



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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 8, 2012. We also noted the City adopted Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. 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*.

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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 8, 2012.

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 "D" and "Y".

Dave Yost
Auditor of State

June 8, 2012



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 the City of Alliance's major federal program for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to opine on the City's compliance based on our audit.

Our compliance audit followed 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*. These 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 these 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 these 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 its major federal program for the year ended December 31, 2011.

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 8, 2012.

Federal Awards Expenditures Schedule

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance (the City) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 8, 2012. Our opinion also explained that the Government adopted *Governmental Accounting Standard No. 54* during the year. Our audit was performed to form an opinion 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.

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



Dave Yost
Auditor of State

June 8, 2012

**CITY OF ALLIANCE
STARK COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	2011 Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
Community Development Block Grants/Entitlement Grants	N/A	14.218	806,024
Community Development Block Grant Revolving Loan Program	N/A	14.218	37,399
ARRA -Community Development Block Grant ARRA Entitlement Grants	N/A	14.253	<u>133</u>
<i>Total Community Development Block Grant</i>			843,556
<i>Passed through the Ohio Department of Development</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	1311334820	14.228	<u>767,708</u>
Total U.S. Department of Housing and Urban Development			1,611,264
<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	3,202
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Health and the City of Canton Health Department</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	Not Available	10.557	149,892
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct</i>			
Bulletproof Vest Partnership Program	N/A	16.607	50,124
<i>Passed through the City of Canton Police Department</i>			
ARRA - COPS Grant	N/A	16.710	52,796
ARRA - Edward Byrne Memorial Justice Assistance Grant Program, Grants to Units of Local Government	Not Available	16.804	19,039
<i>Passed through Stark County</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program, Grants to Units of Local Government	Not Available	16.804	8,762
Total U.S. Department of Justice			<u>130,721</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct</i>			
Assistance to Firefighters Grant	N/A	97.044	<u>674</u>
Total			<u>\$ 1,895,753</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, 2011**

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 2011 is as follows:

Beginning loans receivable balance as of January 1, 2011	\$31,391
Loans made	0
Loan principal repaid	3,890
Ending loans receivable balance as of December 31, 2011	\$27,501
Cash balance on hand in the revolving loan fund as of December 31, 2011	\$68,226
Administrative costs expended during 2011	0

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2011, 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, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

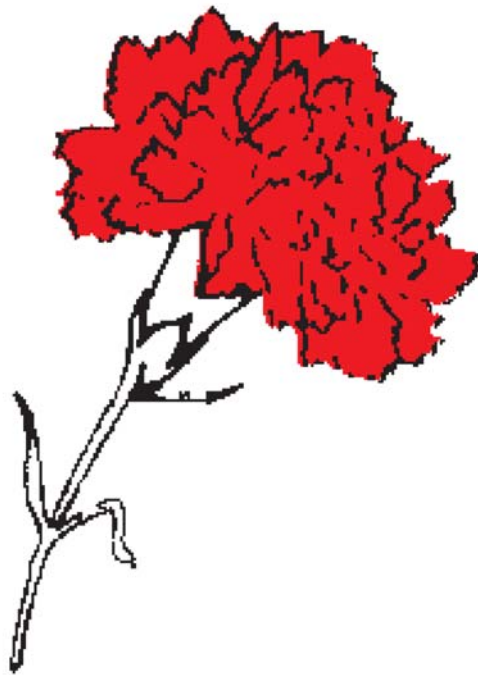
3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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City of Alliance, Ohio

“The Carnation City”



Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011

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The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



KEVIN KNOWLES

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June 8, 2012

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, 2011, 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 2011.

The City of Alliance

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

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

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

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

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

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

The University of Mount Union, a private four-year university with a total enrollment of approximately 2,200 students is located in the City. In 2005, Stark State College of Technology opened a branch location in the City. In addition, within commuting distance are several public and private two-year and four-year colleges and universities, including the University of Akron, Kent State University, Northeastern Ohio College of Medicine located in Rootstown Township, Portage County, Walsh University located in the City of North Canton, Stark County, Malone College located in the City of Canton, and Stark State College of Technology located in Jackson Township, Stark County.

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

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

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

In addition, 2,700 acres of recreational areas including lakes, reservoirs, trails and parks are located in the surrounding areas.

“Carnation Days”, an annual festival, is celebrated throughout the City for ten days each August. Activities include a festival pageant, a parade, concessions and games, musical events, and arts and crafts.

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

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

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

City Government

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

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

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

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

Financial Matters

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

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

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

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

Financial Outlook

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

Long-Term Financial Planning

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

Financial Information

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

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

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

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

Internal Accounting and Reporting Control

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

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

Awards

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. 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 twelve consecutive years (1999-2010). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

Independent Audit

The financial records, books of accounts and transactions of the City of Alliance, Ohio, for the year ended December 31, 2011 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, 2011

Mayor	Toni E. Middleton
President of Council	John Benincasa
Councilman - Ward I	Sheila K. Cherry
Councilman - Ward II	Phyllis Phillips
Councilman - Ward III	Roy Clunk
Councilman - Ward IV	Donald E. Kline
Council-at-Large	Julia A Jakmides
Council-at-Large	Sue Ryan
Council-at-Large	Lawrence Dordea
Clerk of Council	Gerald T. Yost
Law Director	Andrew Zumbar
Judge	Robert G. Lavery
Clerk of Court	Mary Anne Carper
Civil Service	Joyce Lamb, James Puckett, Renee Young

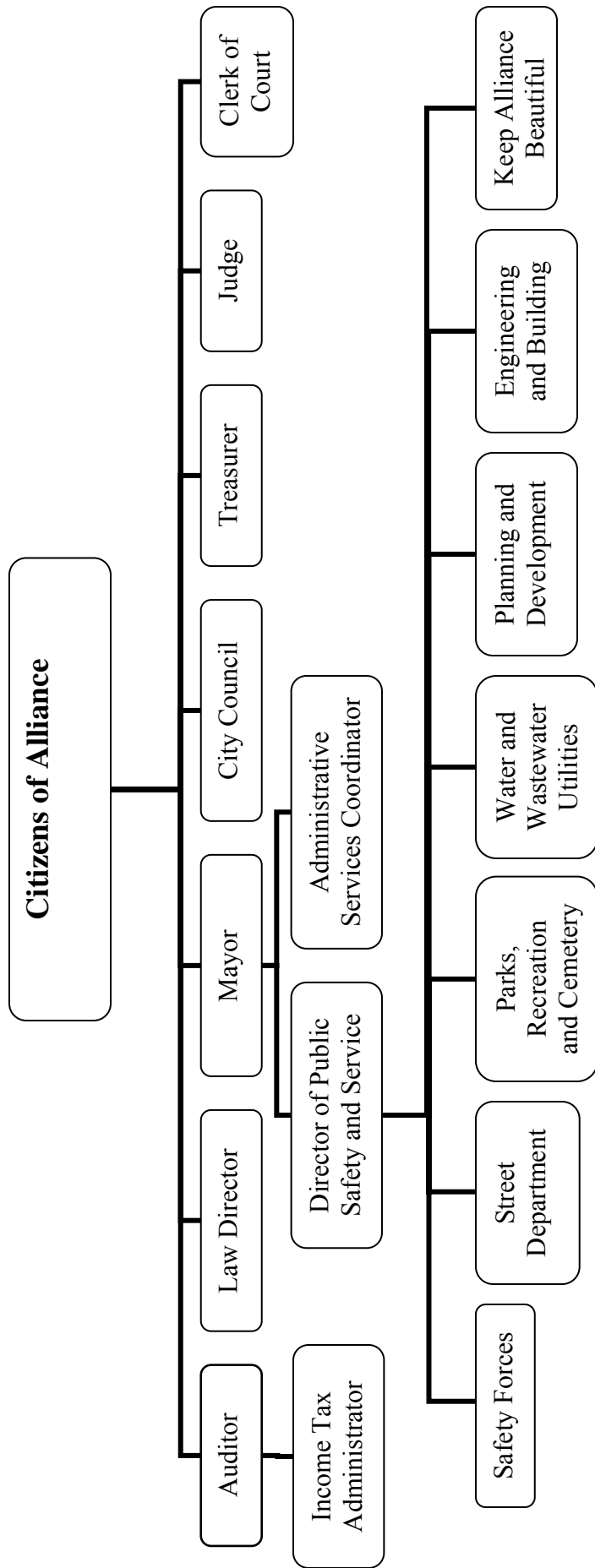
Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

Director of Public Safety and Service	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, 2010

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



Linda C. Dandson

President

Jeffrey R. Egan

Executive Director

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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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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, 2011, 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 8, 2012, 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.

As described in Note 3, during the year ended December 31, 2011 the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

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 8, 2012

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the 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 2011 are as follows:

- The total net assets of the City decreased \$647,765. Net assets of governmental activities decreased \$1,011,808 or 3.20% from 2010 and net assets of business-type activities increased \$364,043 or 1.86% over 2010.
- General revenues accounted for \$12,654,413 or 73.10% of total governmental activities revenue. Program specific revenues accounted for \$4,656,358 or 26.90% of total governmental activities revenue.
- The City had \$18,122,579 in expenses related to governmental activities; \$4,656,358 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$13,466,221 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,654,413.
- The general fund had revenues of \$11,170,702 in 2011. This represents a decrease of \$3,171,198 from 2010 revenues. The expenditures and other financing uses of the general fund, which totaled \$12,462,190 in 2011, increased \$1,047,369 from 2010. The net decrease in fund balance for the general fund was \$1,291,488 or 24.63%, from \$5,244,095 in 2010 to \$3,952,607 in 2011.
- The revolving loan major fund had \$563,703 in revenues and \$0 in expenditures in 2011. The fund balance for the revolving loan fund increased \$563,703 or 17.28%, from \$3,261,990 in 2010 to \$3,825,693 in 2011.
- Net assets for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$364,043 from a net asset balance of \$19,623,792 in 2010 to a net asset balance of \$19,987,835 in 2011.
- The water fund had \$4,380,453 in operating revenues and \$4,216,997 in operating expenses in 2011. The water fund also had non-operating revenues of \$387,438, non-operating expenses of \$580,908 and transfers in of \$200,000. The net assets of the water fund increased \$169,986 or 2.40%.
- The sewer fund had \$3,980,135 in operating revenues and \$3,583,255 in operating expenses in 2011. The sewer fund also had non-operating revenues of \$4,384 and non-operating expenses of \$120,255. The net assets of the sewer fund increased \$281,009 or 2.31%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

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 2011?" 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 38-40 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, 2011

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 23.

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 41-44 of this report, budgetary comparison for the general fund and the revolving loan fund (a major special revenue fund) can be found on pages 45-50 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 51-54 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one agency fund to account for monies received from cable franchise fees. The statement of fiduciary net assets can be found on page 55 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 56-93 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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, 2011 compared to December 31, 2010:

	Net Assets					
	Governmental Activities 2011	Restated Governmental Activities 2010	Business-type Activities 2011	Business-type Activities 2010	Total 2011	Restated Total 2010
<u>Assets</u>						
Current and other assets	\$ 16,635,787	\$ 17,506,461	\$ 11,790,773	\$ 11,465,190	\$ 28,426,560	\$ 28,971,651
Capital assets, net	<u>20,468,514</u>	<u>20,447,527</u>	<u>21,714,535</u>	<u>22,636,925</u>	<u>42,183,049</u>	<u>43,084,452</u>
Total assets	<u>37,104,301</u>	<u>37,953,988</u>	<u>33,505,308</u>	<u>34,102,115</u>	<u>70,609,609</u>	<u>72,056,103</u>
<u>Liabilities</u>						
Long-term liabilities						
outstanding	4,198,947	4,193,138	12,984,016	14,013,851	17,182,963	18,206,989
Other liabilities	<u>2,265,283</u>	<u>2,108,971</u>	<u>533,457</u>	<u>464,472</u>	<u>2,798,740</u>	<u>2,573,443</u>
Total liabilities	<u>6,464,230</u>	<u>6,302,109</u>	<u>13,517,473</u>	<u>14,478,323</u>	<u>19,981,703</u>	<u>20,780,432</u>
<u>Net Assets</u>						
Invested in capital						
assets, net of related debt	19,233,554	19,217,527	9,633,092	9,524,020	28,866,646	28,741,547
Restricted	6,058,176	7,276,746	1,234,824	1,200,279	7,293,000	8,477,025
Unrestricted	<u>5,348,341</u>	<u>5,157,606</u>	<u>9,119,919</u>	<u>8,899,493</u>	<u>14,468,260</u>	<u>14,057,099</u>
Total net assets	<u>\$ 30,640,071</u>	<u>\$ 31,651,879</u>	<u>\$ 19,987,835</u>	<u>\$ 19,623,792</u>	<u>\$ 50,627,906</u>	<u>\$ 51,275,671</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2011, the City's assets exceeded liabilities by \$50,627,906. At year-end, net assets were \$30,640,071 and \$19,987,835 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, 2011, capital assets represented 59.74% of total assets. Capital assets include land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2011, were \$19,233,554 and \$9,633,092 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, 2011, 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, \$6,058,176, 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 \$5,348,341 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, 2011**

The table below shows the changes in net assets for 2011 and 2010.

Change in Net Assets

	Governmental Activities 2011	Restated Governmental Activities 2010	Business-type Activities 2011	Business-type Activities 2010	Total 2011	Restated Total 2010
Revenues:						
Program revenues:						
Charges for services and sales	\$ 1,329,295	\$ 1,183,005	\$ 8,407,270	\$ 7,951,609	\$ 9,736,565	\$ 9,134,614
Operating grants and contributions	2,844,018	2,241,966	-	-	2,844,018	2,241,966
Capital grants and contributions	483,045	-	-	144,918	483,045	144,918
Total program revenues	4,656,358	3,424,971	8,407,270	8,096,527	13,063,628	11,521,498
General revenues:						
Property taxes	929,774	956,359	-	-	929,774	956,359
Income taxes	9,776,370	8,713,256	386,543	343,668	10,162,913	9,056,924
Unrestricted grants	1,103,878	4,524,885	-	-	1,103,878	4,524,885
Interest	8,435	10,202	5,279	6,768	13,714	16,970
Miscellaneous	835,956	504,111	-	-	835,956	504,111
Total general revenues	12,654,413	14,708,813	391,822	350,436	13,046,235	15,059,249
Total revenues	17,310,771	18,133,784	8,799,092	8,446,963	26,109,863	26,580,747
Expenses:						
General government	3,280,078	3,073,733	-	-	3,280,078	3,073,733
Security of persons and property	9,033,362	8,624,742	-	-	9,033,362	8,624,742
Public health services	1,034,561	1,015,414	-	-	1,034,561	1,015,414
Transportation	2,015,461	1,960,588	-	-	2,015,461	1,960,588
Community environment	1,856,513	1,355,294	-	-	1,856,513	1,355,294
Basic utility services	60,904	54,541	-	-	60,904	54,541
Leisure time activities	770,365	772,260	-	-	770,365	772,260
Interest	71,335	83,669	-	-	71,335	83,669
Water	-	-	4,834,781	4,616,259	4,834,781	4,616,259
Sewer	-	-	3,739,990	3,436,932	3,739,990	3,436,932
Robertson Community Center	-	-	60,278	56,745	60,278	56,745
Total expenses	18,122,579	16,940,241	8,635,049	8,109,936	26,757,628	25,050,177
Increase in net assets before transfers	(811,808)	1,193,543	164,043	337,027	(647,765)	1,530,570
Transfers	(200,000)	-	200,000	-	-	-
Change in net assets	(1,011,808)	1,193,543	364,043	337,027	(647,765)	1,530,570
Net assets at beginning year (restated)	31,651,879	30,458,336	19,623,792	19,286,765	51,275,671	49,745,101
Net assets at end of year	\$ 30,640,071	\$ 31,651,879	\$ 19,987,835	\$ 19,623,792	\$ 50,627,906	\$ 51,275,671

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Governmental Activities

Governmental activities net assets decreased \$1,011,808 in 2011.

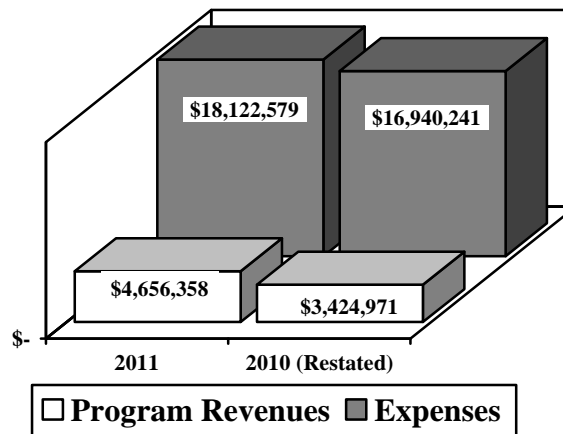
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$9,033,362 of the total expenses of the City. These expenses were partially funded by \$68,727 in direct charges to users of the services. General government expenses totaled \$3,280,078. General government expenses were partially funded by \$974,521 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,844,018 in operating grants and contributions and \$483,045 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$935,710 subsidized transportation and \$1,544,671 subsidized community environment. The total capital grants and contributions amount of \$483,045 subsidized transportation.

General revenues totaled \$12,654,413, and amounted to 73.10% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,706,144. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and estate taxes, making up \$1,103,878.

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

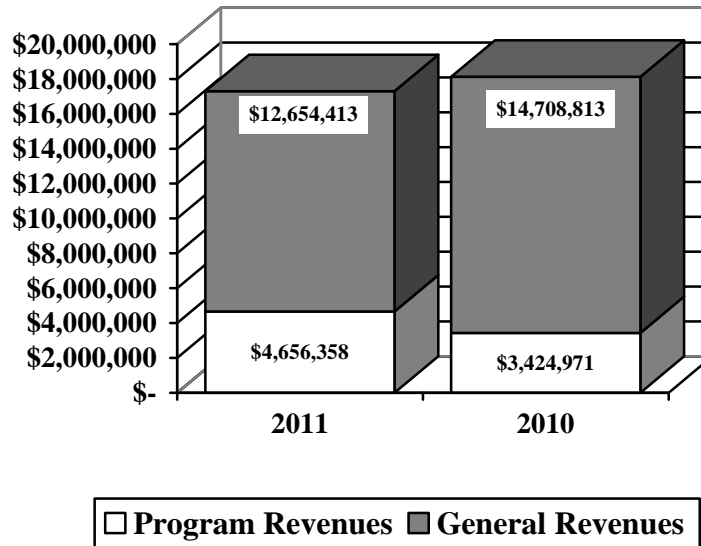
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Governmental Activities

	Total Cost of Services 2011	Net Cost of Services 2011	Restated Total Cost of Services 2010	Restated Net Cost of Services 2010
Program expenses:				
General government	\$ 3,280,078	\$ 2,273,514	\$ 3,073,733	\$ 2,328,259
Security of persons and property	9,033,362	8,833,551	8,624,742	8,540,619
Public health services	1,034,561	671,363	1,015,414	632,404
Transportation	2,015,461	596,706	1,960,588	998,308
Community environment	1,856,513	239,409	1,355,294	154,415
Basic utility services	60,904	60,904	54,541	54,541
Leisure time activities	770,365	719,439	772,260	723,055
Interest	71,335	71,335	83,669	83,669
Total expenses	\$ 18,122,579	\$ 13,466,221	\$ 16,940,241	\$ 13,515,270

The dependence upon general revenues for governmental activities is apparent, with 74.31% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2011 and 2010.

Governmental Activities – General and Program Revenues



Business-Type Activities

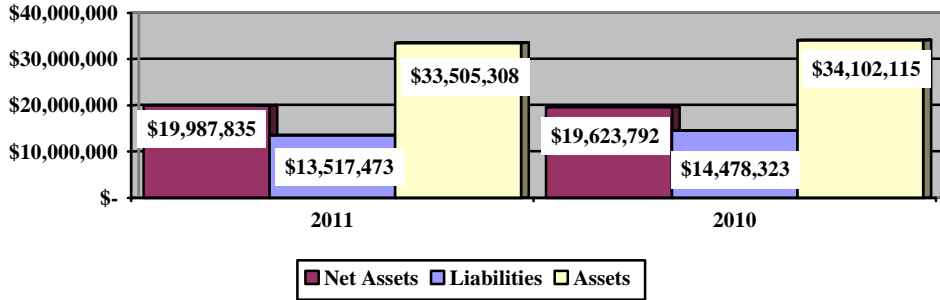
Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$8,407,270, general revenues of \$391,822 and expenses of \$8,635,049 for 2011.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

The City's governmental funds (as presented on the balance sheet on page 41) reported a combined fund balance of \$11,361,890 which is \$656,130 less than last year's total of \$12,018,020. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2011 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/2011</u>	<u>Fund Balances</u> <u>12/31/2010</u>	<u>Increase/</u> <u>(Decrease)</u>
Major funds:			
General	\$ 3,952,607	\$ 5,244,095	\$ (1,291,488)
Revolving loan	3,825,693	3,261,990	563,703
Other nonmajor governmental funds	<u>3,583,590</u>	<u>3,511,935</u>	<u>71,655</u>
Total	<u>\$ 11,361,890</u>	<u>\$ 12,018,020</u>	<u>\$ (656,130)</u>

General Fund

The City's general fund balance decreased \$1,291,488.

CITY OF ALLIANCE, OHIO

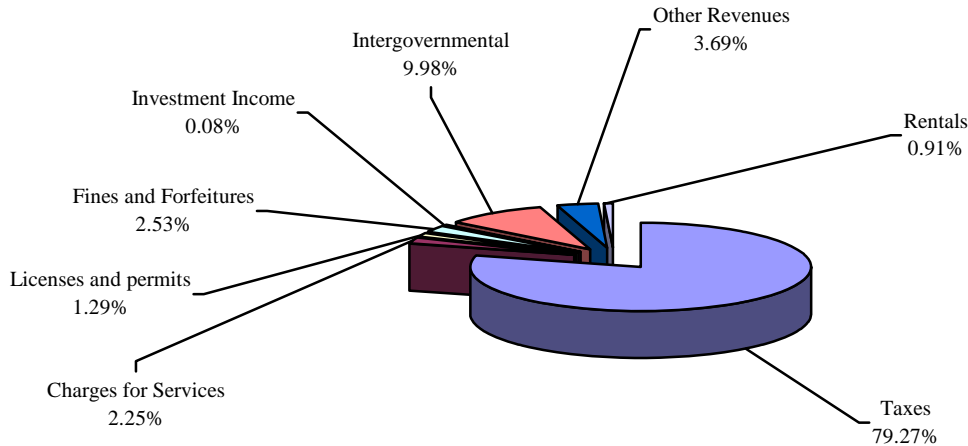
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

	<u>2011 Amount</u>	<u>2010 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Taxes	\$ 8,855,089	\$ 8,580,372	\$ 274,717	3.20 %
Charges for services	251,838	224,081	27,757	12.39 %
Licenses and permits	144,256	123,924	20,332	16.41 %
Fines and forfeitures	282,747	343,918	(61,171)	(17.79) %
Investment income	8,435	10,202	(1,767)	(17.32) %
Intergovernmental	1,114,381	4,569,955	(3,455,574)	(75.62) %
Rentals	101,858	84,887	16,971	19.99 %
Other	<u>412,098</u>	<u>404,561</u>	<u>7,537</u>	1.86 %
Total	<u>\$ 11,170,702</u>	<u>\$ 14,341,900</u>	<u>\$ (3,171,198)</u>	(22.11) %

Revenues of the general fund decreased \$3,171,198 or 22.11%. Tax revenues increased \$274,717 or 3.20%. The increase is the result of increase in individual income tax withholdings during the year. The investment income decreased \$1,767 or 17.32%. This decrease is due mainly to decreased interest rates earned on investments during 2011. The increase of \$16,971 or 19.99% in rentals is due to an increase in oil and gas well revenue. Intergovernmental revenue decreased \$3,455,574 or 75.62% due to a decrease in estate tax receipts. All other revenue remained comparable to 2010.

