



Mary Taylor, CPA
Auditor of State

CITY OF ALLIANCE
STARK COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 12, 2008. 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the City's management in a separate letter dated June 12, 2008.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 12, 2008.

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

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

Mary Taylor, CPA
Auditor of State

June 12, 2008



Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

Compliance

We have audited the compliance of the City of Alliance, Stark County, Ohio (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Alliance, Stark County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2007. In a separate letter to the City's management dated June 12, 2008, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the City's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be 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. However, we noted a matter involving the 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 12, 2008.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio as of and for the year ended December 31, 2007, and have issued our report thereon dated June 12, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Federal Awards Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

June 12, 2008

**CITY OF ALLIANCE
STARK COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
Community Development Block Grant	N/A	14.218	\$ 511,381
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct</i>			
Edward Byrne Memorial Justice Assistance Grant Program	N/A	16.738	12,153
Bulletproof Vest Partnership Program	N/A	16.607	<u>1,250</u>
Total U.S. Department of Justice			13,403
<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	Not Available	93.044	8,579
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the City of Canton Health Department</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	Not Available	10.557	<u>133,392</u>
Total			<u>\$ 666,755</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, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

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

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C – URBAN DEVELOPMENT ACTION GRANT (UDAG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and 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. The initial loan of this money was previously recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2007, the gross amount of loans outstanding under this program was \$1,972,760 (net amount after allowance of \$428,820 for delinquent accounts).

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

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and 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. The initial loan of this money was previously recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2007, the gross amount of loans outstanding under this program was \$30,164.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**CITY OF ALLIANCE
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007**

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 other 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 other 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?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA#14.218 Community Development Block Grants
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF ALLIANCE
STARK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Financial Reporting – The audit resulted in numerous material audit adjustments.	Yes	

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

KEVIN KNOWLES
ACTING CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

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CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

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June 12, 2008

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, 2007, and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

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 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 GASB Statement 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 2007.

The City of Alliance

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

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

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

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

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

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

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

The City is served by Alliance Community Hospital (ACH), a 204 bed facility is a 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 Healthcare Organizations (JCAHO) and offers a quality medical staff of more than 150 active and covering physicians.

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

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 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.

Local Economy

The City's economy continues to show the effects of economic slowdowns from prior years. The unemployment rate is higher than the State of Ohio and the United States. The following items related to the local economy are further described in the MD&A section of the CAFR:

- Creation of a "Blue Ribbon Committee" to examine the City's finances through a study of all areas of the City's operations.
- Annexation of land into the City.
- Renovations and new stores anticipated at the Alliance Carnation Mall.

Long-Term Financial Planning

The City's culture has always been one of conservative financial choices, trying to use debt sparingly. This preference for using cash for capital equipment needs as well as yearly road maintenance, park improvements, traffic light construction, and so on, has given the City a great deal of financial flexibility. We will continue this approach of using cash as much as possible for our capital investments.

The City's uses long-term financial planning to address financial issues affecting the City. The City's 2008 appropriations increased approximately \$1 million primarily due to increased costs related to medical insurance payments, the hiring of additional police officers, retirement payouts, and higher utility costs. The City will finance these increased costs with revenue generated by the ¼ % income tax increase that went into effect July 1, 2007.

Relevant Financial Policies

The City has the following financial policies that have an impact on the current and future financial position of the City. The following items related to relevant financial policies are further described in the MD&A section of the CAFR:

- Development of a Comprehensive Land Use Plan to promote a sound pattern of development.
- The adoption of legislation creating a development plan for the downtown area.
- Preparation of a Storm Water Management program.

Major Initiatives

The City has undertaken many current and future initiatives for the betterment of the City. The following major initiatives are further described in the MD&A section of the CAFR:

- Construction of a municipal skate park.
- Approval of the Alliance Fire Department to begin First Responder Duties.
- Extension of sewer lines to 114 single family homes.
- Various street resurfacing projects and repairs.
- Phase II of the Waste Water Treatment Plant rehab project
- Renovation to the Dr. Martin Luther King, Jr. viaduct.
- SARTA Mass Transit project.
- Centralization of Countywide 911 Call & Dispatch Center.

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. Additional budgetary information can be found in Note 2.

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

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

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

Internal Accounting and Reporting Control

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

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

Awards

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its CAFR for the fiscal year ended December 31, 2006. 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 eight consecutive years (1999-2006). 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, 2007 have been audited by the Auditor of State Mary Taylor's Office. The Auditor's opinion has been included in this report.

Acknowledgments

The City would like to express its appreciation to Julian & Grube, Inc. for their assistance with the preparation of this CAFR.

Further, as Acting City Auditor, I would like to express my sincere appreciation to my efficient and knowledgeable staff, and other City and County departments who assisted in this endeavor and whose dedication and commitment made the publication of this CAFR a successful accomplishment.

In addition, I would like to thank the Administration and Members of Council for their continued support and commitment which has enabled the City to upgrade its accounting information systems to provide the citizens of Alliance with the fiscal accountability they deserve.

Respectfully Submitted,



Kevin Knowles
Acting City Auditor

CITY OF ALLIANCE

City Officials

December 31, 2007

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

Finance

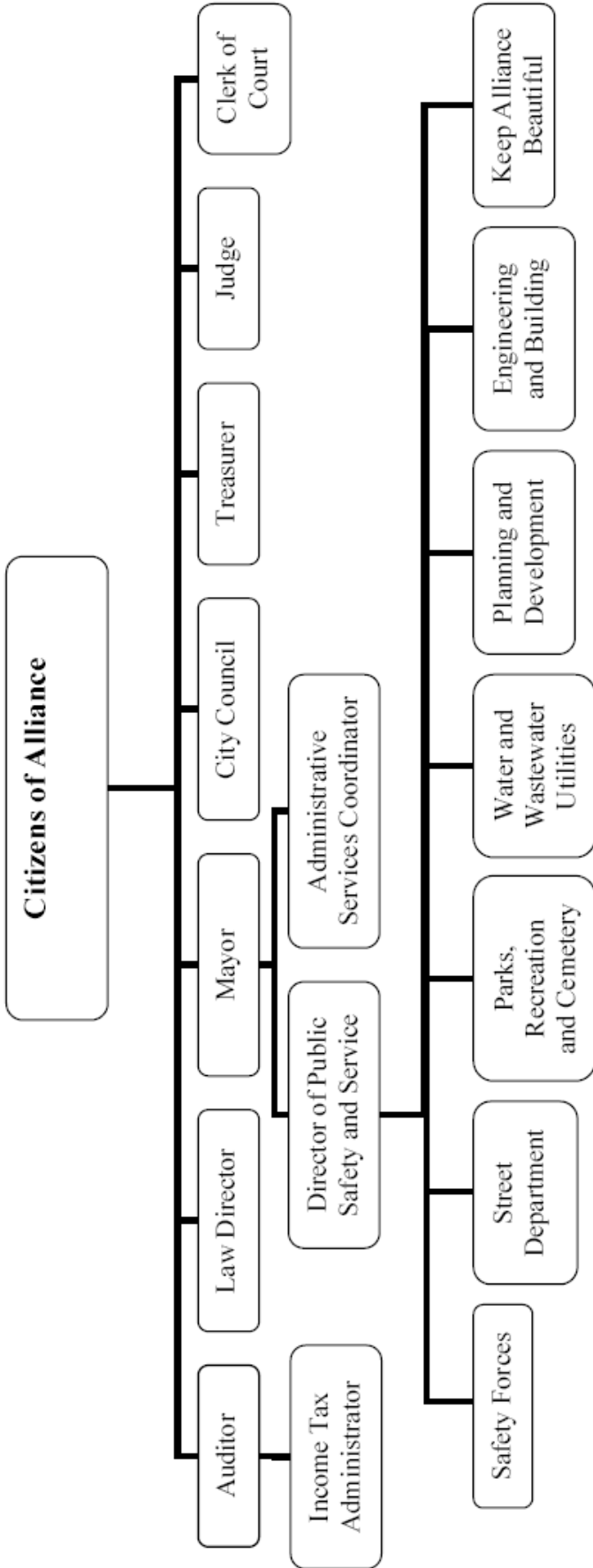
Auditor	Alexander A. Zumbar (1)
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

