,254</u>	<u>4,137,101</u>	<u>18,531,255</u>
Expenditures:				
Current:				
General government	2,387,766	-	104,523	2,492,289
Security of persons and property	6,814,928	-	1,042,282	7,857,210
Public health services	588,404	-	355,727	944,131
Transportation	-	-	966,818	966,818
Community environment	133,717	585,058	957,918	1,676,693
Leisure time activities	657,273	-	-	657,273
Basic utility services	51,936	-	-	51,936
Capital outlay	-	-	1,335,972	1,335,972
Debt service:				
Principal retirement	-	-	418,380	418,380
Interest and fiscal charges	-	-	87,205	87,205
Total expenditures	<u>10,634,024</u>	<u>585,058</u>	<u>5,268,825</u>	<u>16,487,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,707,876</u>	<u>(532,804)</u>	<u>(1,131,724)</u>	<u>2,043,348</u>
Other financing sources (uses):				
Transfers in	-	-	1,066,718	1,066,718
Transfers out	(780,797)	-	(285,921)	(1,066,718)
Total other financing sources (uses)	<u>(780,797)</u>	<u>-</u>	<u>780,797</u>	<u>-</u>
Net change in fund balances	2,927,079	(532,804)	(350,927)	2,043,348
Fund balances at beginning of year	<u>2,317,016</u>	<u>3,794,794</u>	<u>3,862,862</u>	<u>9,974,672</u>
Fund balances at end of year	<u>\$ 5,244,095</u>	<u>\$ 3,261,990</u>	<u>\$ 3,511,935</u>	<u>\$ 12,018,020</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, 2010

Net change in fund balances - total governmental funds \$ 2,043,348

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.

Capital asset additions	\$ 982,102	
Current year depreciation	(1,514,764)	
Total	(532,662)	(532,662)

The net effect of various miscellaneous transactions involving capital assets is to decrease net assets. (9,044)

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

Municipal income taxes	(4,803)	
Property taxes	(13,353)	
Intergovernmental	(172,590)	
Special assessments	(206,725)	
Total	(397,471)	(397,471)

Repayments of bond principal and the police and fire pension liability are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets. 418,380

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,536

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. (126,197)

An internal service fund used by management to charge the costs of health insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance of (\$71,719) is allocated among the governmental activities. (145,708)

Change in net assets of governmental activities \$ 1,254,182

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income taxes	\$ 6,075,819	\$ 7,573,274	\$ 7,626,062	\$ 52,788
Property and other taxes	653,735	814,855	817,295	2,440
Charges for services.	188,862	235,409	242,154	6,745
Licenses, permits and fees.	87,104	108,572	123,845	15,273
Fines and forfeitures.	281,571	350,967	348,075	(2,892)
Intergovernmental.	3,666,382	4,570,004	4,571,198	1,194
Investment income.	4,814	6,000	10,202	4,202
Rental income.	62,635	78,072	82,353	4,281
Contributions and donations.	241	300	245	(55)
Other	274,187	341,763	381,593	39,830
Total revenues	<u>11,295,350</u>	<u>14,079,216</u>	<u>14,203,022</u>	<u>123,806</u>
Expenditures:				
Current:				
General government				
Mayor:				
Salaries and wages	81,850	81,870	81,869	1
Fringe benefits.	34,464	34,022	28,510	5,512
Contractual services	2,600	2,454	2,238	216
Materials and supplies.	1,400	1,968	1,927	41
Total mayor	<u>120,314</u>	<u>120,314</u>	<u>114,544</u>	<u>5,770</u>
Senior center:				
Salaries and wages	35,000	34,912	33,784	1,128
Fringe benefits.	15,279	15,367	15,351	16
Contractual services	200	200	200	-
Materials and supplies.	1,700	1,700	1,700	-
Total senior center.	<u>52,179</u>	<u>52,179</u>	<u>51,035</u>	<u>1,144</u>
Auditor:				
Salaries and wages	89,750	89,750	89,515	235
Fringe benefits.	37,377	37,383	37,315	68
Contractual services	25,400	25,295	24,799	496
Materials and supplies.	5,128	5,180	4,676	504
Other	90,015	90,015	80,161	9,854
Total auditor	<u>247,670</u>	<u>247,623</u>	<u>236,466</u>	<u>11,157</u>
Treasurer:				
Salaries and wages	3,754	3,754	3,754	-
Fringe benefits.	765	765	763	2
Materials and supplies.	150	150	100	50
Total treasurer.	<u>4,669</u>	<u>4,669</u>	<u>4,617</u>	<u>52</u>
Law director:				
Salaries and wages	150,000	150,000	140,894	9,106
Fringe benefits.	52,808	52,808	51,332	1,476
Contractual services	3,500	3,500	2,435	1,065
Materials and supplies.	1,500	1,500	1,299	201
Total law director	<u>207,808</u>	<u>207,808</u>	<u>195,960</u>	<u>11,848</u>
City council:				
Salaries and wages	30,261	30,261	30,261	-
Fringe benefits.	6,071	6,071	6,066	5
Total city council.	<u>36,332</u>	<u>36,332</u>	<u>36,327</u>	<u>5</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Clerk of council:				
Salaries and wages	\$ 8,345	\$ 8,346	\$ 8,345	\$ 1
Fringe benefits.	1,618	1,617	1,614	3
Contractual services	10,500	10,500	8,299	2,201
Materials and supplies.	650	650	578	72
Total clerk of council	<u>21,113</u>	<u>21,113</u>	<u>18,836</u>	<u>2,277</u>
Judge and probation:				
Salaries and wages	171,378	171,378	167,971	3,407
Fringe benefits.	66,610	66,610	61,144	5,466
Contractual services	18,300	18,300	7,672	10,628
Materials and supplies.	4,276	4,200	2,901	1,299
Total judge and probation.	<u>260,564</u>	<u>260,488</u>	<u>239,688</u>	<u>20,800</u>
Clerk of courts:				
Salaries and wages	193,693	189,043	170,553	18,490
Fringe benefits.	101,438	106,088	94,735	11,353
Contractual services	40,500	42,817	32,698	10,119
Materials and supplies.	20,000	20,000	14,303	5,697
Total clerk of courts.	<u>355,631</u>	<u>357,948</u>	<u>312,289</u>	<u>45,659</u>
Civil service:				
Salaries and wages	14,994	14,994	14,993	1
Fringe benefits.	2,748	2,748	2,740	8
Materials and supplies.	13,000	13,000	4,526	8,474
Total civil service	<u>30,742</u>	<u>30,742</u>	<u>22,259</u>	<u>8,483</u>
Engineering:				
Salaries and wages	72,000	72,000	63,809	8,191
Fringe benefits.	29,508	29,508	26,241	3,267
Contractual services	16,120	16,112	12,763	3,349
Materials and supplies.	4,121	4,000	2,705	1,295
Total engineering	<u>121,749</u>	<u>121,620</u>	<u>105,518</u>	<u>16,102</u>
County auditor and treasurer:				
Contractual services	26,000	56,977	56,976	1
Total county auditor and treasurer.	<u>26,000</u>	<u>56,977</u>	<u>56,976</u>	<u>1</u>
State examiner:				
Contractual services	20,000	20,000	18,161	1,839
Total state examiner.	<u>20,000</u>	<u>20,000</u>	<u>18,161</u>	<u>1,839</u>
Maintenance:				
Contractual services	141,750	137,066	120,798	16,268
Materials and supplies.	400	400	45	355
Capital outlay	11,800	10,793	10,520	273
Total maintenance.	<u>153,950</u>	<u>148,259</u>	<u>131,363</u>	<u>16,896</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Income tax:				
Salaries and wages	\$ 130,390	\$ 130,423	\$ 130,423	\$ -
Fringe benefits.	52,963	52,963	52,703	260
Contractual services	50,700	50,980	41,496	9,484
Materials and supplies.	7,000	6,802	5,678	1,124
Capital outlay.	11,000	1,616	1,615	1
Other	165,000	174,269	174,267	2
Total income tax.	<u>417,053</u>	<u>417,053</u>	<u>406,182</u>	<u>10,871</u>
Land and buildings:				
Salaries and wages	64,281	61,031	49,948	11,083
Fringe benefits.	20,085	20,085	17,710	2,375
Contractual services	257,050	259,390	212,347	47,043
Total land and buildings	<u>341,416</u>	<u>340,506</u>	<u>280,005</u>	<u>60,501</u>
General administration:				
Salaries and wages	43,516	72,316	61,113	11,203
Fringe benefits.	12,465	12,818	10,759	2,059
Contractual services	152,706	113,281	80,665	32,616
Materials and supplies.	10,500	13,134	13,134	-
Other	19,200	19,200	8,671	10,529
Total general administration	<u>238,387</u>	<u>230,749</u>	<u>174,342</u>	<u>56,407</u>
Total general government	<u>2,655,577</u>	<u>2,674,380</u>	<u>2,404,568</u>	<u>269,812</u>
Security of persons and property:				
Police:				
Salaries and wages	2,770,377	2,767,511	2,740,359	27,152
Fringe benefits.	596,050	603,416	599,203	4,213
Contractual services	194,800	202,622	204,872	(2,250)
Materials and supplies.	140,000	150,828	133,418	17,410
Total police	<u>3,701,227</u>	<u>3,724,377</u>	<u>3,677,852</u>	<u>46,525</u>
Fire:				
Salaries and wages	1,838,263	1,838,323	1,779,977	58,346
Fringe benefits.	382,051	382,107	381,457	650
Contractual services	116,076	117,516	95,990	21,526
Materials and supplies.	75,000	75,000	40,606	34,394
Total fire	<u>2,411,390</u>	<u>2,412,946</u>	<u>2,298,030</u>	<u>114,916</u>
Fire communications:				
Materials and supplies.	7,919	7,919	7,919	-
Total fire communications	<u>7,919</u>	<u>7,919</u>	<u>7,919</u>	<u>-</u>
Safety administration:				
Salaries and wages	387,711	387,711	357,207	30,504
Fringe benefits.	157,682	157,682	150,333	7,349
Contractual services	310,000	310,000	307,188	2,812
Total safety administration	<u>855,393</u>	<u>855,393</u>	<u>814,728</u>	<u>40,665</u>
Prisoner support:				
Contractual services	37,000	37,000	6,643	30,357
Total prisoner support.	<u>37,000</u>	<u>37,000</u>	<u>6,643</u>	<u>30,357</u>
Total security of persons and property	<u>7,012,929</u>	<u>7,037,635</u>	<u>6,805,172</u>	<u>232,463</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, 2010

	<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 control and prevention:				
Salaries and wages	\$ 65,600	\$ 66,500	\$ 65,604	\$ 896
Fringe benefits.	30,823	30,923	30,095	828
Contractual services	21,750	35,150	34,413	737
Materials and supplies.	14,700	300	297	3
Other	850	850	698	152
Total health control and prevention.	<u>133,723</u>	<u>133,723</u>	<u>131,107</u>	<u>2,616</u>
Health administration:				
Salaries and wages	290,362	290,312	279,832	10,480
Fringe benefits.	101,020	101,070	100,330	740
Contractual services	10,140	10,790	10,585	205
Materials and supplies.	16,100	16,100	15,876	224
Other	60,000	59,350	50,768	8,582
Total health administration.	<u>477,622</u>	<u>477,622</u>	<u>457,391</u>	<u>20,231</u>
Total public health services	<u>611,345</u>	<u>611,345</u>	<u>588,498</u>	<u>22,847</u>
Community environment:				
Planning commission:				
Contractual services	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total planning commission.	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Tree care:				
Contractual services	<u>1,500</u>	<u>1,500</u>	<u>1,340</u>	<u>160</u>
Total tree care	<u>1,500</u>	<u>1,500</u>	<u>1,340</u>	<u>160</u>
Zoning and building:				
Salaries and wages	110,000	110,000	101,711	8,289
Fringe benefits.	21,141	21,141	18,468	2,673
Contractual services	12,006	12,889	7,223	5,666
Materials and supplies.	4,100	3,150	2,497	653
Other	150	100	100	-
Total zoning and building.	<u>147,397</u>	<u>147,280</u>	<u>129,999</u>	<u>17,281</u>
Total community environment	<u>150,897</u>	<u>150,780</u>	<u>133,339</u>	<u>17,441</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	39,100	39,100	36,585	2,515
Fringe benefits.	16,273	16,273	15,856	417
Materials and supplies.	550	550	-	550
Total storm sewer.	<u>55,923</u>	<u>55,923</u>	<u>52,441</u>	<u>3,482</u>
Total basic utility services	<u>55,923</u>	<u>55,923</u>	<u>52,441</u>	<u>3,482</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Leisure time activities:				
Parks:				
Salaries and wages	\$ 320,601	\$ 328,601	\$ 328,545	\$ 56
Fringe benefits.	110,013	105,778	105,626	152
Contractual services	58,911	59,260	56,392	2,868
Materials and supplies.	22,194	26,371	25,812	559
Other	300	390	390	-
Total parks	<u>512,019</u>	<u>520,400</u>	<u>516,765</u>	<u>3,635</u>
Recreation:				
Salaries and wages	90,855	90,855	90,485	370
Fringe benefits.	35,294	35,294	35,212	82
Contractual services	3,700	4,120	3,922	198
Materials and supplies.	11,220	10,800	10,690	110
Total recreation.	<u>141,069</u>	<u>141,069</u>	<u>140,309</u>	<u>760</u>
Total leisure time activities.	<u>653,088</u>	<u>661,469</u>	<u>657,074</u>	<u>4,395</u>
Total expenditures.	<u>11,139,759</u>	<u>11,191,532</u>	<u>10,641,092</u>	<u>550,440</u>
Excess of revenues over expenditures	<u>155,591</u>	<u>2,887,684</u>	<u>3,561,930</u>	<u>674,246</u>
Other financing (uses):				
Transfers out	(624,267)	(956,487)	(780,797)	175,690
Total other financing (uses).	<u>(624,267)</u>	<u>(956,487)</u>	<u>(780,797)</u>	<u>175,690</u>
Net change in fund balance.	(468,676)	1,931,197	2,781,133	849,936
Fund balance at beginning of year	<u>1,340,975</u>	<u>1,340,975</u>	<u>1,340,975</u>	<u>-</u>
Prior year encumbrances appropriated	<u>15,708</u>	<u>15,708</u>	<u>15,708</u>	<u>-</u>
Fund balance at end of year	<u>\$ 888,007</u>	<u>\$ 3,287,880</u>	<u>\$ 4,137,816</u>	<u>\$ 849,936</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 77,000	\$ 77,000	\$ 52,056	\$ (24,944)
Other.	270,000	270,000	395,655	125,655
Total revenues	<u>347,000</u>	<u>347,000</u>	<u>447,711</u>	<u>100,711</u>
Expenditures:				
Current				
Community environment:				
Salaries and wages	17,000	17,000	16,447	553
Fringe benefits.	5,633	5,633	2,537	3,096
Contractual services.	28,000	23,109	13,635	9,474
Capital outlay	1,760,000	1,764,891	609,000	1,155,891
Total expenditures.	<u>1,810,633</u>	<u>1,810,633</u>	<u>641,619</u>	<u>1,169,014</u>
Net change in fund balance	(1,463,633)	(1,463,633)	(193,908)	1,269,725
Fund balance at beginning of year	1,783,730	1,783,730	1,783,730	-
Prior year encumbrances appropriated	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 330,097</u>	<u>\$ 330,097</u>	<u>\$ 1,599,822</u>	<u>\$ 1,269,725</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 2,072,673	\$ 4,850,001	\$ 101,284	\$ 7,023,958	\$ 784,501
Restricted assets:					
Cash with fiscal and escrow agents	1,068,245	-	-	1,068,245	-
Receivables (net of allowance for uncollectibles):					
Accounts.	734,621	611,526	8	1,346,155	4,153
Municipal income taxes.	115,196	-	-	115,196	-
Prepayments	10,360	10,360	296	21,016	-
Materials and supplies inventory.	420,444	48,398	-	468,842	-
Deferred charges	247,329	21,540	-	268,869	-
Total current assets	4,668,868	5,541,825	101,588	10,312,281	788,654
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents	591,030	-	-	591,030	-
Cash with fiscal and escrow agents.	609,249	-	-	609,249	-
Total restricted assets	1,200,279	-	-	1,200,279	-
Capital assets:					
Land and construction in progress	905,651	74,654	-	980,305	-
Depreciable capital assets, net	12,190,612	9,163,211	302,797	21,656,620	-
Total capital assets, net	13,096,263	9,237,865	302,797	22,636,925	-
Total noncurrent assets.	14,296,542	9,237,865	302,797	23,837,204	-
Total assets	18,965,410	14,779,690	404,385	34,149,485	788,654
Liabilities:					
Current liabilities:					
Accounts payable.	102,894	67,912	259	171,065	-
Accrued wages and benefits	21,693	21,780	-	43,473	-
Compensated absences	136,324	191,566	-	327,890	-
Due to other governments	57,144	59,959	1,750	118,853	-
Accrued interest payable	-	11,313	-	11,313	-
Claims payable	-	-	-	-	154,053
Payable from restricted assets:					
Revenue bonds payable - current	948,477	-	-	948,477	-
Accrued interest payable	119,768	-	-	119,768	-
General obligation bonds payable - current. . . .	-	40,000	-	40,000	-
OPWC loans - current.	-	42,985	-	42,985	-
Total current liabilities	1,386,300	435,515	2,009	1,823,824	154,053
Long-term liabilities:					
Revenue bonds payable	10,265,234	-	-	10,265,234	-
General obligation bonds payable	-	1,142,000	-	1,142,000	-
OPWC loans	-	674,209	-	674,209	-
Compensated absences	229,636	343,420	-	573,056	-
Total long-term liabilities	10,494,870	2,159,629	-	12,654,499	-
Total liabilities.	11,881,170	2,595,144	2,009	14,478,323	154,053
Net assets:					
Invested in capital assets, net of related debt. . . .	1,882,552	7,338,671	302,797	9,524,020	-
Restricted for:					
Debt service	609,249	-	-	609,249	-
Replacement and surplus reserve	591,030	-	-	591,030	-
Unrestricted.	4,001,409	4,845,875	99,579	8,946,863	634,601
Total net assets	\$ 7,084,240	\$ 12,184,546	\$ 402,376	19,671,162	\$ 634,601
Adjustment to reflect the consolidation of the internal service fund activity related to enterprise funds				(47,370)	
Net assets of business-type activities				\$ 19,623,792	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Operating revenues:					
Charges for services	\$ 3,889,326	\$ 3,689,895	\$ 48,821	\$ 7,628,042	\$ 1,822,051
Licenses and permits.	-	51,600	-	51,600	-
Other	46,326	225,376	265	271,967	-
Total operating revenues.	3,935,652	3,966,871	49,086	7,951,609	1,822,051
Operating expenses:					
Salaries and benefits	1,345,143	1,492,399	18,037	2,855,579	-
Fringe benefits.	546,035	548,274	3,277	1,097,586	-
Contract services	573,954	590,275	21,746	1,185,975	-
Materials and supplies.	929,836	214,683	488	1,145,007	-
Depreciation.	584,822	476,417	12,932	1,074,171	-
Claims.	-	-	-	-	2,035,325
Other	2,035	982	265	3,282	-
Total operating expenses.	3,981,825	3,323,030	56,745	7,361,600	2,035,325
Operating income (loss)	(46,173)	643,841	(7,659)	590,009	(213,274)
Nonoperating revenues (expenses):					
Interest revenue	1,559	5,209	-	6,768	-
Interest expense and fiscal charges	(599,021)	(72,682)	-	(671,703)	-
Loss on disposal of capital assets.	-	(4,914)	-	(4,914)	-
Municipal income tax revenue	343,668	-	-	343,668	-
Total nonoperating (expenses)	(253,794)	(72,387)	-	(326,181)	-
Income (loss) before capital contributions.	(299,967)	571,454	(7,659)	263,828	(213,274)
Capital contributions	-	144,918	-	144,918	-
Change in net assets	(299,967)	716,372	(7,659)	408,746	(213,274)
Net assets at beginning of year	7,384,207	11,468,174	410,035		847,875
Net assets at end of year	\$ 7,084,240	\$ 12,184,546	\$ 402,376		\$ 634,601
Adjustment to reflect the consolidation of the internal service fund activity related to enterprise funds.				(71,719)	
Change in net assets of business-type activities				<u>\$ 337,027</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, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,161,672	\$ 3,970,066	\$ 48,821	\$ 8,180,559	\$ -
Cash received from licenses and permits	-	51,600	-	51,600	-
Cash received from other operations	48,677	156,414	257	205,348	-
Cash received from interfund services provided	-	-	-	-	1,822,846
Cash payments for salaries and benefits	(1,341,561)	(1,490,216)	(18,037)	(2,849,814)	-
Cash payments for fringe benefits	(515,698)	(548,935)	(3,258)	(1,067,891)	-
Cash payments for contractual services	(566,415)	(583,479)	(21,951)	(1,171,845)	-
Cash payments for materials and supplies	(933,737)	(212,284)	(488)	(1,146,509)	-
Cash payments for claims	-	-	-	-	(2,020,998)
Cash payments for other expenses	(1,584)	(8,618)	(25)	(10,227)	-
Net cash provided by (used in) operating activities	851,354	1,334,548	5,319	2,191,221	(198,152)
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	336,981	-	-	336,981	-
Net cash provided by noncapital financing activities.	336,981	-	-	336,981	-
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(213,912)	(168,288)	-	(382,200)	-
Cash received from capital contributions.	-	144,918	-	144,918	-
Principal retirement on revenue bonds	(1,030,000)	-	-	(1,030,000)	-
Proceeds from loans.	-	66,246	-	66,246	-
Principal retirement on general obligation bonds	-	(558,000)	-	(558,000)	-
Principal retirement on OPWC loans.	-	(32,558)	-	(32,558)	-
Interest and fiscal charges	(470,863)	(54,091)	-	(524,954)	-
Net cash used in capital and related financing activities.	(1,714,775)	(601,773)	-	(2,316,548)	-
Cash flows from investing activities:					
Interest received	1,559	5,209	-	6,768	-
Net cash provided by investing activities	1,559	5,209	-	6,768	-
Net increase (decrease) in cash and cash equivalents	(524,881)	737,984	5,319	218,422	(198,152)
Cash and cash equivalents at beginning of year	4,866,078	4,112,017	95,965	9,074,060	982,653
Cash and cash equivalents at end of year	\$ 4,341,197	\$ 4,850,001	\$ 101,284	\$ 9,292,482	\$ 784,501