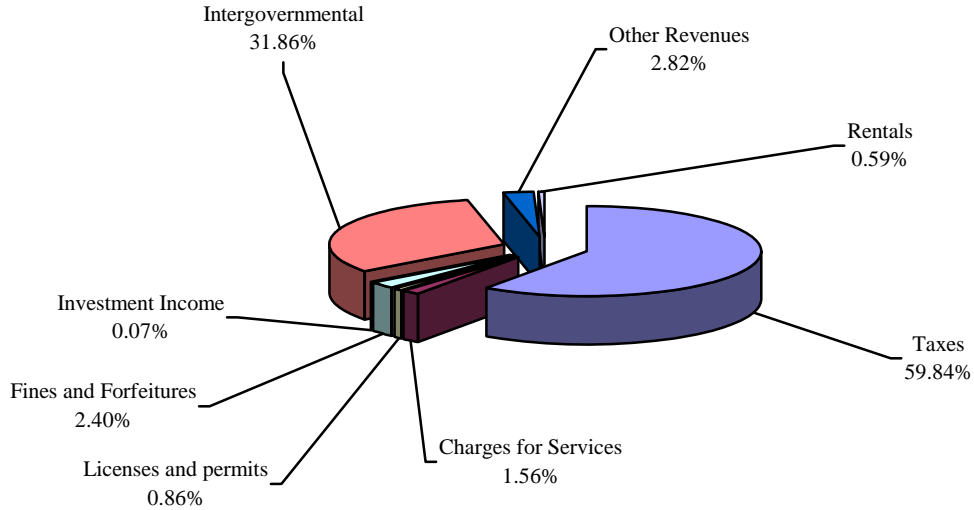
Revenues – 2011



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Revenues –2010



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

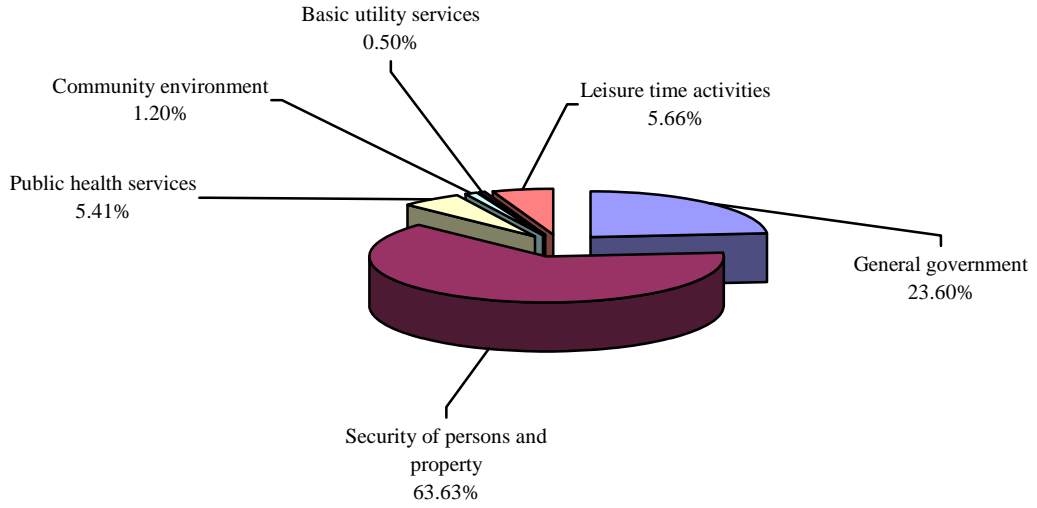
	<u>2011</u> <u>Amount</u>	<u>2010</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Expenditures:				
General government	\$ 2,633,737	\$ 2,387,766	\$ 245,971	10.30 %
Security of persons and property	7,100,946	6,814,928	286,018	4.20 %
Public health services	603,902	588,404	15,498	2.63 %
Community environment	134,055	133,717	338	0.25 %
Leisure time activities	631,225	657,273	(26,048)	(3.96) %
Basic utility services	<u>55,238</u>	<u>51,936</u>	<u>3,302</u>	6.36 %
Total	<u>\$ 11,159,103</u>	<u>\$ 10,634,024</u>	<u>\$ 525,079</u>	4.94 %

Expenditures of the general fund increased \$525,079 or 4.94%. The most significant increase was in the area of general government. General government expenditures increased \$245,971 or 10.30% due mainly to an increase in miscellaneous auditor and treasurer expenditures. All other major expenditures remained comparable to 2010.

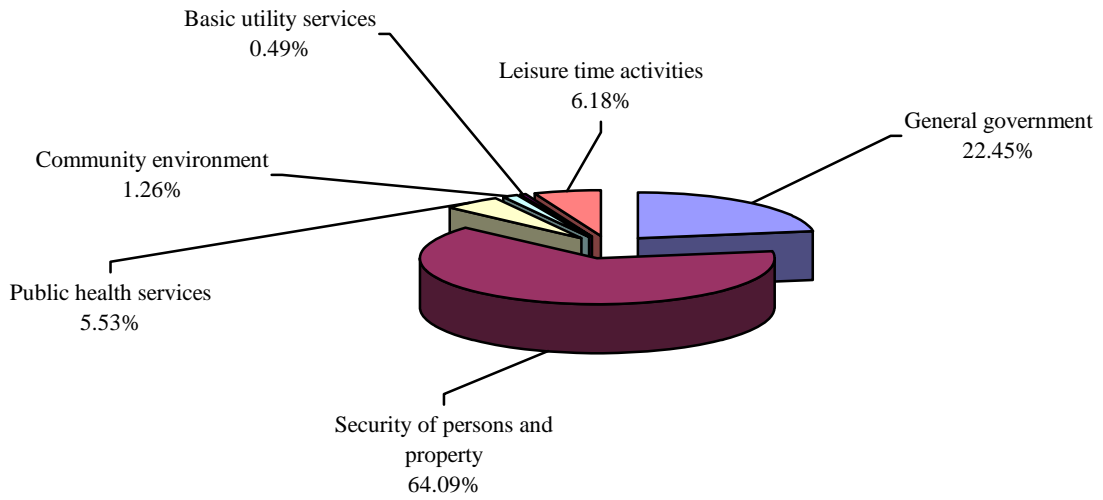
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Expenditures – 2011



Expenditures – 2010



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011

Revolving Loan Fund

The revolving loan major fund had \$563,703 in revenues and \$0 in expenditures in 2011. The fund balance for the revolving loan fund increased \$563,703 or 17.28%, from \$3,261,990 in 2010 to \$3,825,693 in 2011. 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 \$10,450,333 were less than the final budget amount of \$10,555,398. Actual expenditures and other financing uses of \$11,533,844 were lower than the final budget amount of \$11,986,266. The decrease of \$452,422 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 \$605,390 from the original to the final budget. This increase is due mainly to an increase of \$482,658 in transfers out. Budgeted revenues were increased \$941,530 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 51) reported a combined net assets of \$20,108,561, which is \$437,399 above last year's total of \$19,671,162.

The schedule below indicates the net assets and the total change in net assets as of December 31, 2011 for all major and nonmajor business-type funds.

	Net Assets <u>12/31/11</u>	Net Assets <u>12/31/10</u>	<u>Increase</u>
Major funds:			
Water	\$ 7,254,226	\$ 7,084,240	\$ 169,986
Sewer	12,465,555	12,184,546	281,009
Nonmajor:			
Robertson Community Center	<u>388,780</u>	<u>402,376</u>	<u>(13,596)</u>
Total	<u>\$ 20,108,561</u>	<u>\$ 19,671,162</u>	<u>\$ 437,399</u>

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Water

The City's water fund increased \$169,986 or 2.40% during 2011 from a net asset balance of \$7,084,240 in 2010 to \$7,254,226 in 2011.

	<u>2011</u> <u>Amount</u>	<u>2010</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 4,331,411	\$ 3,889,326	\$ 442,085	11.37 %
Other	<u>49,042</u>	<u>46,326</u>	<u>2,716</u>	5.86 %
Total operating revenues	<u>4,380,453</u>	<u>3,935,652</u>	<u>444,801</u>	11.30 %
<u>Operating expenses</u>				
Salaries and benefits	1,387,507	1,345,143	42,364	3.15 %
Fringe benefits	537,964	546,035	(8,071)	(1.48) %
Contractual services	535,692	573,954	(38,262)	(6.67) %
Materials and supplies	1,163,671	929,836	233,835	25.15 %
Depreciation	584,362	584,822	(460)	(0.08) %
Other	<u>7,801</u>	<u>2,035</u>	<u>5,766</u>	283.34 %
Total operating expenses	<u>4,216,997</u>	<u>3,981,825</u>	<u>235,172</u>	5.91 %
<u>Non-operating revenues</u>				
Municipal income tax	386,543	343,668	42,875	12.48 %
Investment income	<u>895</u>	<u>1,559</u>	<u>(664)</u>	(42.59) %
Total non-operating revenues	<u>387,438</u>	<u>345,227</u>	<u>42,211</u>	12.23 %
<u>Non-operating expenses</u>				
Interest and fiscal charges	567,875	599,021	(31,146)	(5.20) %
Loss on disposal of capital assets	<u>13,033</u>	<u>-</u>	<u>13,033</u>	100.00 %
Total non-operating expenses	<u>\$ 580,908</u>	<u>\$ 599,021</u>	<u>\$ (18,113)</u>	(3.02) %

Operating revenues of the water fund increased \$444,801 or 11.30%. This increase is the result of an increase to water consumption during the year. Operating expenses increased \$235,172 or 5.91% due to increases in materials and supplies. Interest and fiscal charges decreased \$31,146 or 5.20% 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, 2011**

Sewer

The City's sewer fund increased \$281,009 or 2.31% during 2011 from a net asset balance of \$12,184,546 in 2010 to \$12,465,555 in 2011.

	<u>2011</u>	<u>2010</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	\$ 3,956,527	\$ 3,689,895	\$ 266,632	7.23 %
Licenses and permits	23,608	51,600	(27,992)	(54.25) %
Other	<u>-</u>	<u>225,376</u>	<u>(225,376)</u>	(100.00) %
Total operating revenues	<u>3,980,135</u>	<u>3,966,871</u>	<u>13,264</u>	0.33 %
<u>Operating expenses</u>				
Salaries and benefits	1,569,279	1,492,399	76,880	5.15 %
Fringe benefits	535,609	548,274	(12,665)	(2.31) %
Contractual services	677,497	590,275	87,222	14.78 %
Materials and supplies	313,933	214,683	99,250	46.23 %
Depreciation	473,702	476,417	(2,715)	(0.57) %
Other	<u>13,235</u>	<u>982</u>	<u>12,253</u>	1,247.76 %
Total operating expenses	<u>3,583,255</u>	<u>3,323,030</u>	<u>260,225</u>	7.83 %
<u>Non-operating revenues</u>				
Capital contributions	-	144,918	(144,918)	100.00 %
Investment income	<u>4,384</u>	<u>5,209</u>	<u>(825)</u>	(15.84) %
Total non-operating revenues	<u>4,384</u>	<u>150,127</u>	<u>(145,743)</u>	(97.08) %
<u>Non-operating expenses</u>				
Interest and fiscal charges	79,157	72,682	6,475	8.91 %
Loss on disposal of capital assets	<u>41,098</u>	<u>4,914</u>	<u>36,184</u>	736.35 %
Total non-operating expenses	<u>\$ 120,255</u>	<u>\$ 77,596</u>	<u>\$ 42,659</u>	54.98 %

Operating revenues of the sewer fund increased \$13,264 or 0.33%. This increase can mainly be attributed to a usage increase from the prior year. Operating expenses increased \$260,225 or 7.83% due mainly to increased spending for materials and supplies and contractual services. Investment income decreased \$825 due to a decrease in interest rates earned on investments during 2011. Other revenue income decreased \$225,376 due to less miscellaneous revenues and reimbursements received by the City.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2011, the City had \$42,183,049 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$20,468,514 was reported in governmental activities and \$21,714,535 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, 2011**

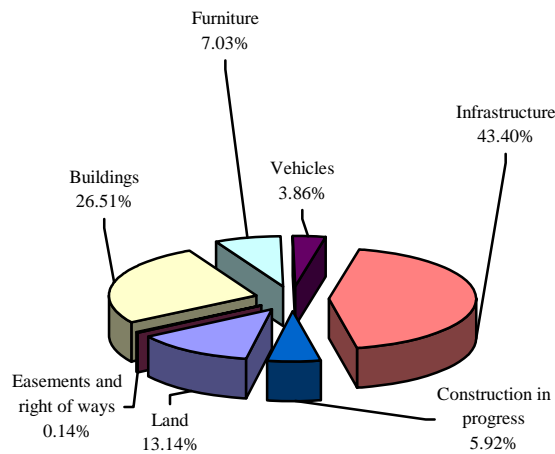
The following table shows December 31, 2011 balances compared to December 31, 2010:

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

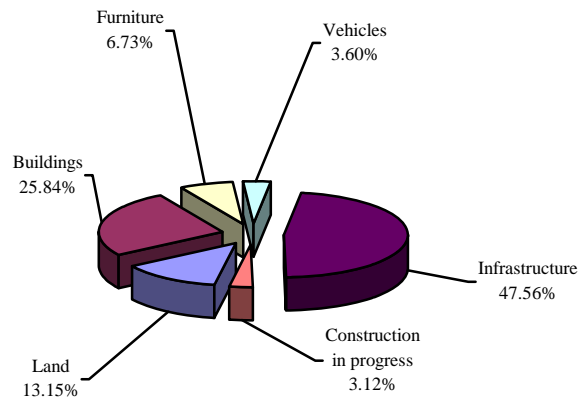
	Governmental Activities <u>2011</u>	Restated Governmental Activities <u>2010</u>	Business-type Activities <u>2011</u>	Business-type Activities <u>2010</u>	Total <u>2011</u>	Restated Total <u>2010</u>
Land	\$ 2,688,987	\$ 2,688,987	\$ 869,941	\$ 869,941	\$ 3,558,928	\$ 3,558,928
Easements and right of ways	29,150	-	-	-	29,150	-
Buildings, structures and improvements	5,425,248	5,282,908	4,979,594	5,307,714	10,404,842	10,590,622
Furniture, fixtures and equipment	1,437,966	1,377,524	2,764,788	2,930,672	4,202,754	4,308,196
Vehicles	790,150	736,320	-	-	790,150	736,320
Infrastructure	8,884,398	9,724,419	-	-	8,884,398	9,724,419
Land improvements	-	-	413,964	481,958	413,964	481,958
Water and sewer lines	-	-	12,499,760	12,936,276	12,499,760	12,936,276
Construction in progress	<u>1,212,615</u>	<u>637,369</u>	<u>186,488</u>	<u>110,364</u>	<u>1,399,103</u>	<u>747,733</u>
Total	<u>\$ 20,468,514</u>	<u>\$ 20,447,527</u>	<u>\$ 21,714,535</u>	<u>\$ 22,636,925</u>	<u>\$ 42,183,049</u>	<u>\$ 43,084,452</u>

The following graphs show the breakdown of governmental capital assets by category at December 31, 2011 and December 31, 2010.

**Capital Assets - Governmental Activities
2011**



**Capital Assets - Governmental Activities
2010 (Restated)**



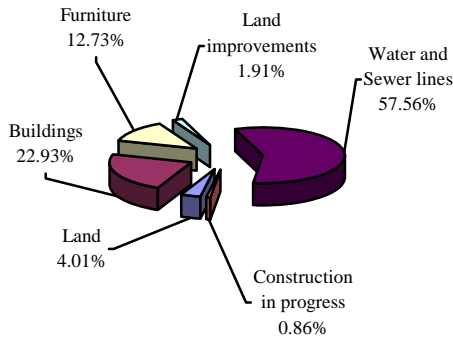
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, right-of-way, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 43.40% of the City's total governmental capital assets.

CITY OF ALLIANCE, OHIO

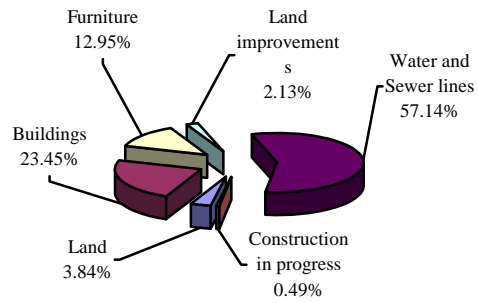
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2011 and December 31, 2010.

**Capital Assets - Business-type Activities
2011**



**Capital Assets - Business-type Activities
2010**



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 57.56% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2011 and 2010:

	Governmental Activities 2011	Governmental Activities 2010
General obligation bonds	\$ 735,000	\$ 980,000
Special assessment bonds	195,000	250,000
Police and fire pension liability	356,156	364,896
OPWC loans	304,960	-
Total long-term obligations	\$ 1,591,116	\$ 1,594,896

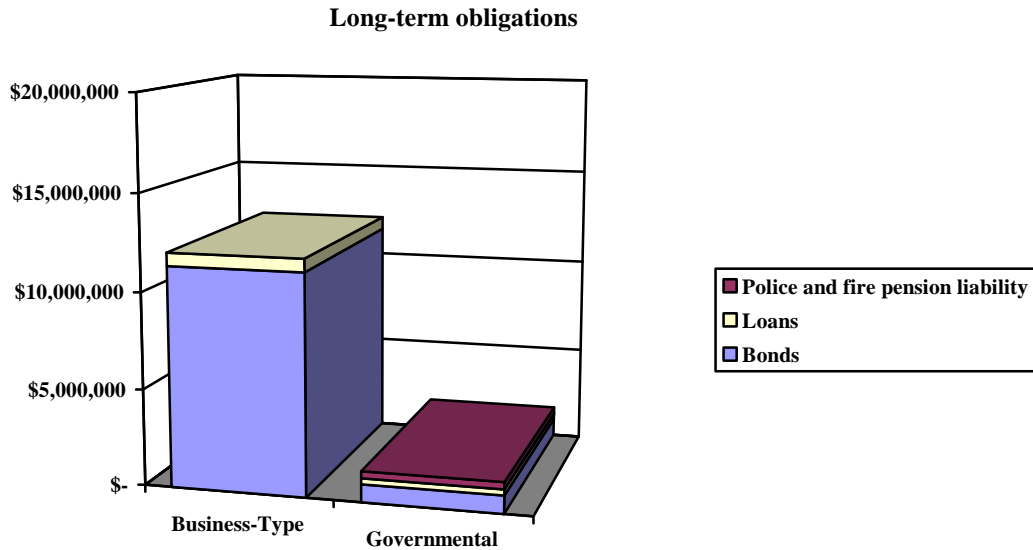
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Business-type Activities <u>2011</u>	Business-type Activities <u>2010</u>
Revenue bonds	\$ 10,265,234	\$ 11,213,711
General obligation bonds	<u>1,142,000</u>	<u>1,182,000</u>
Total bonds	<u>11,407,234</u>	<u>12,395,711</u>
OPWC loans	<u>674,209</u>	<u>717,194</u>
Total long-term obligations	<u>\$ 12,081,443</u>	<u>\$ 13,112,905</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, 2011

Economic Condition and Outlook

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

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

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

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

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

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

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 former 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.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

Current Outlook

The City will continue to face difficult budget decisions in the near future due to the reduction or elimination of various general fund revenue sources. The State of Ohio Estate tax has been repealed for estates of individuals dying on or after January 1, 2013. The fiscal year 2012-2013 biennial budget (Am. Sub. H.B. 153, 129th General Assembly) significantly changed the distribution of the Local Government Fund (LGF). It is anticipated that these cuts to LGF will result in a 50% reduction to the City. The fiscal year 2012-2013 State budget calls for the accelerated phase-out of payments made by the State to local governments for revenues once collected on tangible personal property and certain types of electricity generation.

Income tax collections, which provides for the bulk of general fund revenue exceeded 2010 results by 12.37%. Unemployment rates in Stark County as of December 2011 were at 8.9% down from 10.2% in December 2010. Income tax collection increases are reflective of this. In addition, one of the City's largest employers, Alliance Castings resumed operations in 2011 after a period of idling.

The general fund ending cash balance for 2011 was \$2,854,511. The City is examining new sources of revenue streams as well as analyzing ways to reduce expenditures in light of revenue reductions and increasing operating costs in areas such as health care.

Long-Term Financial Planning

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

Urban Development Action Grant (UDAG) Loan for American Recycling Services LLC

Alliance City council authorized an Urban Development Action Grants (UDAG) loan in the amount of \$154,000 to American Recycling Services LLC. The loan was to assist in the relocation and expansion to the former Star Bronze building. It is anticipated that this expansion will create 9 additional jobs.

Jailing Dispute Settled

The City and Stark County settled a long standing dispute in 2011 related to the County's charges to the City for housing its prisoners. Both parties agreed to \$50,000 payment, less than 30% of the original amount allegedly owed by the City. The settlement also authorized the establishment of a mutually agreed upon price for services going forward. The City Law Director negotiated the agreement in response to suit filed against the City by Stark County.

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

The City's renovation of the Dr. Martin Luther King, Jr. Viaduct was completed in 2011. Stark County Area Transportation Study (SCATS) provided \$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. Final costs for the project are being tallied. 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 are still being completed.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

Citizen Police Academy Program

The Alliance Police Department resumed its Citizens Policy Academy program. The program designed to educate City residents as to the operations of the Police Department is another example of the Department's commitment to community oriented policing strategies.

Mount Olive Lodge:

Alliance City Council authorized a \$50,000 loan from its Urban Development Action Grants fund (UDAG) to the Mt. Olive/Masonic Lodge of Alliance. The loan will provide for repairs to the vacant and deteriorating building. The organization plans on opening the newly restored building to its members in March of 2012.

Alliance Street Department purchases Durapatcher for Street Repairs

The Street Department invested in new technology to improve upon maintenance and repairs of City streets with the purchase of a Durapatcher at cost of \$65,000. The Durapatcher provides for more durable repairs to streets and potholes. It is also anticipated that it will lead to reductions in expenses related to materials as well as reduce the risk of injury to employees. The machine was funded in part, by a \$40,000 Bureau of Worker's Comp Safety Grant.

Water - Sewer Rates Unchanged

The City made no changes to water and sewer rates in 2011. The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements.

City Cemetery Building replaced after arson

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

Demolition Program

Sixteen condemned structures were demolished within the City during 2011. Funding came from Community Development Block Grants.

Street Resurfacing

The City appropriated \$650,000 towards its annual street resurfacing program; \$350,000 from street funds, \$200,000 from master capital, and \$100,000 from TIF funding. Repairs ranged for full depth replacement to chip and seal resurfacing. Areas included section(s) of Glamorgan from Leadway to Briarcliff, 23rd Street from Burton to Ridgewood, Edgewood from Oakwood to south of Santee, Grant Street from the west end to Rockhill, Liberty Avenue South from Summit to Oxford, Lincoln from Wayne to Vine, Oakwood from Rockhill to Cedarwood, Rockhill from Mill to State Street and a portion of Pleasant.

In addition, the City completed resurfacing of Main Street from MLK Bridge to Union Avenue. This project was completed using 2 years worth of Municipal Road funds as well as a Transportation Improvement funding.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

Retail Expansion in Alliance

Several new retail locations were opened within the City in 2011. Kohl's Department Store, completed renovations to its building on West State Street. Panera Bread, Chipotle, and other retail establishments are housed in a newly constructed plaza next to the Buckeye Village Plaza.

Replacement of Key Personnel

The City is working to replace several key employees retiring during 2012. Safety Service Director John Blaser, Safety Service Coordinator Nancy Waffler, Water Distribution Superintendent Mike Dreger and Alliance City Fire Chief Scott Cochran are among the known retirements.

2008 General Obligation Bond Issue

The City will finalize a bond issue of \$2.5 million to assist in the funding of the purchase of a new fire truck, police and fire radio equipment and UV light water treatment project. In addition, the issue will refinance its 1998 Various Purpose bonds at a lower rate for a cost savings.

City proceeds with UV Light Water Treatment Project

The City is proceeding with plans to incorporate UV light into its current water treatments process. The technology is expected to eliminate up to 90% of 2-methylisoborneol (MIB) a chemical by-product of algae blooms responsible for taste and odor issues in treated water. This is strictly an aesthetic issue with the water. From a regulatory standpoint, there are no problems with the City's drinking water. In addition, this process is expected to reduce overall operating costs related to treating water. The projected cost of this system is expected to be \$2.2 million dollars. Half of this cost is being funded through a 0% OPWC loan and the other half through the 2012 general obligation bond issue. The project is expected to be completed early 2013.