Director of Public Safety and Service	John B. Blaser
Fire Chief	James Cochran
Acting Police Chief	Greg Anderson
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

(1) Effective May 27, 2008, Kevin Knowles was appointed Acting City Auditor

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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio (the City), as of and for the year ended December 31, 2007, 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, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Revolving Loan funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

Mary Taylor, CPA
Auditor of State

June 12, 2008

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

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 fiscal year ended December 31, 2007. 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 2007 are as follows:

- The total net assets of the City increased \$1,635,222. Net assets of governmental activities increased \$610,089 or 2.12% over 2006 and net assets of business-type activities increased \$1,025,133 or 6.83% over 2006.
- General revenues accounted for \$12,385,310 or 76.79% of total governmental activities revenue. Program specific revenues accounted for \$3,743,217 or 23.21% of total governmental activities revenue.
- The City had \$15,518,438 in expenses related to governmental activities; \$3,743,217 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,775,221 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,385,310.
- The general fund had revenues and other financing sources of \$11,650,799 in 2007. This represents an increase of \$350,735 from 2006 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$10,801,266 in 2007, decreased \$90,313 from 2006. The net increase in fund balance for the general fund was \$849,533 or 41.68%, from \$2,038,305 in 2006 to \$2,887,838 in 2007.
- The revolving loan major fund had \$169,082 in revenues and \$66,329 in expenditures in 2007. The fund balance for the revolving loan fund increased \$102,753 or 2.82%, from \$3,645,816 in 2006 to \$3,748,569 in 2007.
- The debt service major fund had \$358,576 in revenues and other financing sources and \$483,842 in expenditures in 2007. The fund balance for the debt service fund decreased \$125,266 or 23.62%, from \$530,268 in 2006 to \$405,002 in 2007.
- Net assets for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$1,025,133 from a net asset balance of \$15,004,693 in 2006 to a net asset balance of \$16,029,826 in 2007.
- The water fund had \$4,377,711 in operating revenues and \$3,562,908 in operating expenses in 2007. The water fund also had non-operating revenues of \$488,336 and non-operating expenses of \$809,631. The net assets of the water fund increased \$493,508 or 8.44%.
- The sewer fund had \$4,016,634 in operating revenues and \$3,481,427 in operating expenses in 2007. The sewer fund also had non-operating revenues of \$198,418 and non-operating expenses of \$135,721. The net assets of the sewer fund increased \$597,904 or 6.86%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

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 2007?" 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 41-43 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, 2007

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, revolving loan fund, and the debt service fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 44-47 of this report, budgetary comparison for the general fund and the revolving loan fund (a major special revenue fund) can be found on pages 48-53 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 54-57 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.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 58-89 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007 compared to December 31, 2006:

	Net Assets					
	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-Type Activities <u>2007</u>	Business-Type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
<u>Assets</u>						
Current and other assets	\$ 16,396,787	\$ 14,966,193	\$ 11,596,403	\$ 10,731,922	\$ 27,993,190	\$ 25,698,115
Capital assets, net	<u>20,612,128</u>	<u>21,052,921</u>	<u>22,743,093</u>	<u>23,695,939</u>	<u>43,355,221</u>	<u>44,748,860</u>
Total assets	<u>37,008,915</u>	<u>36,019,114</u>	<u>34,339,496</u>	<u>34,427,861</u>	<u>71,348,411</u>	<u>70,446,975</u>
<u>Liabilities</u>						
Long-term liabilities						
outstanding	5,056,421	5,276,933	17,818,662	18,209,616	22,875,083	23,486,549
Other liabilities	<u>2,537,686</u>	<u>1,937,462</u>	<u>491,008</u>	<u>1,213,552</u>	<u>3,028,694</u>	<u>3,151,014</u>
Total liabilities	<u>7,594,107</u>	<u>7,214,395</u>	<u>18,309,670</u>	<u>19,423,168</u>	<u>25,903,777</u>	<u>26,637,563</u>
<u>Net Assets</u>						
Invested in capital						
assets, net of related debt	18,197,128	18,707,921	5,947,976	6,893,121	24,145,104	25,601,042
Restricted	8,509,610	8,034,698	1,344,925	2,308,294	9,854,535	10,342,992
Unrestricted	<u>2,708,070</u>	<u>2,062,100</u>	<u>8,736,925</u>	<u>5,803,278</u>	<u>11,444,995</u>	<u>7,865,378</u>
Total net assets	<u>\$ 29,414,808</u>	<u>\$ 28,804,719</u>	<u>\$ 16,029,826</u>	<u>\$ 15,004,693</u>	<u>\$ 45,444,634</u>	<u>\$ 43,809,412</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2007, the City's assets exceeded liabilities by \$45,444,634. At year-end, net assets were \$29,414,808 and \$16,029,826 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, 2007, capital assets represented 60.77% of total assets. Capital assets include land, construction in progress (CIP), buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2007, were \$18,197,128 and \$5,947,976 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, 2007, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net assets, \$8,509,610, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$2,708,070 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, 2007**

The table below shows the changes in net assets for fiscal years 2007 and 2006.