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CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<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>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (46,173)	\$ 643,841	\$ (7,659)	\$ 590,009	\$ (213,274)
Adjustments:					
Depreciation.	584,822	476,417	12,932	1,074,171	-
Changes in assets and liabilities:					
Decrease in accounts receivable	274,697	211,209	232	486,138	(4,153)
(Increase) in intergovernmental receivable	-	-	-	-	4,948
(Increase) decrease in materials and supplies inventory	(21,858)	1,080	-	(20,778)	-
(Increase) in prepayments	(79)	(79)	(2)	(160)	-
Increase (decrease) in accounts payable	27,827	1,593	(236)	29,184	-
Increase in accrued wages and benefits	3,582	2,183	-	5,765	-
Increase in claims payable	-	-	-	-	14,327
(Decrease) increase in due to other governments	(5,335)	(7,438)	52	(12,721)	-
Increase in compensated absences payable.	33,871	5,742	-	39,613	-
Net cash provided by (used in) operating activities	<u>\$ 851,354</u>	<u>\$ 1,334,548</u>	<u>\$ 5,319</u>	<u>\$ 2,191,221</u>	<u>\$ (198,152)</u>

Non-cash transactions:

During 2009, the sewer fund purchased \$26,225 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2010**

	<u>Agency</u>
Assets:	
Receivables:	
Accounts	\$ 33,470
Total assets	<u>\$ 33,470</u>
Liabilities:	
Due to others	\$ 33,470
Total liabilities	<u>\$ 33,470</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE CITY

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes for the organization. Based upon the foregoing criteria, the City has no component units.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

B. Fund Accounting

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

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

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

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

Internal service fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports the operations of a health self-insurance program.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has one agency fund to account for monies received from cable franchise fees.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

D. Basis of Accounting

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

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

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees, investment earnings, estate taxes and special assessments.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance year 2011 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2010, are recorded as deferred revenue on the governmental fund financial statements.

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

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

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

E. Budgetary Data

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

Tax Budget - At the first Council meeting in July, the Mayor presents the annual operating budget for the following year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 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, 2010

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 fund level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations may not exceed current estimated resources, as certified. The allocation of appropriations among funds may be modified during the year by an ordinance of Council. During the year, several supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts passed during the year, including all amendments and modifications. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years.

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

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

F. Cash and Cash Equivalents

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

During 2010, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio) and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by provisions of the Ohio Revised Code. Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2010 amounted to \$10,202, which includes \$6,835 assigned from other City funds.

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

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

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

G. Interfund Assets and Liabilities

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

H. Inventories

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

I. Restricted Assets

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

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

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

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

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

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

L. Capital Assets and Depreciation

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings, structures and improvements	10 - 40 years
Furniture, fixtures and equipment	5 - 15 years
Vehicles	5 - 20 years
Water and sewer lines	50 - 60 years
Infrastructure	5 - 50 years

M. Compensated Absences

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

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

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

N. Fund Balance Reserves

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

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

O. Capitalization of Interest

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

P. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flow of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

Q. Estimates

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

R. Accrued Liabilities and Long-term Obligations

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

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

S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net assets restricted for other purposes consist primarily of permissive motor vehicle license tax, Federal COPS Fast Program, Federal Equity Sharing Program and municipal court security.

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

T. Contributions of Capital

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

Fund balance at December 31, 2010 included the following individual fund deficit:

<u>Nonmajor governmental fund</u>	<u>Deficit</u>
Home administration	\$ 2,604

This fund complied with Ohio State law, which does not permit a cash basis deficit at year end. 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 balance in the nonmajor governmental fund is the result of recording adjustments for accrued liabilities. This deficit balance will be eliminated as resources become available to liquidate the accrued liabilities.

B. Change in Accounting Principles

For fiscal year 2010, the City has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the City.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the City.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the City.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis); and,
4. Revolving loan transactions are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance		
	General	Revolving Loan Fund
Budget basis	\$ 2,781,133	\$ (193,908)
Net adjustment for revenues	138,878	(395,457)
Net adjustments for expenditures	(8,640)	46,561
Adjustments for encumbrances	15,708	10,000
GAAP basis	\$ 2,927,079	\$ (532,804)

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Cash and Cash Equivalents with Fiscal Agents

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

B. Deposits with Financial Institutions

At December 31, 2010, the carrying amount of all City deposits was \$9,674,089. As of December 31, 2010, \$9,435,132 of the City’s bank balance of \$9,935,132 was exposed to custodial risk as discussed below, while \$500,000 was covered by the FDIC.

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

C. Investments

As of December 31, 2010, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
U.S. Government money		
market mutual fund	\$ 1,697,809	\$ 1,697,809
STAR Ohio	<u>7,417,118</u>	<u>7,417,118</u>
 Total	 <u>\$ 9,114,927</u>	 <u>\$ 9,114,927</u>

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
U.S. Government money market mutual fund	\$ 1,697,809	18.63
STAR Ohio	<u>7,417,118</u>	<u>81.37</u>
Total	<u>\$ 9,114,927</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 9,674,089
Investments	<u>9,114,927</u>
Total	<u>\$ 18,789,016</u>
<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 9,496,534
Business-type activities	<u>9,292,482</u>
Total	<u>\$ 18,789,016</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - RECEIVABLES

Receivables at December 31, 2010, consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues and special assessments. All receivables are deemed collectible in full, except for loans receivable which includes an allowance of \$487,978 for bankrupt accounts.

A. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2010 was \$6.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 175,792,270
Commercial/industrial/mineral	106,240,580
Tangible personal property	368,440
Public utility	<u>6,715,920</u>
Total assessed value	<u>\$ 289,117,210</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, 2010 were \$1,692,652.

C. Income Tax

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds in 2010, after income tax department expenditures, are credited to the following funds: 79 percent to the general fund, 10 percent to the capital improvements fund (a nonmajor governmental fund), 7 percent to the street income tax construction fund (a nonmajor governmental fund) and 4 percent to the water fund. On the fund financial statements, total income tax revenue for 2010 was \$8,718,059 in the governmental funds and \$343,668 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, 2010

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, 2010, the total special assessment receivable of \$1,032,355 includes \$919,783 in delinquent receivables.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>1/1/10</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,678,287	\$ 10,700	\$ -	\$ 2,688,987
Construction in progress	<u>1,190,523</u>	<u>714,903</u>	<u>(1,268,057)</u>	<u>637,369</u>
Total capital assets, not being depreciated	<u>3,868,810</u>	<u>725,603</u>	<u>(1,268,057)</u>	<u>3,326,356</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	7,376,863	170,038	-	7,546,901
Furniture, fixtures and equipment	3,802,991	58,544	-	3,861,535
Vehicles	3,175,255	42,307	(90,438)	3,127,124
Infrastructure	<u>24,953,237</u>	<u>1,253,667</u>	<u>-</u>	<u>26,206,904</u>
Total capital assets, being depreciated	<u>39,308,346</u>	<u>1,524,556</u>	<u>(90,438)</u>	<u>40,742,464</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(2,092,050)	(171,943)	-	(2,263,993)
Furniture, fixtures and equipment	(2,287,917)	(196,094)	-	(2,484,011)
Vehicles	(2,374,368)	(97,830)	81,394	(2,390,804)
Infrastructure	<u>(16,282,535)</u>	<u>(1,048,897)</u>	<u>-</u>	<u>(17,331,432)</u>
Total accumulated depreciation	<u>(23,036,870)</u>	<u>(1,514,764)</u>	<u>81,394</u>	<u>(24,470,240)</u>
Total capital assets being depreciated, net	<u>16,271,476</u>	<u>9,792</u>	<u>(9,044)</u>	<u>16,272,224</u>
Governmental activities capital assets, net	<u>\$ 20,140,286</u>	<u>\$ 735,395</u>	<u>\$ (1,277,101)</u>	<u>\$ 19,598,580</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 414,518
Security of persons and property	210,574
Public health services	5,420
Transportation	802,465
Community environment	2,299
Basic utility services	1,499
Leisure time activities	<u>77,989</u>

Total depreciation expense - governmental activities \$ 1,514,764

	Balance 1/1/10	Additions	Disposals	Balance 12/31/10
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 869,941	\$ -	\$ -	\$ 869,941
Construction in progress	<u>1,342,808</u>	<u>71,649</u>	<u>(1,304,093)</u>	<u>110,364</u>
Total capital assets, not being depreciated	<u>2,212,749</u>	<u>71,649</u>	<u>(1,304,093)</u>	<u>980,305</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,482,896	-	-	1,482,896
Buildings, structures and improvements	10,785,965	50,881	-	10,836,846
Water and sewer lines	25,650,636	34,201	-	25,684,837
Furniture, fixtures and equipment	<u>5,190,719</u>	<u>1,503,337</u>	<u>(49,136)</u>	<u>6,644,920</u>
Total capital assets, being depreciated	<u>43,110,216</u>	<u>1,588,419</u>	<u>(49,136)</u>	<u>44,649,499</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(932,944)	(67,994)	-	(1,000,938)
Buildings, structures and improvements	(5,201,012)	(328,120)	-	(5,529,132)
Water and sewer lines	(12,266,822)	(481,739)	-	(12,748,561)
Furniture, fixtures and equipment	<u>(3,562,152)</u>	<u>(196,318)</u>	<u>44,222</u>	<u>(3,714,248)</u>
Total accumulated depreciation	<u>(21,962,930)</u>	<u>(1,074,171)</u>	<u>44,222</u>	<u>(22,992,879)</u>
Total capital assets being depreciated, net	<u>21,147,286</u>	<u>514,248</u>	<u>(4,914)</u>	<u>21,656,620</u>
Business-type activities capital assets, net	<u>\$ 23,360,035</u>	<u>\$ 585,897</u>	<u>\$(1,309,007)</u>	<u>\$ 22,636,925</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type activities:

Sewer	\$	476,417
Water		584,822
Nonmajor:		
Robertson Community Center		12,932
Total depreciation expense - business-type activities	\$	1,074,171

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 2010, the City contracted with Evans Insurance Company for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Occurrence</u>	<u>Limit - Aggregate</u>
General Liability	None	\$1,000,000	\$3,000,000
Wrongful Acts	\$5,000	1,000,000	1,000,000
Law Enforcement	5,000	1,000,000	1,000,000
Automobile Liability	250-500	1,000,000	1,000,000
Bond	250	None	50,000
Crime - Theft	250	None	10,000
Crime - Forgery/Computer Fraud	250	None	100,000
Property	2,500	None	67,625,333
Inland Marine	1,000	None	2,804,886
Electronic Data Processing	1,000	None	593,816
Excess Liability	10,000	2,000,000	2,000,000

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 8 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

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

C. Health Insurance

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

The claims liability of \$154,053 reported in the self-insurance fund at December 31, 2010, 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
2008	\$ 214,261	\$ 1,859,327	\$ (1,964,054)	\$ 109,534
2009	109,534	1,899,088	(1,868,896)	139,726
2010	139,726	2,035,325	(2,020,998)	154,053

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 9 - INTERFUND TRANSACTIONS

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

A summary of interfund transfers is as follows:

<u>Transfer to</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
Other governmental	<u>\$ 780,797</u>	<u>\$ 285,921</u>	<u>\$ 1,066,718</u>
Total	<u>\$ 780,797</u>	<u>\$ 285,921</u>	<u>\$ 1,066,718</u>