City to Purchase New Fire Rescue Pumper

The City is purchasing a new Pierce Rescue Pumper in 2012. This vehicle will replace two vehicles currently in use, Engine 11, a 1989 Pierce Arrow Pumper and Rescue 16, a 1982 Chevrolet Step Van, converted for fire service use as a rescue vehicle. The cost of the vehicle is estimated to be approximately \$450,000. Funding will be provided through a 2012 general obligation bond with repayment over a five year period.

Radio Equipment- Mandatory Narrowbanding

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

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011

Sidewalks for Schools Project

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

State Route 183 Bridge Project

Work will continue on a section of State Route 183 between the area of Main Street and Ely. The project is designed to provide proper clearance for trucks near the area of the railroad bridge. Costs include moving water and sewer lines as well as acquisition of property to accommodate the project. The overall expected cost is \$6,274,396. The City was awarded an OPWC grant in the amount of \$534,693 to help fund the project. The City's out of pocket contribution to this project is estimated to be approximately \$167,000.

9/11 Memorial to be Erected

A monument is slated to be completed in remembrance of the 9/11 World Trade Center tragedy. The monument includes two artifacts from the World Trade Center's South Tower that will be erected at Memorial Park. The cost of the project, estimated between \$5,000 and \$7,000 will be funded through private donations.

New Administration

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

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, 2011

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 9,157,056	\$ 7,367,516	\$ 16,524,572
Receivables (net of allowances for uncollectibles):			
Municipal income taxes.	2,923,615	121,817	3,045,432
Property and other taxes	1,052,458	-	1,052,458
Accounts.	86,671	1,370,480	1,457,151
Special assessments	1,122,175	-	1,122,175
Intergovernmental	834,682	-	834,682
Loans	1,249,079	-	1,249,079
Internal balances	120,726	(120,726)	-
Prepayments	21,223	20,969	42,192
Materials and supplies inventory	47,787	514,022	561,809
Deferred charges	-	222,283	222,283
Restricted assets:			
Equity in pooled cash and cash equivalents	-	616,385	616,385
Cash and cash equivalents with fiscal agents.	20,315	1,678,027	1,698,342
Capital assets:			
Nondepreciable capital assets	3,930,752	1,056,429	4,987,181
Depreciable capital assets, net.	16,537,762	20,658,106	37,195,868
Total capital assets, net	<u>20,468,514</u>	<u>21,714,535</u>	<u>42,183,049</u>
Total assets	<u>37,104,301</u>	<u>33,505,308</u>	<u>70,609,609</u>
Liabilities:			
Accounts payable.	365,370	240,704	606,074
Accrued wages and benefits payable	159,315	52,423	211,738
Claims payable.	259,170	-	259,170
Due to other governments	590,411	118,180	708,591
Accrued interest payable	8,376	122,150	130,526
Unearned revenue	882,641	-	882,641
Long-term liabilities:			
Due within one year	919,384	1,420,256	2,339,640
Due in more than one year.	3,279,563	11,563,760	14,843,323
Total liabilities	<u>6,464,230</u>	<u>13,517,473</u>	<u>19,981,703</u>
Net assets:			
Invested in capital assets, net of related debt	19,233,554	9,633,092	28,866,646
Restricted for:			
Debt service	346,139	618,439	964,578
Capital projects	31,763	-	31,763
Transportation projects	285,686	-	285,686
Public service programs.	737,980	-	737,980
Community development programs	3,976,347	-	3,976,347
Police and fire pension	76,794	-	76,794
Security programs	235,720	-	235,720
Other purposes.	367,747	-	367,747
Replacement and surplus reserve	-	616,385	616,385
Unrestricted	<u>5,348,341</u>	<u>9,119,919</u>	<u>14,468,260</u>
Total net assets	<u>\$ 30,640,071</u>	<u>\$ 19,987,835</u>	<u>\$ 50,627,906</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,280,078	\$ 974,521	\$ 32,043	\$ -
Security of persons and property . . .	9,033,362	68,727	131,084	-
Public health and welfare	1,034,561	162,688	200,510	-
Transportation	2,015,461	-	935,710	483,045
Community environment.	1,856,513	72,433	1,544,671	-
Basic utility services.	60,904	-	-	-
Leisure time activity.	770,365	50,926	-	-
Interest and fiscal charges.	71,335	-	-	-
Total governmental activities	<u>18,122,579</u>	<u>1,329,295</u>	<u>2,844,018</u>	<u>483,045</u>
Business-type activities:				
Water	4,834,781	4,380,453	-	-
Sewer	3,739,990	3,980,135	-	-
Robertson Community Center.	60,278	46,682	-	-
Total business-type activities	<u>8,635,049</u>	<u>8,407,270</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 26,757,628</u>	<u>\$ 9,736,565</u>	<u>\$ 2,844,018</u>	<u>\$ 483,045</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	
 Transfers	
 Total general revenues and transfers.	
 Change in net assets	
 Net assets at beginning of year (restated).	
 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
\$ (2,273,514)	\$ -	\$ (2,273,514)
(8,833,551)	-	(8,833,551)
(671,363)	-	(671,363)
(596,706)	-	(596,706)
(239,409)	-	(239,409)
(60,904)	-	(60,904)
(719,439)	-	(719,439)
(71,335)	-	(71,335)
<u>(13,466,221)</u>	<u>-</u>	<u>(13,466,221)</u>
-	(454,328)	(454,328)
-	240,145	240,145
-	(13,596)	(13,596)
<u>-</u>	<u>(227,779)</u>	<u>(227,779)</u>
<u>(13,466,221)</u>	<u>(227,779)</u>	<u>(13,694,000)</u>
790,448	-	790,448
69,663	-	69,663
69,663	-	69,663
8,133,560	-	8,133,560
676,451	-	676,451
966,359	-	966,359
-	386,543	386,543
1,103,878	-	1,103,878
8,435	5,279	13,714
835,956	-	835,956
<u>12,654,413</u>	<u>391,822</u>	<u>13,046,235</u>
<u>(200,000)</u>	<u>200,000</u>	<u>-</u>
<u>12,454,413</u>	<u>591,822</u>	<u>13,046,235</u>
(1,011,808)	364,043	(647,765)
<u>31,651,879</u>	<u>19,623,792</u>	<u>51,275,671</u>
<u>\$ 30,640,071</u>	<u>\$ 19,987,835</u>	<u>\$ 50,627,906</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 3,087,487	\$ 2,610,070	\$ 3,134,036	\$ 8,831,593
Receivables (net of allowance for uncollectibles):				
Municipal income taxes	2,405,892	-	517,723	2,923,615
Property and other taxes	877,274	-	175,184	1,052,458
Accounts	74,422	-	9,297	83,719
Intergovernmental	341,203	-	493,479	834,682
Special assessments	851,577	-	270,598	1,122,175
Loans	-	1,221,578	27,501	1,249,079
Prepayments	15,822	-	5,401	21,223
Materials and supplies inventory	14,259	-	33,528	47,787
Restricted assets:				
Cash with fiscal and escrow agents	-	-	20,315	20,315
Total assets	<u>\$ 7,667,936</u>	<u>\$ 3,831,648</u>	<u>\$ 4,687,062</u>	<u>\$ 16,186,646</u>
Liabilities:				
Accounts payable	\$ 249,235	\$ 1,419	\$ 114,716	\$ 365,370
Accrued wages and benefits payable	140,903	-	18,412	159,315
Compensated absences payable	23,616	-	-	23,616
Due to other governments	502,508	4,536	83,367	590,411
Deferred revenue	2,067,082	-	736,321	2,803,403
Unearned revenue	731,985	-	150,656	882,641
Total liabilities	<u>3,715,329</u>	<u>5,955</u>	<u>1,103,472</u>	<u>4,824,756</u>
Fund balances:				
Nonspendable	88,225	-	38,929	127,154
Restricted	-	3,825,693	1,971,688	5,797,381
Committed	10,289	-	1,575,115	1,585,404
Assigned	64,886	-	1,000	65,886
Unassigned (deficit)	3,789,207	-	(3,142)	3,786,065
Total fund balances	<u>3,952,607</u>	<u>3,825,693</u>	<u>3,583,590</u>	<u>11,361,890</u>
Total liabilities and fund balances	<u>\$ 7,667,936</u>	<u>\$ 3,831,648</u>	<u>\$ 4,687,062</u>	<u>\$ 16,186,646</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, 2011

Total governmental fund balances		\$	11,361,890
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			20,468,514
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Municipal income taxes receivable	\$	1,088,970	
Property and other taxes receivable		145,234	
Special assessments receivable		1,122,175	
Intergovernmental receivable		447,024	
Total		447,024	2,803,403
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 \$120,726, are:			189,971
Accrued interest payable is not due and payable in the current period and therefore is not reported in the governmental funds.			(8,376)
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		(735,000)	
Special assessment bonds		(195,000)	
Police and fire pension liability		(356,156)	
Loans payable		(304,960)	
Compensated absences		(2,584,215)	
Total		(2,584,215)	(4,175,331)
Net assets of governmental activities		\$	30,640,071

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, 2011

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 8,046,213	\$ -	\$ 1,624,014	\$ 9,670,227
Property and other taxes	808,876	-	146,178	955,054
Charges for services.	251,838	-	-	251,838
Licenses, permits and fees	144,256	-	75,578	219,834
Fines and forfeitures	282,747	-	178,755	461,502
Intergovernmental	1,114,381	-	3,234,720	4,349,101
Special assessments	-	-	62,204	62,204
Investment income.	8,435	64,364	1,931	74,730
Rental income	101,858	-	-	101,858
Contributions and donations	20	-	4,364	4,384
Other	412,078	499,339	128,029	1,039,446
Total revenues	<u>11,170,702</u>	<u>563,703</u>	<u>5,455,773</u>	<u>17,190,178</u>
Expenditures:				
Current:				
General government	2,633,737	-	116,202	2,749,939
Security of persons and property	7,100,946	-	1,120,019	8,220,965
Public health services	603,902	-	352,434	956,336
Transportation	-	-	1,106,279	1,106,279
Community environment.	134,055	-	1,625,770	1,759,825
Leisure time activities	631,225	-	-	631,225
Basic utility services	55,238	-	-	55,238
Capital outlay	-	-	2,089,454	2,089,454
Debt service:				
Principal retirement.	-	-	308,740	308,740
Interest and fiscal charges	-	-	73,267	73,267
Total expenditures	<u>11,159,103</u>	<u>-</u>	<u>6,792,165</u>	<u>17,951,268</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>11,599</u>	<u>563,703</u>	<u>(1,336,392)</u>	<u>(761,090)</u>
Other financing sources (uses):				
Transfers in	-	-	1,393,096	1,393,096
Transfers (out).	(1,303,087)	-	(290,009)	(1,593,096)
OPWC loan issuance	-	-	304,960	304,960
Total other financing sources (uses)	<u>(1,303,087)</u>	<u>-</u>	<u>1,408,047</u>	<u>104,960</u>
Net change in fund balances	(1,291,488)	563,703	71,655	(656,130)
Fund balances at beginning of year	<u>5,244,095</u>	<u>3,261,990</u>	<u>3,511,935</u>	<u>12,018,020</u>
Fund balances at end of year	<u>\$ 3,952,607</u>	<u>\$ 3,825,693</u>	<u>\$ 3,583,590</u>	<u>\$ 11,361,890</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, 2011

Net change in fund balances - total governmental funds \$ (656,130)

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 cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.

Capital asset additions	\$	1,605,167	
Current year depreciation		(1,557,995)	
Total			47,172

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (26,185)

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

Municipal income taxes		106,143	
Property taxes		(25,280)	
Intergovernmental		(79,240)	
Special assessments		89,820	
Total			91,443

Proceeds of loans are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets. (304,960)

Repayment of bond principal and the police and fire pension liability are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 308,740

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,932

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. 14,027

The 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 (\$73,356) is allocated among the governmental activities. (487,847)

Change in net assets of governmental activities \$ (1,011,808)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 6,824,110	\$ 7,492,426	\$ 7,503,469	\$ 11,043
Property and other taxes	788,965	866,232	801,497	(64,735)
Charges for services.	114,390	125,593	97,742	(27,851)
Licenses, permits and fees.	124,882	137,112	144,335	7,223
Fines and forfeitures.	311,494	342,000	286,281	(55,719)
Intergovernmental	1,074,323	1,179,536	1,204,918	25,382
Investment income.	6,376	7,000	8,435	1,435
Rental income	79,058	86,800	99,032	12,232
Contributions and donations	273	300	20	(280)
Other	289,998	318,399	304,604	(13,795)
Total revenues.	<u>9,613,868</u>	<u>10,555,398</u>	<u>10,450,333</u>	<u>(105,065)</u>
Expenditures:				
Current:				
General government:				
Mayor:				
Salaries and wages	82,087	83,287	83,283	4
Fringe benefits	35,060	33,860	32,984	876
Contractual services.	2,600	2,320	2,160	160
Materials and supplies.	1,400	1,900	1,604	296
Total mayor	<u>121,147</u>	<u>121,367</u>	<u>120,031</u>	<u>1,336</u>
Senior center:				
Salaries and wages	35,000	36,000	35,886	114
Fringe benefits.	15,369	15,219	15,177	42
Contractual services	200	200	200	-
Materials and supplies	1,700	1,700	1,700	-
Total senior center.	<u>52,269</u>	<u>53,119</u>	<u>52,963</u>	<u>156</u>
Auditor:				
Salaries and wages.	90,100	91,805	91,805	-
Fringe benefits	37,879	37,679	37,470	209
Contractual services	25,800	25,195	20,633	4,562
Materials and supplies	5,000	5,605	5,394	211
Total auditor.	<u>158,779</u>	<u>160,284</u>	<u>155,302</u>	<u>4,982</u>
Treasurer:				
Salaries and wages.	3,754	3,754	3,754	-
Fringe benefits	752	752	732	20
Materials and supplies	150	150	100	50
Total treasurer	<u>4,656</u>	<u>4,656</u>	<u>4,586</u>	<u>70</u>
Law director:				
Salaries and wages	150,000	150,000	139,957	10,043
Fringe benefits	53,263	53,263	51,612	1,651
Contractual services	3,739	3,739	2,702	1,037
Materials and supplies	1,790	1,790	1,781	9
Total law director.	<u>208,792</u>	<u>208,792</u>	<u>196,052</u>	<u>12,740</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
City council:				
Salaries and wages	\$ 30,261	\$ 30,261	\$ 30,261	\$ -
Fringe benefits.	5,978	5,978	5,839	139
Total city council	<u>36,239</u>	<u>36,239</u>	<u>36,100</u>	<u>139</u>
Clerk of council:				
Salaries and wages.	8,450	8,496	8,495	1
Fringe benefits	1,603	1,603	1,588	15
Contractual services	10,500	10,500	9,334	1,166
Materials and supplies	650	650	565	85
Total clerk of council.	<u>21,203</u>	<u>21,249</u>	<u>19,982</u>	<u>1,267</u>
Judge and probation:				
Salaries and wages	177,508	177,509	174,278	3,231
Fringe benefits	68,402	68,401	66,697	1,704
Contractual services	16,500	17,000	9,661	7,339
Materials and supplies.	3,900	3,400	3,002	398
Total judge and probation.	<u>266,310</u>	<u>266,310</u>	<u>253,638</u>	<u>12,672</u>
Clerk of courts:				
Salaries and wages	193,693	193,693	168,106	25,587
Fringe benefits.	94,313	94,313	80,714	13,599
Contractual services	40,750	40,750	33,786	6,964
Materials and supplies.	20,000	20,000	14,321	5,679
Total clerk of courts.	<u>348,756</u>	<u>348,756</u>	<u>296,927</u>	<u>51,829</u>
Civil service:				
Salaries and wages	14,994	14,994	14,993	1
Fringe benefits.	2,690	2,690	2,688	2
Materials and supplies.	15,800	13,555	3,293	10,262
Total civil service	<u>33,484</u>	<u>31,239</u>	<u>20,974</u>	<u>10,265</u>
Engineering:				
Salaries and wages	73,000	73,000	67,043	5,957
Fringe benefits.	30,990	30,990	28,195	2,795
Contractual services	18,610	21,090	15,770	5,320
Materials and supplies.	4,100	3,620	2,462	1,158
Total engineering	<u>126,700</u>	<u>128,700</u>	<u>113,470</u>	<u>15,230</u>
County auditor and treasurer:				
Contractual services	28,000	28,000	20,323	7,677
Total county auditor and treasurer.	<u>28,000</u>	<u>28,000</u>	<u>20,323</u>	<u>7,677</u>
State examiner:				
Contractual services	20,000	20,000	17,060	2,940
Total state examiner.	<u>20,000</u>	<u>20,000</u>	<u>17,060</u>	<u>2,940</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Land and buildings:				
Salaries and wages	\$ 50,050	\$ 50,815	\$ 50,813	\$ 2
Fringe benefits	17,924	17,924	17,817	107
Contractual services	279,100	278,269	237,812	40,457
Total land and buildings.	<u>347,074</u>	<u>347,008</u>	<u>306,442</u>	<u>40,566</u>
General administration:				
Salaries and wages	37,026	37,354	37,354	-
Fringe benefits.	8,896	8,896	8,698	198
Contractual services	128,500	122,452	107,669	14,783
Materials and supplies.	13,000	14,000	14,037	(37)
Other	10,050	10,050	4,153	5,897
Total general administration	<u>197,472</u>	<u>192,752</u>	<u>171,911</u>	<u>20,841</u>
Elections:				
Contractual services	6,000	6,000	-	6,000
Total elections.	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total general government	<u>1,976,881</u>	<u>1,974,471</u>	<u>1,785,761</u>	<u>188,710</u>
Security of persons and property:				
Police:				
Salaries and wages	2,778,806	2,807,056	2,790,244	16,812
Fringe benefits.	590,268	592,519	589,817	2,702
Contractual services	196,800	198,591	180,823	17,768
Materials and supplies.	170,000	191,950	179,256	12,694
Total police	<u>3,735,874</u>	<u>3,790,116</u>	<u>3,740,140</u>	<u>49,976</u>
Fire:				
Salaries and wages	1,879,670	1,879,670	1,857,506	22,164
Fringe benefits.	384,844	384,845	383,845	1,000
Contractual services	112,875	119,074	98,758	20,316
Materials and supplies.	58,100	56,400	52,453	3,947
Total fire.	<u>2,435,489</u>	<u>2,439,989</u>	<u>2,392,562</u>	<u>47,427</u>
Fire communications:				
Materials and supplies.	9,800	11,600	9,791	1,809
Total fire communications	<u>9,800</u>	<u>11,600</u>	<u>9,791</u>	<u>1,809</u>
Safety administration:				
Salaries and wages	380,408	380,408	374,593	5,815
Fringe benefits.	155,818	155,818	435,201	(279,383)
Contractual services	315,000	315,000	29,640	285,360
Total safety administration.	<u>851,226</u>	<u>851,226</u>	<u>839,434</u>	<u>11,792</u>
Prisoner support:				
Contractual services	15,000	70,000	52,681	17,319
Total prisoner support.	<u>15,000</u>	<u>70,000</u>	<u>52,681</u>	<u>17,319</u>
Total security of persons and property.	<u>7,047,389</u>	<u>7,162,931</u>	<u>7,034,608</u>	<u>128,323</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public health services:				
Health control and prevention:				
Salaries and wages	\$ 65,962	\$ 65,962	\$ 65,846	\$ 116
Fringe benefits.	31,412	31,591	31,468	123
Contractual services	21,750	35,950	33,410	2,540
Materials and supplies.	14,500	300	262	38
Other	850	850	850	-
Total health control and prevention	<u>134,474</u>	<u>134,653</u>	<u>131,836</u>	<u>2,817</u>
Health administration:				
Salaries and wages	285,952	288,952	285,524	3,428
Fringe benefits.	101,746	102,246	101,252	994
Contractual services	10,740	11,390	11,074	316
Materials and supplies.	16,100	16,100	15,477	623
Other	60,000	55,850	45,987	9,863
Total health administration.	<u>474,538</u>	<u>474,538</u>	<u>459,314</u>	<u>15,224</u>
Total public health services	<u>609,012</u>	<u>609,191</u>	<u>591,150</u>	<u>18,041</u>
Transportation				
Street transportation:				
Materials and supplies.	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total street transportation	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total transportation	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</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>5,250</u>	<u>1,460</u>	<u>3,790</u>
Total tree care	<u>1,500</u>	<u>5,250</u>	<u>1,460</u>	<u>3,790</u>
Zoning and building:				
Salaries and wages	112,000	112,000	103,264	8,736
Fringe benefits.	21,237	21,237	18,973	2,264
Contractual services	11,960	12,970	7,019	5,951
Materials and supplies.	4,100	3,250	1,676	1,574
Other	160	-	-	-
Total zoning and building.	<u>149,457</u>	<u>149,457</u>	<u>130,932</u>	<u>18,525</u>
Total community environment	<u>152,957</u>	<u>156,707</u>	<u>134,392</u>	<u>22,315</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	39,450	39,450	38,874	576
Fringe benefits.	16,554	16,554	16,241	313
Materials and supplies.	550	1,550	1,000	550
Total storm sewer	<u>56,554</u>	<u>57,554</u>	<u>56,115</u>	<u>1,439</u>
Total basic utility services	<u>56,554</u>	<u>57,554</u>	<u>56,115</u>	<u>1,439</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure time activities:				
Parks:				
Salaries and wages	\$ 312,113	\$ 312,113	\$ 311,686	\$ 427
Fringe benefits.	109,947	109,947	96,113	13,834
Contractual services	58,824	59,949	56,149	3,800
Materials and supplies.	28,194	31,740	31,249	491
Other	400	400	275	125
Total parks.	<u>509,478</u>	<u>514,149</u>	<u>495,472</u>	<u>18,677</u>
Recreation:				
Salaries and wages	90,959	90,959	90,337	622
Fringe benefits.	35,576	35,576	28,232	7,344
Contractual services	3,700	4,120	4,047	73
Materials and supplies.	11,220	10,800	10,643	157
Total recreation.	<u>141,455</u>	<u>141,455</u>	<u>133,259</u>	<u>8,196</u>
Total leisure time activities	<u>650,933</u>	<u>655,604</u>	<u>628,731</u>	<u>26,873</u>
Total expenditures.	<u>10,543,726</u>	<u>10,666,458</u>	<u>10,230,757</u>	<u>435,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(929,858)</u>	<u>(111,060)</u>	<u>219,576</u>	<u>330,636</u>
Other financing uses:				
Transfers out.	<u>(837,150)</u>	<u>(1,319,808)</u>	<u>(1,303,087)</u>	<u>16,721</u>
Total other financing uses	<u>(837,150)</u>	<u>(1,319,808)</u>	<u>(1,303,087)</u>	<u>16,721</u>
Net change in fund balance	(1,767,008)	(1,430,868)	(1,083,511)	347,357
Fund balance at beginning of year (restated).	3,921,573	3,921,573	3,921,573	-
Prior year encumbrances appropriated. . .	<u>6,153</u>	<u>6,153</u>	<u>6,153</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,160,718</u>	<u>\$ 2,496,858</u>	<u>\$ 2,844,215</u>	<u>\$ 347,357</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 52,000	\$ 52,000	\$ 64,364	\$ 12,364
Other	300,000	300,000	1,001,482	701,482
Total revenues.	<u>352,000</u>	<u>352,000</u>	<u>1,065,846</u>	<u>713,846</u>
Expenditures:				
Current				
Community environment:				
Salaries and wages	16,582	17,053	17,052	1
Fringe benefits.	3,010	3,035	3,034	1
Contractual services	112,500	114,700	21,791	92,909
Capital outlay	1,327,000	1,324,304	209,000	1,115,304
Total expenditures.	<u>1,459,092</u>	<u>1,459,092</u>	<u>250,877</u>	<u>1,208,215</u>
Net change in fund balance	(1,107,092)	(1,107,092)	814,969	1,922,061
Fund balance at beginning of year	1,599,822	1,599,822	1,599,822	-
Prior year encumbrances appropriated	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 497,730</u>	<u>\$ 497,730</u>	<u>\$ 2,419,791</u>	<u>\$ 1,922,061</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 1,697,908	\$ 5,569,124	\$ 100,484	\$ 7,367,516	\$ 325,463
Restricted assets:					
Cash and cash equivalents with fiscal agents . . .	1,059,588	-	-	1,059,588	-
Receivables (net of allowance for uncollectibles):					
Accounts	798,709	571,771	-	1,370,480	2,952
Municipal income taxes	121,817	-	-	121,817	-
Prepayments	10,337	10,337	295	20,969	-
Materials and supplies inventory	470,154	43,868	-	514,022	-
Deferred charges	222,283	-	-	222,283	-
Total current assets	<u>4,380,796</u>	<u>6,195,100</u>	<u>100,779</u>	<u>10,676,675</u>	<u>328,415</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents . . .	616,385	-	-	616,385	-
Cash and cash equivalents with fiscal agents . .	618,439	-	-	618,439	-
Total restricted assets	<u>1,234,824</u>	<u>-</u>	<u>-</u>	<u>1,234,824</u>	<u>-</u>
Capital assets:					
Land and construction in progress	922,445	133,984	-	1,056,429	-
Depreciable capital assets, net	11,719,830	8,648,411	289,865	20,658,106	-
Total capital assets, net	<u>12,642,275</u>	<u>8,782,395</u>	<u>289,865</u>	<u>21,714,535</u>	<u>-</u>
Total noncurrent assets	<u>13,877,099</u>	<u>8,782,395</u>	<u>289,865</u>	<u>22,949,359</u>	<u>-</u>
Total assets	<u>18,257,895</u>	<u>14,977,495</u>	<u>390,644</u>	<u>33,626,034</u>	<u>328,415</u>
Liabilities:					
Current liabilities:					
Accounts payable	161,844	78,743	117	240,704	-
Accrued wages and benefits payable	23,131	29,292	-	52,423	-
Compensated absences	146,955	206,839	-	353,794	-
Due to other governments	55,607	60,826	1,747	118,180	-
Accrued interest payable	-	11,039	-	11,039	-
Claims payable	-	-	-	-	259,170
Payable from restricted assets:					
Revenue bonds payable - current	983,477	-	-	983,477	-
Accrued interest payable	111,111	-	-	111,111	-
General obligation bonds payable - current . . .	-	40,000	-	40,000	-
OPWC loans - current	-	42,985	-	42,985	-
Total current liabilities	<u>1,482,125</u>	<u>469,724</u>	<u>1,864</u>	<u>1,953,713</u>	<u>259,170</u>
Long-term liabilities:					
Revenue bonds payable	9,281,757	-	-	9,281,757	-
General obligation bonds payable	-	1,102,000	-	1,102,000	-
OPWC loans	-	631,224	-	631,224	-
Compensated absences payable	239,787	308,992	-	548,779	-
Total long-term liabilities	<u>9,521,544</u>	<u>2,042,216</u>	<u>-</u>	<u>11,563,760</u>	<u>-</u>
Total liabilities	<u>11,003,669</u>	<u>2,511,940</u>	<u>1,864</u>	<u>13,517,473</u>	<u>259,170</u>
Net assets:					
Invested in capital assets, net of related debt . . .	2,377,041	6,966,186	289,865	9,633,092	-
Restricted for:					
Debt service	618,439	-	-	618,439	-
Replacement and surplus reserve	616,385	-	-	616,385	-
Unrestricted	3,642,361	5,499,369	98,915	9,240,645	69,245
Total net assets	<u>\$ 7,254,226</u>	<u>\$ 12,465,555</u>	<u>\$ 388,780</u>	<u>20,108,561</u>	<u>\$ 69,245</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(120,726)	
Net assets of business-type activities				<u>\$ 19,987,835</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Roberston Community Center	Total	
Operating revenues:					
Charges for services	\$ 4,331,411	\$ 3,956,527	\$ -	\$ 8,287,938	\$ 1,876,790
Licenses and permits.	-	23,608	-	23,608	-
Other	49,042	-	46,682	95,724	-
Total operating revenues.	4,380,453	3,980,135	46,682	8,407,270	1,876,790
Operating expenses:					
Salaries and benefits	1,387,507	1,569,279	17,746	2,974,532	-
Fringe benefits	537,964	535,609	3,207	1,076,780	-
Contract services.	535,692	677,497	11,981	1,225,170	-
Materials and supplies	1,163,671	313,933	14,412	1,492,016	-
Depreciation.	584,362	473,702	12,932	1,070,996	-
Claims.	-	-	-	-	2,442,146
Other	7,801	13,235	-	21,036	-
Total operating expenses.	4,216,997	3,583,255	60,278	7,860,530	2,442,146
Operating income (loss)	163,456	396,880	(13,596)	546,740	(565,356)
Nonoperating revenues (expenses):					
Interest revenue	895	4,384	-	5,279	-
Interest expense and fiscal charges	(567,875)	(79,157)	-	(647,032)	-
Loss on disposal of capital assets.	(13,033)	(41,098)	-	(54,131)	-
Municipal income tax revenue	386,543	-	-	386,543	-
Total nonoperating (expenses)	(193,470)	(115,871)	-	(309,341)	-
Income (loss) before transfers	(30,014)	281,009	(13,596)	237,399	(565,356)
Transfer in	200,000	-	-	200,000	-
Change in net assets	169,986	281,009	(13,596)	437,399	(565,356)
Net assets at beginning of year.	7,084,240	12,184,546	402,376		634,601
Net assets at end of year	\$ 7,254,226	\$ 12,465,555	\$ 388,780		\$ 69,245
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				(73,356)	
Change in net assets of business-type activities.				\$ 364,043	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	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.	\$ 4,267,323	\$ 3,990,959	\$ 46,682	\$ 8,304,964	\$ -
Cash received from licenses and permits.	-	23,608	-	23,608	-
Cash received from other operations	49,042	5,323	8	54,373	-
Cash received from interfund services provided	-	-	-	-	1,877,991
Cash payments for salaries and benefits.	(1,387,569)	(1,561,767)	(17,746)	(2,967,082)	-
Cash payments for fringe benefits	(517,777)	(553,897)	(3,231)	(1,074,905)	-
Cash payments for contractual services	(530,972)	(683,206)	(12,101)	(1,226,279)	-
Cash payments for materials and supplies	(1,158,119)	(292,840)	(14,412)	(1,465,371)	-
Cash payments for claims	-	-	-	-	(2,337,029)
Cash payments for other expenses.	(8,252)	(13,235)	-	(21,487)	-
Net cash provided by (used in) operating activities.	<u>713,676</u>	<u>914,945</u>	<u>(800)</u>	<u>1,627,821</u>	<u>(459,038)</u>
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	379,922	-	-	379,922	-
Cash received from transfers in	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>579,922</u>	<u>-</u>	<u>-</u>	<u>579,922</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(143,407)	(59,330)	-	(202,737)	-
Principal retirement on revenue bonds	(1,060,000)	-	-	(1,060,000)	-
Principal retirement on general obligation bonds	-	(40,000)	-	(40,000)	-
Principal retirement on OPWC loans	-	(42,985)	-	(42,985)	-
Interest and fiscal charges	<u>(439,963)</u>	<u>(57,891)</u>	<u>-</u>	<u>(497,854)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(1,643,370)</u>	<u>(200,206)</u>	<u>-</u>	<u>(1,843,576)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received	<u>895</u>	<u>4,384</u>	<u>-</u>	<u>5,279</u>	<u>-</u>
Net cash provided by investing activities.	<u>895</u>	<u>4,384</u>	<u>-</u>	<u>5,279</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents.	(348,877)	719,123	(800)	369,446	(459,038)
Cash and cash equivalents at beginning of year. . .	<u>4,341,197</u>	<u>4,850,001</u>	<u>101,284</u>	<u>9,292,482</u>	<u>784,501</u>
Cash and cash equivalents at end of year	<u>\$ 3,992,320</u>	<u>\$ 5,569,124</u>	<u>\$ 100,484</u>	<u>\$ 9,661,928</u>	<u>\$ 325,463</u>