	Change in Net Assets					
	Governmental Activities 2007	Governmental Activities 2006	Business-Type Activities 2007	Business-Type Activities 2006	Total 2007	Total 2006
Revenues						
Program revenues:						
Charges for services and sales	\$ 1,927,812	\$ 1,430,764	\$ 8,446,749	\$ 8,158,820	\$ 10,374,561	\$ 9,589,584
Operating grants and contributions	1,689,927	1,227,979	-	-	1,689,927	1,227,979
Capital grants and contributions	125,478	69,653	29,052	-	154,530	69,653
Total program revenues	<u>3,743,217</u>	<u>2,728,396</u>	<u>8,475,801</u>	<u>8,158,820</u>	<u>12,219,018</u>	<u>10,887,216</u>
General revenues:						
Property taxes	1,577,482	1,503,423	-	-	1,577,482	1,503,423
Income taxes	8,685,830	8,344,521	348,248	307,661	9,034,078	8,652,182
Unrestricted grants	1,359,491	3,118,133	-	-	1,359,491	3,118,133
Interest	548,794	326,744	309,454	395,062	858,248	721,806
Miscellaneous	213,713	372,327	-	-	213,713	372,327
Total general revenues	<u>12,385,310</u>	<u>13,665,148</u>	<u>657,702</u>	<u>702,723</u>	<u>13,043,012</u>	<u>14,367,871</u>
Total revenues	<u>16,128,527</u>	<u>16,393,544</u>	<u>9,133,503</u>	<u>8,861,543</u>	<u>25,262,030</u>	<u>25,255,087</u>
Expenses:						
General government	3,016,883	4,043,160	-	-	3,016,883	4,043,160
Security of persons and property	7,539,046	6,917,630	-	-	7,539,046	6,917,630
Public health services	961,261	852,080	-	-	961,261	852,080
Transportation	2,285,361	1,124,564	-	-	2,285,361	1,124,564
Community environment	854,061	1,440,811	-	-	854,061	1,440,811
Basic utility services	47,762	113,162	-	-	47,762	113,162
Leisure time activities	693,235	650,091	-	-	693,235	650,091
Interest	120,829	129,179	-	-	120,829	129,179
Water	-	-	4,391,750	4,151,267	4,391,750	4,151,267
Sewer	-	-	3,637,428	3,439,175	3,637,428	3,439,175
Nonmajor:						
Robertson Community Center	-	-	79,192	57,972	79,192	57,972
Total expenses	<u>15,518,438</u>	<u>15,270,677</u>	<u>8,108,370</u>	<u>7,648,414</u>	<u>23,626,808</u>	<u>22,919,091</u>
Increase in net assets before transfers	610,089	1,122,867	1,025,133	1,213,129	1,635,222	2,335,996
Transfers	-	34,572	-	(34,572)	-	-
Change in net assets	<u>610,089</u>	<u>1,157,439</u>	<u>1,025,133</u>	<u>1,178,557</u>	<u>1,635,222</u>	<u>2,335,996</u>
Net assets at beginning year	<u>28,804,719</u>	<u>27,647,280</u>	<u>15,004,693</u>	<u>13,826,136</u>	<u>43,809,412</u>	<u>41,473,416</u>
Net assets at end of year	<u>\$ 29,414,808</u>	<u>\$ 28,804,719</u>	<u>\$ 16,029,826</u>	<u>\$ 15,004,693</u>	<u>\$ 45,444,634</u>	<u>\$ 43,809,412</u>

CITY OF ALLIANCE, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Governmental Activities

Governmental activities net assets increased \$610,089 in 2007. This increase is a result of decreasing revenues, still outpacing increased expenses of the governmental activities.

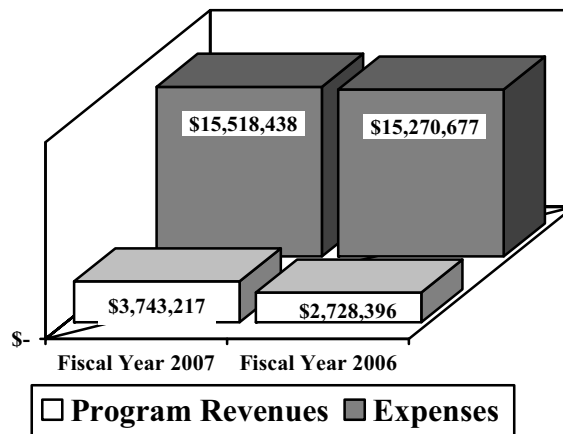
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$7,539,046 of the total expenses of the City. These expenses were partially funded by \$506,379 in direct charges to users of the services. General government expenses totaled \$3,016,883. General government expenses were partially funded by \$1,091,967 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$1,689,927 in operating grants and contributions and \$125,478 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$883,294 subsidized transportation and \$540,042 subsidized community environment. Of the total capital grants and contributions, \$125,478 subsidized transportation programs.

General revenues totaled \$12,385,310, and amounted to 76.79% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,263,312. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$1,359,491.

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

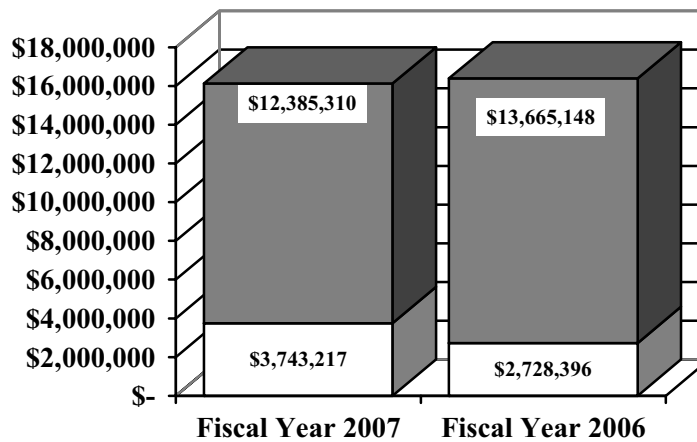
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Program Expenses:				
General government	\$ 3,016,883	\$ 1,913,847	\$ 4,043,160	\$ 2,919,464
Security of persons and property	7,539,046	6,955,035	6,917,630	6,824,368
Public health services	961,261	610,079	852,080	501,534
Transportation	2,285,361	1,276,589	1,124,564	1,054,911
Community environment	854,061	219,925	1,440,811	384,726
Basic utility services	47,762	47,762	113,162	113,162
Leisure time activities	693,235	662,920	650,091	614,937
Interest	120,829	89,064	129,179	129,179
Total Expenses	\$ 15,518,438	\$ 11,775,221	\$ 15,270,677	\$ 12,542,281

The dependence upon general revenues for governmental activities is apparent, with 75.88% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2007 and 2006.