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities

Changes in the governmental long-term obligations of the City during 2010 were as follows:

	Balance Outstanding 1/1/10	Additions	Reductions	Balance Outstanding 12/31/10	Amounts Due Within One Year
<u>Governmental activities</u>					
<i>General obligation bonds:</i>					
1998 various purpose bonds	\$ 555,000	\$ -	\$ (60,000)	\$ 495,000	\$ 60,000
2004 Main Street bonds	115,000	-	(115,000)	-	-
2004 Fire truck bonds	95,000	-	(45,000)	50,000	50,000
2004 West State Street bonds	360,000	-	(30,000)	330,000	30,000
2004 West Main Street/Freshley bonds	210,000	-	(105,000)	105,000	105,000
Total General obligation bonds	<u>1,335,000</u>	<u>-</u>	<u>(355,000)</u>	<u>980,000</u>	<u>245,000</u>
<i>Special assessment bonds:</i>					
1999 various purpose	305,000	-	(55,000)	250,000	55,000
Total special assessment bonds	<u>305,000</u>	<u>-</u>	<u>(55,000)</u>	<u>250,000</u>	<u>55,000</u>
<i>Other long-term obligation:</i>					
Police and fire pension liability	373,276	-	(8,380)	364,896	8,740
Compensated absences	2,474,711	1,252,117	(1,128,586)	2,598,242	722,673
Total governmental activities	<u>\$ 4,487,987</u>	<u>\$ 1,252,117</u>	<u>\$ (1,546,966)</u>	<u>\$ 4,193,138</u>	<u>\$ 1,031,413</u>

Series 1998 Various Purpose General Obligation Bonds

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

Series 2004 Main Street Downtown Improvements General Obligation Bonds

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

Series 2004 Fire Truck General Obligation Bonds

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 West State Street Improvement General Obligation Bonds

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

Series 2004 West Main Street/Freshley Avenue General Obligation Bonds

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

Series 1999 Special Assessment Bonds

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

Police and Fire Pension Liability

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

Compensated absences

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2010, are as follows:

Year Ending December 31,	<u>1998 Various Purpose</u>		<u>2004 Fire Truck</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 60,000	\$ 24,750	\$ 50,000	\$ 1,600
2012	65,000	21,750	-	-
2013	65,000	18,500	-	-
2014	70,000	15,250	-	-
2015	75,000	11,750	-	-
2016 - 2017	<u>160,000</u>	<u>12,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 495,000</u>	<u>\$ 104,000</u>	<u>\$ 50,000</u>	<u>\$ 1,600</u>

Year Ending December 31,	<u>2004 West State Street</u>		<u>2004 West Main Street/Freshly</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 30,000	\$ 13,023	\$ 105,000	\$ 3,520
2012	30,000	13,023	-	-
2013	30,000	12,053	-	-
2014	30,000	11,050	-	-
2015	35,000	10,000	-	-
2016 - 2020	<u>175,000</u>	<u>27,850</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 330,000</u>	<u>\$ 86,999</u>	<u>\$ 105,000</u>	<u>\$ 3,520</u>

Year Ending December 31,	<u>Special Assessment Bonds</u>		<u>Police and Fire Pension Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 55,000	\$ 15,169	\$ 8,740	\$ 15,406
2012	60,000	11,869	9,115	15,031
2013	65,000	8,269	9,506	14,639
2014	70,000	4,288	9,914	14,231
2015	-	-	10,340	13,806
2016 - 2020	-	-	58,751	61,977
2021 - 2025	-	-	72,488	48,240
2026 - 2030	-	-	89,439	31,289
2031 - 2035	<u>-</u>	<u>-</u>	<u>96,603</u>	<u>10,410</u>
Total	<u>\$ 250,000</u>	<u>\$ 39,595</u>	<u>\$ 364,896</u>	<u>\$ 225,029</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

Changes in the enterprise long-term obligations of the City during 2010 were as follows:

	Balance Outstanding 1/1/10	Additions	Reductions	Balance Outstanding 12/31/10	Amounts Due Within One Year
<u>Business-type activities:</u>					
<i>Revenue bonds:</i>					
2008 water refunding	\$ 13,345,000	\$ -	\$ (1,030,000)	\$ 12,315,000	\$ 1,060,000
Unamortized premium	90,208	-	(8,295)	81,913	8,295
Unamortized accounting loss	(1,303,020)	-	119,818	(1,183,202)	(119,818)
Total revenue bonds	<u>12,132,188</u>	<u>-</u>	<u>(918,477)</u>	<u>11,213,711</u>	<u>948,477</u>
<i>General obligation bonds:</i>					
2004 sewer general obligation bond	518,000	-	(518,000)	-	-
2004 sewer west beech creek	<u>1,222,000</u>	<u>-</u>	<u>(40,000)</u>	<u>1,182,000</u>	<u>40,000</u>
Total general obligation bonds	<u>1,740,000</u>	<u>-</u>	<u>(558,000)</u>	<u>1,182,000</u>	<u>40,000</u>
<i>OPWC loans:</i>					
OPWC loan - Gaskill (2002)	29,296	-	(2,663)	26,633	2,663
OPWC loan - Beeson St. (2004)	206,770	-	(13,785)	192,985	13,785
OPWC loan - WWTP clarifier (2006)	96,628	-	(5,684)	90,944	5,684
OPWC loan - raw influent pump replacement (2009)	<u>350,812</u>	<u>66,246</u>	<u>(10,426)</u>	<u>406,632</u>	<u>20,853</u>
Total OPWC loans	<u>683,506</u>	<u>66,246</u>	<u>(32,558)</u>	<u>717,194</u>	<u>42,985</u>
<i>Other long-term obligations:</i>					
Compensated absences	<u>861,333</u>	<u>371,406</u>	<u>(331,793)</u>	<u>900,946</u>	<u>327,890</u>
Total business-type activities	<u>\$ 15,417,027</u>	<u>\$ 437,652</u>	<u>\$ (1,840,828)</u>	<u>\$ 14,013,851</u>	<u>\$ 1,359,352</u>

Series 2008 Water Refunding Bonds

On September 24, 2008, the City issued revenue bonds (series 2008 refunding bonds) to advance refund the callable portion of the series 1998 revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The balance of the refunded series 1998 current interest bonds at December 31, 2010, is \$12,315,000.

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

The City has pledged future water customer revenues, net of specified operating expenses, to repay the series 2008 water refunding revenue bonds that were used for the purchase and repair of water lines in the City. The series 2008 water refunding revenue bonds are payable solely from water customer net revenues and are payable through 2020. Annual principal and interest payments on the bonds are expected to require approximately 51.21% percent of net revenues. The total principal and interest remaining to be paid on the series 2008 water refunding revenue bonds is \$14,985,387. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,500,863 and \$2,572,824, respectively.

Series 2004 General Obligation Sewer Bonds

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

Series 2004 West Beech Creek Sewer General Obligation Bonds

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

Ohio Public Works Commission (OPWC) Loans

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

Compensated absences

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2010, are as follows:

Year Ending December 31,	2008 Revenue Bonds		2004 West Beech Creek Sewer Bonds		OPWC Pump Replacement	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,060,000	\$ 439,963	\$ 40,000	\$ 52,891	\$ 20,853	\$ -
2012	1,095,000	408,162	40,000	51,611	20,853	-
2013	1,125,000	375,313	40,000	50,261	20,853	-
2014	1,160,000	338,750	45,000	48,861	20,853	-
2015	1,200,000	299,600	45,000	47,251	20,853	-
2016 - 2020	6,675,000	808,600	250,000	209,029	104,265	-
2021 - 2025	-	-	305,000	151,402	104,264	-
2026 - 2030	-	-	385,000	74,694	93,838	-
2031	-	-	32,000	3,931	-	-
Total	\$ 12,315,000	\$ 2,670,388	\$ 1,182,000	\$ 689,931	\$ 406,632	\$ -

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifier Rehab	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 2,663	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2012	2,663	-	13,785	-	5,684	-
2013	2,663	-	13,785	-	5,684	-
2014	2,663	-	13,785	-	5,684	-
2015	2,663	-	13,785	-	5,684	-
2016 - 2020	13,318	-	68,923	-	28,420	-
2021 - 2025	-	-	55,137	-	34,104	-
Total	\$ 26,633	\$ -	\$ 192,985	\$ -	\$ 90,944	\$ -

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, 2010, the City's total debt margin was \$29,338,621 and the unvoted debt margin was \$14,901,182.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. Conduit Debt

The City has issued Industrial Development Revenue Bonds for private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Servicing these debts is the sole obligation of the entities which received the debt proceeds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2010, \$62,210,000 had been issued and \$52,765,000 was still outstanding.

NOTE 11 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2010 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively. The City's contribution rate for 2010 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87% of covered payroll.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 11 - PENSION PLANS - (Continued)

The City's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 8.50% from January 1 through February 28, 2010 and 9.00% from March 1 through December 31, 2010. The City's contribution rate for pension benefits for members in the Combined Plan for 2010 was 9.27% from January 1 through February 28, 2010 and 9.77% from March 1 through December 31, 2010. For those plan members in law enforcement and public safety pension contributions were 12.37% from January 1 through February 28, 2010 and 12.87% from March 1 through December 31, 2010. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$549,798, \$497,389, and \$434,238, respectively; 91.16% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The remaining 2010 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the Member-Directed Plan for 2010 were \$26,434 made by the City and \$18,881 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2010, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$304,125 and \$289,105 for the year ended December 31, 2010, \$301,492 and \$282,125 for the year ended December 31, 2009, and \$274,079, and \$287,060, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. The remaining 2010 pension liability has been reported as due to other governments on the basic financial statements. 72.38% has been contributed for police and 72.56% has been contributed for firefighters for 2010.

NOTE 12 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$312,195, \$359,650, and \$434,328 respectively; 91.16% has been contributed for 2010 and 100% has been contributed for 2009 and 2008. The remaining 2010 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$161,008 and \$113,128 for the year ended December 31, 2010, \$145,100 and \$112,328 for the year ended December 31, 2009, and \$158,604 and \$118,913, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 72.38% has been contributed for police and 72.56% has been contributed for firefighters for 2010. The remaining 2010 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

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

If any employee leaves the City for any reason, the City will pay the employee a maximum of 480 hours for the compensatory time accumulated during the prior year of employment. As of December 31, 2010, the total liability for unpaid compensated absences was \$2,598,242 for the governmental activities and \$900,946 for the business-type activities.

B. Life Insurance

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2010.

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, 2010.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Stark County Council of Governments (SCOG) - The City participates in the Stark County Council of Governments (SCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities, villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and oversees accounting and finance related activities. Each participant's control is limited to its membership shares. During 2010, the City of Alliance did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Stark County Regional Planning Commission - The City participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 48 member Board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the Board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2010, the City contributed \$2,000 to the Commission, which represents .1% of total contributions. Complete financial statements may be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

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

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,091,705	\$ 106,266	\$ 731,563	\$ 2,929,534
Receivables (net of allowances for uncollectibles):				
Municipal income taxes.	-	-	489,583	489,583
Property and other taxes	224,184	-	-	224,184
Accounts.	184	-	-	184
Intergovernmental	642,690	-	-	642,690
Special assessments	-	283,600	30,778	314,378
Loans	31,391	-	-	31,391
Prepayments	5,413	-	-	5,413
Materials and supplies inventory	38,292	-	-	38,292
Restricted assets:				
Cash and cash equivalents with fiscal agents	-	20,315	-	20,315
Total assets	\$ 3,033,859	\$ 410,181	\$ 1,251,924	\$ 4,695,964
Liabilities:				
Accounts payable.	\$ 36,731	\$ -	\$ 97,186	\$ 133,917
Accrued wages and benefits.	15,391	-	-	15,391
Due to other governments	41,200	-	-	41,200
Deferred revenue	312,297	283,600	204,820	800,717
Unearned revenue.	192,804	-	-	192,804
Total liabilities.	598,423	283,600	302,006	1,184,029
Fund balances:				
Reserved for encumbrances.	98,663	-	80,493	179,156
Reserved for prepayments	5,413	-	-	5,413
Reserved for loans receivable.	31,391	-	-	31,391
Reserved for materials and supplies inventory	38,292	-	-	38,292
Unreserved, undesignated, reported in:				
Special revenue funds	2,261,677	-	-	2,261,677
Debt service fund.	-	126,581	-	126,581
Capital projects funds	-	-	869,425	869,425
Total fund balances	2,435,436	126,581	949,918	3,511,935
Total liabilities and fund balances.	\$ 3,033,859	\$ 410,181	\$ 1,251,924	\$ 4,695,964

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 955,971	\$ 955,971
Property and other taxes	151,428	-	-	151,428
Licenses, permits and fees	212,905	-	-	212,905
Fines and forfeitures	168,480	-	-	168,480
Intergovernmental	2,201,148	-	62,411	2,263,559
Special assessments	-	68,563	-	68,563
Investment income	2,505	-	-	2,505
Contributions and donations	5,186	-	800	5,986
Other	60,639	-	247,065	307,704
Total revenues	<u>2,802,291</u>	<u>68,563</u>	<u>1,266,247</u>	<u>4,137,101</u>
Expenditures:				
Current:				
General government	104,523	-	-	104,523
Security of persons and property	1,042,282	-	-	1,042,282
Public health services	355,727	-	-	355,727
Transportation	846,818	-	120,000	966,818
Community environment	957,918	-	-	957,918
Capital outlay	41,269	-	1,294,703	1,335,972
Debt service:				
Principal retirement	8,380	410,000	-	418,380
Interest and fiscal charges	15,765	71,440	-	87,205
Total expenditures	<u>3,372,682</u>	<u>481,440</u>	<u>1,414,703</u>	<u>5,268,825</u>
Excess of expenditures over revenues	<u>(570,391)</u>	<u>(412,877)</u>	<u>(148,456)</u>	<u>(1,131,724)</u>
Other financing sources (uses):				
Transfers in	780,797	285,921	-	1,066,718
Transfers out	(237,821)	-	(48,100)	(285,921)
Total other financing sources (uses)	<u>542,976</u>	<u>285,921</u>	<u>(48,100)</u>	<u>780,797</u>
Net change in fund balances	(27,415)	(126,956)	(196,556)	(350,927)
Fund balances at beginning of year	<u>2,462,851</u>	<u>253,537</u>	<u>1,146,474</u>	<u>3,862,862</u>
Fund balances at end of year	<u>\$ 2,435,436</u>	<u>\$ 126,581</u>	<u>\$ 949,918</u>	<u>\$ 3,511,935</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Street Repair and Maintenance Fund

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

Federal COPS Fast Program Fund

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

State Highway Fund

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

Law Enforcement Block Grant Fund

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

Motor Vehicle License Fund

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

Municipal Court Computerization Fund

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

Health Fund

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

Litter Control Fund

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

State Misdemeanant Grant Fund

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

Federal Aging Grant Fund

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

Cemetery Fund

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

(continued)

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - continued

HUD Grant Fund

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

Community Development Block Grant Fund

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

Alliance Neighborhood Fund

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

Fire Pension Fund

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

Police Pension Fund

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

Tax Increment Fund

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

Other

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

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

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CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	<u>Street Repair and Maintenance</u>	<u>Federal COPS Fast Program</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 78,711	\$ 76,923	\$ 12,503	\$ 71,299
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	370,017	-	30,002	-
Loans	-	-	-	-
Prepayments	5,286	-	-	-
Materials and supplies inventory	38,292	-	-	-
Total assets.	<u>\$ 492,306</u>	<u>\$ 76,923</u>	<u>\$ 42,505</u>	<u>\$ 71,299</u>
Liabilities:				
Accounts payable	\$ 7,377	\$ -	\$ -	\$ 75
Accrued wages and benefits	8,557	-	-	-
Due to other governments	22,813	-	-	195
Deferred revenue	250,480	-	20,309	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>289,227</u>	<u>-</u>	<u>20,309</u>	<u>270</u>
Fund balances:				
Reserved for encumbrances	189	-	-	-
Reserved for prepayments	5,286	-	-	-
Reserved for loans receivable	-	-	-	-
Reserved for materials and supplies inventory	38,292	-	-	-
Unreserved:				
Undesignated	<u>159,312</u>	<u>76,923</u>	<u>22,196</u>	<u>71,029</u>
Total fund balances.	<u>203,079</u>	<u>76,923</u>	<u>22,196</u>	<u>71,029</u>
Total liabilities and fund balances.	<u>\$ 492,306</u>	<u>\$ 76,923</u>	<u>\$ 42,505</u>	<u>\$ 71,299</u>