- - Continued

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 163,456	\$ 396,880	\$ (13,596)	\$ 546,740	\$ (565,356)
Adjustments:					
Depreciation.	584,362	473,702	12,932	1,070,996	-
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(64,088)	39,755	8	(24,325)	1,201
Decrease (increase) in materials and supplies inventory	(49,710)	4,530	-	(45,180)	-
Decrease in prepayments.	23	23	1	47	-
Increase (decrease) in accounts payable	58,950	10,831	(142)	69,639	-
Increase in accrued wages and benefits	1,438	7,512	-	8,950	-
Increase (decrease) in intergovernmental payable . . .	(1,537)	867	(3)	(673)	-
Increase (decrease) in compensated absences payable .	20,782	(19,155)	-	1,627	-
Increase in claims payable	-	-	-	-	105,117
Net cash provided by (used in) operating activities	<u>\$ 713,676</u>	<u>\$ 914,945</u>	<u>\$ (800)</u>	<u>\$ 1,627,821</u>	<u>\$ (459,038)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2011

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 11,156
Cash and cash equivalents in segregated accounts	14,924
Receivables:	
Accounts	<u>23,866</u>
Total assets	<u>\$ 49,946</u>
Liabilities:	
Due to others	<u>\$ 49,946</u>
Total liabilities	<u>\$ 49,946</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, 2011**

NOTE 1 - DESCRIPTION OF THE CITY

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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.

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:

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

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

Proprietary Funds - Proprietary fund reporting focuses on changes in net 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 agency funds account for monies received from cable franchise fees and municipal court collections.

C. Measurement Focus and Basis of Accounting

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

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

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

D. Basis of Accounting

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 6.C.). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6.A.). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 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, 2011, are recorded as deferred revenue on the governmental fund financial statements.

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

E. Budgetary Data

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

F. Cash and Cash Equivalents

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

During 2011, 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, 2011.

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 2011 amounted to \$8,435, which includes \$4,981 assigned from other City funds.

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

G. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the fund financial statements. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets. At December 31, 2011 there were no interfund asset and liabilities balances.

H. Inventories

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

I. Restricted Assets

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

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

On government-wide financial statements and in the enterprise funds, issuance costs are 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.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

K. Prepayments

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

L. Capital Assets and Depreciation

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

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

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

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

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

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

M. Compensated Absences

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

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

N. Fund Balance

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

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

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

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

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

O. Capitalization of Interest

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

P. Interfund Activity

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

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

Q. Estimates

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

R. Accrued Liabilities and Long-term Obligations

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

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

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. In 2011 there were no contributions of capital in the proprietary funds.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

Fund balance at December 31, 2011 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Federal aging grant	\$ 23
Alliance neighborhood	356
Home administration	2,763

These funds 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 balances in the nonmajor governmental funds are the result of recording adjustments for accrued liabilities. These deficit balances will be eliminated as resources become available to liquidate the accrued liabilities.

B. Change in Accounting Principles

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

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 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, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Restatement of Net Assets

The City's net assets have been restated at December 31, 2010 for adjustments to capital assets due to the addition of the Martin Luther King Jr. Bridge that was acquired in prior years. The change in the City's capital assets had the following effect on net assets as previously reported by the governmental activities:

	Governmental Activities
Net assets, December 31, 2010	\$ 30,802,932
Adjustment to capital assets	848,947
Restated net assets, December 31, 2010	\$ 31,651,879

See Note 7 for the effect of the change on capital asset balances as previously reported by the City at December 31, 2010.

D. Budgetary Prior Period Adjustment

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. The City has elected to report only the legally budgeted general fund in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at December 31, 2010 is as follows:

Budgetary Basis	
	General Fund
Balance at December 31, 2010	\$ 4,137,816
Funds budgeted elsewhere	(216,243)
Restated balance at January 1, 2011	\$ 3,921,573

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	<u>General fund</u>	<u>Revolving loan fund</u>
Budget basis	\$ (1,083,511)	\$ 814,969
Net adjustment for revenue accruals	(28,314)	(502,143)
Net adjustment for expenditure accruals	(101,173)	60,598
Funds budgeted elsewhere	(87,360)	-
Adjustments for encumbrances	<u>8,870</u>	<u>190,279</u>
GAAP basis	<u>\$ (1,291,488)</u>	<u>\$ 563,703</u>

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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, 2011

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. Cash and Cash Equivalents in segregated accounts

At year end, the City had \$14,924 in cash held in segregated accounts for Municipal Court operations. This amount is included in deposits with financial institutions below.

C. Deposits with Financial Institutions

At December 31, 2011, the carrying amount of all City deposits was \$11,303,643. As of December 31, 2011, \$10,988,641 of the City’s bank balance of \$11,619,749 was exposed to custodial risk as discussed below, while \$631,108 was covered by the FDIC.

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

D. Investments

As of December 31, 2011, 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	\$ 1,698,342	\$ 1,698,342
STAR Ohio	<u>5,863,394</u>	<u>5,863,394</u>
Total	<u>\$ 7,561,736</u>	<u>\$ 7,561,736</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2011:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
U.S. government money market mutual fund	\$ 1,698,342	22.46
STAR Ohio	<u>5,863,394</u>	<u>77.54</u>
Total	<u>\$ 7,561,736</u>	<u>100.00</u>

E. 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, 2011:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,303,643
Investments	<u>7,561,736</u>
Total	<u>\$ 18,865,379</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 9,177,371
Business-type activities	9,661,928
Agency	<u>26,080</u>
Total	<u>\$ 18,865,379</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - RECEIVABLES

Receivables at December 31, 2011, 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. 2011 public utility property taxes became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 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 2011 (other than public utility property) represent the collection of calendar year 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010, on the value as of December 31, 2010. 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.

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, 2011 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 2011 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - RECEIVABLES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2011 was \$6.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 175,412,800
Commercial/industrial/mineral	105,559,590
Public utility	<u>7,028,710</u>
Total assessed value	<u>\$ 288,001,100</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, 2011 were \$1,249,079.

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 2011, 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 2011 was \$9,670,227 in the governmental funds and \$386,543 in the water fund.

D. Special Assessments

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

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

The City's demolition assessments are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. At December 31, 2011, the total special assessment receivable of \$1,122,175 includes \$1,052,562 in delinquent receivables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - CAPITAL ASSETS

Capital assets of the governmental activities have been restated by a net \$848,947 to reflect the addition of the Martin Luther King Jr. Bridge not previously reported at December 31, 2010. The effect of these changes in governmental activities capital assets and 2011 capital asset activity is as follows:

	Restated Balance			Balance
<u>Governmental activities:</u>	<u>1/1/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/11</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,688,987	\$ -	\$ -	\$ 2,688,987
Easements and right of ways	-	29,150	-	29,150
Construction in progress	<u>637,369</u>	<u>658,262</u>	<u>(83,016)</u>	<u>1,212,615</u>
Total capital assets, not being depreciated	<u>3,326,356</u>	<u>687,412</u>	<u>(83,016)</u>	<u>3,930,752</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	7,546,901	319,696	-	7,866,597
Furniture, fixtures and equipment	3,861,535	235,439	(66,282)	4,030,692
Vehicles	3,127,124	182,748	(180,791)	3,129,081
Infrastructure	<u>29,238,857</u>	<u>262,888</u>	<u>-</u>	<u>29,501,745</u>
Total capital assets, being depreciated	<u>43,774,417</u>	<u>1,000,771</u>	<u>(247,073)</u>	<u>44,528,115</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(2,263,993)	(177,356)	-	(2,441,349)
Furniture, fixtures and equipment	(2,484,011)	(168,370)	59,655	(2,592,726)
Vehicles	(2,390,804)	(109,360)	161,233	(2,338,931)
Infrastructure	<u>(19,514,438)</u>	<u>(1,102,909)</u>	<u>-</u>	<u>(20,617,347)</u>
Total accumulated depreciation	<u>(26,653,246)</u>	<u>(1,557,995)</u>	<u>220,888</u>	<u>(27,990,353)</u>
Total capital assets being depreciated, net	<u>17,121,171</u>	<u>(557,224)</u>	<u>(26,185)</u>	<u>16,537,762</u>
Governmental activities capital assets, net	<u>\$ 20,447,527</u>	<u>\$ 130,188</u>	<u>\$ (109,201)</u>	<u>\$ 20,468,514</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 405,065
Security of persons and property	189,042
Public health services	4,762
Transportation	865,455
Community environment	2,299
Basic utility services	1,499
Leisure time activities	<u>89,873</u>
Total depreciation expense - governmental activities	<u>\$1,557,995</u>

	Balance			Balance
<u>Business-type activities:</u>	1/1/11	Additions	Disposals	12/31/11
<i>Capital assets, not being depreciated:</i>				
Land	\$ 869,941	\$ -	\$ -	\$ 869,941
Construction in progress	<u>110,364</u>	<u>102,216</u>	<u>(26,092)</u>	<u>186,488</u>
Total capital assets, not being depreciated	<u>980,305</u>	<u>102,216</u>	<u>(26,092)</u>	<u>1,056,429</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,482,896	-	-	1,482,896
Buildings, structures and improvements	10,836,846	-	-	10,836,846
Water and sewer lines	25,684,837	79,379	(34,201)	25,730,015
Furniture, fixtures and equipment	<u>6,644,920</u>	<u>47,234</u>	<u>(206,149)</u>	<u>6,486,005</u>
Total capital assets, being depreciated	<u>44,649,499</u>	<u>126,613</u>	<u>(240,350)</u>	<u>44,535,762</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,000,938)	(67,994)	-	(1,068,932)
Buildings, structures and improvements	(5,529,132)	(328,120)	-	(5,857,252)
Water and sewer lines	(12,748,561)	(482,378)	684	(13,230,255)
Furniture, fixtures and equipment	<u>(3,714,248)</u>	<u>(192,504)</u>	<u>185,535</u>	<u>(3,721,217)</u>
Total accumulated depreciation	<u>(22,992,879)</u>	<u>(1,070,996)</u>	<u>186,219</u>	<u>(23,877,656)</u>
Total capital assets being depreciated, net	<u>21,656,620</u>	<u>(944,383)</u>	<u>(54,131)</u>	<u>20,658,106</u>
Business-type activities capital assets, net	<u>\$22,636,925</u>	<u>\$ (842,167)</u>	<u>\$ (80,223)</u>	<u>\$21,714,535</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type activities:

Sewer	\$ 473,702
Water	584,362
Nonmajor:	
Robertson Community Center	<u>12,932</u>
Total depreciation expense - business-type activities	<u><u>\$1,070,996</u></u>

NOTE 8 - RISK MANAGEMENT

A. Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2011, 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	68,939,643
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, 2011

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 \$259,170 reported in the self-insurance fund at December 31, 2011, 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
2009	\$ 109,534	\$ 1,899,088	\$ (1,868,896)	\$ 139,726
2010	139,726	2,035,325	(2,020,998)	154,053
2011	154,053	2,442,146	(2,337,029)	259,170

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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	\$ 1,103,087	\$ 290,009	\$ 1,393,096
Water	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total	<u>\$ 1,303,087</u>	<u>\$ 290,009</u>	<u>\$ 1,593,096</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, 2011

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities

Changes in the governmental long-term obligations of the City during 2011 were as follows:

	Balance Outstanding 1/1/11	Additions	Reductions	Balance Outstanding 12/31/11	Amounts Due Within One Year
<u>Governmental activities</u>					
<i>General obligation bonds:</i>					
1998 various purpose bonds	\$ 495,000	\$ -	\$ (60,000)	\$ 435,000	\$ 65,000
2004 Fire truck bonds	50,000	-	(50,000)	-	-
2004 West State Street bonds	330,000	-	(30,000)	300,000	30,000
2004 West Main Street/Freshley bonds	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>	<u>-</u>	<u>-</u>
Total General obligation bonds	<u>980,000</u>	<u>-</u>	<u>(245,000)</u>	<u>735,000</u>	<u>95,000</u>
<i>Special assessment bonds:</i>					
1999 various purpose	<u>250,000</u>	<u>-</u>	<u>(55,000)</u>	<u>195,000</u>	<u>60,000</u>
Total special assessment bonds	<u>250,000</u>	<u>-</u>	<u>(55,000)</u>	<u>195,000</u>	<u>60,000</u>
<i>OPWC loans:</i>					
MLK Bridge Rehabilitation	<u>-</u>	<u>304,960</u>	<u>-</u>	<u>304,960</u>	<u>-</u>
Total OPWC loans	<u>-</u>	<u>304,960</u>	<u>-</u>	<u>304,960</u>	<u>-</u>
<i>Other long-term obligation:</i>					
Police and fire pension liability	364,896	-	(8,740)	356,156	9,115
Compensated absences	<u>2,598,242</u>	<u>1,210,640</u>	<u>(1,201,051)</u>	<u>2,607,831</u>	<u>755,269</u>
Total governmental activities	<u>\$ 4,193,138</u>	<u>\$ 1,515,600</u>	<u>\$ (1,509,791)</u>	<u>\$ 4,198,947</u>	<u>\$ 919,384</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 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 were general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds was payable semiannually and the interest rates vary from 2.50% to 3.20%. The bonds matured on October 15, 2011. Principal and interest payments were 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, 2011

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 were general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds was payable semiannually and the interest rates vary from 2.50% to 3.20%. The bonds matured on October 15, 2011. Principal and interest payments were 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 received in the debt service fund (a nonmajor governmental fund). In the event that the property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Police and Fire Pension Liability

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

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These loans bear no interest. Principal payments will be made from the capital improvements fund. At December 31, 2011 an amortization schedule was not available.

Compensated absences

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Year Ending December 31,</u>	<u>1998 Various Purpose</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 65,000	\$ 21,750
2013	65,000	18,500
2014	70,000	15,250
2015	75,000	11,750
2016	80,000	8,000
2017	<u>80,000</u>	<u>4,000</u>
Total	<u>\$ 435,000</u>	<u>\$ 79,250</u>

<u>Year Ending December 31,</u>	<u>2004 West State Street</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 30,000	\$ 13,023
2013	30,000	12,053
2014	30,000	11,050
2015	35,000	10,000
2016	35,000	8,920
2017 - 2020	<u>140,000</u>	<u>18,930</u>
Total	<u>\$ 300,000</u>	<u>\$ 73,976</u>

<u>Year Ending December 31,</u>	<u>Special Assessment Bonds</u>		<u>Police and Fire Pension Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	-	-	10,784	13,362
2017 - 2021	-	-	61,272	59,456
2022 - 2026	-	-	75,600	45,128
2027 - 2031	-	-	93,278	27,450
2032 - 2035	<u>-</u>	<u>-</u>	<u>76,347</u>	<u>6,520</u>
Total	<u>\$ 195,000</u>	<u>\$ 24,426</u>	<u>\$ 356,156</u>	<u>\$ 209,623</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

Changes in the enterprise long-term obligations of the City during 2011 were as follows:

	Balance Outstanding 1/1/11	Additions	Reductions	Balance Outstanding 12/31/11	Amounts Due Within One Year
<u>Business-type activities:</u>					
<i>Revenue bonds:</i>					
2008 water refunding	\$ 12,315,000	\$ -	\$ (1,060,000)	\$ 11,255,000	\$ 1,095,000
Unamortized premium	81,913	-	(8,295)	73,618	8,295
Unamortized accounting loss	(1,183,202)	-	119,818	(1,063,384)	(119,818)
Total revenue bonds	<u>11,213,711</u>	<u>-</u>	<u>(948,477)</u>	<u>10,265,234</u>	<u>983,477</u>
<i>General obligation bonds:</i>					
2004 sewer west beech creek	<u>1,182,000</u>	<u>-</u>	<u>(40,000)</u>	<u>1,142,000</u>	<u>40,000</u>
Total general obligation bonds	<u>1,182,000</u>	<u>-</u>	<u>(40,000)</u>	<u>1,142,000</u>	<u>40,000</u>
<i>OPWC loans:</i>					
OPWC loan - Gaskill (2002)	26,633	-	(2,663)	23,970	2,663
OPWC loan - Beeson St. (2004)	192,985	-	(13,785)	179,200	13,785
OPWC loan - WWTP clarifier (2006)	90,944	-	(5,684)	85,260	5,684
OPWC loan - raw influent pump replacement (2009)	<u>406,632</u>	<u>-</u>	<u>(20,853)</u>	<u>385,779</u>	<u>20,853</u>
Total OPWC loans	<u>717,194</u>	<u>-</u>	<u>(42,985)</u>	<u>674,209</u>	<u>42,985</u>
<i>Other long-term obligations:</i>					
Compensated absences	<u>900,946</u>	<u>381,335</u>	<u>(379,708)</u>	<u>902,573</u>	<u>353,794</u>
Total business-type activities	<u>\$ 14,013,851</u>	<u>\$ 381,335</u>	<u>\$ (1,411,170)</u>	<u>\$ 12,984,016</u>	<u>\$ 1,420,256</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, 2011, is \$11,335,000.