Governmental Activities – General and Program Revenues



□ Program Revenues ■ General Revenues

Business-Type Activities

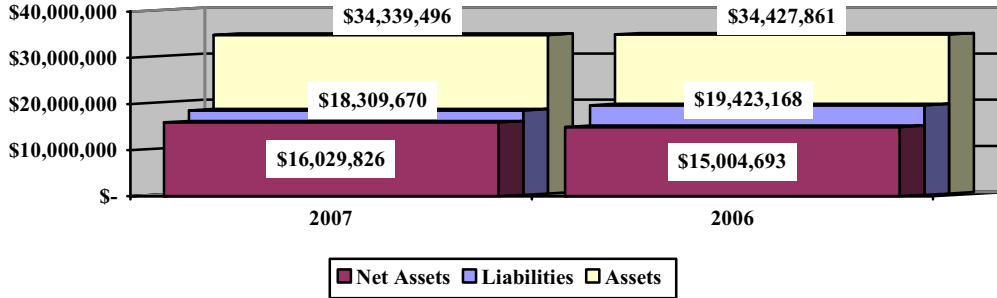
Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$8,475,801, general revenues of \$657,702 and expenses of \$8,108,370 for 2007.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

Net Assets in Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 44) reported a combined fund balance of \$10,534,031 which is \$1,182,710 higher than last year's total of \$9,351,321. The revolving loan fund balance includes \$1,972,760 reserved for loans receivable. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2007 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> 12/31/07	<u>Fund Balances</u> 12/31/06	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 2,887,838	\$ 2,038,305	\$ 849,533
Revolving Loan	3,748,569	3,645,816	102,753
Debt Service	405,002	530,268	(125,266)
Other Nonmajor Governmental Funds	<u>3,492,622</u>	<u>3,136,932</u>	<u>355,690</u>
Total	<u>\$ 10,534,031</u>	<u>\$ 9,351,321</u>	<u>\$ 1,182,710</u>

General Fund

The City's general fund balance increased \$849,533 primarily due to an increase in income tax revenues as a result of the ¼ % income tax increase which took effect July 1, 2007.

CITY OF ALLIANCE, OHIO

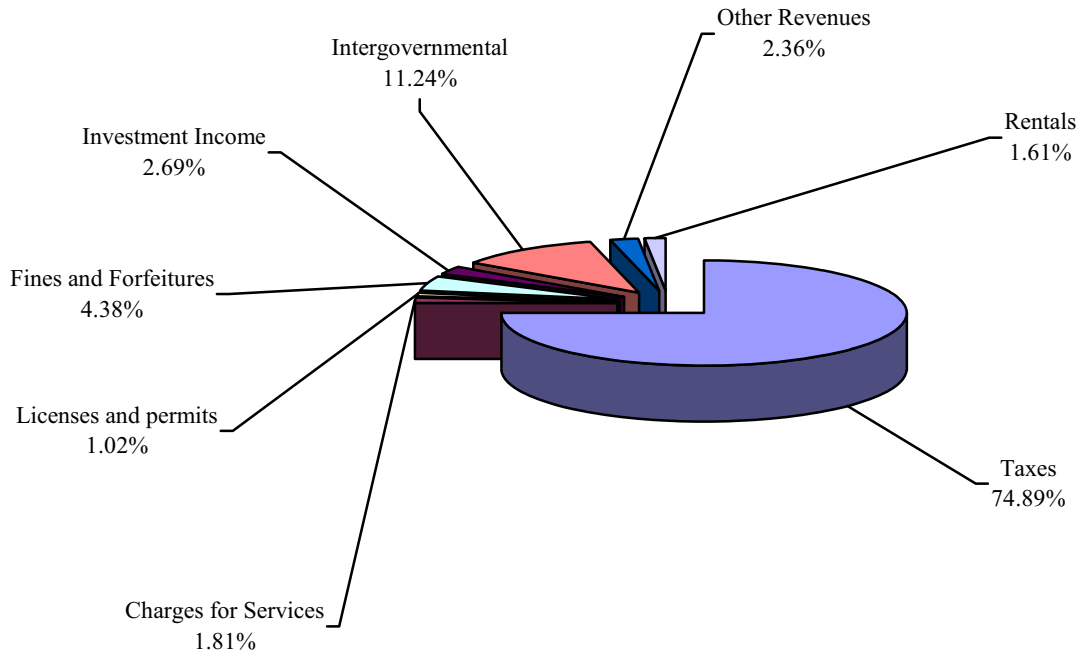
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

	<u>2007 Amount</u>	<u>2006 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 8,725,877	\$ 8,232,001	\$ 493,876	6.00 %
Charges for services	210,692	286,675	(75,983)	(26.50) %
Licenses and permits	118,667	128,839	(10,172)	(7.90) %
Fines and forfeitures	510,218	497,399	12,819	2.58 %
Investment income	313,524	91,594	221,930	242.30 %
Intergovernmental	1,309,107	1,582,699	(273,592)	(17.29) %
Rentals	187,367	197,651	(10,284)	(5.20) %
Other	<u>275,347</u>	<u>218,966</u>	<u>56,381</u>	25.75 %
Total	<u>\$ 11,650,799</u>	<u>\$ 11,235,824</u>	<u>\$ 414,975</u>	3.69 %

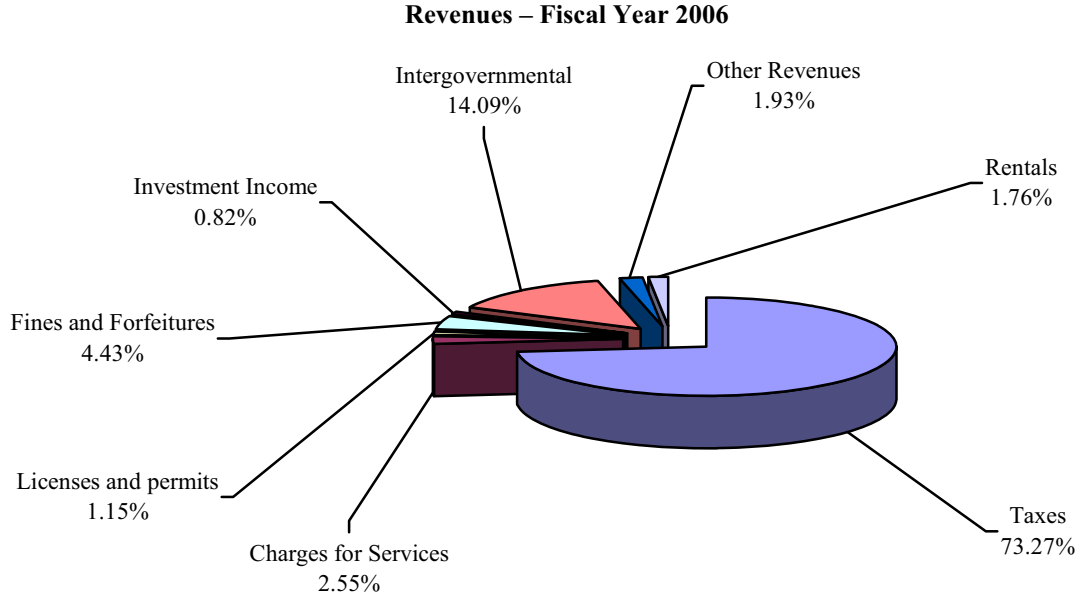
Tax revenue increased \$493,876 or 6.00% due to the City increasing its income tax rate from 1.75% to 2.00% during the year. Investment income increased \$221,930 or 242.30%. This increase is due mainly to the City changing how it allocates interest between funds during 2007. Intergovernmental revenue decreased \$273,592 or 17.29% during 2007. This decrease can be attributed to a decrease in estate tax revenue during the year. Charges for services decreased \$75,983. All other revenue remained comparable to 2006.