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Federal Aging Grant</u>
\$ 49,151	\$ 79,357	\$ 88,458	\$ 3,849	\$ 10,568	\$ 1,189
-	-	-	-	-	-
-	-	85	19	-	2
15,548	4,703	27,788	7,744	-	179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 64,699</u>	<u>\$ 84,060</u>	<u>\$ 116,331</u>	<u>\$ 11,612</u>	<u>\$ 10,568</u>	<u>\$ 1,370</u>
\$ -	\$ -	\$ 218	\$ -	\$ -	\$ -
-	-	2,696	-	-	45
-	789	5,573	754	-	109
-	-	-	-	-	-
-	-	-	-	-	-
-	789	8,487	754	-	154
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>64,699</u>	<u>83,271</u>	<u>107,844</u>	<u>10,858</u>	<u>10,568</u>	<u>1,216</u>
<u>64,699</u>	<u>83,271</u>	<u>107,844</u>	<u>10,858</u>	<u>10,568</u>	<u>1,216</u>
<u>\$ 64,699</u>	<u>\$ 84,060</u>	<u>\$ 116,331</u>	<u>\$ 11,612</u>	<u>\$ 10,568</u>	<u>\$ 1,370</u>

Continued

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2010

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Alliance Neighborhood</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 668,717	\$ 125,390	\$ 65,454	\$ 442
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts	-	78	-	-
Intergovernmental	-	57,401	-	108,367
Loans	-	-	31,391	-
Prepayments	127	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 668,844</u>	<u>\$ 182,869</u>	<u>\$ 96,845</u>	<u>\$ 108,809</u>
Liabilities:				
Accounts payable	\$ 1,507	\$ 27,231	\$ -	\$ -
Accrued wages and benefits	933	1,081	-	-
Due to other governments	3,130	2,911	1,964	1,007
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>5,570</u>	<u>31,223</u>	<u>1,964</u>	<u>1,007</u>
Fund balances:				
Reserved for encumbrances	-	97,916	558	-
Reserved for prepayments	127	-	-	-
Reserved for loans receivable	-	-	31,391	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved:				
Undesignated	<u>663,147</u>	<u>53,730</u>	<u>62,932</u>	<u>107,802</u>
Total fund balances	<u>663,274</u>	<u>151,646</u>	<u>94,881</u>	<u>107,802</u>
Total liabilities and fund balances	<u>\$ 668,844</u>	<u>\$ 182,869</u>	<u>\$ 96,845</u>	<u>\$ 108,809</u>

Fire Pension	Police Pension	Tax Increment	Other	Total
\$ 9,976	\$ 9,976	\$ 342,969	\$ 396,773	\$ 2,091,705
112,092	112,092	-	-	224,184
-	-	-	-	184
5,064	5,064	-	10,813	642,690
-	-	-	-	31,391
-	-	-	-	5,413
-	-	-	-	38,292
<u>\$ 127,132</u>	<u>\$ 127,132</u>	<u>\$ 342,969</u>	<u>\$ 407,586</u>	<u>\$ 3,033,859</u>
\$ -	\$ -	\$ -	\$ 323	\$ 36,731
-	-	-	2,079	15,391
-	-	-	1,955	41,200
20,754	20,754	-	-	312,297
96,402	96,402	-	-	192,804
<u>117,156</u>	<u>117,156</u>	<u>-</u>	<u>4,357</u>	<u>598,423</u>
-	-	-	-	98,663
-	-	-	-	5,413
-	-	-	-	31,391
-	-	-	-	38,292
<u>9,976</u>	<u>9,976</u>	<u>342,969</u>	<u>403,229</u>	<u>2,261,677</u>
<u>9,976</u>	<u>9,976</u>	<u>342,969</u>	<u>403,229</u>	<u>2,435,436</u>
<u>\$ 127,132</u>	<u>\$ 127,132</u>	<u>\$ 342,969</u>	<u>\$ 407,586</u>	<u>\$ 3,033,859</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, 2010

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	29,970
Intergovernmental	752,700	-	61,030	-
Investment income	20	87	17	83
Contributions and donations	-	-	-	-
Other	1,670	-	-	-
Total revenues	754,390	87	61,047	30,053
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	61,279	-	-	25,405
Public health services	-	-	-	-
Transportation	612,673	-	-	-
Community environment	-	-	-	-
Capital outlay	-	-	9,941	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	673,952	-	9,941	25,405
Excess (deficiency) of revenues over (under) expenditures	80,438	87	51,106	4,648
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(38,461)	-
Total other financing sources (uses)	-	-	(38,461)	-
Net change in fund balances	80,438	87	12,645	4,648
Fund balances at beginning of year	122,641	76,836	9,551	66,381
Fund balances at end of year	\$ 203,079	\$ 76,923	\$ 22,196	\$ 71,029

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Federal Aging Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	176,780	-	-	-
-	66,391	-	-	-	-
220,913	-	50,010	32,091	-	3,176
-	-	-	-	-	1
-	-	-	-	-	-
-	-	85	74	-	2
<u>220,913</u>	<u>66,391</u>	<u>226,875</u>	<u>32,165</u>	<u>-</u>	<u>3,179</u>
-	28,534	-	-	-	3,218
-	-	3,001	-	-	-
-	-	226,194	-	-	-
109,910	-	-	-	-	-
-	-	-	54,941	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>109,910</u>	<u>28,534</u>	<u>229,195</u>	<u>54,941</u>	<u>-</u>	<u>3,218</u>
<u>111,003</u>	<u>37,857</u>	<u>(2,320)</u>	<u>(22,776)</u>	<u>-</u>	<u>(39)</u>
-	-	6,000	27,000	-	-
(87,540)	-	-	-	-	-
<u>(87,540)</u>	<u>-</u>	<u>6,000</u>	<u>27,000</u>	<u>-</u>	<u>-</u>
23,463	37,857	3,680	4,224	-	(39)
41,236	45,414	104,164	6,634	10,568	1,255
<u>\$ 64,699</u>	<u>\$ 83,271</u>	<u>\$ 107,844</u>	<u>\$ 10,858</u>	<u>\$ 10,568</u>	<u>\$ 1,216</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, 2010

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Alliance Neighborhood</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	36,125	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	816,239	-	205,612
Investment income	741	-	1,337	-
Contributions and donations	-	-	-	-
Other	26,414	263	(504)	-
Total revenues	<u>63,280</u>	<u>816,502</u>	<u>833</u>	<u>205,612</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health services	129,533	-	-	-
Transportation	-	-	-	-
Community environment	-	782,113	-	106,949
Capital outlay	-	-	31,328	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>129,533</u>	<u>782,113</u>	<u>31,328</u>	<u>106,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(66,253)</u>	<u>34,389</u>	<u>(30,495)</u>	<u>98,663</u>
Other financing sources (uses):				
Transfers in	73,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>73,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,747	34,389	(30,495)	98,663
Fund balances at beginning of year	656,527	117,257	125,376	9,139
Fund balances at end of year	<u>\$ 663,274</u>	<u>\$ 151,646</u>	<u>\$ 94,881</u>	<u>\$ 107,802</u>

Fire Pension	Police Pension	Tax Increment	Other	Total
\$ 75,714	\$ 75,714	\$ -	\$ -	\$ 151,428
-	-	-	-	212,905
-	-	-	72,119	168,480
20,127	20,127	-	19,123	2,201,148
-	-	-	219	2,505
-	-	-	5,186	5,186
168	168	-	32,299	60,639
<u>96,009</u>	<u>96,009</u>	<u>-</u>	<u>128,946</u>	<u>2,802,291</u>
-	-	-	72,771	104,523
389,842	452,876	-	109,879	1,042,282
-	-	-	-	355,727
-	-	124,235	-	846,818
-	-	-	13,915	957,918
-	-	-	-	41,269
3,624	4,756	-	-	8,380
6,817	8,948	-	-	15,765
<u>400,283</u>	<u>466,580</u>	<u>124,235</u>	<u>196,565</u>	<u>3,372,682</u>
<u>(304,274)</u>	<u>(370,571)</u>	<u>(124,235)</u>	<u>(67,619)</u>	<u>(570,391)</u>
304,250	370,547	-	-	780,797
-	-	(111,820)	-	(237,821)
<u>304,250</u>	<u>370,547</u>	<u>(111,820)</u>	<u>-</u>	<u>542,976</u>
(24)	(24)	(236,055)	(67,619)	(27,415)
10,000	10,000	579,024	470,848	2,462,851
<u>\$ 9,976</u>	<u>\$ 9,976</u>	<u>\$ 342,969</u>	<u>\$ 403,229</u>	<u>\$ 2,435,436</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 712,000	\$ 750,378	\$ 38,378
Investment income.	-	20	20
Other	1,000	1,670	670
Total revenues.	<u>713,000</u>	<u>752,068</u>	<u>39,068</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	38,552	38,461	91
Fringe benefits	15,101	15,096	5
Contractual services	11,896	8,010	3,886
Total security of persons and property	<u>65,549</u>	<u>61,567</u>	<u>3,982</u>
Transportation:			
Street transportation:			
Salaries and wages.	289,855	282,313	7,542
Fringe benefits	198,002	196,716	1,286
Contractual services	84,475	80,983	3,492
Materials and supplies	58,875	58,472	403
Total transportation.	<u>631,207</u>	<u>618,484</u>	<u>12,723</u>
Total expenditures	<u>696,756</u>	<u>680,051</u>	<u>16,705</u>
Net change in fund balance	16,244	72,017	55,773
Fund balance at beginning of year.	3,272	3,272	-
Prior year encumbrances appropriated	1,597	1,597	-
Fund balance at end of year.	<u>\$ 21,113</u>	<u>\$ 76,886</u>	<u>\$ 55,773</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL COPS FAST PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income.	\$ -	\$ 87	\$ 87
Total revenues.	<u>-</u>	<u>87</u>	<u>87</u>
Net change in fund balance.	-	87	87
Fund balance at beginning of year	<u>76,836</u>	<u>76,836</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 76,836</u>	<u>\$ 76,923</u>	<u>\$ 87</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 57,700	\$ 60,842	\$ 3,142
Investment income.	-	17	17
Total revenues.	<u>57,700</u>	<u>60,859</u>	<u>3,159</u>
Expenditures:			
Current:			
Transportation:			
Street repair and maintenance:			
Capital outlay	10,000	9,941	59
Total expenditures	<u>10,000</u>	<u>9,941</u>	<u>59</u>
Excess of revenues over expenditures.	<u>47,700</u>	<u>50,918</u>	<u>3,218</u>
Other financing uses:			
Transfers out.	(43,933)	(38,461)	5,472
Total other financing uses.	<u>(43,933)</u>	<u>(38,461)</u>	<u>5,472</u>
Net change in fund balance	3,767	12,457	8,690
Fund balance at beginning of year	<u>46</u>	<u>46</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,813</u>	<u>\$ 12,503</u>	<u>\$ 8,690</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 24,539	\$ 29,970	\$ 5,431
Investment income.	-	83	83
Total revenues.	<u>24,539</u>	<u>30,053</u>	<u>5,514</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	50,000	25,135	24,865
Total expenditures	<u>50,000</u>	<u>25,135</u>	<u>24,865</u>
Net change in fund balance.	(25,461)	4,918	30,379
Fund balance at beginning of year	<u>66,381</u>	<u>66,381</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 40,920</u>	<u>\$ 71,299</u>	<u>\$ 30,379</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 221,836	\$ 221,836	\$ -
Total revenues.	<u>221,836</u>	<u>221,836</u>	<u>-</u>
Expenditures:			
Transportation			
Contractual services	109,910	109,910	-
Total expenditures	<u>109,910</u>	<u>109,910</u>	<u>-</u>
Excess of revenues over expenditures	<u>111,926</u>	<u>111,926</u>	<u>-</u>
Other financing uses:			
Transfers out	<u>(87,540)</u>	<u>(87,540)</u>	<u>-</u>
Total other financing uses	<u>(87,540)</u>	<u>(87,540)</u>	<u>-</u>
Net change in fund balance	24,386	24,386	-
Fund balance at beginning of year	<u>24,765</u>	<u>24,765</u>	<u>-</u>
Fund balance at end of year	<u>\$ 49,151</u>	<u>\$ 49,151</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 COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 65,000	\$ 61,688	\$ (3,312)
Other	35	-	(35)
Total revenues.	<u>65,035</u>	<u>61,688</u>	<u>(3,347)</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Salaries and wages	30,000	4,317	25,683
Fringe benefits	5,151	1,067	4,084
Contractual services	26,000	13,878	12,122
Materials and supplies	17,000	8,132	8,868
Capital outlay	20,000	2,475	17,525
Total expenditures	<u>98,151</u>	<u>29,869</u>	<u>68,282</u>
 Net change in fund balance	 (33,116)	 31,819	 64,935
 Fund balance at beginning of year	 <u>47,538</u>	 <u>47,538</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ 14,422</u>	 <u>\$ 79,357</u>	 <u>\$ 64,935</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 166,000	\$ 176,780	\$ 10,780
Intergovernmental	33,369	33,808	439
Total revenues.	<u>199,369</u>	<u>210,588</u>	<u>11,219</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Salaries and wages	3,398	2,881	517
Fringe benefits.	497	397	100
Total security of persons and property.	<u>3,895</u>	<u>3,278</u>	<u>617</u>
Public health services:			
Public health and welfare:			
Salaries and wages.	154,474	149,857	4,617
Fringe benefits.	54,647	54,020	627
Contractual services.	4,299	3,446	853
Materials and supplies.	10,412	9,343	1,069
Capital outlay.	5,000	4,995	5
Other.	5,000	4,896	104
Total public health services	<u>233,832</u>	<u>226,557</u>	<u>7,275</u>
Total expenditures	<u>237,727</u>	<u>229,835</u>	<u>7,892</u>
Excess of expenditures over revenues	<u>(38,358)</u>	<u>(19,247)</u>	<u>19,111</u>
Other financing sources:			
Transfers in.	-	6,000	6,000
Total other financing sources.	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Net change in fund balance.	(38,358)	(13,247)	25,111
Fund balance at beginning of year	<u>101,705</u>	<u>101,705</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 63,347</u>	<u>\$ 88,458</u>	<u>\$ 25,111</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 30,500	\$ 31,082	\$ 582
Other	-	55	55
Total revenues.	<u>30,500</u>	<u>31,137</u>	<u>637</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages	42,088	41,225	863
Fringe benefits	10,311	10,311	-
Contractual services	4,173	4,156	17
Materials and supplies	452	452	-
Other	80	80	-
Total expenditures	<u>57,104</u>	<u>56,224</u>	<u>880</u>
Excess of expenditures over revenues	<u>(26,604)</u>	<u>(25,087)</u>	<u>1,517</u>
Other financing sources:			
Transfers in	27,000	27,000	-
Total other financing sources.	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Net change in fund balance	396	1,913	1,517
Fund balance at beginning of year	1,455	1,455	-
Prior year encumbrances appropriated	480	480	-
Fund balance at end of year.	<u>\$ 2,331</u>	<u>\$ 3,848</u>	<u>\$ 1,517</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, 2010

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL AGING GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,516	\$ 3,290	\$ (226)
Investment income.	-	1	1
Total revenues.	<u>3,516</u>	<u>3,291</u>	<u>(225)</u>
Expenditures:			
Current:			
General government:			
Aging:			
Salaries and wages.	2,800	2,693	107
Fringe benefits.	792	569	223
Total expenditures	<u>3,592</u>	<u>3,262</u>	<u>330</u>
Net change in fund balance.	(76)	29	105
Fund balance at beginning of year	<u>1,160</u>	<u>1,160</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,084</u>	<u>\$ 1,189</u>	<u>\$ 105</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 33,000	\$ 36,125	\$ 3,125
Investment income.	-	741	741
Other.	25,842	26,414	572
Total revenues.	<u>58,842</u>	<u>63,280</u>	<u>4,438</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages.	80,744	80,120	624
Fringe benefits.	22,997	22,992	5
Contractual services.	23,414	21,125	2,289
Materials and supplies.	6,943	5,048	1,895
Total expenditures	<u>134,098</u>	<u>129,285</u>	<u>4,813</u>
Excess of expenditures over revenues	<u>(75,256)</u>	<u>(66,005)</u>	<u>9,251</u>
Other financing sources:			
Transfers in	68,000	73,000	5,000
Total other financing sources.	<u>68,000</u>	<u>73,000</u>	<u>5,000</u>
Net change in fund balance.	(7,256)	6,995	14,251
Fund balance at beginning of year	<u>661,722</u>	<u>661,722</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 654,466</u>	<u>\$ 668,717</u>	<u>\$ 14,251</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,735,654	\$ 765,499	\$ (970,155)
Other	5,300	185	(5,115)
Total revenues.	<u>1,740,954</u>	<u>765,684</u>	<u>(975,270)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages	251,171	106,293	144,878
Fringe benefits.	171,635	63,986	107,649
Contractual services.	1,145,188	534,578	610,610
Materials and supplies.	23,798	8,130	15,668
Capital outlay.	1,370	685	685
Other	234,920	172,044	62,876
Total expenditures	<u>1,828,082</u>	<u>885,716</u>	<u>942,366</u>
 Net change in fund balance.	 (87,128)	 (120,032)	 (32,904)
 Fund balance (deficit) at beginning of year .	 (20,239)	 (20,239)	 -
Prior year encumbrances appropriated . .	<u>147,902</u>	<u>147,902</u>	<u>-</u>
 Fund balance (deficit) at end of year. . . .	 <u>\$ 40,535</u>	 <u>\$ 7,631</u>	 <u>\$ (32,904)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ 1,400	\$ 1,337	\$ (63)
Other.	23,000	3,975	(19,025)
Total revenues.	<u>24,400</u>	<u>5,312</u>	<u>(19,088)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Capital outlay.	88,895	29,922	58,973
Total expenditures	<u>88,895</u>	<u>29,922</u>	<u>58,973</u>
 Net change in fund balance.	 (64,495)	 (24,610)	 39,885
 Fund balance at beginning of year	 88,881	 88,881	 -
Prior year encumbrances appropriated	<u>625</u>	<u>625</u>	<u>-</u>
 Fund balance at end of year.	 <u>\$ 25,011</u>	 <u>\$ 64,896</u>	 <u>\$ 39,885</u>