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.

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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 \$13,485,425. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,499,966 and \$2,425,845, respectively.

Series 2004 West Beech Creek Sewer General Obligation Bonds

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

Ohio Public Works Commission (OPWC) Loans

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

Compensated absences

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

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2011, 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
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	1,240,000	257,600	45,000	45,576	20,853	-
2017 - 2021	5,435,000	551,000	260,000	198,996	104,265	-
2022 - 2026	-	-	320,000	137,596	104,265	-
2027 - 2031	-	-	347,000	56,888	72,984	-
Total	<u>\$ 11,255,000</u>	<u>\$ 2,230,425</u>	<u>\$ 1,142,000</u>	<u>\$ 637,040</u>	<u>\$ 385,779</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifer Rehab	
	Principal	Interest	Principal	Interest	Principal	Interest
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	2,663	-	13,785	-	5,684	-
2017 - 2021	10,655	-	68,923	-	28,420	-
2022 - 2025	-	-	41,352	-	28,420	-
Total	<u>\$ 23,970</u>	<u>\$ -</u>	<u>\$ 179,200</u>	<u>\$ -</u>	<u>\$ 85,260</u>	<u>\$ -</u>

C. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2011, the City's total debt margin was \$29,505,116 and the unvoted debt margin was \$15,105,061.

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, 2011, \$62,210,000 had been issued and \$51,315,000 was still outstanding.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, 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 2011 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 11.00% and 11.60%, respectively. The City's contribution rate for 2011 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2011 was 7.95%. For those plan members in law enforcement and public safety pension contributions were 14.10%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$614,707, \$549,798, and \$497,389, respectively; 91.28% has been contributed for 2011 and 100% has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$26,208 made by the City and \$18,720 made by the plan members.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 11 - PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2011, 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 \$310,923 and \$294,805 for the year ended December 31, 2011, \$304,125 and \$289,105 for the year ended December 31, 2010, and \$301,492 and \$282,125, for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 71.75% has been contributed for police and 73.56% has been contributed for firefighters for 2011.

NOTE 12 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2011, local government employers contributed 14.00% of covered payroll (18.10% 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 2011 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2011 was 6.05%.

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, 2011, 2010, and 2009 were \$248,932, \$312,195, and \$359,650, respectively; 91.28% has been contributed for 2011 and 100% has been contributed for 2010 and 2009.

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.

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, 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 \$164,607 and \$115,359 for the year ended December 31, 2011, \$161,008 and \$113,128 for the year ended December 31, 2010, and \$145,100 and \$112,328, for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 71.75% has been contributed for police and 73.56% has been contributed for firefighters for 2011.

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

If any employee leaves the City for any reason, the City will pay the employee a maximum of 480 hours for the compensatory time accumulated during the prior year of employment. As of December 31, 2011, the total liability for unpaid compensated absences was \$2,607,831 for the governmental activities and \$902,573 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, 2011.

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, 2011.

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 2011, the City did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Stark County Regional Planning Commission - The City participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 48 member Board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the Board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2011, 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.

NOTE 16 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 30
Revolving loan fund	190,279
Other governmental	<u>1,066,584</u>
	<u>\$ 1,256,893</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 17 - FUND BALANCE

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

Fund balance	General	Revolving Loan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 14,259	\$ -	\$ 33,528	\$ 47,787
Prepays	15,822	-	5,401	21,223
Unclaimed monies	<u>58,144</u>	-	-	<u>58,144</u>
Total nonspendable	<u>88,225</u>	<u>-</u>	<u>38,929</u>	<u>127,154</u>
Restricted:				
Judicial operations	-	-	361,291	361,291
Security programs	-	-	284,300	284,300
Public health service programs	-	-	775,219	775,219
Community environment programs	-	2,604,115	158,703	2,762,818
Transportation projects	-	-	214,295	214,295
Long-term loans	-	1,221,578	27,501	1,249,079
Debt service	-	-	118,616	118,616
Capital projects	<u>-</u>	<u>-</u>	<u>31,763</u>	<u>31,763</u>
Total restricted	<u>-</u>	<u>3,825,693</u>	<u>1,971,688</u>	<u>5,797,381</u>
Committed:				
Legislative and executive operations	10,289	-	-	10,289
Other purposes	-	-	5,533	5,533
Leisure time activities programs	-	-	5,493	5,493
Community environment programs	-	-	4,144	4,144
Capital projects	<u>-</u>	<u>-</u>	<u>1,559,945</u>	<u>1,559,945</u>
Total committed	<u>10,289</u>	<u>-</u>	<u>1,575,115</u>	<u>1,585,404</u>
Assigned:				
Legislative and executive operations	64,886	-	-	64,886
Community environment programs	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total assigned	<u>64,886</u>	<u>-</u>	<u>1,000</u>	<u>65,886</u>
Unassigned (deficit)	<u>3,789,207</u>	<u>-</u>	<u>(3,142)</u>	<u>3,786,065</u>
Total fund balances	<u>\$ 3,952,607</u>	<u>\$ 3,825,693</u>	<u>\$ 3,583,590</u>	<u>\$ 11,361,890</u>

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 18 - SUBSEQUENT EVENT

On March 26, 2012, the City issued \$2,475,000 in Series 2012 Various Purpose Improvement General Obligation and Refunding Bonds. The bonds carry interest rates ranging from 1.00 - 3.25% and will mature December 1, 2031.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,679,400	\$ 98,301	\$ 1,356,335	\$ 3,134,036
Receivables (net of allowances for uncollectibles):				
Municipal income taxes.	-	-	517,723	517,723
Property and other taxes	175,184	-	-	175,184
Accounts.	9,297	-	-	9,297
Intergovernmental	493,479	-	-	493,479
Special assessments	-	235,899	34,699	270,598
Loans	27,501	-	-	27,501
Prepayments	5,401	-	-	5,401
Materials and supplies inventory	33,528	-	-	33,528
Restricted assets:				
Cash and cash equivalents with fiscal agents	-	20,315	-	20,315
Total assets	\$ 2,423,790	\$ 354,515	\$ 1,908,757	\$ 4,687,062
Liabilities:				
Accounts payable	\$ 66,271	\$ -	\$ 48,445	\$ 114,716
Accrued wages and benefits.	18,412	-	-	18,412
Due to other governments	42,300	-	41,067	83,367
Deferred revenue	272,885	235,899	227,537	736,321
Unearned revenue.	150,656	-	-	150,656
Total liabilities.	550,524	235,899	317,049	1,103,472
Fund balances:				
Nonspendable	38,929	-	-	38,929
Restricted	1,821,309	118,616	31,763	1,971,688
Committed	15,170	-	1,559,945	1,575,115
Assigned	1,000	-	-	1,000
Unassigned (deficit).	(3,142)	-	-	(3,142)
Total fund balances	1,873,266	118,616	1,591,708	3,583,590
Total liabilities and fund balances.	\$ 2,423,790	\$ 354,515	\$ 1,908,757	\$ 4,687,062

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 1,624,014	\$ 1,624,014
Property and other taxes	146,178	-	-	146,178
Licenses, permits and fees	75,578	-	-	75,578
Fines and forfeitures	178,755	-	-	178,755
Intergovernmental	2,784,746	-	449,974	3,234,720
Special assessments	-	62,204	-	62,204
Investment income	1,931	-	-	1,931
Contributions and donations	4,364	-	-	4,364
Other	64,776	-	63,253	128,029
Total revenues	3,256,328	62,204	2,137,241	5,455,773
Expenditures:				
Current:				
General government	116,202	-	-	116,202
Security of persons and property	1,120,019	-	-	1,120,019
Public health services	352,434	-	-	352,434
Transportation	1,106,279	-	-	1,106,279
Community environment	1,625,770	-	-	1,625,770
Capital outlay	40,643	-	2,048,811	2,089,454
Debt service:				
Principal retirement	8,740	300,000	-	308,740
Interest and fiscal charges	15,406	57,861	-	73,267
Total expenditures	4,385,493	357,861	2,048,811	6,792,165
Excess of expenditures over revenues	(1,129,165)	(295,657)	88,430	(1,336,392)
Other financing sources (uses):				
Transfers in	805,404	287,692	300,000	1,393,096
Transfers out	(238,409)	-	(51,600)	(290,009)
OPWC loan issuance	-	-	304,960	304,960
Total other financing sources (uses)	566,995	287,692	553,360	1,408,047
Net change in fund balances	(562,170)	(7,965)	641,790	71,655
Fund balances at beginning of year	2,435,436	126,581	949,918	3,511,935
Fund balances at end of year	\$ 1,873,266	\$ 118,616	\$ 1,591,708	\$ 3,583,590

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 Security Fund
Court Immobilization Fund
Parking Lot Maintenance Fund
Land Reutilization Fund
Downtown Special Events Fund

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Fund Included in the General Fund

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

City Income Tax Fund

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

Supply Revolving Fund

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

Auditor Transfer Fund

This fund accounts for unclaimed funds and fire loss deposits.

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	<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	\$ 39,080	\$ 53,160	\$ 24,581	\$ 95,289
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts	-	-	-	34
Intergovernmental	333,764	23,825	29,793	-
Loans	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	33,528	-	-	-
Total assets	<u>\$ 406,372</u>	<u>\$ 76,985</u>	<u>\$ 54,374</u>	<u>\$ 95,323</u>
Liabilities:				
Accounts payable	\$ 12,078	\$ -	\$ -	\$ 1,124
Accrued wages and benefits	10,418	-	-	-
Due to other governments	22,521	-	-	-
Deferred revenue	216,605	-	21,610	-
Unearned revenue	-	-	-	-
Total liabilities	<u>261,622</u>	<u>-</u>	<u>21,610</u>	<u>1,124</u>
Fund balances:				
Nonspendable	33,528	-	-	-
Restricted	111,222	76,985	32,764	94,199
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>144,750</u>	<u>76,985</u>	<u>32,764</u>	<u>94,199</u>
Total liabilities and fund balances	<u>\$ 406,372</u>	<u>\$ 76,985</u>	<u>\$ 54,374</u>	<u>\$ 95,323</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>
\$ 17,893	\$ 84,827	\$ 91,270	\$ 9,802	\$ 10,568	\$ 6
-	-	-	-	-	-
-	4,365	-	-	-	-
16,632	-	26,334	7,205	-	-
-	-	-	-	-	-
5,274	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 39,799</u>	<u>\$ 89,192</u>	<u>\$ 117,604</u>	<u>\$ 17,007</u>	<u>\$ 10,568</u>	<u>\$ 6</u>
\$ -	\$ 904	\$ 201	\$ -	\$ -	\$ -
-	-	3,163	-	-	-
-	-	5,597	640	-	29
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>904</u>	<u>8,961</u>	<u>640</u>	<u>-</u>	<u>29</u>
5,274	-	-	-	-	-
34,525	88,288	108,643	16,367	10,568	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(23)
<u>39,799</u>	<u>88,288</u>	<u>108,643</u>	<u>16,367</u>	<u>10,568</u>	<u>(23)</u>
<u>\$ 39,799</u>	<u>\$ 89,192</u>	<u>\$ 117,604</u>	<u>\$ 17,007</u>	<u>\$ 10,568</u>	<u>\$ 6</u>

Continued

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2011

	<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	\$ 672,866	\$ 113,465	\$ 38,725	\$ 99
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	-	45,784	-	-
Loans	-	-	27,501	-
Prepayments	127	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 672,993</u>	<u>\$ 159,249</u>	<u>\$ 66,226</u>	<u>\$ 99</u>
Liabilities:				
Accounts payable	\$ 2,089	\$ 47,774	\$ -	\$ -
Accrued wages and benefits	1,101	1,284	-	-
Due to other governments	3,100	6,580	-	455
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>6,290</u>	<u>55,638</u>	<u>-</u>	<u>455</u>
Fund balances:				
Nonspendable	127	-	-	-
Restricted	666,576	103,611	66,226	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(356)
Total fund balances (deficit)	<u>666,703</u>	<u>103,611</u>	<u>66,226</u>	<u>(356)</u>
Total liabilities and fund balances	<u>\$ 672,993</u>	<u>\$ 159,249</u>	<u>\$ 66,226</u>	<u>\$ 99</u>

Fire Pension	Police Pension	Tax Increment	Other	Total
\$ 21,062	\$ 21,062	\$ 35,784	\$ 349,861	\$ 1,679,400
87,592	87,592	-	-	175,184
-	-	-	4,898	9,297
5,071	5,071	-	-	493,479
-	-	-	-	27,501
-	-	-	-	5,401
-	-	-	-	33,528
<u>\$ 113,725</u>	<u>\$ 113,725</u>	<u>\$ 35,784</u>	<u>\$ 354,759</u>	<u>\$ 2,423,790</u>
\$ -	\$ -	\$ -	\$ 2,101	\$ 66,271
-	-	-	2,446	18,412
-	-	-	3,378	42,300
17,335	17,335	-	-	272,885
<u>75,328</u>	<u>75,328</u>	<u>-</u>	<u>-</u>	<u>150,656</u>
<u>92,663</u>	<u>92,663</u>	<u>-</u>	<u>7,925</u>	<u>550,524</u>
-	-	-	-	38,929
21,062	21,062	35,784	333,427	1,821,309
-	-	-	15,170	15,170
-	-	-	1,000	1,000
-	-	-	(2,763)	(3,142)
<u>21,062</u>	<u>21,062</u>	<u>35,784</u>	<u>346,834</u>	<u>1,873,266</u>
<u>\$ 113,725</u>	<u>\$ 113,725</u>	<u>\$ 35,784</u>	<u>\$ 354,759</u>	<u>\$ 2,423,790</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, 2011

	<u>Street Repair and Maintenance</u>	<u>Federal COPS Fast Program</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	65,223
Intergovernmental	738,650	55,113	58,573	-
Investment income	39	62	25	60
Contributions and donations	-	-	-	-
Other	6,585	-	-	-
Total revenues	<u>745,274</u>	<u>55,175</u>	<u>58,598</u>	<u>65,283</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	56,748	52,796	-	42,113
Public health services	-	-	-	-
Transportation	746,855	-	-	-
Community environment	-	-	-	-
Capital outlay	-	-	5,208	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>803,603</u>	<u>52,796</u>	<u>5,208</u>	<u>42,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,329)</u>	<u>2,379</u>	<u>53,390</u>	<u>23,170</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(2,317)	(42,822)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,317)</u>	<u>(42,822)</u>	<u>-</u>
Net change in fund balances	(58,329)	62	10,568	23,170
Fund balances at beginning of year	203,079	76,923	22,196	71,029
Fund balances at end of year (deficit)	<u>\$ 144,750</u>	<u>\$ 76,985</u>	<u>\$ 32,764</u>	<u>\$ 94,199</u>

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	45,080	-	-	-
-	52,717	-	-	-	-
220,609	-	181,066	33,373	-	1,613
-	-	-	-	-	1
-	-	-	-	-	-
-	9	592	19	-	225
<u>220,609</u>	<u>52,726</u>	<u>226,738</u>	<u>33,392</u>	<u>-</u>	<u>1,839</u>
-	47,709	-	-	-	3,078
-	-	-	-	-	-
-	-	225,939	-	-	-
160,759	-	-	-	-	-
-	-	-	27,883	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>160,759</u>	<u>47,709</u>	<u>225,939</u>	<u>27,883</u>	<u>-</u>	<u>3,078</u>
<u>59,850</u>	<u>5,017</u>	<u>799</u>	<u>5,509</u>	<u>-</u>	<u>(1,239)</u>
-	-	-	-	-	-
(84,750)	-	-	-	-	-
<u>(84,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(24,900)	5,017	799	5,509	-	(1,239)
64,699	83,271	107,844	10,858	10,568	1,216
<u>\$ 39,799</u>	<u>\$ 88,288</u>	<u>\$ 108,643</u>	<u>\$ 16,367</u>	<u>\$ 10,568</u>	<u>\$ (23)</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, 2011

	<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	30,498	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	776,313	-	657,498
Investment income	574	-	1,078	-
Contributions and donations	-	-	-	-
Other	18,852	6,224	5,702	100
Total revenues	<u>49,924</u>	<u>782,537</u>	<u>6,780</u>	<u>657,598</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health services	126,495	-	-	-
Transportation	-	-	-	-
Community environment	-	830,572	-	767,156
Capital outlay	-	-	35,435	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>126,495</u>	<u>830,572</u>	<u>35,435</u>	<u>767,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(76,571)</u>	<u>(48,035)</u>	<u>(28,655)</u>	<u>(109,558)</u>
Other financing sources (uses):				
Transfers in	80,000	-	-	1,400
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>1,400</u>
Net change in fund balances	3,429	(48,035)	(28,655)	(108,158)
Fund balances at beginning of year	663,274	151,646	94,881	107,802
Fund balances at end of year (deficit)	<u>\$ 666,703</u>	<u>\$ 103,611</u>	<u>\$ 66,226</u>	<u>\$ (356)</u>

Fire Pension	Police Pension	Tax Increment	Other	Total
\$ 73,089	\$ 73,089	\$ -	\$ -	\$ 146,178
-	-	-	-	75,578
-	-	-	60,815	178,755
18,081	18,082	-	25,775	2,784,746
-	-	-	92	1,931
-	-	-	4,364	4,364
139	139	-	26,190	64,776
<u>91,309</u>	<u>91,310</u>	<u>-</u>	<u>117,236</u>	<u>3,256,328</u>
-	-	-	65,415	116,202
402,988	457,317	-	108,057	1,120,019
-	-	-	-	352,434
-	-	198,665	-	1,106,279
-	-	-	159	1,625,770
-	-	-	-	40,643
3,779	4,961	-	-	8,740
6,662	8,744	-	-	15,406
<u>413,429</u>	<u>471,022</u>	<u>198,665</u>	<u>173,631</u>	<u>4,385,493</u>
<u>(322,120)</u>	<u>(379,712)</u>	<u>(198,665)</u>	<u>(56,395)</u>	<u>(1,129,165)</u>
333,206	390,798	-	-	805,404
-	-	(108,520)	-	(238,409)
<u>333,206</u>	<u>390,798</u>	<u>(108,520)</u>	<u>-</u>	<u>566,995</u>
11,086	11,086	(307,185)	(56,395)	(562,170)
9,976	9,976	342,969	403,229	2,435,436
<u>\$ 21,062</u>	<u>\$ 21,062</u>	<u>\$ 35,784</u>	<u>\$ 346,834</u>	<u>\$ 1,873,266</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 741,027	\$ 741,028	\$ 1
Investment income.	-	39	39
Other	6,450	6,585	135
Total revenues.	<u>747,477</u>	<u>747,652</u>	<u>175</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	39,036	39,034	2
Fringe benefits	6,249	6,217	32
Contractual services	12,814	11,532	1,282
Total security of persons and property	<u>58,099</u>	<u>56,783</u>	<u>1,316</u>
Transportation:			
Street transportation:			
Salaries and wages.	542,079	541,101	978
Fringe benefits	96,585	94,957	1,628
Contractual services	44,150	29,938	14,212
Materials and supplies	69,636	67,614	2,022
Total transportation.	<u>752,450</u>	<u>733,610</u>	<u>18,840</u>
Total expenditures	<u>810,549</u>	<u>790,393</u>	<u>20,156</u>
Net change in fund balance	(63,072)	(42,741)	20,331
Fund balance at beginning of year.	76,886	76,886	-
Prior year encumbrances appropriated	1,825	1,825	-
Fund balance at end of year.	<u>\$ 15,639</u>	<u>\$ 35,970</u>	<u>\$ 20,331</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 31,347	\$ 31,288	\$ (59)
Investment income.	-	62	62
Total revenues.	<u>31,347</u>	<u>31,350</u>	<u>3</u>
Expenditures:			
Current:			
Security of persons and property:			
Fringe benefits	<u>73,865</u>	<u>52,796</u>	<u>21,069</u>
Total expenditures	<u>73,865</u>	<u>52,796</u>	<u>21,069</u>
Excess of expenditures over revenues	<u>(42,518)</u>	<u>(21,446)</u>	<u>21,072</u>
Other financing uses:			
Transfers out.	<u>(10,220)</u>	<u>(2,317)</u>	<u>7,903</u>
Total other financing uses.	<u>(10,220)</u>	<u>(2,317)</u>	<u>7,903</u>
Net change in fund balance	(52,738)	(23,763)	28,975
Fund balance at beginning of year	<u>76,923</u>	<u>76,923</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 24,185</u>	<u>\$ 53,160</u>	<u>\$ 28,975</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 60,082	\$ 60,083	\$ 1
Investment income.	-	25	25
Total revenues.	<u>60,082</u>	<u>60,108</u>	<u>26</u>
Expenditures:			
Current:			
Transportation:			
Street repair and maintenance:			
Capital outlay	20,000	5,208	14,792
Total expenditures	<u>20,000</u>	<u>5,208</u>	<u>14,792</u>
Excess of revenues over expenditures.	<u>40,082</u>	<u>54,900</u>	<u>14,818</u>
Other financing uses:			
Transfers out.	(42,825)	(42,822)	3
Total other financing uses.	<u>(42,825)</u>	<u>(42,822)</u>	<u>3</u>
Net change in fund balance	(2,743)	12,078	14,821
Fund balance at beginning of year	<u>12,503</u>	<u>12,503</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,760</u>	<u>\$ 24,581</u>	<u>\$ 14,821</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 65,225	\$ 65,189	\$ (36)
Investment income.	-	60	60
Total revenues.	<u>65,225</u>	<u>65,249</u>	<u>24</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	50,000	41,259	8,741
Total expenditures	<u>50,000</u>	<u>41,259</u>	<u>8,741</u>
Net change in fund balance.	15,225	23,990	8,765
Fund balance at beginning of year	<u>71,299</u>	<u>71,299</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 86,524</u>	<u>\$ 95,289</u>	<u>\$ 8,765</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 219,525	\$ 219,525	\$ -
Total revenues.	<u>219,525</u>	<u>219,525</u>	<u>-</u>
Expenditures:			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits	166,051	163,117	2,934
Contractual services	5,000	2,916	2,084
Total expenditures	<u>171,051</u>	<u>166,033</u>	<u>5,018</u>
Excess of revenues over expenditures	<u>48,474</u>	<u>53,492</u>	<u>5,018</u>
Other financing uses:			
Transfers out	<u>(84,750)</u>	<u>(84,750)</u>	<u>-</u>
Total other financing uses	<u>(84,750)</u>	<u>(84,750)</u>	<u>-</u>
Net change in fund balance	(36,276)	(31,258)	5,018
Fund balance at beginning of year	<u>49,151</u>	<u>49,151</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,875</u>	<u>\$ 17,893</u>	<u>\$ 5,018</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 64,000	\$ 53,055	\$ (10,945)
Other	-	9	9
Total revenues.	<u>64,000</u>	<u>53,064</u>	<u>(10,936)</u>
 Expenditures:			
Current:			
General government:			
Clerk of courts:			
Fringe benefits	70	69	1
Contractual services	40,000	29,741	10,259
Materials and supplies	26,000	15,916	10,084
Capital outlay	5,000	1,868	3,132
Total expenditures	<u>71,070</u>	<u>47,594</u>	<u>23,476</u>
 Net change in fund balance	(7,070)	5,470	12,540
 Fund balance at beginning of year	<u>79,357</u>	<u>79,357</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 72,287</u>	<u>\$ 84,827</u>	<u>\$ 12,540</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 45,079	\$ 45,080	\$ 1
Intergovernmental	171,258	182,520	11,262
Other.	600	677	77
Total revenues.	<u>216,937</u>	<u>228,277</u>	<u>11,340</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Salaries and wages	514	-	514
Fringe benefits.	102	78	24
Total security of persons and property.	<u>616</u>	<u>78</u>	<u>538</u>
Public health services:			
Public health and welfare:			
Salaries and wages.	158,101	154,290	3,811
Fringe benefits.	55,423	54,159	1,264
Contractual services.	6,150	4,403	1,747
Materials and supplies.	10,602	7,391	3,211
Capital outlay.	500	306	194
Other.	5,000	4,838	162
Total public health services	<u>235,776</u>	<u>225,387</u>	<u>10,389</u>
Total expenditures	<u>236,392</u>	<u>225,465</u>	<u>10,927</u>
Net change in fund balance.	(19,455)	2,812	22,267
Fund balance at beginning of year	<u>88,458</u>	<u>88,458</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 69,003</u>	<u>\$ 91,270</u>	<u>\$ 22,267</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 26,167	\$ 26,168	\$ 1
Other.	19	19	-
Total revenues.	<u>26,186</u>	<u>26,187</u>	<u>1</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages.	18,000	12,521	5,479
Fringe benefits.	3,606	2,378	1,228
Contractual services.	3,276	2,633	643
Materials and supplies.	2,949	2,701	248
Total expenditures	<u>27,831</u>	<u>20,233</u>	<u>7,598</u>
Net change in fund balance.	(1,645)	5,954	7,599
Fund balance at beginning of year	<u>3,848</u>	<u>3,848</u>	-
Fund balance at end of year.	<u>\$ 2,203</u>	<u>\$ 9,802</u>	<u>\$ 7,599</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, 2011