Revenues – Fiscal Year 2007



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**



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

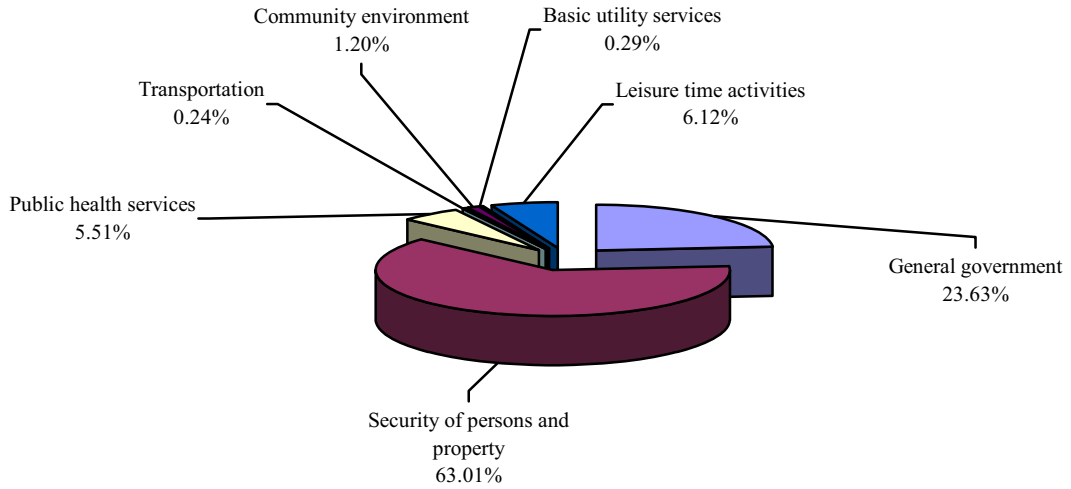
	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 2,404,709	\$ 2,788,374	\$ (383,665)	(13.76) %
Security of persons and property	6,414,482	6,149,289	265,193	4.31 %
Public health services	560,805	545,393	15,412	2.83 %
Transportation	24,111	-	24,111	100.00 %
Community environment	122,104	98,584	23,520	23.86 %
Basic utility services	29,842	103,710	(73,868)	(71.23) %
Leisure time activities	<u>622,482</u>	<u>591,116</u>	<u>31,366</u>	5.31 %
Total	<u><u>\$ 10,178,535</u></u>	<u><u>\$ 10,276,466</u></u>	<u><u>\$ (97,931)</u></u>	(0.95) %

The most significant increase was in the area of security of persons and property. This increase can be attributed to an increase in patrol overtime and salaries due to hiring new staff in fire emergency services and other administrative increases. The most significant decrease is in the area of general government. This decrease is due to cultural affairs and parks and recreation decreases made during 2007. All other expenditures remained comparable to 2006.

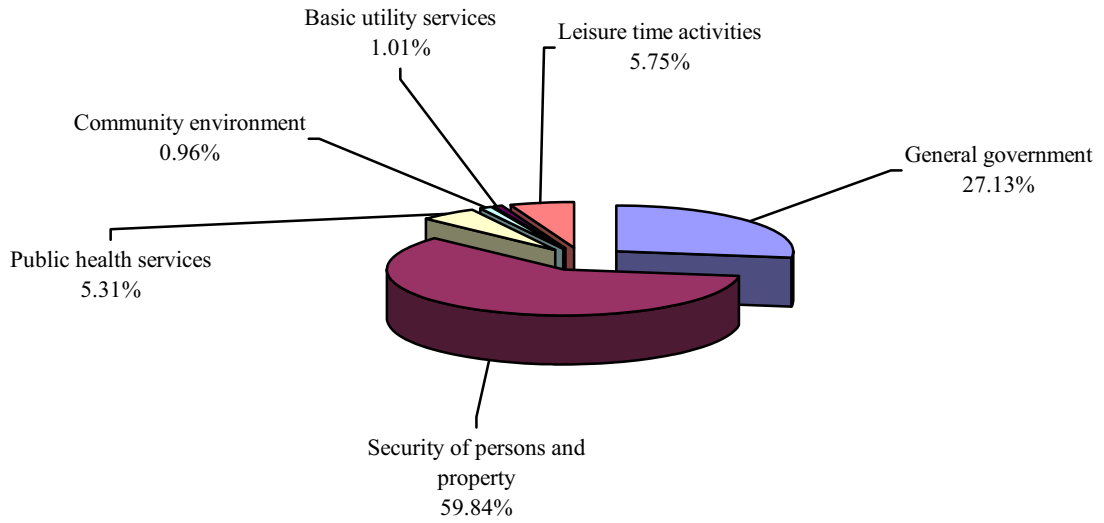
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Expenditures – Fiscal Year 2007



Expenditures – Fiscal Year 2006



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Revolving Loan Fund

The revolving loan major fund had \$169,082 in revenues and \$66,329 in expenditures in 2007. The fund balance for the revolving loan fund increased \$102,753 or 2.82%, from \$3,645,816 in 2006 to \$3,748,569 in 2007. The increase in fund balance is the result of changes in loan activity in the City. The City reported a \$392,924 charge in 2006 to write off loans for bankruptcies. This mainly caused the decrease in expenditures of \$407,172 from 2006 to 2007.

Debt Service Fund

The debt service major fund had \$358,576 in revenues and other financing sources and \$483,842 in expenditures in 2007. The fund balance for the debt service fund decreased \$125,266 or 23.62%, from \$530,268 in 2006 to \$405,002 in 2007. This decrease can be attributed to fewer transfers in received by the debt service fund. During 2007, the debt service fund had \$292,565 in transfers in compared to \$565,265 in transfers during 2006.

Budgeting Highlights – General Fund

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$11,819,838 were lower than the final budget amount of \$12,311,664. This decrease is the result of actual income tax receipts coming in \$495,243 lower than final budgeted amounts. Actual expenditures and other financing uses of \$10,626,337 were lower than the final budget amount of \$11,607,559. This decrease was mainly due to spending in the income tax department was \$478,613 lower than was budgeted and transfers out were decreased \$108,658 from final budgeted amounts to actual. Other significant decreases were in the areas of the police department and fire department. Budgeted expenditures were decreased \$337,292 from the original to the final budget. Budgeted revenues were increased \$169,216 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 54) reported a combined net assets of \$16,069,317, which is \$1,064,624 above last year's total of \$15,004,693.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

The schedule below indicates the net assets and the total change in net assets as of December 31, 2007 for all major and nonmajor business-type funds.