CITY OF ALLIANCE, OHIO

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

ALLIANCE NEIGHBORHOOD FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 911,919	\$ 97,245	\$ (814,674)
Total revenues.	<u>911,919</u>	<u>97,245</u>	<u>(814,674)</u>
Expenditures:			
Current:			
Security of persons and property:			
Salaries and wages.	22,303	22,214	89
Fringe benefits.	8,461	8,434	27
Contractual services.	<u>77,719</u>	<u>77,719</u>	<u>-</u>
Total expenditures	<u>108,483</u>	<u>108,367</u>	<u>116</u>
Net change in fund balance.	803,436	(11,122)	(814,558)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>11,564</u>	<u>11,564</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 815,000</u>	<u>\$ 442</u>	<u>\$ (814,558)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 75,714	\$ 75,714	\$ -
Intergovernmental.	20,126	20,126	-
Other.	168	168	-
Total revenues.	<u>96,008</u>	<u>96,008</u>	<u>-</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	398,953	398,953	-
Contractual services.	1,400	1,329	71
Total expenditures	<u>400,353</u>	<u>400,282</u>	<u>71</u>
Excess of expenditures over revenues	<u>(304,345)</u>	<u>(304,274)</u>	<u>71</u>
Other financing sources:			
Transfers in.	304,250	304,250	-
Total other financing sources.	<u>304,250</u>	<u>304,250</u>	<u>-</u>
Net change in fund balance.	(95)	(24)	71
Fund balance at beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,905</u>	<u>\$ 9,976</u>	<u>\$ 71</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 75,714	\$ 75,714	\$ -
Intergovernmental.	20,127	20,126	(1)
Other.	168	168	-
Total revenues.	<u>96,009</u>	<u>96,008</u>	<u>(1)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	465,250	465,250	-
Contractual services.	1,400	1,329	71
Total expenditures	<u>466,650</u>	<u>466,579</u>	<u>71</u>
Excess of expenditures over revenues	<u>(370,641)</u>	<u>(370,571)</u>	<u>70</u>
Other financing sources:			
Transfers in.	370,547	370,547	-
Total other financing sources.	<u>370,547</u>	<u>370,547</u>	<u>-</u>
Net change in fund balance.	(94)	(24)	70
Fund balance at beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,906</u>	<u>\$ 9,976</u>	<u>\$ 70</u>

CITY OF ALLIANCE, OHIO

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

TAX INCREMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Transportation:			
Tax increment:			
Capital outlay	\$ 42,384	\$ 42,384	\$ -
Other	145,000	81,851	63,149
Total expenditures	<u>187,384</u>	<u>124,235</u>	<u>63,149</u>
Excess of expenditures over revenues	<u>(187,384)</u>	<u>(124,235)</u>	<u>63,149</u>
Other financing uses:			
Transfers out	<u>(111,820)</u>	<u>(111,820)</u>	<u>-</u>
Total other financing uses	<u>(111,820)</u>	<u>(111,820)</u>	<u>-</u>
Net change in fund balance	(299,204)	(236,055)	63,149
Fund balance at beginning of year	<u>579,024</u>	<u>579,024</u>	<u>-</u>
Fund balance at end of year	<u>\$ 279,820</u>	<u>\$ 342,969</u>	<u>\$ 63,149</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 920	\$ 920	\$ -
Other	16	16	-
Total revenues.	<u>936</u>	<u>936</u>	<u>-</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Contractual services.	1,825	1,530	295
Total expenditures	<u>1,825</u>	<u>1,530</u>	<u>295</u>
Net change in fund balance.	(889)	(594)	295
Fund balance at beginning of year	<u>1,825</u>	<u>1,825</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 936</u>	<u>\$ 1,231</u>	<u>\$ 295</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 14,953	\$ 14,953	\$ -
Investment income.	-	22	22
Total revenues.	<u>14,953</u>	<u>14,975</u>	<u>22</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Personal services	22,919	13,588	9,331
Capital outlay	16,072	15,526	546
Total expenditures	<u>38,991</u>	<u>29,114</u>	<u>9,877</u>
Net change in fund balance.	(24,038)	(14,139)	9,899
Fund balance at beginning of year	<u>24,038</u>	<u>24,038</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 9,899</u>	<u>\$ 9,899</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ -	\$ 197	\$ 197
Other.	-	10	10
Total revenues.	<u>-</u>	<u>207</u>	<u>207</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	150,000	78,846	71,154
Total expenditures	<u>150,000</u>	<u>78,846</u>	<u>71,154</u>
Net change in fund balance.	(150,000)	(78,639)	71,361
Fund balance at beginning of year	<u>211,981</u>	<u>211,981</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 61,981</u>	<u>\$ 133,342</u>	<u>\$ 71,361</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 21,723	\$ 21,722	\$ (1)
Total revenues.	<u>21,723</u>	<u>21,722</u>	<u>(1)</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	18,000	11,000	7,000
Total expenditures	<u>18,000</u>	<u>11,000</u>	<u>7,000</u>
Net change in fund balance.	3,723	10,722	6,999
Fund balance at beginning of year	<u>33,076</u>	<u>33,076</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 36,799</u>	<u>\$ 43,798</u>	<u>\$ 6,999</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 3,000	\$ 3,708	\$ 708
Total revenues.	<u>3,000</u>	<u>3,708</u>	<u>708</u>
Expenditures:			
Current:			
General government:			
Judicial:			
Materials and supplies.	15,000	15,000	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	(12,000)	(11,292)	708
Fund balance at beginning of year	<u>13,088</u>	<u>13,088</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,088</u>	<u>\$ 1,796</u>	<u>\$ 708</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 14,500	\$ 13,730	\$ (770)
Total revenues.	<u>14,500</u>	<u>13,730</u>	<u>(770)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	11,000	3,378	7,622
Capital outlay.	15,000	-	15,000
Total expenditures	<u>26,000</u>	<u>3,378</u>	<u>22,622</u>
Net change in fund balance.	(11,500)	10,352	21,852
Fund balance at beginning of year	<u>13,729</u>	<u>13,729</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,229</u>	<u>\$ 24,081</u>	<u>\$ 21,852</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 875	\$ 875	\$ -
Total revenues.	<u>875</u>	<u>875</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	1,500	895	605
Total expenditures	<u>1,500</u>	<u>895</u>	<u>605</u>
Net change in fund balance.	(625)	(20)	605
Fund balance at beginning of year	<u>1,261</u>	<u>1,261</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 636</u>	<u>\$ 1,241</u>	<u>\$ 605</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 8,000	\$ 3,250	\$ (4,750)
Total revenues.	<u>8,000</u>	<u>3,250</u>	<u>(4,750)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Salaries and wages.	12,603	9,746	2,857
Fringe benefits.	1,903	1,504	399
Total expenditures	<u>14,506</u>	<u>11,250</u>	<u>3,256</u>
Net change in fund balance.	(6,506)	(8,000)	(1,494)
Fund balance at beginning of year	<u>8,061</u>	<u>8,061</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,555</u>	<u>\$ 61</u>	<u>\$ (1,494)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Community environment:			
UDAG:			
Salaries and wages.	\$ 1,000	\$ -	\$ 1,000
Total expenditures	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance.	(1,000)	-	1,000
Fund balance at beginning of year	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</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, 2010

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

CITY OF ALLIANCE, OHIO

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

COURT ADR FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 16,000	\$ 14,660	\$ (1,340)
Total revenues.	<u>16,000</u>	<u>14,660</u>	<u>(1,340)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	1,000	(340)	(1,340)
Fund balance at beginning of year	<u>15,543</u>	<u>15,543</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 16,543</u>	<u>\$ 15,203</u>	<u>\$ (1,340)</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, 2010**

	<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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 34,000	\$ 33,412	\$ (588)
Total revenues.	<u>34,000</u>	<u>33,412</u>	<u>(588)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	10,000	740	9,260
Capital outlay.	82,000	18,621	63,379
Total expenditures	<u>92,000</u>	<u>19,361</u>	<u>72,639</u>
Net change in fund balance.	(58,000)	14,051	72,051
Fund balance at beginning of year	<u>114,989</u>	<u>114,989</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 56,989</u>	<u>\$ 129,040</u>	<u>\$ 72,051</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 3,000	\$ 3,775	\$ 775
Total revenues.	<u>3,000</u>	<u>3,775</u>	<u>775</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	15,000	1,421	13,579
Total expenditures	<u>15,000</u>	<u>1,421</u>	<u>13,579</u>
Net change in fund balance.	(12,000)	2,354	14,354
Fund balance at beginning of year	<u>21,605</u>	<u>21,605</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,605</u>	<u>\$ 23,959</u>	<u>\$ 14,354</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 1,800	\$ 2,115	\$ 315
Total revenues.	<u>1,800</u>	<u>2,115</u>	<u>315</u>
Expenditures:			
Current:			
Transportation:			
Contractual services.	3,000	-	3,000
Total expenditures	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net change in fund balance.	(1,200)	2,115	3,315
Fund balance at beginning of year	<u>1,755</u>	<u>1,755</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 555</u>	<u>\$ 3,870</u>	<u>\$ 3,315</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community environment:			
Contractual services.	\$ 1,300	\$ -	\$ 1,300
Materials and supplies.	2,000	-	2,000
Total expenditures	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Net change in fund balance.	(3,300)	-	3,300
Fund balance at beginning of year	<u>3,383</u>	<u>3,383</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 83</u>	<u>\$ 3,383</u>	<u>\$ 3,300</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN SPECIAL EVENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 4,500	\$ 5,186	\$ 686
Total revenues.	<u>4,500</u>	<u>5,186</u>	<u>686</u>
Expenditures:			
Current:			
General government:			
General administration:			
Contractual services.	4,562	4,561	1
Materials and supplies.	838	832	6
Total expenditures	<u>5,400</u>	<u>5,393</u>	<u>7</u>
Net change in fund balance.	(900)	(207)	693
Fund balance at beginning of year	<u>930</u>	<u>930</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 30</u>	<u>\$ 723</u>	<u>\$ 693</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessments.	\$ 62,000	\$ 68,563	\$ 6,563
Total revenues.	<u>62,000</u>	<u>68,563</u>	<u>6,563</u>
Expenditures:			
Debt service:			
Principal retirement:			
Bond.	1,939,510	1,848,112	91,398
Interest and fiscal charges:			
Bond.	595,466	591,905	3,561
Total expenditures	<u>2,534,976</u>	<u>2,440,017</u>	<u>94,959</u>
Excess of expenditures over revenues	<u>(2,472,976)</u>	<u>(2,371,454)</u>	<u>101,522</u>
Other financing sources:			
Transfers in.	2,443,800	2,366,548	(77,252)
Total other financing sources	<u>2,443,800</u>	<u>2,366,548</u>	<u>(77,252)</u>
Net change in fund balance.	(29,176)	(4,906)	24,270
Fund balance at beginning of year.	<u>111,172</u>	<u>111,172</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 81,996</u>	<u>\$ 106,266</u>	<u>\$ 24,270</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

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

Street Income Tax Construction Fund

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

Capital Improvements Fund

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

West State Street Fund

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

Street Improvement Fund

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

CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2010

	Street Income Tax Construction	Capital Improvements	Street Improvement	Total
Assets:				
Equity in pooled cash and cash equivalents.	\$ 190,189	\$ 520,142	\$ 21,232	\$ 731,563
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	201,593	287,990	-	489,583
Special assessments	30,296	482	-	30,778
Total assets	<u>\$ 422,078</u>	<u>\$ 808,614</u>	<u>\$ 21,232</u>	<u>\$ 1,251,924</u>
Liabilities:				
Accounts payable	\$ 15,252	\$ 81,934	\$ -	\$ 97,186
Deferred revenue	101,960	102,860	-	204,820
Total liabilities	<u>117,212</u>	<u>184,794</u>	<u>-</u>	<u>302,006</u>
Fund balances:				
Reserved for encumbrances	1,534	78,390	569	80,493
Unreserved:				
Undesignated	303,332	545,430	20,663	869,425
Total fund balances	<u>304,866</u>	<u>623,820</u>	<u>21,232</u>	<u>949,918</u>
Total liabilities and fund balances.	<u>\$ 422,078</u>	<u>\$ 808,614</u>	<u>\$ 21,232</u>	<u>\$ 1,251,924</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, 2010

	Street Income Tax Construction	Capital Improvements	West State Street	Street Improvement	Total
Revenues:					
Municipal income taxes	\$ 433,280	\$ 522,691	\$ -	\$ -	\$ 955,971
Intergovernmental	-	58,541	-	3,870	62,411
Contributions and donations	-	800	-	-	800
Other	40,688	206,377	-	-	247,065
Total revenues	<u>473,968</u>	<u>788,409</u>	<u>-</u>	<u>3,870</u>	<u>1,266,247</u>
Expenditures:					
Current:					
Transportation	120,000	-	-	-	120,000
Capital outlay	601,269	658,278	16,115	19,041	1,294,703
Total expenditures	<u>721,269</u>	<u>658,278</u>	<u>16,115</u>	<u>19,041</u>	<u>1,414,703</u>
Excess (deficiency) of revenues over (under) expenditures	(247,301)	130,131	(16,115)	(15,171)	(148,456)
Other financing uses:					
Transfers out	-	(48,100)	-	-	(48,100)
Total other financing uses	<u>-</u>	<u>(48,100)</u>	<u>-</u>	<u>-</u>	<u>(48,100)</u>
Net change in fund balances	(247,301)	82,031	(16,115)	(15,171)	(196,556)
Fund balances at beginning of year	552,167	541,789	16,115	36,403	1,146,474
Fund balances at end of year	<u>\$ 304,866</u>	<u>\$ 623,820</u>	<u>\$ -</u>	<u>\$ 21,232</u>	<u>\$ 949,918</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes.	\$ 414,622	\$ 421,227	\$ 6,605
Intergovernmental	138,000	-	(138,000)
Other.	26,050	66,738	40,688
Total revenues.	<u>578,672</u>	<u>487,965</u>	<u>(90,707)</u>
Expenditures:			
Transportation			
Contractual services	120,000	120,000	-
Total transportation	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Capital outlay:			
Street income tax:			
Capital outlay.	660,687	631,678	29,009
Total capital outlay	<u>660,687</u>	<u>631,678</u>	<u>29,009</u>
Total expenditures	<u>780,687</u>	<u>751,678</u>	<u>29,009</u>
Net change in fund balance.	(202,015)	(263,713)	(61,698)
Fund balance at beginning of year	311,523	311,523	-
Prior year encumbrances appropriated	128,252	128,252	-
Fund balance at end of year.	<u>\$ 237,760</u>	<u>\$ 176,062</u>	<u>\$ (61,698)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 112,250	\$ -	\$ (112,250)
Total revenues.	<u>112,250</u>	<u>-</u>	<u>(112,250)</u>
Net change in fund balance.	112,250	-	(112,250)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 112,250</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (112,250)</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 495,721	\$ 505,472	\$ 9,751
Intergovernmental	69,300	58,541	(10,759)
Contributions and donations	975	800	(175)
Other.	140,000	206,378	66,378
Total revenues	<u>705,996</u>	<u>771,191</u>	<u>65,195</u>
Expenditures:			
Capital outlay:			
Capital improvements:			
Capital outlay.	899,040	740,387	158,653
Total expenditures	<u>899,040</u>	<u>740,387</u>	<u>158,653</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(193,044)</u>	<u>30,804</u>	<u>223,848</u>
Other financing uses:			
Transfers out.	(69,067)	(48,100)	20,967
Total other financing uses	<u>(69,067)</u>	<u>(48,100)</u>	<u>20,967</u>
Net change in fund balance.	(262,111)	(17,296)	244,815
Fund balance at beginning of year	341,216	341,216	-
Prior year encumbrances appropriated	<u>36,168</u>	<u>36,168</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 115,273</u>	<u>\$ 360,088</u>	<u>\$ 244,815</u>