	<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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,148	\$ 1,792	\$ (356)
Investment income.	-	1	1
Other.	225	227	2
Total revenues	<u>2,373</u>	<u>2,020</u>	<u>(353)</u>
Expenditures:			
Current:			
General government:			
Aging:			
Salaries and wages.	2,736	2,694	42
Fringe benefits.	530	509	21
Total expenditures	<u>3,266</u>	<u>3,203</u>	<u>63</u>
Net change in fund balance.	(893)	(1,183)	(290)
Fund balance at beginning of year	<u>1,189</u>	<u>1,189</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 296</u>	<u>\$ 6</u>	<u>\$ (290)</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 33,000	\$ 30,498	\$ (2,502)
Investment income.	500	574	74
Other.	19,000	18,852	(148)
Total revenues.	<u>52,500</u>	<u>49,924</u>	<u>(2,576)</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages.	77,497	76,168	1,329
Fringe benefits.	22,909	22,417	492
Contractual services.	23,647	21,822	1,825
Materials and supplies.	6,667	5,368	1,299
Total expenditures	<u>130,720</u>	<u>125,775</u>	<u>4,945</u>
Excess of expenditures over revenues	<u>(78,220)</u>	<u>(75,851)</u>	<u>2,369</u>
Other financing sources:			
Transfers in	80,000	80,000	-
Total other financing sources.	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance.	1,780	4,149	2,369
Fund balance at beginning of year	<u>668,717</u>	<u>668,717</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 670,497</u>	<u>\$ 672,866</u>	<u>\$ 2,369</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,505,993	\$ 787,930	\$ (718,063)
Other	-	6,302	6,302
Total revenues	<u>1,505,993</u>	<u>794,232</u>	<u>(711,761)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages	215,134	101,444	113,690
Fringe benefits.	135,394	57,290	78,104
Contractual services.	752,192	477,668	274,524
Materials and supplies.	20,380	5,259	15,121
Capital outlay	36,316	538	35,778
Other	420,832	235,386	185,446
Total expenditures.	<u>1,580,248</u>	<u>877,585</u>	<u>702,663</u>
Net change in fund balance	(74,255)	(83,353)	(9,098)
Fund balance at beginning of year	7,631	7,631	-
Prior year encumbrances appropriated.	<u>117,759</u>	<u>117,759</u>	<u>-</u>
Fund balance at end of year	<u>\$ 51,135</u>	<u>\$ 42,037</u>	<u>\$ (9,098)</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income.	\$ 1,400	\$ 1,078	\$ (322)
Other	5,000	9,592	4,592
Total revenues.	<u>6,400</u>	<u>10,670</u>	<u>4,270</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Capital outlay	65,000	37,399	27,601
Total expenditures.	<u>65,000</u>	<u>37,399</u>	<u>27,601</u>
Net change in fund balance	(58,600)	(26,729)	31,871
Fund balance at beginning of year	64,896	64,896	-
Prior year encumbrances appropriated	<u>558</u>	<u>558</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,854</u>	<u>\$ 38,725</u>	<u>\$ 31,871</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 803,110	\$ 765,865	\$ (37,245)
Other.	-	100	100
Total revenues	<u>803,110</u>	<u>765,965</u>	<u>(37,145)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Salaries and wages	22,089	17,308	4,781
Fringe benefits.	9,065	6,753	2,312
Contractual services	30,398	1,647	28,751
Capital outlay	742,000	742,000	-
Total expenditures.	<u>803,552</u>	<u>767,708</u>	<u>35,844</u>
Excess of expenditures over revenues	<u>(442)</u>	<u>(1,743)</u>	<u>(1,301)</u>
Other financing sources:			
Transfers in	-	1,400	1,400
Total other financing sources	<u>-</u>	<u>1,400</u>	<u>1,400</u>
Net change in fund balance	(442)	(343)	99
Fund balance at beginning of year	<u>442</u>	<u>442</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 99</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 86,827	\$ 73,089	\$ (13,738)
Intergovernmental.	17,920	18,081	161
Other.	100	139	39
Total revenues.	<u>104,847</u>	<u>91,309</u>	<u>(13,538)</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	415,000	412,063	2,937
Contractual services.	2,000	1,366	634
Total expenditures	<u>417,000</u>	<u>413,429</u>	<u>3,571</u>
Excess of expenditures over revenues	<u>(312,153)</u>	<u>(322,120)</u>	<u>(9,967)</u>
Other financing sources:			
Transfers in.	315,000	333,206	18,206
Total other financing sources.	<u>315,000</u>	<u>333,206</u>	<u>18,206</u>
Net change in fund balance.	2,847	11,086	8,239
Fund balance at beginning of year	<u>9,976</u>	<u>9,976</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 12,823</u>	<u>\$ 21,062</u>	<u>\$ 8,239</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 86,827	\$ 73,089	\$ (13,738)
Intergovernmental.	17,920	18,082	162
Other.	100	139	39
Total revenues.	<u>104,847</u>	<u>91,310</u>	<u>(13,537)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	485,000	469,657	15,343
Contractual services.	2,000	1,365	635
Total expenditures	<u>487,000</u>	<u>471,022</u>	<u>15,978</u>
Excess of expenditures over revenues	<u>(382,153)</u>	<u>(379,712)</u>	<u>2,441</u>
Other financing sources:			
Transfers in.	380,000	390,798	10,798
Total other financing sources.	<u>380,000</u>	<u>390,798</u>	<u>10,798</u>
Net change in fund balance.	(2,153)	11,086	13,239
Fund balance at beginning of year	<u>9,976</u>	<u>9,976</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 7,823</u>	<u>\$ 21,062</u>	<u>\$ 13,239</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Transportation:			
Tax increment:			
Capital outlay	\$ 149,449	\$ 115,000	\$ 34,449
Other	85,000	83,665	1,335
Total expenditures	<u>234,449</u>	<u>198,665</u>	<u>35,784</u>
 Excess of expenditures over revenues	 <u>(234,449)</u>	 <u>(198,665)</u>	 <u>35,784</u>
 Other financing uses:			
Transfers out	<u>(108,520)</u>	<u>(108,520)</u>	<u>-</u>
Total other financing uses	<u>(108,520)</u>	<u>(108,520)</u>	<u>-</u>
 Net change in fund balance	 (342,969)	 (307,185)	 35,784
 Fund balance at beginning of year	 <u>342,969</u>	 <u>342,969</u>	 <u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 35,784</u>	 <u>\$ 35,784</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, 2011

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BYRNE JUSTICE ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 24,725	\$ 25,775	\$ 1,050
Investment income.	-	11	11
Total revenues.	<u>24,725</u>	<u>25,786</u>	<u>1,061</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Personal services	9,899	8,938	961
Capital outlay	24,725	18,863	5,862
Total expenditures	<u>34,624</u>	<u>27,801</u>	<u>6,823</u>
Net change in fund balance.	(9,899)	(2,015)	7,884
Fund balance at beginning of year	<u>9,899</u>	<u>9,899</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 7,884</u>	<u>\$ 7,884</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 3,503	\$ 3,504	\$ 1
Investment income.	-	81	81
Other.	-	350	350
Total revenues.	<u>3,503</u>	<u>3,935</u>	<u>432</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	100,000	79,942	20,058
Total expenditures	<u>100,000</u>	<u>79,942</u>	<u>20,058</u>
Net change in fund balance.	(96,497)	(76,007)	20,490
Fund balance at beginning of year	<u>133,342</u>	<u>133,342</u>	-
Fund balance at end of year.	<u>\$ 36,845</u>	<u>\$ 57,335</u>	<u>\$ 20,490</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 22,874	\$ 23,386	\$ 512
Total revenues.	<u>22,874</u>	<u>23,386</u>	<u>512</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	18,000	13,000	5,000
Total expenditures	<u>18,000</u>	<u>13,000</u>	<u>5,000</u>
Net change in fund balance.	4,874	10,386	5,512
Fund balance at beginning of year	<u>43,798</u>	<u>43,798</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 48,672</u></u>	<u><u>\$ 54,184</u></u>	<u><u>\$ 5,512</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 3,236	\$ 3,236	\$ -
Total revenues.	<u>3,236</u>	<u>3,236</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
Judicial:			
Materials and supplies.	2,000	-	2,000
Total expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net change in fund balance.	1,236	3,236	2,000
Fund balance at beginning of year	<u>1,796</u>	<u>1,796</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 3,032</u></u>	<u><u>\$ 5,032</u></u>	<u><u>\$ 2,000</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 14,000	\$ 11,785	\$ (2,215)
Other.	-	148	148
Total revenues.	<u>14,000</u>	<u>11,933</u>	<u>(2,067)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	4,000	3,500	500
Capital outlay.	8,000	130	7,870
Total expenditures	<u>12,000</u>	<u>3,630</u>	<u>8,370</u>
Net change in fund balance.	2,000	8,303	6,303
Fund balance at beginning of year	<u>24,081</u>	<u>24,081</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 26,081</u>	<u>\$ 32,384</u>	<u>\$ 6,303</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 788	\$ 788	\$ -
Total revenues.	<u>788</u>	<u>788</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	1,200	605	595
Total expenditures	<u>1,200</u>	<u>605</u>	<u>595</u>
Net change in fund balance.	(412)	183	595
Fund balance at beginning of year	<u>1,241</u>	<u>1,241</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 829</u>	<u>\$ 1,424</u>	<u>\$ 595</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 9,685	\$ -	\$ (9,685)
Total revenues.	<u>9,685</u>	<u>-</u>	<u>(9,685)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Salaries and wages.	8,210	-	8,210
Fringe benefits.	<u>1,535</u>	<u>-</u>	<u>1,535</u>
Total expenditures	<u>9,745</u>	<u>-</u>	<u>9,745</u>
Net change in fund balance.	(60)	-	60
Fund balance at beginning of year	<u>61</u>	<u>61</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1</u>	<u>\$ 61</u>	<u>\$ 60</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, 2011

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

CITY OF ALLIANCE, OHIO

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

LAND USE STUDY FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	<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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 13,700	\$ 13,700	\$ -
Total revenues.	<u>13,700</u>	<u>13,700</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies	15,000	15,000	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	(1,300)	(1,300)	-
Fund balance at beginning of year	<u>15,203</u>	<u>15,203</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 13,903</u>	<u>\$ 13,903</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT SECURITY GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
General government:			
Judge:			
Other.	\$ 2	\$ -	\$ 2
Total expenditures	<u>2</u>	<u>-</u>	<u>2</u>
Net change in fund balance.	(2)	-	2
Fund balance at beginning of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 2</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 28,849	\$ 28,850	\$ 1
Total revenues.	<u>28,849</u>	<u>28,850</u>	<u>1</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	10,000	3,633	6,367
Capital outlay.	80,000	19,922	60,078
Total expenditures	<u>90,000</u>	<u>23,555</u>	<u>66,445</u>
Net change in fund balance.	(61,151)	5,295	66,446
Fund balance at beginning of year	<u>129,040</u>	<u>129,040</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 67,889</u>	<u>\$ 134,335</u>	<u>\$ 66,446</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 3,400	\$ 3,400	\$ -
Total revenues.	<u>3,400</u>	<u>3,400</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	12,000	1,957	10,043
Total expenditures	<u>12,000</u>	<u>1,957</u>	<u>10,043</u>
Net change in fund balance.	(8,600)	1,443	10,043
Fund balance at beginning of year	<u>23,959</u>	<u>23,959</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 15,359</u>	<u>\$ 25,402</u>	<u>\$ 10,043</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 1,800	\$ 1,663	\$ (137)
Total revenues	<u>1,800</u>	<u>1,663</u>	<u>(137)</u>
Expenditures:			
Current:			
Transportation:			
Parking facilities:			
Contractual services	<u>5,670</u>	<u>-</u>	<u>5,670</u>
Total expenditures	<u>5,670</u>	<u>-</u>	<u>5,670</u>
Net change in fund balance	(3,870)	1,663	5,533
Fund balance at beginning of year	<u>3,870</u>	<u>3,870</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 5,533</u>	<u>\$ 5,533</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Leisure time activities:			
Land reutilization:			
Contractual services	\$ 3,383	\$ -	\$ 3,383
Total expenditures	<u>3,383</u>	<u>-</u>	<u>3,383</u>
 Excess of expenditures over revenues	 <u>(3,383)</u>	 <u>-</u>	 <u>3,383</u>
 Other financing sources:			
Sale of capital assets	<u>-</u>	<u>2,110</u>	<u>2,110</u>
Total other financing sources	<u>-</u>	<u>2,110</u>	<u>2,110</u>
 Net change in fund balance.	 (3,383)	 2,110	 5,493
 Fund balance at beginning of year	 <u>3,383</u>	 <u>3,383</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ -</u>	 <u>\$ 5,493</u>	 <u>\$ 5,493</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ 5,000	\$ 4,364	\$ (636)
Total revenues.	<u>5,000</u>	<u>4,364</u>	<u>(636)</u>
Expenditures:			
Current:			
General government:			
General administration:			
Contractual services.	4,700	4,268	432
Materials and supplies.	1,000	305	695
Total expenditures	<u>5,700</u>	<u>4,573</u>	<u>1,127</u>
Net change in fund balance.	(700)	(209)	491
Fund balance at beginning of year	<u>723</u>	<u>723</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 23</u>	<u>\$ 514</u>	<u>\$ 491</u>

CITY OF ALLIANCE, OHIO

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

CITY INCOME TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 914,527	\$ 499,318	\$ (415,209)
Other	6,600	9,978	3,378
Total revenues	<u>921,127</u>	<u>509,296</u>	<u>(411,831)</u>
Expenditures:			
Current:			
General government:			
Income tax:			
Salaries and wages	156,687	156,326	361
Fringe benefits	60,985	60,479	506
Contractual services	39,530	36,109	3,421
Materials and supplies	5,700	5,000	700
Capital outlay	5,000	4,923	77
Other	271,874	271,638	236
Total expenditures	<u>539,776</u>	<u>534,475</u>	<u>5,301</u>
Net change in fund balance	381,351	(25,179)	(406,530)
Fund balance at beginning of year	<u>93,649</u>	<u>93,649</u>	<u>-</u>
Fund balance at end of year	<u>\$ 475,000</u>	<u>\$ 68,470</u>	<u>\$ (406,530)</u>

CITY OF ALLIANCE, OHIO

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

SUPPLY REVOLVING FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 154,500	\$ 154,967	\$ 467
Total revenues.	<u>154,500</u>	<u>154,967</u>	<u>467</u>
Expenditures:			
Current:			
General government:			
Maintenance:			
Fringe benefits.	1,200	-	1,200
Contractual services	144,346	130,502	13,844
Materials and supplies	400	294	106
Capital outlay	10,000	9,216	784
Total expenditures	<u>155,946</u>	<u>140,012</u>	<u>15,934</u>
Net change in fund balance.	(1,446)	14,955	16,401
Fund balance at beginning of year	51,493	51,493	-
Prior year encumbrances appropriated	<u>13,393</u>	<u>13,393</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 63,440</u>	<u>\$ 79,841</u>	<u>\$ 16,401</u>

CITY OF ALLIANCE, OHIO

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

AUDITOR TRANSFER FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 61,200	\$ 84,419	\$ 23,219
Total revenues.	<u>61,200</u>	<u>84,419</u>	<u>23,219</u>
Expenditures:			
Current:			
General government:			
Auditor:			
Other.	125,000	71,274	53,726
Total expenditures	<u>125,000</u>	<u>71,274</u>	<u>53,726</u>
Net change in fund balance.	(63,800)	13,145	76,945
Fund balance at beginning of year	<u>71,101</u>	<u>71,101</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 7,301</u>	<u>\$ 84,246</u>	<u>\$ 76,945</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessments	\$ 64,000	\$ 62,204	\$ (1,796)
Total revenues.	<u>64,000</u>	<u>62,204</u>	<u>(1,796)</u>
Expenditures:			
Current:			
Debt service:			
Principal retirement:			
Bond	1,453,818	1,453,818	-
Interest and fiscal charges:			
Bond.	<u>550,000</u>	<u>545,415</u>	<u>4,585</u>
Total expenditures	<u>2,003,818</u>	<u>1,999,233</u>	<u>4,585</u>
Excess of expenditures over revenues	<u>(1,939,818)</u>	<u>(1,937,029)</u>	<u>2,789</u>
Other financing sources:			
Transfers in.	<u>2,350,000</u>	<u>1,929,064</u>	<u>(420,936)</u>
Total other financing sources	<u>2,350,000</u>	<u>1,929,064</u>	<u>(420,936)</u>
Net change in fund balance.	410,182	(7,965)	(418,147)
Fund balance at beginning of year.	<u>106,266</u>	<u>106,266</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 516,448</u>	<u>\$ 98,301</u>	<u>\$ (418,147)</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

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

Street Income Tax Construction Fund

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

Municipal Road Fund

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

Capital Improvements Fund

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

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, 2011

	Street Income Tax Construction	Municipal Road	Capital Improvements	Street Improvement	Total
Assets:					
Equity in pooled cash and cash equivalents.	\$ 582,543	\$ 19,657	\$ 742,029	\$ 12,106	\$ 1,356,335
Receivables (net of allowances for uncollectibles):					
Municipal income taxes	213,180	-	304,543	-	517,723
Special assessments	32,832	-	1,867	-	34,699
Total assets	<u>\$ 828,555</u>	<u>\$ 19,657</u>	<u>\$ 1,048,439</u>	<u>\$ 12,106</u>	<u>\$ 1,908,757</u>
Liabilities:					
Accounts payable	\$ 18,188	\$ -	\$ 30,257	\$ -	\$ 48,445
Due to other governments	35,078	-	5,989	-	41,067
Deferred revenue	112,236	-	115,301	-	227,537
Total liabilities	<u>165,502</u>	<u>-</u>	<u>151,547</u>	<u>-</u>	<u>317,049</u>
Fund balances:					
Restricted	-	19,657	-	12,106	31,763
Committed	663,053	-	896,892	-	1,559,945
Total fund balances	<u>663,053</u>	<u>19,657</u>	<u>896,892</u>	<u>12,106</u>	<u>1,591,708</u>
Total liabilities and fund balances.	<u>\$ 828,555</u>	<u>\$ 19,657</u>	<u>\$ 1,048,439</u>	<u>\$ 12,106</u>	<u>\$ 1,908,757</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, 2011

	Street Income Tax Construction	Municipal Road	Capital Improvements	Street Improvement	Total
Revenues:					
Municipal income taxes	\$ 668,711	\$ -	\$ 955,303	\$ -	\$ 1,624,014
Intergovernmental	-	165,363	272,961	11,650	449,974
Other	105	-	63,148	-	63,253
Total revenues	<u>668,816</u>	<u>165,363</u>	<u>1,291,412</u>	<u>11,650</u>	<u>2,137,241</u>
Expenditures:					
Capital outlay	310,629	145,706	1,571,700	20,776	2,048,811
Total expenditures.	<u>310,629</u>	<u>145,706</u>	<u>1,571,700</u>	<u>20,776</u>	<u>2,048,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>358,187</u>	<u>19,657</u>	<u>(280,288)</u>	<u>(9,126)</u>	<u>88,430</u>
Other financing sources (uses):					
OPWC loans	-	-	304,960	-	304,960
Transfers in	-	-	300,000	-	300,000
Transfers out	-	-	(51,600)	-	(51,600)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>553,360</u>	<u>-</u>	<u>553,360</u>
Net change in fund balances	358,187	19,657	273,072	(9,126)	641,790
Fund balances at beginning of year.	<u>304,866</u>	<u>-</u>	<u>623,820</u>	<u>21,232</u>	<u>949,918</u>
Fund balances at end of year	<u>\$ 663,053</u>	<u>\$ 19,657</u>	<u>\$ 896,892</u>	<u>\$ 12,106</u>	<u>\$ 1,591,708</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes.	\$ 664,864	\$ 664,864	\$ -
Other	-	105	105
Total revenues.	<u>664,864</u>	<u>664,969</u>	<u>105</u>
Expenditures:			
Current:			
Capital outlay:			
Street income tax:			
Capital outlay.	627,593	626,092	1,501
Total expenditures	<u>627,593</u>	<u>626,092</u>	<u>1,501</u>
Net change in fund balance.	37,271	38,877	1,606
Fund balance at beginning of year	176,062	176,062	-
Prior year encumbrances appropriated	<u>14,127</u>	<u>14,127</u>	-
Fund balance at end of year.	<u>\$ 227,460</u>	<u>\$ 229,066</u>	<u>\$ 1,606</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 165,362	\$ 165,363	\$ 1
Total revenues.	<u>165,362</u>	<u>165,363</u>	<u>1</u>
 Expenditures:			
Current:			
Capital outlay:			
Transportation:			
Capital outlay	146,000	145,706	294
Total expenditures	<u>146,000</u>	<u>145,706</u>	<u>294</u>
 Net change in fund balance.	19,362	19,657	295
 Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 19,362</u>	<u>\$ 19,657</u>	<u>\$ 295</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 949,806	\$ 949,806	\$ -
Intergovernmental	577,910	577,921	11
Other	61,207	63,148	1,941
Total revenues	<u>1,588,923</u>	<u>1,590,875</u>	<u>1,952</u>
Expenditures:			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay	2,756,200	2,306,404	449,796
Total expenditures	<u>2,756,200</u>	<u>2,306,404</u>	<u>449,796</u>
Excess of expenditures over revenues	<u>(1,167,277)</u>	<u>(715,529)</u>	<u>451,748</u>
Other financing sources (uses):			
Sale of notes	450,000	-	(450,000)
Transfers in	300,000	300,000	-
Transfers out	(60,300)	(51,600)	8,700
Total other financing sources (uses)	<u>689,700</u>	<u>248,400</u>	<u>(441,300)</u>
Net change in fund balance	(477,577)	(467,129)	10,448
Fund balance at beginning of year	360,088	360,088	-
Prior year encumbrances appropriated	<u>160,054</u>	<u>160,054</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,565</u>	<u>\$ 53,013</u>	<u>\$ 10,448</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 11,650	\$ 11,650
Total revenues.	<u>-</u>	<u>11,650</u>	<u>11,650</u>
Expenditures:			
Current:			
Capital outlay:			
Street improvement:			
Capital outlay	21,232	20,776	456
Total expenditures	<u>21,232</u>	<u>20,776</u>	<u>456</u>
Net change in fund balance.	(21,232)	(9,126)	12,106
Fund balance at beginning of year	20,663	20,663	-
Prior year encumbrances appropriated . .	<u>569</u>	<u>569</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 12,106</u>	<u>\$ 12,106</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 4,062,300	\$ 4,267,323	\$ 205,023
Other.	19,000	49,042	30,042
Total operating revenues	<u>4,081,300</u>	<u>4,316,365</u>	<u>235,065</u>
Operating expenses:			
Salaries and wages.	1,390,117	1,386,069	4,048
Fringe benefits.	525,858	517,776	8,082
Contractual services.	639,668	541,872	97,796
Materials and supplies.	1,098,915	986,988	111,927
Capital outlay.	940,968	387,439	553,529
Other.	14,400	8,252	6,148
Total operating expenses	<u>4,609,926</u>	<u>3,828,396</u>	<u>781,530</u>
Operating income (loss).	<u>(528,626)</u>	<u>487,969</u>	<u>1,016,595</u>
Nonoperating revenues:			
Municipal income taxes.	379,922	379,922	-
Investment income.	600	895	295
Total nonoperating revenues	<u>380,522</u>	<u>380,817</u>	<u>295</u>
Income (loss) before transfers	<u>(148,104)</u>	<u>868,786</u>	<u>1,016,890</u>
Transfers in.	199,463	200,000	537
Transfers out.	<u>(1,513,500)</u>	<u>(1,500,496)</u>	<u>13,004</u>
Net change in fund equity.	(1,462,141)	(431,710)	1,030,431
Fund equity beginning of year.	2,522,854	2,522,854	-
Prior year encumbrances appropriated . .	<u>140,849</u>	<u>140,849</u>	<u>-</u>
Fund equity end of year.	<u>\$ 1,201,562</u>	<u>\$ 2,231,993</u>	<u>\$ 1,030,431</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 3,870,000	\$ 3,990,959	\$ 120,959
Licenses, permits, and fees.	35,000	23,608	(11,392)
Other.	15,000	5,323	(9,677)
Total operating revenues	<u>3,920,000</u>	<u>4,019,890</u>	<u>99,890</u>
Operating expenses:			
Salaries and wages.	1,615,528	1,561,770	53,758
Fringe benefits.	567,529	553,896	13,633
Contractual services.	2,486,641	683,203	1,803,438
Materials and supplies.	205,325	155,122	50,203
Capital outlay.	428,564	230,130	198,434
Other.	17,300	13,235	4,065
Total operating expenses	<u>5,320,887</u>	<u>3,197,356</u>	<u>2,123,531</u>
Operating income (loss)	<u>(1,400,887)</u>	<u>822,534</u>	<u>2,223,421</u>
Nonoperating revenues:			
Investment income	2,000	4,384	2,384
Total nonoperating revenues	<u>2,000</u>	<u>4,384</u>	<u>2,384</u>
Income (loss) before transfers	<u>(1,398,887)</u>	<u>826,918</u>	<u>2,225,805</u>
Transfers out.	<u>(320,935)</u>	<u>(140,876)</u>	<u>180,059</u>
Net change in fund equity.	<u>(1,719,822)</u>	<u>686,042</u>	<u>2,405,864</u>
Fund equity beginning of year.	4,789,031	4,789,031	-
Prior year encumbrances appropriated . .	<u>60,970</u>	<u>60,970</u>	<u>-</u>
Fund equity end of year.	<u>\$ 3,130,179</u>	<u>\$ 5,536,043</u>	<u>\$ 2,405,864</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Other.	\$ 45,000	\$ 46,690	\$ 1,690
Total operating revenues	<u>45,000</u>	<u>46,690</u>	<u>1,690</u>
Operating expenses:			
Salaries and wages.	17,760	17,746	14
Fringe benefits.	3,235	3,231	4
Contractual services.	14,973	12,101	2,872
Capital outlay.	14,493	14,412	81
Other.	55	-	55
Total operating expenses.	<u>50,516</u>	<u>47,490</u>	<u>3,026</u>
Net change in fund equity.	(5,516)	(800)	4,716
Fund equity beginning of year.	<u>101,284</u>	<u>101,284</u>	<u>-</u>
Fund equity end of year.	<u>\$ 95,768</u>	<u>\$ 100,484</u>	<u>\$ 4,716</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 2,033,000	\$ 1,877,991	\$ (155,009)
Total operating revenues	<u>2,033,000</u>	<u>1,877,991</u>	<u>(155,009)</u>
Operating expenses:			
Claims.	<u>2,365,000</u>	<u>2,337,029</u>	<u>27,971</u>
Total operating expenses.	<u>2,365,000</u>	<u>2,337,029</u>	<u>27,971</u>
Net change in fund equity.	(332,000)	(459,038)	(127,038)
Fund equity at beginning of year	<u>784,501</u>	<u>784,501</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 452,501</u>	<u>\$ 325,463</u>	<u>\$ (127,038)</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Agency Funds