	<u>Net Assets</u> <u>12/31/07</u>	<u>Net Assets</u> <u>12/31/06</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
Water	\$ 6,342,740	\$ 5,849,232	\$ 493,508
Sewer	9,318,317	8,720,413	597,904
Nonmajor:			
Robertson Community Center	<u>408,260</u>	<u>435,048</u>	<u>(26,788)</u>
Total	<u>\$ 16,069,317</u>	<u>\$ 15,004,693</u>	<u>\$ 1,064,624</u>

Water

The City's water fund increased \$493,508 or 8.44% during 2007 from net asset balance of \$5,849,232 in 2006 to \$6,342,740 in 2007.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating Revenues</u>				
Charges for services	\$ 4,342,694	\$ 4,362,693	\$ (19,999)	(0.46) %
Other	<u>35,017</u>	<u>57,905</u>	<u>(22,888)</u>	(39.53) %
Total operating revenues	<u>\$ 4,377,711</u>	<u>\$ 4,420,598</u>	<u>\$ (42,887)</u>	(0.97) %
<u>Operating Expenses</u>				
Salaries and wages	\$ 1,303,748	\$ 1,131,272	\$ 172,476	15.25 %
Fringe benefits	551,939	492,507	59,432	12.07 %
Contractual services	575,261	494,567	80,694	16.32 %
Materials and supplies	547,403	563,796	(16,393)	(2.91) %
Other	750	3,483	(2,733)	(78.47) %
Depreciation	<u>583,807</u>	<u>582,962</u>	<u>845</u>	0.14 %
Total operating expenses	<u>\$ 3,562,908</u>	<u>\$ 3,268,587</u>	<u>\$ 294,321</u>	9.00 %
<u>Non-operating revenues (expenses)</u>				
Municipal income tax	\$ 348,248	\$ 307,661	\$ 40,587	13.19 %
Interest and fiscal charges	(809,631)	(880,575)	70,944	8.06 %
Loss on disposal of capital assets	-	(2,105)	2,105	100.00 %
Investment income	<u>140,088</u>	<u>199,345</u>	<u>(59,257)</u>	(29.73) %
Total non-operating revenues (expenses)	<u>\$ (321,295)</u>	<u>\$ (375,674)</u>	<u>\$ 54,379</u>	(14.48) %

The most significant expense increases were in the areas of salaries and wages and fringe benefits. These increases were due to increases in contracts paid to employees and the water department increasing its staffing during 2007. Municipal income tax increased \$40,587 due to the City increasing its income tax from 1.75% to 2.00% during 2007. Investment income decreased \$59,257 due to the City changing the way interest is allocated between funds.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Sewer

The City's sewer fund increased \$597,904 or 6.86% during 2007 from net asset balance of \$8,720,413 in 2006 to \$9,318,317 in 2007.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating Revenues</u>				
Charges for services	\$ 3,930,274	\$ 3,589,440	\$ 340,834	9.50 %
Licenses and permits	61,043	62,759	(1,716)	(2.73) %
Other	<u>25,317</u>	<u>34,441</u>	<u>(9,124)</u>	(26.49) %
Total operating revenues	<u>\$ 4,016,634</u>	<u>\$ 3,686,640</u>	<u>\$ 329,994</u>	8.95 %
<u>Operating Expenses</u>				
Salaries and wages	\$ 1,479,122	\$ 1,353,404	\$ 125,718	9.29 %
Fringe benefits	624,484	555,038	69,446	12.51 %
Contractual services	673,607	674,782	(1,175)	(0.17) %
Materials and supplies	188,135	271,939	(83,804)	(30.82) %
Other	250	1,132	(882)	(77.92) %
Depreciation	<u>515,829</u>	<u>426,606</u>	<u>89,223</u>	20.91 %
Total operating expenses	<u>\$ 3,481,427</u>	<u>\$ 3,282,901</u>	<u>\$ 198,526</u>	6.05 %
<u>Non-operating revenues (expenses)</u>				
Interest and fiscal charges	\$ (135,721)	\$ (154,848)	\$ 19,127	12.35 %
Intergovernmental	29,052	-	29,052	100.00 %
Loss on disposal of capital assets	-	(1,426)	1,426	100.00 %
Investment income	<u>169,366</u>	<u>195,717</u>	<u>(26,351)</u>	(13.46) %
Total non-operating revenues (expenses)	<u>\$ 62,697</u>	<u>\$ 39,443</u>	<u>\$ 23,254</u>	58.96 %

The most significant increase in revenues was in the area of charges for services. Charges for services increased \$340,834 due to rate increases and better collection on customer billings by the City. The most significant increases in expenses were in the area of salaries and wages and fringe benefits. This increase can be attributed to an increase in contract wages paid by the City to its employees.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2007, the City had \$43,355,221 (net of accumulated depreciation) invested in land, construction in progress (CIP), buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$20,612,128 was reported in governmental activities and \$22,743,093 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, 2007**

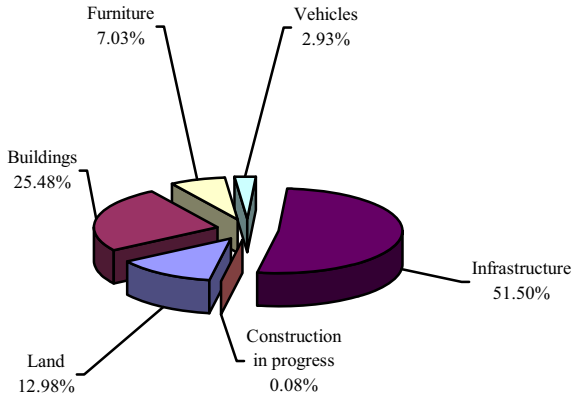
The following table shows December 31, 2007 balances compared to December 31, 2006:

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

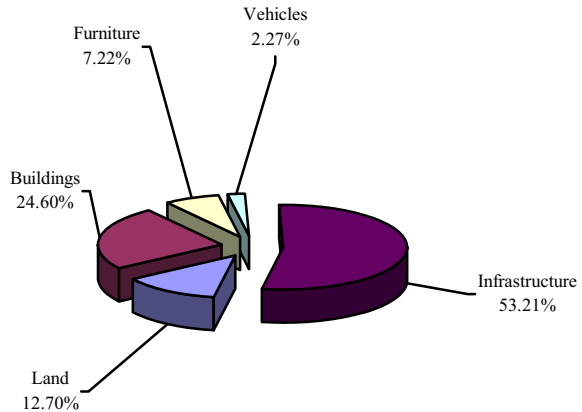
	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>	Business-Type Activities <u>2007</u>	Business-Type Activities <u>2006</u>	Total <u>2007</u>	Total <u>2006</u>
Land	\$ 2,674,588	\$ 2,674,588	\$ 869,941	\$ 869,941	\$ 3,544,529	\$ 3,544,529
Buildings, structures and improvements	5,251,411	5,179,050	6,176,671	6,469,179	11,428,082	11,648,229
Furniture, fixtures and equipment	1,449,146	1,521,053	1,132,045	1,255,040	2,581,191	2,776,093
Vehicles	604,340	477,348	-	-	604,340	477,348
Infrastructure	10,615,833	11,200,882	-	-	10,615,833	11,200,882
Land improvements	-	-	566,071	628,358	566,071	628,358
Water and sewer lines	-	-	13,968,745	14,473,421	13,968,745	14,473,421
Construction in progress	<u>16,810</u>	<u>-</u>	<u>29,620</u>	<u>-</u>	<u>46,430</u>	<u>-</u>
Total	<u>\$ 20,612,128</u>	<u>\$ 21,052,921</u>	<u>\$ 22,743,093</u>	<u>\$ 23,695,939</u>	<u>\$ 43,355,221</u>	<u>\$ 44,748,860</u>

The following graphs show the breakdown of governmental capital assets by category for 2007 and 2006.

Capital Assets - Governmental Activities 2007



Capital Assets - Governmental Activities 2006

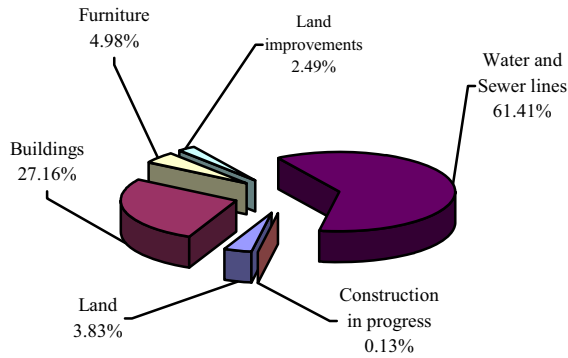


The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, right-of-way, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 51.50% of the City's total governmental capital assets.

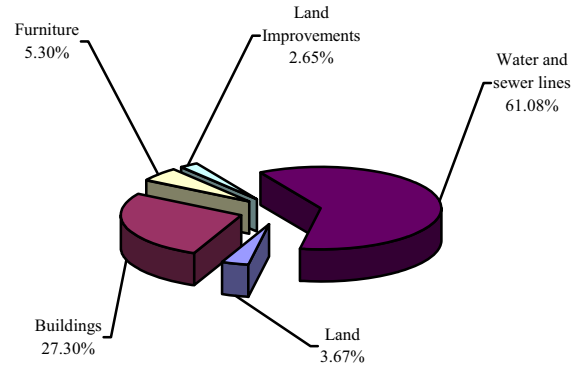
The following graphs show the breakdown of business-type capital assets by category for 2007 and 2006.

CITY OF ALLIANCE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Capital Assets - Business-type Activities 2007



Capital Assets - Business-type Activities 2006



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 61.41% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2007 and 2006:

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
General obligation bonds	\$ 2,015,000	\$ 2,345,000
Special assessment bonds	400,000	445,000
Police and fire pension liability	<u>389,017</u>	<u>396,405</u>
Total long-term obligations	<u>\$ 2,804,017</u>	<u>\$ 3,186,405</u>

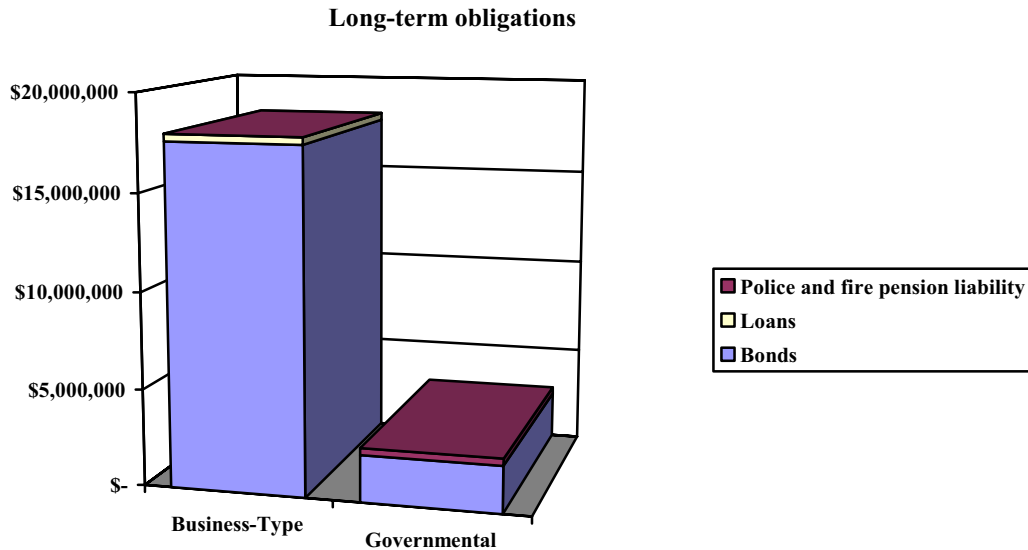
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Business-type Activities <u>2007</u>	Business-type Activities <u>2006</u>
Revenue bonds	\$ 15,000,000	\$ 15,820,000
General obligation bonds	<u>2,620,000</u>	<u>3,040,000</u>
Total bonds	<u>17,620,000</u>	<u>18,860,000</u>
OPWC loans	<u>376,957</u>	<u>399,088</u>
Total loans	<u>376,957</u>	<u>399,088</u>
Total long-term obligations	<u>\$ 17,996,957</u>	<u>\$ 19,259,088</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.



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.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

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, and reached 750 employees by the fall of 2005. Currently Alliance Castings employs over 650. 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.

Blue Ribbon Committee

Due to dramatically reduced revenues the City began experiencing as a result of significant business and industry closings, job losses and a stagnant economy, a Blue Ribbon Committee was formed by Mayor Middleton in July 2004 to examine the City'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:

Short Term Recommendations

- \$500,000 loan from master capital & water funds to the general fund.
- Temporary Change in the Reallocation of the Income Tax Split
- Reduction of the Income Tax Credit Rate to 1% from 1.75%

Long Term Recommendations

- Increase the income tax from 1.75% to 2.00%.
- Consider a safety forces levy to maintain the current levels of service
- Evaluation of the transition to a combined safety force of police and fire or the transition to a volunteer or part-paid/volunteer fire department.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Committee recommendations included a **temporary** change to the income tax split allocation according to the following: 86% to the general fund (a 7% increase); 6% to the master capital improvement fund (a 4% reduction); 4% to the street fund (a 3% reduction); 4% to the water fund (unchanged). In addition, the committee recommended that the City consider enacting a reduction to the income tax credit to 1% effective January 1, 2005. The committee examined the possible sale of City-owned assets, especially land or other assets no longer needed for operations. The committee recommended that proceeds from such sales should be set aside to fund employee retirement costs required by the Ohio Revised Code, which would save operational costs within the general fund, or for the purchase of land for economic development opportunities.