CITY OF ALLIANCE, OHIO

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

WEST STATE STREET FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,870	\$ 3,870	\$ -
Total revenues.	<u>3,870</u>	<u>3,870</u>	<u>-</u>
Expenditures:			
Capital outlay:			
Street improvement:			
Capital outlay	36,403	19,610	16,793
Total expenditures	<u>36,403</u>	<u>19,610</u>	<u>16,793</u>
Net change in fund balance.	(32,533)	(15,740)	16,793
Fund balance at beginning of year	16,793	16,793	-
Prior year encumbrances appropriated	<u>19,610</u>	<u>19,610</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,870</u>	<u>\$ 20,663</u>	<u>\$ 16,793</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS

Enterprise Funds

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

Water Fund

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

Sewer Fund

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

Robertson Community Center Fund

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 4,027,210	\$ 4,161,672	\$ 134,462
Other.	25,075	48,677	23,602
Total operating revenues	<u>4,052,285</u>	<u>4,210,349</u>	<u>158,064</u>
Operating expenses:			
Salaries and wages.	1,395,546	1,341,561	53,985
Fringe benefits.	525,602	515,698	9,904
Contractual services.	705,698	575,479	130,219
Materials and supplies.	778,873	722,347	56,526
Capital outlay.	1,278,432	557,087	721,345
Other.	6,610	1,584	5,026
Total operating expenses	<u>4,690,761</u>	<u>3,713,756</u>	<u>977,005</u>
Operating income (loss).	<u>(638,476)</u>	<u>496,593</u>	<u>1,135,069</u>
Nonoperating revenues:			
Municipal income taxes.	330,481	336,981	6,500
Investment income.	2,500	1,559	(941)
Total nonoperating revenues	<u>332,981</u>	<u>338,540</u>	<u>5,559</u>
Income (loss) before transfers	<u>(305,495)</u>	<u>835,133</u>	<u>1,140,628</u>
Transfers out.	<u>(1,744,141)</u>	<u>(1,494,140)</u>	<u>250,001</u>
Net change in fund equity.	(2,049,636)	(659,007)	1,390,629
Fund equity beginning of year.	3,045,304	3,045,304	-
Prior year encumbrances appropriated . .	<u>136,557</u>	<u>136,557</u>	<u>-</u>
Fund equity end of year.	<u>\$ 1,132,225</u>	<u>\$ 2,522,854</u>	<u>\$ 1,390,629</u>

CITY OF ALLIANCE, OHIO

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

SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 3,960,000	\$ 3,970,065	\$ 10,065
Licenses, permits, and fees.	38,000	51,600	13,600
Other.	1,767	156,415	154,648
Total operating revenues	<u>3,999,767</u>	<u>4,178,080</u>	<u>178,313</u>
Operating expenses:			
Salaries and wages.	1,586,530	1,490,216	96,314
Fringe benefits.	572,660	548,935	23,725
Contractual services.	2,625,910	645,349	1,980,561
Materials and supplies.	213,801	125,056	88,745
Capital outlay.	756,202	312,778	443,424
Other.	243,920	8,618	235,302
Total operating expenses	<u>5,999,023</u>	<u>3,130,952</u>	<u>2,868,071</u>
Operating income (loss)	<u>(1,999,256)</u>	<u>1,047,128</u>	<u>3,046,384</u>
Nonoperating revenues:			
Investment income.	5,722	5,209	(513)
Total nonoperating revenues.	<u>5,722</u>	<u>5,209</u>	<u>(513)</u>
Income (loss) before capital contributions and transfers	<u>(1,993,534)</u>	<u>1,052,337</u>	<u>3,045,871</u>
Capital contributions	208,000	211,164	3,164
Transfers out.	<u>(586,488)</u>	<u>(586,487)</u>	<u>1</u>
Net change in fund equity.	(2,372,022)	677,014	3,049,036
Fund equity beginning of year.	3,949,450	3,949,450	-
Prior year encumbrances appropriated	<u>162,567</u>	<u>162,567</u>	<u>-</u>
Fund equity end of year.	<u>\$ 1,739,995</u>	<u>\$ 4,789,031</u>	<u>\$ 3,049,036</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROBERTSON COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 45,000	\$ 48,821	\$ 3,821
Other.	-	257	257
Total operating revenues	<u>45,000</u>	<u>49,078</u>	<u>4,078</u>
Operating expenses:			
Salaries and wages.	18,037	18,037	-
Fringe benefits.	3,258	3,258	-
Contractual services.	25,041	21,951	3,090
Capital outlay.	2,402	488	1,914
Other.	55	25	30
Total operating expenses	<u>48,793</u>	<u>43,759</u>	<u>5,034</u>
Net change in fund equity.	(3,793)	5,319	9,112
Fund equity beginning of year	<u>95,965</u>	<u>95,965</u>	<u>-</u>
Fund equity end of year	<u>\$ 92,172</u>	<u>\$ 101,284</u>	<u>\$ 9,112</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Internal Service Fund

The internal service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. Specifically, the internal service fund accounts for a medical benefit self-insurance program for employees of the City.

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 1,710,000	\$ 1,822,846	\$ 112,846
Total operating revenues	<u>1,710,000</u>	<u>1,822,846</u>	<u>112,846</u>
Operating expenses:			
Claims.	<u>2,341,000</u>	<u>2,020,998</u>	<u>320,002</u>
Total operating expenses.	<u>2,341,000</u>	<u>2,020,998</u>	<u>320,002</u>
Net change in fund equity.	(631,000)	(198,152)	432,848
Fund equity at beginning of year	<u>982,653</u>	<u>982,653</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 351,653</u>	<u>\$ 784,501</u>	<u>\$ 432,848</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Agency Fund

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

Carnation Cable Channel Fund

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

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance 1/1/2010	Additions	Reductions	Balance 12/31/2010
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 88,892	\$ 88,892	\$ -
Receivables (net of allowances of uncollectibles):				
Accounts	22,043	33,470	22,043	33,470
Total assets	\$ 22,043	\$ 122,362	\$ 110,935	\$ 33,470
Liabilities:				
Due to others	\$ 22,043	\$ 122,362	\$ 110,935	\$ 33,470
Total liabilities.	\$ 22,043	\$ 122,362	\$ 110,935	\$ 33,470

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STATISTICAL SECTION

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CITY OF ALLIANCE, OHIO
STATISTICAL SECTION

This part of the City of Alliance's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

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

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

167-172

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

173-174

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 18,368,580	\$ 18,500,286	\$ 17,764,197	\$ 18,197,128
Restricted for:				
Capital projects	1,154,738	1,447,623	1,751,872	1,155,599
Debt service	401,200	661,027	915,520	960,434
Special revenue	-	-	-	-
Transportation projects	374,892	265,771	325,698	960,327
Public health service programs	737,032	728,398	734,587	726,240
Community environment programs	3,892,153	4,521,279	4,785,006	3,850,510
Security programs	290,824	394,189	448,672	-
Police and fire pension	60,133	59,322	58,717	59,516
Other purposes	365,774	291,652	290,657	796,984
Unrestricted	<u>5,157,606</u>	<u>2,679,203</u>	<u>2,624,597</u>	<u>2,708,070</u>
Total governmental activities net assets	<u>\$ 30,802,932</u>	<u>\$ 29,548,750</u>	<u>\$ 29,699,523</u>	<u>\$ 29,414,808</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 9,524,020	\$ 8,804,341	\$ 6,945,805	\$ 5,947,976
Restricted:				
Debt service	609,249	637,561	869,875	838,787
Replacement and surplus reserve	591,030	682,495	493,477	506,138
Unrestricted	<u>8,899,493</u>	<u>9,162,368</u>	<u>9,119,655</u>	<u>8,736,925</u>
Total business-type activities net assets	<u>\$ 19,623,792</u>	<u>\$ 19,286,765</u>	<u>\$ 17,428,812</u>	<u>\$ 16,029,826</u>
Total primary government				
Invested in capital assets, net of related debt	\$ 27,892,600	\$ 27,304,627	\$ 24,710,002	\$ 24,145,104
Restricted for:				
Capital projects	1,154,738	1,447,623	1,751,872	1,155,599
Debt service	1,010,449	1,298,588	1,785,395	1,799,221
Special revenue	-	-	-	-
Replacement and surplus reserve	591,030	682,495	493,477	506,138
Transportation projects	374,892	265,771	325,698	960,327
Public health service programs	737,032	728,398	734,587	726,240
Community environment programs	3,892,153	4,521,279	4,785,006	3,850,510
Security programs	290,824	394,189	448,672	-
Police and fire pension	60,133	59,322	58,717	59,516
Other purposes	365,774	291,652	290,657	796,984
Unrestricted	<u>14,057,099</u>	<u>11,841,571</u>	<u>11,744,252</u>	<u>11,444,995</u>
Total primary government net assets	<u>\$ 50,426,724</u>	<u>\$ 48,835,515</u>	<u>\$ 47,128,335</u>	<u>\$ 45,444,634</u>

Source: City financial records

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

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 18,707,921	\$ 19,015,248	\$ 9,184,300	\$ 8,614,889
1,115,068	1,457,599	1,822,941	1,369,346
1,139,016	128,199	128,809	-
5,780,614	5,961,372	5,912,729	5,814,454
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,062,100	1,084,862	751,439	2,143,124
<u>\$ 28,804,719</u>	<u>\$ 27,647,280</u>	<u>\$ 17,800,218</u>	<u>\$ 17,941,813</u>
\$ 6,893,121	\$ 6,435,656	\$ 6,159,014	\$ 5,097,337
1,583,849	1,533,905	1,495,291	2,324,516
724,445	846,888	904,389	-
5,803,278	5,009,687	4,564,432	5,446,828
<u>\$ 15,004,693</u>	<u>\$ 13,826,136</u>	<u>\$ 13,123,126</u>	<u>\$ 12,868,681</u>
\$ 25,601,042	\$ 25,450,904	\$ 15,343,314	\$ 13,712,226
1,115,068	1,457,599	1,822,941	1,369,346
2,722,865	1,662,104	1,624,100	2,324,516
5,780,614	5,961,372	5,912,729	5,814,454
724,445	846,888	904,389	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7,865,378	6,094,549	5,315,871	7,589,952
<u>\$ 43,809,412</u>	<u>\$ 41,473,416</u>	<u>\$ 30,923,344</u>	<u>\$ 30,810,494</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Program revenues:				
Governmental activities				
Charges for services:				
General government	\$ 704,836	\$ 984,588	\$ 948,427	\$ 1,091,967
Security of persons and property	32,285	14,278	157,747	506,379
Public health services	306,416	162,113	165,168	173,292
Transportation	-	-	-	-
Community environment	90,263	82,968	207,862	94,094
Leisure time activities	49,205	22,990	31,456	30,315
Interest and fiscal charges	-	-	36,025	31,765
Subtotal - charges for services	<u>1,183,005</u>	<u>1,266,937</u>	<u>1,546,685</u>	<u>1,927,812</u>
Operating grants and contributions				
General government	40,638	30,622	16,550	11,069
Security of persons and property	51,838	141,330	66,882	77,632
Public health services	76,594	197,403	181,104	177,890
Transportation	962,280	853,054	1,042,127	883,294
Community environment	1,110,616	995,772	798,218	540,042
Subtotal - operating grants and contributions	<u>2,241,966</u>	<u>2,218,181</u>	<u>2,104,881</u>	<u>1,689,927</u>
Capital grants and contributions				
Transportation	-	207,196	326,119	125,478
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Subtotal - capital grants and contributions	<u>-</u>	<u>207,196</u>	<u>326,119</u>	<u>125,478</u>
Total governmental activities program revenues	<u>3,424,971</u>	<u>3,692,314</u>	<u>3,977,685</u>	<u>3,743,217</u>
Business-type activities:				
Charges for services:				
Water	3,935,652	4,460,193	4,343,787	4,377,711
Sewer	3,966,871	4,618,220	4,180,728	4,016,634
Robertson Community Center	49,086	75,933	56,293	52,404
Capital grants and contributions	144,918	313,745	24,295	29,052
Total business-type activities program revenues	<u>8,096,527</u>	<u>9,468,091</u>	<u>8,605,103</u>	<u>8,475,801</u>
Total primary government	<u>\$ 11,521,498</u>	<u>\$ 13,160,405</u>	<u>\$ 12,582,788</u>	<u>\$ 12,219,018</u>
Expenses:				
Governmental activities				
General government	\$ 3,073,733	\$ 2,917,013	\$ 3,086,862	\$ 3,016,883
Security of persons and property	8,624,742	8,416,988	8,407,092	7,539,046
Public health services	1,015,414	952,822	965,155	961,261
Transportation	1,899,949	1,636,141	1,787,268	2,285,361
Community environment	1,355,294	969,055	783,718	854,061
Basic utility services	54,541	56,427	62,750	47,762
Leisure time activities	772,260	793,909	769,611	693,235
Interest and fiscal charges	83,669	110,107	114,938	120,829
Total governmental activities expenses	<u>16,879,602</u>	<u>15,852,462</u>	<u>15,977,394</u>	<u>15,518,438</u>

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,029,473	\$ 1,007,370	\$ 879,558	\$ 936,325
93,262	-	-	-
162,627	150,203	151,688	139,243
-	-	-	50
110,248	128,596	123,380	152,257
35,154	59,195	20,125	20,128
-	-	-	-
<u>1,430,764</u>	<u>1,345,364</u>	<u>1,174,751</u>	<u>1,248,003</u>
94,223	77,760	-	44,448
-	-	15,939	47,413
187,919	178,869	168,865	213,500
-	-	-	-
945,837	940,819	440,217	-
<u>1,227,979</u>	<u>1,197,448</u>	<u>625,021</u>	<u>305,361</u>
69,653	-	-	-
-	100,000	356,235	-
-	-	-	46,887
<u>69,653</u>	<u>100,000</u>	<u>356,235</u>	<u>46,887</u>
<u>2,728,396</u>	<u>2,642,812</u>	<u>2,156,007</u>	<u>1,600,251</u>
4,420,598	4,119,622	3,917,644	3,917,191
3,686,640	3,252,855	3,351,600	3,341,118
51,582	44,464	-	-
-	-	410,572	170,307
<u>8,158,820</u>	<u>7,416,941</u>	<u>7,679,816</u>	<u>7,428,616</u>
<u>\$ 10,887,216</u>	<u>\$ 10,059,753</u>	<u>\$ 9,835,823</u>	<u>\$ 9,028,867</u>
\$ 4,043,160	\$ 3,055,599	\$ 2,953,410	\$ 2,138,370
6,917,630	7,437,917	6,908,599	7,095,318
852,080	812,097	877,649	718,678
1,124,564	2,003,429	1,078,691	1,036,841
1,440,811	819,843	1,146,965	943,633
113,162	66,864	62,048	70,332
650,091	667,520	647,592	598,089
129,179	150,982	155,793	175,161
<u>15,270,677</u>	<u>15,014,251</u>	<u>13,830,747</u>	<u>12,776,422</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Business-type activities:				
Water	\$ 4,616,259	\$ 4,498,029	\$ 3,974,057	\$ 4,391,750
Sewer	3,436,932	3,523,095	3,629,692	3,637,428
Robertson Community Center	56,745	54,174	76,277	79,192
Total business-type activities expenses	<u>8,109,936</u>	<u>8,075,298</u>	<u>7,680,026</u>	<u>8,108,370</u>
Total primary government	<u>\$ 24,989,538</u>	<u>\$ 23,927,760</u>	<u>\$ 23,657,420</u>	<u>\$ 23,626,808</u>
Net (expense) revenue				
Governmental activities	(13,454,631)	(12,160,148)	(11,999,709)	(11,775,221)
Business-type activities	(13,409)	1,392,793	925,077	367,431
Total primary government net expense	<u>\$ (13,468,040)</u>	<u>\$ (10,767,355)</u>	<u>\$ (11,074,632)</u>	<u>\$ (11,407,790)</u>
General revenues and other changes in net assets				
Governmental activities				
Municipal income taxes	\$ 8,713,256	\$ 8,540,876	\$ 8,844,311	\$ 8,685,830
Property and other local taxes	956,359	984,883	1,331,701	1,577,482
Grants and entitlements not restricted to specific programs	4,524,885	1,714,806	1,458,034	1,359,491
Investment earnings	10,202	21,096	154,923	548,794
Miscellaneous	504,111	747,714	495,455	213,713
Transfers	-	-	-	-
Total governmental activities	<u>14,708,813</u>	<u>12,009,375</u>	<u>12,284,424</u>	<u>12,385,310</u>
Business-type activities				
Municipal income taxes	343,668	340,765	349,905	348,248
Unrestricted grants and contributions	-	-	-	-
Investment earnings	6,768	15,215	124,004	309,454
Gain on sale of capital assets	-	109,180	-	-
Transfers	-	-	-	-
Total business-type activities	<u>350,436</u>	<u>465,160</u>	<u>473,909</u>	<u>657,702</u>
Total primary government	<u>\$ 15,059,249</u>	<u>\$ 12,474,535</u>	<u>\$ 12,758,333</u>	<u>\$ 13,043,012</u>
Change in net assets				
Governmental activities	\$ 1,254,182	\$ (150,773)	\$ 284,715	\$ 610,089
Business-type activities	337,027	1,857,953	1,398,986	1,025,133
Total primary government	<u>\$ 1,591,209</u>	<u>\$ 1,707,180</u>	<u>\$ 1,683,701</u>	<u>\$ 1,635,222</u>