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

Carnation Cable Channel Fund

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

Municipal Court Fund

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

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Balance 1/1/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2011</u>
Carnation Cable Channel				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 102,133	\$ 90,977	\$ 11,156
Receivables (net of allowances of uncollectibles):				
Accounts	33,470	23,866	33,470	23,866
Total assets	<u>\$ 33,470</u>	<u>\$ 125,999</u>	<u>\$ 124,447</u>	<u>\$ 35,022</u>
Liabilities:				
Due to others	\$ 33,470	\$ 125,999	\$ 124,447	\$ 35,022
Total liabilities.	<u>\$ 33,470</u>	<u>\$ 125,999</u>	<u>\$ 124,447</u>	<u>\$ 35,022</u>
Municipal Court Fund				
Assets:				
Cash and cash equivalents in segregated accounts .	\$ -	\$ 1,510,120	\$ 1,495,196	\$ 14,924
Total assets	<u>\$ -</u>	<u>\$ 1,510,120</u>	<u>\$ 1,495,196</u>	<u>\$ 14,924</u>
Liabilities:				
Due to others	\$ -	\$ 1,510,120	\$ 1,495,196	\$ 14,924
Total liabilities.	<u>\$ -</u>	<u>\$ 1,510,120</u>	<u>\$ 1,495,196</u>	<u>\$ 14,924</u>
All Agency Funds				
Assets:				
Cash and cash equivalents in segregated accounts .	\$ -	\$ 1,612,253	\$ 90,977	\$ 1,521,276
Receivables (net of allowances of uncollectibles):				
Accounts	33,470	23,866	33,470	23,866
Total assets	<u>\$ 33,470</u>	<u>\$ 1,636,119</u>	<u>\$ 124,447</u>	<u>\$ 1,545,142</u>
Liabilities:				
Due to others	\$ 33,470	\$ 1,636,119	\$ 1,619,643	\$ 49,946
Total liabilities.	<u>\$ 33,470</u>	<u>\$ 1,636,119</u>	<u>\$ 1,619,643</u>	<u>\$ 49,946</u>

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STATISTICAL SECTION

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CITY OF ALLIANCE, OHIO
STATISTICAL SECTION

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

Contents

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.

173-179

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.

180-181

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 NINE YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 19,233,554	\$ 19,217,527	\$ 18,500,286	\$ 17,764,197
Restricted for:				
Capital projects	31,763	1,154,738	1,447,623	1,751,872
Debt service	346,139	401,200	661,027	915,520
Special revenue	-	-	-	-
Transportation projects	285,686	374,892	265,771	325,698
Public health service programs	737,980	737,032	728,398	734,587
Community environment programs	3,976,347	3,892,153	4,521,279	4,785,006
Security programs	235,720	290,824	394,189	448,672
Police and fire pension	76,794	60,133	59,322	58,717
Other purposes	367,747	365,774	291,652	290,657
Unrestricted	5,348,341	5,157,606	2,679,203	2,624,597
Total governmental activities net assets	<u>\$ 30,640,071</u>	<u>\$ 31,651,879</u>	<u>\$ 29,548,750</u>	<u>\$ 29,699,523</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 9,633,092	\$ 9,524,020	\$ 8,804,341	\$ 6,945,805
Restricted:				
Debt service	618,439	609,249	637,561	869,875
Replacement and surplus reserve	616,385	591,030	682,495	493,477
Unrestricted	9,119,919	8,899,493	9,162,368	9,119,655
Total business-type activities net assets	<u>\$ 19,987,835</u>	<u>\$ 19,623,792</u>	<u>\$ 19,286,765</u>	<u>\$ 17,428,812</u>
Total primary government				
Invested in capital assets, net of related debt	\$ 28,866,646	\$ 28,741,547	\$ 27,304,627	\$ 24,710,002
Restricted for:				
Capital projects	31,763	1,154,738	1,447,623	1,751,872
Debt service	964,578	1,010,449	1,298,588	1,785,395
Special revenue	-	-	-	-
Replacement and surplus reserve	616,385	591,030	682,495	493,477
Transportation projects	285,686	374,892	265,771	325,698
Public health service programs	737,980	737,032	728,398	734,587
Community environment programs	3,976,347	3,892,153	4,521,279	4,785,006
Security programs	235,720	290,824	394,189	448,672
Police and fire pension	76,794	60,133	59,322	58,717
Other purposes	367,747	365,774	291,652	290,657
Unrestricted	14,468,260	14,057,099	11,841,571	11,744,252
Total primary government net assets	<u>\$ 50,627,906</u>	<u>\$ 51,275,671</u>	<u>\$ 48,835,515</u>	<u>\$ 47,128,335</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.

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

CITY OF ALLIANCE, OHIO

**CHANGES IN NET ASSETS
LAST NINE YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Program revenues:				
Governmental activities				
Charges for services:				
General government	\$ 974,521	\$ 704,836	\$ 984,588	\$ 948,427
Security of persons and property	68,727	32,285	14,278	157,747
Public health services	162,688	306,416	162,113	165,168
Transportation	-	-	-	-
Community environment	72,433	90,263	82,968	207,862
Leisure time activities	50,926	49,205	22,990	31,456
Interest and fiscal charges	-	-	-	36,025
Subtotal - charges for services	<u>1,329,295</u>	<u>1,183,005</u>	<u>1,266,937</u>	<u>1,546,685</u>
Operating grants and contributions				
General government	32,043	40,638	30,622	16,550
Security of persons and property	131,084	51,838	141,330	66,882
Public health services	200,510	76,594	197,403	181,104
Transportation	935,710	962,280	853,054	1,042,127
Community environment	1,544,671	1,110,616	995,772	798,218
Subtotal - operating grants and contributions	<u>2,844,018</u>	<u>2,241,966</u>	<u>2,218,181</u>	<u>2,104,881</u>
Capital grants and contributions				
Transportation	483,045	-	207,196	326,119
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Subtotal - capital grants and contributions	<u>483,045</u>	<u>-</u>	<u>207,196</u>	<u>326,119</u>
Total governmental activities program revenues	<u>4,656,358</u>	<u>3,424,971</u>	<u>3,692,314</u>	<u>3,977,685</u>
Business-type activities:				
Charges for services:				
Water	4,380,453	3,935,652	4,460,193	4,343,787
Sewer	3,980,135	3,966,871	4,618,220	4,180,728
Robertson Community Center	46,682	49,086	75,933	56,293
Capital grants and contributions	-	144,918	313,745	24,295
Total business-type activities program revenues	<u>8,407,270</u>	<u>8,096,527</u>	<u>9,468,091</u>	<u>8,605,103</u>
Total primary government	<u>\$ 13,063,628</u>	<u>\$ 11,521,498</u>	<u>\$ 13,160,405</u>	<u>\$ 12,582,788</u>
Expenses:				
Governmental activities				
General government	\$ 3,280,078	\$ 3,073,733	\$ 2,917,013	\$ 3,086,862
Security of persons and property	9,033,362	8,624,742	8,416,988	8,407,092
Public health services	1,034,561	1,015,414	952,822	965,155
Transportation	2,015,461	1,960,588	1,636,141	1,787,268
Community environment	1,856,513	1,355,294	969,055	783,718
Basic utility services	60,904	54,541	56,427	62,750
Leisure time activities	770,365	772,260	793,909	769,611
Interest and fiscal charges	71,335	83,669	110,107	114,938
Total governmental activities expenses	<u>18,122,579</u>	<u>16,940,241</u>	<u>15,852,462</u>	<u>15,977,394</u>

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

- - Continued

CITY OF ALLIANCE, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Business-type activities:				
Water	\$ 4,834,781	\$ 4,616,259	\$ 4,498,029	\$ 3,974,057
Sewer	3,739,990	3,436,932	3,523,095	3,629,692
Robertson Community Center	<u>60,278</u>	<u>56,745</u>	<u>54,174</u>	<u>76,277</u>
Total business-type activities expenses	<u>8,635,049</u>	<u>8,109,936</u>	<u>8,075,298</u>	<u>7,680,026</u>
Total primary government	<u>\$ 26,757,628</u>	<u>\$ 25,050,177</u>	<u>\$ 23,927,760</u>	<u>\$ 23,657,420</u>
Net (expense) revenue				
Governmental activities	(13,466,221)	(13,515,270)	(12,160,148)	(11,999,709)
Business-type activities	<u>(227,779)</u>	<u>(13,409)</u>	<u>1,392,793</u>	<u>925,077</u>
Total primary government net expense	<u>\$ (13,694,000)</u>	<u>\$ (13,528,679)</u>	<u>\$ (10,767,355)</u>	<u>\$ (11,074,632)</u>
General revenues and other changes in net assets				
Governmental activities				
Municipal income taxes	\$ 9,776,370	\$ 8,713,256	\$ 8,540,876	\$ 8,844,311
Property and other local taxes	929,774	956,359	984,883	1,331,701
Grants and entitlements not restricted to specific programs	1,103,878	4,524,885	1,714,806	1,458,034
Investment earnings	8,435	10,202	21,096	154,923
Miscellaneous	835,956	504,111	747,714	495,455
Transfers	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>12,454,413</u>	<u>14,708,813</u>	<u>12,009,375</u>	<u>12,284,424</u>
Business-type activities				
Municipal income taxes	386,543	343,668	340,765	349,905
Unrestricted grants and contributions	-	-	-	-
Investment earnings	5,279	6,768	15,215	124,004
Gain on sale of capital assets	-	-	109,180	-
Transfers	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>591,822</u>	<u>350,436</u>	<u>465,160</u>	<u>473,909</u>
Total primary government	<u>\$ 13,046,235</u>	<u>\$ 15,059,249</u>	<u>\$ 12,474,535</u>	<u>\$ 12,758,333</u>
Change in net assets				
Governmental activities	\$ (1,011,808)	\$ 1,193,543	\$ (150,773)	\$ 284,715
Business-type activities	<u>364,043</u>	<u>337,027</u>	<u>1,857,953</u>	<u>1,398,986</u>
Total primary government	<u>\$ (647,765)</u>	<u>\$ 1,530,570</u>	<u>\$ 1,707,180</u>	<u>\$ 1,683,701</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.

2007	2006	2005	2004	2003
\$ 4,391,750	\$ 4,151,267	\$ 4,099,091	\$ 4,210,253	\$ 4,377,606
3,637,428	3,439,175	3,216,935	3,322,084	3,132,644
79,192	57,972	76,859	-	-
8,108,370	7,648,414	7,392,885	7,532,337	7,510,250
<u>\$ 23,626,808</u>	<u>\$ 22,919,091</u>	<u>\$ 22,407,136</u>	<u>\$ 21,363,084</u>	<u>\$ 20,286,672</u>
(11,775,221)	(12,542,281)	(12,371,439)	(11,674,740)	(11,176,171)
367,431	510,406	24,056	147,479	(81,634)
<u>\$ (11,407,790)</u>	<u>\$ (12,031,875)</u>	<u>\$ (12,347,383)</u>	<u>\$ (11,527,261)</u>	<u>\$ (11,257,805)</u>
\$ 8,685,830	\$ 8,344,521	\$ 7,626,396	\$ 7,537,702	\$ 6,706,398
1,577,482	1,503,423	1,523,469	1,370,645	1,493,119
1,359,491	3,118,133	1,998,723	1,951,422	2,879,685
548,794	326,744	266,974	151,771	117,106
213,713	372,327	680,693	506,605	627,687
-	34,572	(59,725)	15,000	-
12,385,310	13,699,720	12,036,530	11,533,145	11,823,995
348,248	307,661	383,794	69,164	268,840
-	-	414,108	-	-
309,454	395,062	228,161	52,802	41,794
-	-	-	-	-
-	(34,572)	59,725	(15,000)	-
657,702	668,151	1,085,788	106,966	310,634
<u>\$ 13,043,012</u>	<u>\$ 14,367,871</u>	<u>\$ 13,122,318</u>	<u>\$ 11,640,111</u>	<u>\$ 12,134,629</u>
\$ 610,089	\$ 1,157,439	\$ (334,909)	\$ (141,595)	\$ 647,824
1,025,133	1,178,557	1,109,844	254,445	229,000
<u>\$ 1,635,222</u>	<u>\$ 2,335,996</u>	<u>\$ 774,935</u>	<u>\$ 112,850</u>	<u>\$ 876,824</u>

CITY OF ALLIANCE, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General fund:				
Nonspendable	\$ 88,225	\$ -	\$ -	\$ -
Committed	10,289	-	-	-
Assigned	64,886	-	-	-
Unassigned	3,789,207	-	-	-
Reserved	-	36,264	39,787	54,034
Unreserved	-	5,207,831	2,277,229	2,415,812
Total general fund	<u>\$ 3,952,607</u>	<u>\$ 5,244,095</u>	<u>\$ 2,317,016</u>	<u>\$ 2,469,846</u>
All other governmental funds:				
Nonspendable	\$ 38,929	\$ -	\$ -	\$ -
Restricted	5,797,381	-	-	-
Committed	1,575,115	-	-	-
Assigned	1,000	-	-	-
Unassigned (deficit)	(3,142)	-	-	-
Reserved	-	1,920,513	2,396,244	2,053,742
Unreserved, reported in:				
Special revenue funds	-	2,261,677	2,234,113	2,670,338
Debt service fund (deficit)	-	126,581	253,537	383,562
Capital projects funds	-	869,425	997,814	1,253,617
Revolving loan fund	-	1,595,729	1,775,948	1,877,054
Total all other governmental funds	<u>\$ 7,409,283</u>	<u>\$ 6,773,925</u>	<u>\$ 7,657,656</u>	<u>\$ 8,238,313</u>
Total governmental funds	<u>\$ 11,361,890</u>	<u>\$ 12,018,020</u>	<u>\$ 9,974,672</u>	<u>\$ 10,708,159</u>

Source: City financial records

Note: The City implemented GASB 54 in fiscal year 2011.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,413	78,177	6,271	7,277	57,758	21,077
<u>2,827,425</u>	<u>1,960,128</u>	<u>1,623,549</u>	<u>1,449,575</u>	<u>1,559,008</u>	<u>2,282,794</u>
<u>\$ 2,887,838</u>	<u>\$ 2,038,305</u>	<u>\$ 1,629,820</u>	<u>\$ 1,456,852</u>	<u>\$ 1,616,766</u>	<u>\$ 2,303,871</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,122,823	2,008,866	2,666,144	2,558,410	3,150,503	3,916,229
2,468,519	2,046,513	1,887,440	1,772,658	1,744,308	1,981,973
405,002	530,268	128,199	128,809	(2,001,533)	110,194
879,040	877,141	1,179,745	1,500,142	851,257	1,337,740
<u>1,770,809</u>	<u>1,850,228</u>	<u>1,503,868</u>	<u>1,354,590</u>	<u>1,217,403</u>	<u>-</u>
<u>\$ 7,646,193</u>	<u>\$ 7,313,016</u>	<u>\$ 7,365,396</u>	<u>\$ 7,314,609</u>	<u>\$ 4,961,938</u>	<u>\$ 7,346,136</u>
<u>\$ 10,534,031</u>	<u>\$ 9,351,321</u>	<u>\$ 8,995,216</u>	<u>\$ 8,771,461</u>	<u>\$ 6,578,704</u>	<u>\$ 9,650,007</u>

CITY OF ALLIANCE, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues				
Municipal income taxes	\$ 9,670,227	\$ 8,718,059	\$ 8,516,605	\$ 8,918,599
Property and other taxes	955,054	969,712	980,354	1,317,000
Charges for services	251,838	224,081	286,138	219,980
Licenses permits and fees	219,834	336,829	177,116	211,965
Fines and forfeitures	461,502	512,398	553,954	707,122
Intergovernmental	4,349,101	6,833,514	4,248,142	3,339,642
Special assessments	62,204	68,563	63,244	67,529
Investment income	74,730	64,763	109,236	284,258
Rental income	101,858	84,887	91,888	197,934
Contributions and donations	4,384	6,231	8,660	8,936
Other	1,039,446	712,218	931,047	617,343
Total revenues	<u>17,190,178</u>	<u>18,531,255</u>	<u>15,966,384</u>	<u>15,890,308</u>
Expenditures				
Current:				
General government	2,749,939	2,492,289	2,389,066	2,557,730
Security of persons and property	8,220,965	7,857,210	7,821,330	7,894,771
Public health services	956,336	944,131	911,403	916,506
Transportation	1,106,279	966,818	963,850	1,078,028
Community environment	1,759,825	1,676,693	1,167,061	745,376
Leisure time activities	631,225	657,273	687,874	707,879
Basic utility services	55,238	51,936	53,228	56,634
Capital outlay	2,089,454	1,335,972	2,194,333	1,249,970
Debt service:				
Principal retirement	308,740	418,380	403,036	387,705
Interest and fiscal charges	73,267	87,205	108,690	121,581
Total expenditures	<u>17,951,268</u>	<u>16,487,907</u>	<u>16,699,871</u>	<u>15,716,180</u>
Excess (deficiency) of revenues over (under) expenditures	(761,090)	2,043,348	(733,487)	174,128
Other financing sources (uses)				
General obligation bonds issued	-	-	-	-
Notes issued	-	-	-	-
OPWC loan issuance	304,960	-	-	-
Transfers in	1,393,096	1,066,718	1,030,531	1,120,695
Transfers (out)	(1,593,096)	(1,066,718)	(1,030,531)	(1,120,695)
Total other financing sources (uses)	<u>104,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (656,130)</u>	<u>\$ 2,043,348</u>	<u>\$ (733,487)</u>	<u>\$ 174,128</u>
Capital expenditures	\$ 1,605,167	\$ 982,102	\$ 1,891,704	\$ 629,761
Debt service as a percentage of noncapital expenditures	2.34%	3.26%	3.46%	3.38%

Source: City financial records

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	8,680,502	\$ 8,024,521	\$ 7,626,396	\$ 7,401,163	\$ 6,830,817	6,856,339
	1,654,590	1,369,882	1,523,469	1,370,645	1,493,119	1,141,175
	210,692	286,675	319,431	231,861	351,965	415,438
	189,557	198,136	214,178	219,095	251,699	251,498
	1,133,003	752,202	673,263	528,808	456,481	542,705
	3,328,039	4,088,770	3,305,958	3,049,565	3,343,052	3,296,042
	66,011	69,653	69,284	66,491	72,263	79,360
	528,586	326,744	266,974	165,781	117,106	297,877
	187,367	197,651	187,794	195,600	187,858	162,531
	21,875	-	-	-	-	-
	386,814	368,427	611,409	425,483	535,305	427,644
	<u>16,387,036</u>	<u>15,682,661</u>	<u>14,798,156</u>	<u>13,654,492</u>	<u>13,639,665</u>	<u>13,470,609</u>
	2,539,655	3,004,114	2,696,600	2,639,368	2,238,952	2,246,009
	7,367,104	7,120,972	6,884,123	6,464,712	6,571,883	6,370,849
	897,770	847,880	814,061	772,536	743,463	717,809
	1,426,146	779,409	806,465	952,269	944,347	837,684
	805,669	1,437,792	866,213	1,110,544	959,165	1,099,535
	622,482	591,116	565,882	544,468	580,700	514,393
	29,842	103,710	57,412	54,497	54,340	55,996
	1,007,670	1,218,871	1,052,146	844,885	1,865,747	4,353,288
	382,388	372,083	376,792	111,512	2,846,232	2,590,976
	125,600	129,181	150,982	146,952	178,561	257,018
	<u>15,204,326</u>	<u>15,605,128</u>	<u>14,270,676</u>	<u>13,641,743</u>	<u>16,983,390</u>	<u>19,043,557</u>
	1,182,710	77,533	527,480	12,749	(3,343,725)	(5,572,948)
	-	-	-	2,165,000	-	-
	-	-	-	-	240,000	2,355,000
	-	-	-	-	-	-
	1,066,863	1,353,119	1,368,001	1,260,384	1,735,416	1,719,622
	<u>(1,066,863)</u>	<u>(1,318,547)</u>	<u>(1,427,726)</u>	<u>(1,245,384)</u>	<u>(1,735,416)</u>	<u>(1,716,449)</u>
	-	34,572	(59,725)	2,180,000	240,000	2,358,173
\$	<u>1,182,710</u>	<u>112,105</u>	<u>467,755</u>	<u>2,192,749</u>	<u>(3,103,725)</u>	<u>(3,214,775)</u>
\$	1,091,851	\$ 1,257,438	\$ 1,052,146	\$ 844,885	\$ 1,865,747	\$ 4,353,288
	3.60%	3.49%	3.99%	2.02%	20.01%	19.39%

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				
2011	\$ 7,136,465	\$ 1,352,612	\$ 8,489,077	\$ 1,447,690	\$ 9,936,767	2.00%
2010	6,651,975	1,250,681	7,902,656	940,634	8,843,290	2.00%
2009	6,768,976	1,347,416	8,116,392	825,594	8,941,986	2.00%
2008	7,209,183	1,214,575	8,423,758	770,489	9,194,247	2.00%
2007	6,511,369	1,063,413	7,574,782	1,094,809	8,669,591	1.75% & 2.00%
2006	6,270,100	1,039,854	7,309,954	935,107	8,245,061	1.75%
2005	6,295,748	1,032,284	7,328,032	544,566	7,872,598	1.75%
2004	5,707,689	1,019,523	6,727,212	474,838	7,202,050	1.75%
2003	5,570,847	981,191	6,552,038	464,191	7,016,229	1.75%
2002	5,647,196	1,002,435	6,649,631	454,223	7,103,854	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 EIGHT YEARS**

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

Source: City of Alliance Income Tax Department

Note: Information prior to 2004 was not available.

CITY OF ALLIANCE, OHIO

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

Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Special Assessment Bonds	OPWC Loans	General Obligation Bonds	Revenue Bonds	OPWC Loans			
2011	\$ 735,000	\$ 195,000	\$ 304,960	\$ 1,142,000	\$ 11,255,000	\$ 674,209	\$ 14,306,169	3.64%	\$ 635
2010	980,000	250,000	-	1,182,000	12,315,000	717,194	15,444,194	3.93%	686
2009	1,335,000	305,000	-	1,740,000	13,345,000	683,506	17,408,506	4.93%	749
2008	1,680,000	355,000	-	2,185,000	14,275,000	354,826	18,849,826	5.34%	811
2007	2,015,000	400,000	-	2,620,000	15,000,000	376,957	20,411,957	5.78%	878
2006	2,345,000	445,000	-	3,040,000	15,820,000	399,088	22,049,088	6.25%	948
2005	2,665,000	490,000	-	3,460,000	16,605,000	301,855	23,521,855	6.66%	1,012
2004	2,995,000	530,000	-	3,960,000	17,355,000	318,302	25,158,302	7.13%	1,082
2003	895,000	570,000	-	190,000	21,330,000	45,272	23,030,272	6.52%	990
2002	3,460,000	605,000	-	285,000	22,395,000	47,934	26,792,934	7.59%	1,152

Source: City financial records

Note: Population and personal income data are presented on page 180.

CITY OF ALLIANCE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	Population (1)	Assessed Value of Taxable Property (2)	Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Net Bonded Debt Per Capita
			Gross Bonded Debt (3)	Debt Service Available Balance	Net Bonded Debt		
2011	22,522	\$ 288,001,100	\$ 1,877,000	\$ 118,616	\$ 1,758,384	0.65%	\$ 78.07
2010	22,522	289,117,210	2,162,000	126,581	2,035,419	0.75%	90.37
2009	23,253	299,392,613	3,075,000	253,537	2,821,463	1.03%	121.34
2008	23,253	308,189,431	3,865,000	383,562	3,481,438	1.25%	149.72
2007	23,253	322,569,984	4,635,000	405,002	4,229,998	1.44%	181.91
2006	23,253	290,531,674	5,385,000	530,268	4,854,732	1.85%	208.78
2005	23,253	290,572,913	6,125,000	128,199	5,996,801	2.11%	257.89
2004	23,253	282,876,811	6,955,000	128,809	6,826,191	2.46%	293.56
2003	23,253	264,876,811	1,085,000	(2,001,533)	3,086,533	0.41%	132.74
2002	23,253	272,855,775	3,745,000	110,194	3,634,806	1.37%	156.32

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, 2011**

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to City
Direct - City of Alliance			
General obligation bonds	\$ 735,000	100.00%	\$ 735,000
Special assessment bonds	195,000	100.00%	195,000
OPWC loans	304,960	100.00%	304,960
	<u>1,234,960</u>		<u>1,234,960</u>
Overlapping debt:			
Alliance City Schools	9,723,784	90.65%	8,814,610
Stark County	10,332,455	4.06%	419,498
	<u>20,056,239</u>		<u>9,234,108</u>
Total direct and overlapping debt	<u>\$ 21,291,199</u>		<u>\$ 10,469,068</u>

Source: Ohio Municipal Advisory Council

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

CITY OF ALLIANCE, OHIO

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total assessed property value	\$ 288,001,100	\$ 288,748,770	\$ 299,234,860	\$ 296,983,320
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>30,240,116</u>	<u>30,318,621</u>	<u>31,419,660</u>	<u>31,183,249</u>
Debt outstanding				
General obligation bonds	735,000	980,000	1,335,000	1,680,000
Special assessment bonds	195,000	250,000	305,000	355,000
Enterprise general obligation bonds	1,142,000	1,182,000	1,740,000	2,185,000
OPWC loans	979,169	717,194	683,506	354,826
Revenue bonds	11,255,000	12,315,000	13,345,000	14,275,000
Notes	-	-	-	-
Total gross indebtedness	<u>14,306,169</u>	<u>15,444,194</u>	<u>17,408,506</u>	<u>18,849,826</u>
Less:				
Special assessment bonds	195,000	250,000	305,000	355,000
Enterprise general obligation bonds	1,142,000	1,182,000	1,740,000	2,185,000
OPWC loans	979,169	717,194	683,506	354,826
Revenue bonds	<u>11,255,000</u>	<u>12,315,000</u>	<u>13,345,000</u>	<u>14,275,000</u>
Total net debt applicable to debt limit	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 29,505,116</u>	<u>\$ 29,338,621</u>	<u>\$ 30,084,660</u>	<u>\$ 29,503,249</u>
Legal debt margin as a percentage of the debt limit	97.57%	96.77%	95.75%	94.61%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>15,840,061</u>	<u>15,881,182</u>	<u>16,457,917</u>	<u>16,334,083</u>
Total gross indebtedness	14,306,169	15,444,194	17,408,506	18,849,826
Less:				
Special assessment bonds	195,000	250,000	305,000	355,000
Enterprise general obligation bonds	1,142,000	1,182,000	1,740,000	2,185,000
OPWC loans	979,169	717,194	683,506	354,826
Revenue bonds	<u>11,255,000</u>	<u>12,315,000</u>	<u>13,345,000</u>	<u>14,275,000</u>
Net debt within 5 1/2 % limitations	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 15,105,061</u>	<u>\$ 14,901,182</u>	<u>\$ 15,122,917</u>	<u>\$ 14,654,083</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	95.36%	93.83%	91.89%	89.71%

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.

2007	2006	2005	2004	2003	2002
\$ 296,403,070	\$ 290,531,674	\$ 290,572,913	\$ 282,876,811	\$ 264,876,811	\$ 272,855,775
<u>31,122,322</u>	<u>30,505,826</u>	<u>30,510,156</u>	<u>29,702,065</u>	<u>27,812,065</u>	<u>28,649,856</u>
2,015,000	2,345,000	2,665,000	2,995,000	895,000	1,105,000
400,000	445,000	490,000	530,000	570,000	605,000
2,620,000	3,040,000	3,460,000	3,960,000	190,000	285,000
376,957	399,088	301,855	318,302	45,272	47,934
15,000,000	15,820,000	16,605,000	17,355,000	21,330,000	22,395,000
-	-	-	-	2,495,000	2,355,000
<u>20,411,957</u>	<u>22,049,088</u>	<u>23,521,855</u>	<u>25,158,302</u>	<u>25,525,272</u>	<u>26,792,934</u>
400,000	445,000	490,000	530,000	570,000	605,000
2,620,000	3,040,000	3,460,000	3,960,000	190,000	285,000
376,957	399,088	301,855	318,302	45,272	47,934
<u>15,000,000</u>	<u>15,820,000</u>	<u>16,605,000</u>	<u>17,355,000</u>	<u>21,330,000</u>	<u>22,395,000</u>
<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>	<u>3,460,000</u>
<u>\$ 29,107,322</u>	<u>\$ 28,160,826</u>	<u>\$ 27,845,156</u>	<u>\$ 26,707,065</u>	<u>\$ 24,422,065</u>	<u>\$ 25,189,856</u>
93.53%	92.31%	91.27%	89.92%	87.81%	87.92%
<u>16,302,169</u>	<u>15,979,242</u>	<u>15,981,510</u>	<u>15,558,225</u>	<u>14,568,225</u>	<u>15,007,068</u>
20,411,957	22,049,088	23,521,855	25,158,302	25,525,272	26,792,934
400,000	445,000	490,000	530,000	570,000	605,000
2,620,000	3,040,000	3,460,000	3,960,000	190,000	285,000
376,957	399,088	301,855	318,302	45,272	47,934
<u>15,000,000</u>	<u>15,820,000</u>	<u>16,605,000</u>	<u>17,355,000</u>	<u>21,330,000</u>	<u>22,395,000</u>
<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>	<u>2,995,000</u>	<u>3,390,000</u>	<u>3,460,000</u>
<u>\$ 14,287,169</u>	<u>\$ 13,634,242</u>	<u>\$ 13,316,510</u>	<u>\$ 12,563,225</u>	<u>\$ 11,178,225</u>	<u>\$ 11,547,068</u>
87.64%	85.32%	83.32%	80.75%	76.73%	76.94%

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	\$ 62,204	\$ -	\$ 62,204	\$ 55,000	\$ 15,169	0.89
2010	68,563	-	68,563	55,000	18,469	0.93
2009	63,244	-	63,244	50,000	21,219	0.89
2008	67,529	-	67,529	45,000	23,649	0.98
2007	66,011	-	66,011	45,000	25,854	0.93
2006	69,923	-	69,923	45,000	28,014	0.96
2005	69,284	-	69,284	40,000	29,894	0.99
2004	66,491	-	66,491	40,000	31,733	0.93
2003	63,516	-	63,516	35,000	33,309	0.93
2002	33,753	-	33,753	35,000	34,848	0.48

Source: City financial records

CITY OF ALLIANCE, OHIO

PLEGGED REVENUE COVERAGE
WATER REVENUE BONDS
LAST TEN YEARS

Year	Operating Revenues	Direct Operating Expenses (1)	Cash and cash equivalents with fiscal agent	Net Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2011	\$ 4,380,453	\$ 3,632,635	\$ 1,678,027	\$ 2,425,845	\$ 1,060,000	\$ 439,963	1.62
2010	3,935,652	3,397,003	1,677,494	2,216,143	1,030,000	470,863	1.48
2009	4,460,193	3,216,538	1,684,217	2,927,872	930,000	569,421	1.95
2008	4,343,787	3,060,768	1,862,595	3,145,614	855,000	739,300	1.97
2007	4,377,711	2,979,101	1,695,061	3,093,671	820,000	776,200	1.94
2006	4,420,598	2,685,625	1,680,873	3,415,846	785,000	773,099	2.19
2005	4,119,622	2,566,530	1,635,339	3,188,431	750,000	838,958	2.01
2004	3,917,644	2,463,697	1,600,706	3,054,653	720,000	873,230	1.92
2003	3,917,191	2,583,677	1,597,589	2,931,103	695,000	902,762	1.83
2002	4,091,878	2,028,142	1,624,484	3,688,220	665,000	929,005	2.31

Source: City financial records

Notes:

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Stark County Unemployment Rate (3)</u>
2011	22,522	\$ 392,490,894	\$ 17,427	\$ 32,743	35.9	7.9%
2010	22,522	392,490,894	17,427	32,743	35.9	11.1%
2009	23,253	353,000,000	15,181	30,078	34.0	12.2%
2008	23,253	353,000,000	15,181	30,078	34.0	8.0%
2007	23,253	353,000,000	15,181	30,078	34.0	5.9%
2006	23,253	353,000,000	15,181	30,078	34.0	5.3%
2005	23,253	353,000,000	15,181	30,078	34.0	5.6%
2004	23,253	353,000,000	15,181	30,078	34.0	6.3%
2003	23,253	353,000,000	15,181	30,078	34.0	7.0%
2002	23,253	353,000,000	15,181	30,078	34.0	6.0%

Sources:

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

County Auditor

Notes:

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

(3) Stark County

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

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

December 31, 2011			
Employer	Employees	Rank	Percentage of Total City Employment
University of Mount Union	1,830	1	15.21%
Alliance Community Hospital	1,132	2	9.41%
Alliance City Schools	828	3	6.88%
Coastal Pet	700	4	5.82%
Walmart	515	5	4.28%
Alliance Castings	475	6	3.95%
Alliance Tubular Products	384	7	3.19%
City of Alliance	315	8	2.62%
Terry's Tire Town	191	9	1.59%
Morgan Acquisitions	104	10	0.86%
Total	6,474		53.81%
Total City Employment (1)	12,032		

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 SIX YEARS

Function/Program	2011	2010	2009	2008	2007	2006
General Government						
Council and clerk						
Number of ordinances passed	101	95	86	95	97	116
Number of Resolutions passed	6	10	9	18	32	27
Number of planning commission docket items	34	27	17	26	30	34
Zoning board of appeals docket items	20	26	20	32	23	37
Finance Department						
Number of checks/vouchers issued	4,013	3,936	4,305	4,212	3,857	3,632
Number of payroll checks issued	2,801	2,681	3,064	3,823	4,154	4,458
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 16,328	\$ 20,387	\$ 43,384	\$ 338,202	\$ 758,752	\$ 621,555
Number of receipts issued	2,461	2,546	1,686	1,427	1,278	1,294
Number of journal entries issued	424	424	221	442	516	362
Number of budget adjustments issued	10	8	23	12	15	11
Agency ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Health insurance costs- Medical	\$ 1,994,330	\$ 1,680,722	\$ 1,567,989	\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
Health insurance costs- Dental	\$ 100,563	\$ 105,433	\$ 103,322	n/a	n/a	n/a
Health insurance costs- Administration	\$ 242,136	\$ 234,843	\$ 197,585	n/a	n/a	n/a
Health insurance total	\$ 2,337,029	\$ 2,020,998	\$ 1,868,896	\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
General fund receipts (budgetary-basis)	\$ 10,450,333	\$ 14,203,022	\$ 11,248,650	\$ 10,977,577	\$ 11,819,838	\$ 9,820,070
General fund expenditures (budgetary-basis)	\$ 11,533,844	\$ 11,421,889	\$ 11,509,720	\$ 11,495,283	\$ 10,626,337	\$ 9,911,961
General fund cash balances	\$ 2,854,512	\$ 3,927,726	\$ 1,356,683	\$ 1,602,045	\$ 2,109,644	\$ 471,014
Income Tax Department						
Number of individual returns	8,024	8,084	8,418	8,770	8,392	8,372
Number of business returns	1,234	1,216	1,259	1,279	1,230	1,224
Number of business withholding accounts	4,785	4,467	4,459	4,470	4,702	4,683
Annual number of corporate withholding forms processed	3,659	3,380	3,220	3,288	n/a	n/a
Annual number of estimated payment forms processed	2,682	2,564	3,036	3,364	2,905	3,612
Annual number of reconciliation of withholding processed	3,632	3,576	3,436	3,651	3,651	2,898
Engineer Contracted Services						
Dollar amount of construction overseen by Engineer	\$ 613,528	\$ 268,152	\$ 1,029,635	\$ -	\$ 462,751	\$ 800,391
Private Construction Overseen/Inspected	\$ 834,500	\$ 97,600	\$ 275,000	\$ 740,300	n/a	n/a
Engineering Design Contracts	\$ 33,395	\$ 25,917	\$ 178,198	\$ 209,948	n/a	n/a
Municipal Court						
Number of civil cases filed	1,717	1,924	1,988	2,473	2,438	2,203
Number of criminal cases filed	2,262	1,763	1,746	1,894	1,815	1,592
Number of traffic cases filed	2,733	3,268	3,519	2,603	3,013	3,864
Total cases filed	6,712	6,955	7,253	6,970	7,266	7,659
Number of civil cases disposed	1,727	1,818	2,059	2,524	2,375	2,075
Number of criminal cases disposed	2,147	1,740	1,748	1,952	1,721	1,535
Number of traffic cases disposed	2,728	3,324	3,465	2,651	3,032	3,823
Total cases disposed	6,602	6,882	7,272	7,127	7,128	7,433
Vital Statistics						
Certificates filed	734	799	803	778	893	746
Number of births	402	401	450	432	522	438
Number of deaths	332	398	353	346	371	308
Certificates issued	3,270	3,621	4,078	4,402	5,324	4,715
Burial permits issued	304	392	365	333	303	434
Civil Service						
Number of police entry tests administered	1	-	-	-	1	1
Number of fire entry test administered	-	-	-	-	1	-
Number of police promotional tests administered	-	-	3	1	-	3
Number of fire promotional tests administered	1	-	-	-	4	-
Number of hires of police officers from certified lists	3	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 SIX YEARS

Function/Program	2011	2010	2009	2008	2007	2006
Building Department Indicators						
Construction permits issued	296	346	290	333	352	410
Estimated value of construction	\$ 13,075,583	\$ 13,906,316	\$ 12,270,074	\$ 29,005,371	\$ 14,782,277	\$ 19,463,377
Number of permits issued	802	1,324	1,164	909	880	936
Amount of revenue generated from permits	\$ 56,748	\$ 118,626	\$ 96,578	\$ 88,359	\$ 75,508	\$ 85,131
Number of contract registrations issued	209	248	119	133	135	148
Security of Persons & Property						
Police						
Total calls for services	41,283	43,950	42,920	44,302	49,742	59,394
Number of traffic citations issued	1,401	1,796	2,423	2,034	2,283	2,594
Number of parking citations issued	250	699	776	286	316	383
Number of criminal arrests	2,505	1,826	1,221	3,733	2,364	2,471
Number of accident reports completed	646	618	542	647	699	680
Felony offenses (F1-F5)	564	461	511	565	456	533
Misdemeanor offenses (M1-MM)	1,640	1,354	1,493	1,652	1,908	1,354
Police dept. auxiliary hours worked	1,204	1,418	956	1,200	2,045	912
DUI arrests	158	143	141	130	110	117
Prisoners	1,407	1,338	1,666	1,744	1,890	1,682
Motor vehicle accidents	771	803	908	1,040	1,326	1,275
Property damage accidents	771	669	790	892	1,181	513
Fatalities from motor vehicle accidents	-	2	-	1	4	2
Gasoline costs of fleet	\$ 142,749	\$ 105,476	\$ 84,070	\$ 114,869	\$ 85,139	\$ 77,146
Community diversion program - community service hours	85	94	396	249	339	890
Fire						
EMS/Rescue calls	2,220	2,024	1,885	1,925	1,759	459
Other EMS calls (assist ambulance, stand-by)	n/a	n/a	n/a	n/a	107	247
Structure fires	67	87	38	36	42	43
Fires other than structure	28	46	67	69	80	100
Other fire calls (electrical, smoke/odor, hazardous mat.)	796	738	530	699	549	542
Total calls for services	3,111	2,895	2,520	2,729	2,537	1,391
Fire with loss	35	41	43	64	58	61
Fires with losses exceeding \$10 K	9	5	9	8	10	9
Fire losses	\$ 276,650	\$ 2,416,875	\$ 627,410	\$ 388,255	\$ 484,155	\$ 660,420
Fire safety inspections	882	827	540	223	775	982
Number of times mutual aid given to fire and EMS	8	26	8	3	3	8
Number of times mutual aid received for fire and EMS	3	10	9	7	3	5
Fire Department receipts from fees & permits	\$ 727	\$ 961	\$ 855	\$ 813	\$ 125	\$ 1,330
Fire department total receipts	\$ 727	\$ 26,502	\$ 9,700	\$ 13,905	\$ 5,026	\$ 11,902
Public Health and Welfare						
Number of health inspections	1,423	1,363	1,476	1,531	1,562	1,551
Cemetery burials	78	78	73	62	63	75
Cemetery cremations	21	13	21	19	23	25
Cemetery sale of lots	30	45	69	78	60	37
Cemetery receipts	\$ 49,306	\$ 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 SIX YEARS

Function/Program	2011	2010	2009	2008	2007	2006
Leisure Time Activities						
Recreation						
Recreation mens & womens league receipts	\$ 4,750	\$ 4,520	\$ 3,330	\$ 2,100	\$ 1,865	\$ 3,530
Other fees	\$ -	\$ -	\$ -	\$ 880	\$ 1,683	\$ 1,434
Cabin rentals	\$ 17,822	\$ 16,595	\$ 16,790	\$ 16,404	\$ 12,815	\$ 11,047
Robertson community center facility rentals	\$ 10,697	\$ 10,382	\$ 11,021	\$ 10,762	\$ 10,132	\$ 7,273
Robertson community center swimming pool receipts	\$ 35,985	\$ 38,439	\$ 32,949	\$ 43,664	\$ 42,239	\$ 44,309
Total recreation department receipts	\$ 69,254	\$ 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	n/a	7,306	8,885	11,371	8,796	9,645
Refuse disposal costs per year January - December	n/a	\$ 850,514	\$ 832,922	\$ 612,118	\$ 791,537	\$ 542,354
Annual recycling tonnage (excluding leaf and compost)	n/a	647.43	598.67	572.87	532.80	608.02
Percentage of waste recycled	n/a	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	8.677
Total area within Stark County (square miles)	8.600	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	0.077
Total dedicated streets (miles)	106.462	106.462	106.462	106.462	106.462	106.462
Total paved street (miles)	79.343	79.343	79.343	79.343	79.343	79.343
Total unpaved street (miles)	27.119	27.119	27.119	27.119	27.119	27.119
Total number of street intersections	735	735	735	735	735	735
Street repair (curb, apron, berms, asphalt) (hours)	2,290	2,240	2,327	1,650	1,500	750
Guardrail repair (hours)	-	-	-	-	25	50
Paint striping (hours)	950	945	920	1,080	1,200	1,200
Street sweeper (hours)	633	518	719	607	553	620
Cold patch (hours)	4,350	4,235	4,395	3,780	3,500	3,000
Snow and ice removal regular hours	4,980	5,950	5,280	6,912	6,500	6,000
Snow and ice removal overtime hours	825	1,383	837	1,333	970	600
Tons of snow melting salt purchased (Nov-Mar)	4,229	3,402	2,987	3,511	2,352	2,044
Cost of salt purchased	\$ 218,217	\$ 172,872	\$ 140,713	\$ 125,622	\$ 83,185	\$ 70,776
Sewer and sanitary calls for service	86	87	96	96	110	108
After hours sewer calls (hours)	47	102	48	36	57	112
Sewer crew (hours)	17,615	17,349	18,335	18,327	18,458	17,952
Sewer jet, vac-all, other services (hours)	1,304	1,668	1,052	1,381	1,036	2,100
Landscaping, stump-chipper service (hours)	241	289	765	807	650	800
Leaf collection (hours)	1,597	1,706	1,716	1,285	1,532	1,688
Sign department (hours)	1,160	1,320	1,040	800	800	800
Water Department						
Water rates per 1st 300 Cu ft of water used (inside City rate)	\$ 4.93	\$ 4.93	\$ 4.61	\$ 4.48	\$ 4.35	\$ 4.35
Water rates per 1st 300 Cu ft of water used (outside City rate)	\$ 8.63	\$ 8.63	\$ 8.07	\$ 7.83	\$ 7.61	\$ 7.61
Avg. number of water accounts billed monthly (Cu. Ft)	9,813	9,851	9,819	9,875	9,909	9,897
Total water collections annually (including P&I)	\$ 4,316,764	\$ 4,208,926	\$ 4,057,088	\$ 4,208,863	\$ 4,224,254	\$ 4,188,073
Payments for bulk water purchases	\$ 36,271	\$ 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	\$ 3.44	\$ 3.28	\$ 3.12	\$ 3.12
Wastewater rates per 1st 300 Cu ft of water used (outside City rate)	\$ 3.89	\$ 3.89	\$ 3.89	\$ 3.71	\$ 3.54	\$ 3.54
Total flow of wastewater treatment plant (billions of gallons)	1.71	1.52	1.33	1.68	1.64	1.73
Average daily flow (millions of gallons per day)	4.68	4.00	4.00	4.62	4.50	4.75
Tons of dry sludge removed	669	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 SIX YEARS

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

Source: Various City of Alliance departments.

Note: Information prior to 2006 was unavailable.

CITY OF ALLIANCE, OHIO

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

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

Source: City Payroll Department W2 Audit Listing

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

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



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 05, 2012