Source: City financial records

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 4,151,267	\$ 4,099,091	\$ 4,210,253	\$ 4,377,606
3,439,175	3,216,935	3,322,084	3,132,644
57,972	76,859	-	-
<u>7,648,414</u>	<u>7,392,885</u>	<u>7,532,337</u>	<u>7,510,250</u>
<u>\$ 22,919,091</u>	<u>\$ 22,407,136</u>	<u>\$ 21,363,084</u>	<u>\$ 20,286,672</u>
(12,542,281)	(12,371,439)	(11,674,740)	(11,176,171)
510,406	24,056	147,479	(81,634)
<u>\$ (12,031,875)</u>	<u>\$ (12,347,383)</u>	<u>\$ (11,527,261)</u>	<u>\$ (11,257,805)</u>
\$ 8,344,521	\$ 7,626,396	\$ 7,537,702	\$ 6,706,398
1,503,423	1,523,469	1,370,645	1,493,119
3,118,133	1,998,723	1,951,422	2,879,685
326,744	266,974	151,771	117,106
372,327	680,693	506,605	627,687
34,572	(59,725)	15,000	-
<u>13,699,720</u>	<u>12,036,530</u>	<u>11,533,145</u>	<u>11,823,995</u>
307,661	383,794	69,164	268,840
-	414,108	-	-
395,062	228,161	52,802	41,794
-	-	-	-
(34,572)	59,725	(15,000)	-
<u>668,151</u>	<u>1,085,788</u>	<u>106,966</u>	<u>310,634</u>
<u>\$ 14,367,871</u>	<u>\$ 13,122,318</u>	<u>\$ 11,640,111</u>	<u>\$ 12,134,629</u>
\$ 1,157,439	\$ (334,909)	\$ (141,595)	\$ 647,824
1,178,557	1,109,844	254,445	229,000
<u>\$ 2,335,996</u>	<u>\$ 774,935</u>	<u>\$ 112,850</u>	<u>\$ 876,824</u>

CITY OF ALLIANCE, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General fund:				
Reserved	\$ 36,264	\$ 39,787	\$ 54,034	\$ 60,413
Unreserved	<u>5,207,831</u>	<u>2,277,229</u>	<u>2,415,812</u>	<u>2,827,425</u>
Total general fund	<u>\$ 5,244,095</u>	<u>\$ 2,317,016</u>	<u>\$ 2,469,846</u>	<u>\$ 2,887,838</u>
All other governmental funds:				
Reserved	\$ 1,920,513	\$ 2,396,244	\$ 2,053,742	\$ 2,122,823
Unreserved, reported in:				
Special revenue funds	2,261,677	2,234,113	2,670,338	2,468,519
Debt service fund	126,581	253,537	383,562	405,002
Capital projects funds	869,425	997,814	1,253,617	879,040
Revolving loan fund	<u>1,595,729</u>	<u>1,775,948</u>	<u>1,877,054</u>	<u>1,770,809</u>
Total all other governmental funds	<u>\$ 6,773,925</u>	<u>\$ 7,657,656</u>	<u>\$ 8,238,313</u>	<u>\$ 7,646,193</u>
Total governmental funds	<u>\$ 12,018,020</u>	<u>\$ 9,974,672</u>	<u>\$ 10,708,159</u>	<u>\$ 10,534,031</u>

Source: City financial records

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 78,177	\$ 6,271	\$ 7,277	\$ 57,758	\$ 21,077	\$ 105,361
<u>1,960,128</u>	<u>1,623,549</u>	<u>1,449,575</u>	<u>1,559,008</u>	<u>2,282,794</u>	<u>2,219,529</u>
<u>\$ 2,038,305</u>	<u>\$ 1,629,820</u>	<u>\$ 1,456,852</u>	<u>\$ 1,616,766</u>	<u>\$ 2,303,871</u>	<u>\$ 2,324,890</u>
\$ 2,008,866	\$ 2,666,144	\$ 2,558,410	\$ 3,150,503	\$ 3,916,229	\$ 6,114,120
2,046,513	1,887,440	1,772,658	1,744,308	1,981,973	3,291,714
530,268	128,199	128,809	(2,001,533)	110,194	112,757
877,141	1,179,745	1,500,142	851,257	1,337,740	1,726,301
<u>1,850,228</u>	<u>1,503,868</u>	<u>1,354,590</u>	<u>1,217,403</u>	<u>-</u>	<u>-</u>
<u>\$ 7,313,016</u>	<u>\$ 7,365,396</u>	<u>\$ 7,314,609</u>	<u>\$ 4,961,938</u>	<u>\$ 7,346,136</u>	<u>\$ 11,244,892</u>
<u>\$ 9,351,321</u>	<u>\$ 8,995,216</u>	<u>\$ 8,771,461</u>	<u>\$ 6,578,704</u>	<u>\$ 9,650,007</u>	<u>\$ 13,569,782</u>

CITY OF ALLIANCE, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Municipal income taxes	\$ 8,718,059	\$ 8,516,605	\$ 8,918,599	\$ 8,680,502
Property and other taxes	969,712	980,354	1,317,000	1,654,590
Charges for services	224,081	286,138	219,980	210,692
Licenses permits and fees	336,829	177,116	211,965	189,557
Fines and forfeitures	512,398	553,954	707,122	1,133,003
Intergovernmental	6,833,514	4,248,142	3,339,642	3,328,039
Special assessments	68,563	63,244	67,529	66,011
Investment income	64,763	109,236	284,258	528,586
Rental income	84,887	91,888	197,934	187,367
Contributions and donations	6,231	8,660	8,936	21,875
Other	712,218	931,047	617,343	386,814
Total revenues	<u>18,531,255</u>	<u>15,966,384</u>	<u>15,890,308</u>	<u>16,387,036</u>
Expenditures				
Current:				
General government	2,492,289	2,389,066	2,557,730	2,539,655
Security of persons and property	7,857,210	7,821,330	7,894,771	7,367,104
Public health services	944,131	911,403	916,506	897,770
Transportation	966,818	963,850	1,078,028	1,426,146
Community environment	1,676,693	1,167,061	745,376	805,669
Leisure time activities	657,273	687,874	707,879	622,482
Basic utility services	51,936	53,228	56,634	29,842
Capital outlay	1,335,972	2,194,333	1,249,970	1,007,670
Debt service:				
Principal retirement	418,380	403,036	387,705	382,388
Interest and fiscal charges	87,205	108,690	121,581	125,600
Total expenditures	<u>16,487,907</u>	<u>16,699,871</u>	<u>15,716,180</u>	<u>15,204,326</u>
Excess (deficiency) of revenues over (under) expenditures	2,043,348	(733,487)	174,128	1,182,710
Other financing sources (uses)				
General obligation bonds issued	-	-	-	-
Notes issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	1,066,718	1,030,531	1,120,695	1,066,863
Transfers (out)	<u>(1,066,718)</u>	<u>(1,030,531)</u>	<u>(1,120,695)</u>	<u>(1,066,863)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,043,348</u>	<u>\$ (733,487)</u>	<u>\$ 174,128</u>	<u>\$ 1,182,710</u>
Capital expenditures	\$ 982,102	\$ 1,891,704	\$ 629,761	\$ 1,091,851
Debt service as a percentage of noncapital expenditures	3.26%	3.46%	3.38%	3.60%

Source: City financial records

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	8,024,521	\$ 7,626,396	\$ 7,401,163	\$ 6,830,817	6,856,339	6,879,010
	1,369,882	1,523,469	1,370,645	1,493,119	1,141,175	1,660,276
	286,675	319,431	231,861	351,965	415,438	362,691
	198,136	214,178	219,095	251,699	251,498	191,998
	752,202	673,263	528,808	456,481	542,705	459,229
	4,088,770	3,305,958	3,049,565	3,343,052	3,296,042	4,469,222
	69,653	69,284	66,491	72,263	79,360	68,611
	326,744	266,974	165,781	117,106	297,877	594,581
	197,651	187,794	195,600	187,858	162,531	291,703
	-	-	-	-	-	712,052
	368,427	611,409	425,483	535,305	427,644	427,378
	<u>15,682,661</u>	<u>14,798,156</u>	<u>13,654,492</u>	<u>13,639,665</u>	<u>13,470,609</u>	<u>16,116,751</u>
	3,004,114	2,696,600	2,639,368	2,238,952	2,246,009	2,368,265
	7,120,972	6,884,123	6,464,712	6,571,883	6,370,849	6,516,687
	847,880	814,061	772,536	743,463	717,809	725,626
	779,409	806,465	952,269	944,347	837,684	981,208
	1,437,792	866,213	1,110,544	959,165	1,099,535	1,744,587
	591,116	565,882	544,468	580,700	514,393	536,122
	103,710	57,412	54,497	54,340	55,996	57,856
	1,218,871	1,052,146	844,885	1,865,747	4,353,288	3,987,455
	372,083	376,792	111,512	2,846,232	2,590,976	1,925,730
	129,181	150,982	146,952	178,561	257,018	367,002
	<u>15,605,128</u>	<u>14,270,676</u>	<u>13,641,743</u>	<u>16,983,390</u>	<u>19,043,557</u>	<u>19,210,538</u>
	77,533	527,480	12,749	(3,343,725)	(5,572,948)	(3,093,787)
	-	-	2,165,000	-	-	3,060,000
	-	-	-	240,000	2,355,000	-
	-	-	-	-	-	6,000
	1,353,119	1,368,001	1,260,384	1,735,416	1,719,622	6,349,266
	(1,318,547)	(1,427,726)	(1,245,384)	(1,735,416)	(1,716,449)	(5,694,497)
	<u>34,572</u>	<u>(59,725)</u>	<u>2,180,000</u>	<u>240,000</u>	<u>2,358,173</u>	<u>3,720,769</u>
\$	<u>112,105</u>	<u>467,755</u>	<u>2,192,749</u>	<u>(3,103,725)</u>	<u>(3,214,775)</u>	<u>626,982</u>
\$	1,257,438	\$ 1,052,146	\$ 844,885	\$ 1,865,747	\$ 4,353,288	\$ 3,987,455
	3.49%	3.99%	2.02%	20.01%	19.39%	15.06%

CITY OF ALLIANCE, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

Tax Year (1)	Individual		Total Individual	Business	Total	Tax Rate (2)
	Withholding	Non-withholding				
2010	\$ 6,651,975	\$ 1,250,681	\$ 7,902,656	\$ 940,634	\$ 8,843,290	2.00%
2009	6,768,976	1,347,416	8,116,392	825,594	8,941,986	2.00%
2008	7,209,183	1,214,575	8,423,758	770,489	9,194,247	2.00%
2007	6,511,369	1,063,413	7,574,782	1,094,809	8,669,591	1.75% & 2.00%
2006	6,270,100	1,039,854	7,309,954	935,107	8,245,061	1.75%
2005	6,295,748	1,032,284	7,328,032	544,566	7,872,598	1.75%
2004	5,707,689	1,019,523	6,727,212	474,838	7,202,050	1.75%
2003	5,570,847	981,191	6,552,038	464,191	7,016,229	1.75%
2002	5,647,196	1,002,435	6,649,631	454,223	7,103,854	1.75%
2001	5,663,197	967,259	6,630,456	626,707	7,257,163	1.75%

Source: City of Alliance Income Tax Department

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

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

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

CITY OF ALLIANCE, OHIO

INCOME TAX WITHHOLDINGS BY SECTOR
LAST SEVEN YEARS

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

Source: City of Alliance Income Tax Department

Note: Information prior to 2004 was not available.

CITY OF ALLIANCE, OHIO

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

Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Special Assessment Bonds	General Obligation Bonds	Revenue Bonds	OPWC Loans			
2010	\$ 980,000	\$ 250,000	\$ 1,182,000	\$ 12,315,000	\$ 717,194	\$ 15,444,194	3.93%	\$ 686
2009	1,335,000	305,000	1,740,000	13,345,000	683,506	17,408,506	4.93%	749
2008	1,680,000	355,000	2,185,000	14,275,000	354,826	18,849,826	5.34%	811
2007	2,015,000	400,000	2,620,000	15,000,000	376,957	20,411,957	5.78%	878
2006	2,345,000	445,000	3,040,000	15,820,000	399,088	22,049,088	6.25%	948
2005	2,665,000	490,000	3,460,000	16,605,000	301,855	23,521,855	6.66%	1,012
2004	2,995,000	530,000	3,960,000	17,355,000	318,302	25,158,302	7.13%	1,082
2003	895,000	570,000	190,000	21,330,000	45,272	23,030,272	6.52%	990
2002	3,460,000	605,000	285,000	22,395,000	47,934	26,792,934	7.59%	1,152
2001	4,360,000	640,000	380,000	23,410,000	50,596	28,840,596	8.17%	1,240

Source: City financial records

Note: Population and personal income data are presented on page 173.

CITY OF ALLIANCE, OHIO

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Year	Population (1)	Assessed Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Net Bonded Debt Per Capita
2010	22,322	\$ 289,117,210	\$ 2,162,000	0.75%	\$ 96.86
2009	23,253	299,392,613	3,075,000	1.03%	132.24
2008	23,253	308,189,431	3,865,000	1.25%	166.22
2007	23,253	322,569,984	4,635,000	1.44%	199.33
2006	23,253	290,531,674	5,385,000	1.85%	231.58
2005	23,253	290,572,913	6,125,000	2.11%	263.41
2004	23,253	282,876,811	6,955,000	2.46%	299.10
2003	23,253	264,876,811	1,085,000	0.41%	46.66
2002	23,253	272,855,775	3,745,000	1.37%	161.05
2001	23,253	285,396,462	4,740,000	1.66%	203.84

Sources:

(1) U.S. Bureau of Census

(2) County Auditor

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

CITY OF ALLIANCE, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to City</u>
Direct - City of Alliance			
General obligation bonds	\$ 980,000	100.00%	\$ 980,000
Special assessment bonds	250,000	100.00%	250,000
Police and fire pension	364,896	100.00%	364,896
	<u>1,594,896</u>		<u>1,594,896</u>
Overlapping debt:			
Alliance City Schools	9,713,707	90.65%	8,805,475
Stark County	6,825,179	4.06%	277,102
	<u>16,538,886</u>		<u>9,082,577</u>
Total direct and overlapping debt	<u>\$ 18,133,782</u>		<u>\$ 10,677,473</u>

Source: Ohio Municipal Advisory Council

CITY OF ALLIANCE, OHIO

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total assessed property value	\$ 288,748,770	\$ 299,234,860	\$ 296,983,320	\$ 296,403,070
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>30,318,621</u>	<u>31,419,660</u>	<u>31,183,249</u>	<u>31,122,322</u>
Debt outstanding				
General obligation bonds	980,000	1,335,000	1,680,000	2,015,000
Special assessment bonds	250,000	305,000	355,000	400,000
Enterprise general obligation bonds	1,182,000	1,740,000	2,185,000	2,620,000
OPWC loans	717,194	683,506	354,826	376,957
Revenue bonds	12,315,000	13,345,000	14,275,000	15,000,000
Notes	-	-	-	-
Total gross indebtedness	<u>15,444,194</u>	<u>17,408,506</u>	<u>18,849,826</u>	<u>20,411,957</u>
Less:				
Special assessment bonds	250,000	305,000	355,000	400,000
Enterprise general obligation bonds	1,182,000	1,740,000	2,185,000	2,620,000
OPWC loans	717,194	683,506	354,826	376,957
Revenue bonds	<u>12,315,000</u>	<u>13,345,000</u>	<u>14,275,000</u>	<u>15,000,000</u>
Total net debt applicable to debt limit	<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>	<u>2,015,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 29,338,621</u>	<u>\$ 30,084,660</u>	<u>\$ 29,503,249</u>	<u>\$ 29,107,322</u>
Legal debt margin as a percentage of the debt limit	96.77%	95.75%	94.61%	93.53%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>15,881,182</u>	<u>16,457,917</u>	<u>16,334,083</u>	<u>16,302,169</u>
Total gross indebtedness	15,444,194	17,408,506	18,849,826	20,411,957
Less:				
Special assessment bonds	250,000	305,000	355,000	400,000
Enterprise general obligation bonds	1,182,000	1,740,000	2,185,000	2,620,000
OPWC loans	717,194	683,506	354,826	376,957
Revenue bonds	<u>12,315,000</u>	<u>13,345,000</u>	<u>14,275,000</u>	<u>15,000,000</u>
Net debt within 5 1/2 % limitations	<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>	<u>2,015,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 14,901,182</u>	<u>\$ 15,122,917</u>	<u>\$ 14,654,083</u>	<u>\$ 14,287,169</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	93.83%	91.89%	89.71%	87.64%

Source: City financial records.

Notes:

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

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

2006	2005	2004	2003	2002	2001
\$ 290,531,674	\$ 290,572,913	\$ 282,876,811	\$ 264,876,811	\$ 272,855,775	\$ 285,396,462
<u>30,505,826</u>	<u>30,510,156</u>	<u>29,702,065</u>	<u>27,812,065</u>	<u>28,649,856</u>	<u>29,966,629</u>
2,345,000	2,665,000	2,995,000	895,000	1,105,000	1,300,000
445,000	490,000	530,000	570,000	605,000	640,000
3,040,000	3,460,000	3,960,000	190,000	285,000	380,000
399,088	301,855	318,302	45,272	47,934	50,596
15,820,000	16,605,000	17,355,000	21,330,000	22,395,000	23,410,000
-	-	-	2,495,000	2,355,000	3,060,000
<u>22,049,088</u>	<u>23,521,855</u>	<u>25,158,302</u>	<u>25,525,272</u>	<u>26,792,934</u>	<u>28,840,596</u>
445,000	490,000	530,000	570,000	605,000	640,000
3,040,000	3,460,000	3,960,000	190,000	285,000	380,000
399,088	301,855	318,302	45,272	47,934	50,596
15,820,000	16,605,000	17,355,000	21,330,000	22,395,000	23,410,000
<u>2,345,000</u>	<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>	<u>3,460,000</u>	<u>4,360,000</u>
<u>\$ 28,160,826</u>	<u>\$ 27,845,156</u>	<u>\$ 26,707,065</u>	<u>\$ 24,422,065</u>	<u>\$ 25,189,856</u>	<u>\$ 25,606,629</u>
92.31%	91.27%	89.92%	87.81%	87.92%	85.45%
<u>15,979,242</u>	<u>15,981,510</u>	<u>15,558,225</u>	<u>14,568,225</u>	<u>15,007,068</u>	<u>15,696,805</u>
22,049,088	23,521,855	25,158,302	25,525,272	26,792,934	28,840,596
445,000	490,000	530,000	570,000	605,000	640,000
3,040,000	3,460,000	3,960,000	190,000	285,000	380,000
399,088	301,855	318,302	45,272	47,934	50,596
15,820,000	16,605,000	17,355,000	21,330,000	22,395,000	23,410,000
<u>2,345,000</u>	<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>	<u>3,460,000</u>	<u>4,360,000</u>
<u>\$ 13,634,242</u>	<u>\$ 13,316,510</u>	<u>\$ 12,563,225</u>	<u>\$ 11,178,225</u>	<u>\$ 11,547,068</u>	<u>\$ 11,336,805</u>
85.32%	83.32%	80.75%	76.73%	76.94%	72.22%

CITY OF ALLIANCE, OHIO

PLEGGED REVENUE COVERAGE
WATER REVENUE BONDS
LAST TEN YEARS

Year	Operating Revenues	Direct Operating Expenses (1)	Cash and cash equivalents with fiscal agent	Net Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2010	\$ 3,935,652	\$ 3,397,003	\$ 1,677,494	\$ 2,216,143	\$ 1,030,000	\$ 470,863	1.48
2009	4,460,193	3,216,538	1,684,217	2,927,872	930,000	569,421	1.95
2008	4,343,787	3,060,768	1,862,595	3,145,614	855,000	739,300	1.97
2007	4,377,711	2,979,101	1,695,061	3,093,671	820,000	776,200	1.94
2006	4,420,598	2,685,625	1,680,873	3,415,846	785,000	773,099	2.19
2005	4,119,622	2,566,530	1,635,339	3,188,431	750,000	838,958	2.01
2004	3,917,644	2,463,697	1,600,706	3,054,653	720,000	873,230	1.92
2003	3,917,191	2,583,677	1,597,589	2,931,103	695,000	902,762	1.83
2002	4,091,878	2,028,142	1,624,484	3,688,220	665,000	929,005	2.31
2001	3,784,820	2,501,436	1,680,576	2,963,960	640,000	954,605	1.86

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

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Stark County Unemployment Rate (3)
2010	22,522	\$ 392,490,894	\$ 17,427	\$ 32,743	35.9	11.1%
2009	23,253	353,000,000	15,181	30,078	34.0	12.2%
2008	23,253	353,000,000	15,181	30,078	34.0	8.0%
2007	23,253	353,000,000	15,181	30,078	34.0	5.9%
2006	23,253	353,000,000	15,181	30,078	34.0	5.3%
2005	23,253	353,000,000	15,181	30,078	34.0	5.6%
2004	23,253	353,000,000	15,181	30,078	34.0	6.3%
2003	23,253	353,000,000	15,181	30,078	34.0	7.0%
2002	23,253	353,000,000	15,181	30,078	34.0	6.0%
2001	23,253	353,000,000	15,181	30,078	34.0	4.9%

Sources:

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

County Auditor

Notes:

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

(3) Stark County

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

CITY OF ALLIANCE, OHIO

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND THREE YEARS AGO**

December 31, 2010			
Employer	Employees	Rank	Percentage of Total City Employment
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 Comm Medical	61	10	0.51%
Total	6,456		53.82%
Total City Employment (1)	12,000		

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

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

Notes:

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

CITY OF ALLIANCE, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE YEARS**

Function/Program	2010	2009	2008	2007	2006
General Government					
Council and clerk					
Number of ordinances passed	95	86	95	97	116
Number of Resolutions passed	10	9	18	32	27
Number of planning commission docket items	27	17	26	30	34
Zoning board of appeals docket items	26	20	32	23	37
Finance Department					
Number of checks/vouchers issued	3,936	4,305	4,212	3,857	3,632
Number of payroll checks issued	2,681	3,064	3,823	4,154	4,458
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 20,387	\$ 43,384	\$ 338,202	\$ 758,752	\$ 621,555
Number of receipts issued	2,546	1,686	1,427	1,278	1,294
Number of journal entries issued	424	221	442	516	362
Number of budget adjustments issued	8	23	12	15	11
Agency ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa	Aaa
Health insurance costs	\$ 1,680,722	\$ 1,567,989	\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
General fund receipts (budgetary-basis)	\$ 14,203,022	\$ 11,248,650	\$ 10,977,577	\$ 11,819,838	\$ 9,820,070
General fund expenditures (budgetary-basis)	\$ 11,421,889	\$ 11,509,720	\$ 11,495,283	\$ 10,626,337	\$ 9,911,961
General fund cash balances	\$ 3,927,726	\$ 1,356,683	\$ 1,602,045	\$ 2,109,644	\$ 471,014
Income Tax Department					
Number of individual returns	8,084	8,418	8,770	8,392	8,372
Number of business returns	1,216	1,259	1,279	1,230	1,224
Number of business withholding accounts	4,467	4,459	4,470	4,702	4,683
Annual number of corporate withholding forms processed	3,380	3,220	3,288	n/a	n/a
Annual number of estimated payment forms processed	2,564	3,036	3,364	2,905	3,612
Annual number of reconciliation of withholding processed	3,576	3,436	3,651	3,651	2,898
Engineer Contracted Services					
Dollar amount of construction overseen by Engineer	\$ 268,152	\$ 1,029,635	\$ -	\$ 462,751	\$ 800,391
Private Construction Overseen/Inspected	\$ 97,600	\$ 275,000	\$ 740,300	n/a	n/a
Engineering Design Contracts	\$ 25,917	\$ 178,198	\$ 209,948	n/a	n/a
Municipal Court					
Number of civil cases filed	1,924	1,988	2,473	2,438	2,203
Number of criminal cases filed	1,763	1,746	1,894	1,815	1,592
Number of traffic cases filed	3,268	3,519	2,603	3,013	3,864
Total cases filed	6,955	7,253	6,970	7,266	7,659
Number of civil cases disposed	1,818	2,059	2,524	2,375	2,075
Number of criminal cases disposed	1,740	1,748	1,952	1,721	1,535
Number of traffic cases disposed	3,324	3,465	2,651	3,032	3,823
Total cases disposed	6,882	7,272	7,127	7,128	7,433
Vital Statistics					
Certificates filed	799	803	778	893	746
Number of births	401	450	432	522	438
Number of deaths	398	353	346	371	308
Certificates issued	3,621	4,078	4,402	5,324	4,715
Burial permits issued	392	365	333	303	434
Civil Service					
Number of police entry tests administered	-	-	-	1	1
Number of fire entry test administered	-	-	-	1	-
Number of police promotional tests administered	-	3	1	-	3
Number of fire promotional tests administered	-	-	-	4	-
Number of hires of police officers from certified lists	2	-	-	-	6
Number of hires of fire/medics from certified lists	-	-	-	2	-
Number of promotions from police certified lists	1	3	1	-	5
Number of promotions from fire certified lists	-	-	-	4	-

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CITY OF ALLIANCE, OHIO

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

Function/Program	2010	2009	2008	2007	2006
Building Department Indicators					
Construction permits issued	346	290	333	352	410
Estimated value of construction	\$ 13,906,316	\$ 12,270,074	\$ 29,005,371	\$ 14,782,277	\$ 19,463,377
Number of permits issued	1,324	1,164	909	880	936
Amount of revenue generated from permits	\$ 118,626	\$ 96,578	\$ 88,359	\$ 75,508	\$ 85,131
Number of contract registrations issued	248	119	133	135	148
Security of Persons & Property					
Police					
Total calls for services	43,950	42,920	44,302	49,742	59,394
Number of traffic citations issued	1,796	2,423	2,034	2,283	2,594
Number of parking citations issued	699	776	286	316	383
Number of criminal arrests	1,826	1,221	3,733	2,364	2,471
Number of accident reports completed	618	542	647	699	680
Felony offenses (F1-F5)	461	511	565	456	533
Misdemeanor offenses (M1-MM)	1,354	1,493	1,652	1,908	1,354
Police dept. auxiliary hours worked	1,418	956	1,200	2,045	912
DUI arrests	143	141	130	110	117
Prisoners	1,338	1,666	1,744	1,890	1,682
Motor vehicle accidents	803	908	1,040	1,326	1,275
Property damage accidents	669	790	892	1,181	513
Fatalities from motor vehicle accidents	2	-	1	4	2
Gasoline costs of fleet	\$ 105,476	\$ 84,070	\$ 114,869	\$ 85,139	\$ 77,146
Community diversion program - community service hours	94	396	249	339	890
Fire					
EMS/Rescue calls	2,024	1,885	1,925	1,759	459
Other EMS calls (assist ambulance, stand-by)	n/a	n/a	n/a	107	247
Structure fires	87	38	36	42	43
Fires other than structure	46	67	69	80	100
Other fire calls (electrical, smoke/odor, hazardous mat.)	738	530	699	549	542
Total calls for services	2,895	2,520	2,729	2,537	1,391
Fire with loss	41	43	64	58	61
Fires with losses exceeding \$10 K	5	9	8	10	9
Fire losses	\$ 2,416,875	\$ 627,410	\$ 388,255	\$ 484,155	\$ 660,420
Fire safety inspections	827	540	223	775	982
Number of times mutual aid given to fire and EMS	26	8	3	3	8
Number of times mutual aid received for fire and EMS	10	9	7	3	5
Fire Department receipts from fees & permits	\$ 961	\$ 855	\$ 813	\$ 125	\$ 1,330
Fire department total receipts	\$ 26,502	\$ 9,700	\$ 13,905	\$ 5,026	\$ 11,902
Public Health and Welfare					
Number of health inspections	1,363	1,476	1,531	1,562	1,551
Cemetery burials	78	73	62	63	75
Cemetery cremations	13	21	19	23	25
Cemetery sale of lots	45	69	78	60	37
Cemetery receipts	\$ 58,946	\$ 60,110	\$ 71,373	\$ 69,088	\$ 48,607

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CITY OF ALLIANCE, OHIO

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

Function/Program	2010	2009	2008	2007	2006
Leisure Time Activities					
Recreation					
Recreation mens & womens league receipts	\$ 4,520	\$ 3,330	\$ 2,100	\$ 1,865	\$ 3,530
Other fees	\$ -	\$ -	\$ 880	\$ 1,683	\$ 1,434
Cabin rentals	\$ 16,595	\$ 16,790	\$ 16,404	\$ 12,815	\$ 11,047
Robertson community center facility rentals	\$ 10,382	\$ 11,021	\$ 10,762	\$ 10,132	\$ 7,273
Robertson community center swimming pool receipts	\$ 38,439	\$ 32,949	\$ 43,664	\$ 42,239	\$ 44,309
Total recreation department receipts	\$ 69,936	\$ 64,095	\$ 73,810	\$ 68,734	\$ 67,593
Community Development					
Grant amounts received due to economic development dept.	\$ 726,519	\$ 693,414	\$ 680,239	\$ 707,476	\$ 923,769
Basic Utility Services					
Refuse disposal per year (in tons) January - December	7,306	8,885	11,371	8,796	9,645
Refuse disposal costs per year January - December	\$ 850,514	\$ 832,922	\$ 612,118	\$ 791,537	\$ 542,354
Annual recycling tonnage (excluding leaf and compost)	647.43	598.67	572.87	532.80	608.02
Percentage of waste recycled	8.86	6.31	5.04	5.70	5.72
Transportation					
Total area within corporation limit (square miles)	8.677	8.677	8.677	8.677	8.677
Total area within Stark County (square miles)	8.600	8.600	8.600	8.600	8.600
Total area within Mahoning County (square miles)	0.077	0.077	0.077	0.077	0.077
Total dedicated streets (miles)	106.462	106.462	106.462	106.462	106.462
Total paved street (miles)	79.343	79.343	79.343	79.343	79.343
Total unpaved street (miles)	27.119	27.119	27.119	27.119	27.119
Total number of street intersections	735	735	735	735	735
Street repair (curb, apron, berms, asphalt) (hours)	2,240	2,327	1,650	1,500	750
Guardrail repair (hours)	-	-	-	25	50
Paint striping (hours)	945	920	1,080	1,200	1,200
Street sweeper (hours)	518	719	607	553	620
Cold patch (hours)	4,235	4,395	3,780	3,500	3,000
Snow and ice removal regular hours	5,950	5,280	6,912	6,500	6,000
Snow and ice removal overtime hours	1,383	837	1,333	970	600
Tons of snow melting salt purchased (Nov-Mar)	3,402	2,987	3,511	2,352	2,044
Cost of salt purchased	\$ 172,872	\$ 140,713	\$ 125,622	\$ 83,185	\$ 70,776
Sewer and sanitary calls for service	87	96	96	110	108
After hours sewer calls (hours)	102	48	36	57	112
Sewer crew (hours)	17,349	18,335	18,327	18,458	17,952
Sewer jet, vac-all, other services (hours)	1,668	1,052	1,381	1,036	2,100
Landscaping, stump-chipper service (hours)	289	765	807	650	800
Leaf collection (hours)	1,706	1,716	1,285	1,532	1,688
Sign department (hours)	1,320	1,040	800	800	800
Water Department					
Water rates per 1st 300 Cu ft of water used (inside City rate)	\$ 4.93	\$ 4.61	\$ 4.48	\$ 4.35	\$ 4.35
Water rates per 1st 300 Cu ft of water used (outside City rate)	\$ 8.63	\$ 8.07	\$ 7.83	\$ 7.61	\$ 7.61
Avg. number of water accounts billed monthly (Cu. Ft)	9,851	9,819	9,875	9,909	9,897
Total water collections annually (including P&I)	\$ 4,208,926	\$ 4,057,088	\$ 4,208,863	\$ 4,224,254	\$ 4,188,073
Payments for bulk water purchases	\$ 34,668	\$ 31,726	\$ 14,222	\$ 30,181	\$ 34,029
Wastewater Department					
Wastewater rates per 1st 300 Cu ft of water used (inside City rate)	\$ 3.44	\$ 3.44	\$ 3.28	\$ 3.12	\$ 3.12
Wastewater rates per 1st 300 Cu ft of water used (outside City rate)	\$ 3.89	\$ 3.89	\$ 3.71	\$ 3.54	\$ 3.54
Total flow of wastewater treatment plant (billions of gallons)	1.52	1.33	1.68	1.64	1.73
Average daily flow (millions of gallons per day)	4.00	4.00	4.62	4.50	4.75
Tons of dry sludge removed	663	663	1,146	1,191	1,378

Source: Various City of Alliance departments

Note: Information prior to 2006 is not available

CITY OF ALLIANCE, OHIO

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

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

Source: Various City of Alliance departments.

Note: Information prior to 2006 was unavailable.

CITY OF ALLIANCE, OHIO

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

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

Source: City Payroll Department W2 Audit Listing

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

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

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Dave Yost • Auditor of State

CITY OF ALLIANCE

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 26, 2011