Motor Vehicle License Tax Increase

The City currently levies a \$5 per motor vehicle license tax, the proceeds of which are required to be used for construction, maintenance and repair of streets and highways, including bridges. Stark County also currently levies a \$5 per vehicle tax. Motor vehicle license tax receipts are approximately \$96,000 on an annual basis to the City. The committee recommended that City Council immediately enact an additional \$5 per motor vehicle tax to the residents of Alliance, the proceeds of which should go to the construction, maintenance and repairs for the City's streets and highways. Effective January 2006 the motor vehicle license tax was increased to \$10.

Residential Development

Residential development in the City is meeting the demands of a changing population with the development of condominiums and single family homes. The most recent condominium and single family home developments which have been completed are the following: Potter's Creek, Washington Hills Development, College View Allotment, and East Alliance Neighborhood Development. 180 units have been built during the last several years. Newly proposed projects involving Mt. Union College and Klinger Avenue will expand the number of housing units in the City. The increased residential development is a strong indicator of future economic growth of the City. Future growth of the City and continued residential development is anticipated with future annexations of land.

Annexation of Land

The City continues to expand through annexation efforts. The annexation of a 13 acre island located on the northwest side of the intersection of Sawburg Avenue and Parkmont Street in Lexington Township occurred in 2006. The Park Commons annexation petition brings the island area, which is surrounded by Alliance, into the City and is planned to be a condominium development.

Annexation of 2.4 acres of land in Lexington Township into the City of Alliance was approved by the Stark County Commissioners in 2005. The property located on the southwest corner of Sawburg Avenue and Overcrest Drive contains both residential housing and a professional office building occupied by Dietrich Orthodontics. The area is an island of township land surrounded by property within City limits. The annexation benefits the City of Alliance by evening out the meandering City/Township border on the west side of the City. Property owners will receive water and sewer services, police and fire protection, and other City services in exchange for annexing into the City.

Comprehensive Land Use Plan

In order to direct plans that promote a sound pattern of development the City has undertaken a comprehensive look at updating its land use plan, subdivision regulations and planning & zoning regulations over the past three years. A proposed plan that included maps, tables and descriptive matter and careful, comprehensive surveys and studies of the present conditions and future needs of the City was completed in 2005 and presented to City Council for their consideration. The document is to serve as a guide in defining community objectives, policies, goals and scheduling of capital improvement projects including water lines, sanitary sewer lines, storm sewers, and transportation. City Council subsequently adopted the plan in March of 2007.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Engineering, Planning & Zoning Fees

In March of 2007, Council adopted legislation which created new permit and fee structures and provided the Director of Public Safety and Service the authority to review, update and establish permit, plan review, and inspection fees for Engineering, Planning and Zoning and to make them compatible to other local communities with the approval of City Council.

Development Plan for Downtown Area

The Alliance City Council adopted ordinance 38-06, legislation aimed at making use of the revolving loan fund for downtown development more attractive while strengthening the City's ability to recoup those funds should the businesses fail. The legislation creates a Downtown Development District that encompasses East Main Street and a large portion of the area surrounding it. Existing businesses and potential business operations within the district would be eligible for low interest loans from the revolving loan fund that the City has used for years to provide low interest economic development loans to businesses.

Housing & Urban Development Funds

The City took steps to secure \$824,672 in Federal Housing and Urban Development funds. The five year consolidated plan addresses the City's goals and objectives in receiving the housing and urban development money outlining housing and other community development issues and how the City plans to use the money.

New Employee Unions Recognized

Three new unions were authorized by City Council. Approximately 100 non-affiliated employees and the departmental supervisors formed unions after it was suggested that non-union employees bear the brunt of any possible layoffs caused by the City's fiscal difficulties. There are now a total of thirteen unions and one non-affiliated member group representing employees for the City's various departments.

Employee Contracts Approved

Beginning January 1, 2006 union members and non-affiliated employees with the exception of elected officials and the union representing the police and fire dispatchers, received a 4-percent wage increase in the first year of the contract followed by 3-percent increases in the second and third years. Every union, with the exception of the dispatchers, must shoulder some of the cost of their health insurance. The estimated cost of the wage increase is \$1.49 million for all union and non-affiliated employees over the three year contract period.

¼ Percent Income Tax Increase Adopted

Legislation was introduced asking City voters to approve a one-quarter of a percent increase in the municipal income tax. The increase of 1/4 % levy on income, amounting to a total of 2% on income, is to be used to provide for general operations, police, fire and other safety operations, maintenance, equipment, capital improvements and other general fund expenditures. City residents approved an additional one-quarter percent income tax increase at the May 2007 primary election to keep the City's government operating efficiently. The tax went into effect July 1, 2007. The last time the City increased its income tax was in 1982.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

2.75 mil Park Levy Effort Fails

The board has determined that they can only keep the facilities open if they can ensure that they are safe. Voters were asked to provide the money necessary to keep the parks and recreation system in operation. A Park Board resolution was sent to City Council for their consideration of placing a levy on the November ballot. The park and recreation system has grown primarily through gifts from people and organizations. A levy is necessary because over the past decade the size of the park and recreation system operations have grown while the general fund allocation to the park and recreation system remained stagnant. In order to maintain the system, operations would have to be scaled back. The 2.75 mil levy, which would have raised annually an estimated amount of \$874,671, failed at the November 2007 election by 197 votes or 4.66%. Amounts collected from the recent income tax increase will be used to help subsidize the Parks & Recreation system.

MAJOR INITIATIVES - CURRENT

Skate Park

The community effort to construct a municipal skate park has been progressing over the year. Fundraising efforts have been undertaken by the Parks and Recreation department and the citizen's skate park committee to help secure funds for the project. 20 pieces of skate park equipment were purchased by the City for \$10,000. Preliminary discussions about where the skate park will be located are currently underway. Once the location is determined the construction of a concrete pad to hold the skate park equipment will be the final expenditure.

Alliance Fire Department Begins First Responder Duties

In August of 2006, City Council and the Administration gave approval to have the Alliance Fire Department implement first responder duties for a two year period of time with the stipulation to perform an assessment upon the end of the trial period to determine if the program should continue. On July 2, 2007, by a 4-2 split vote, City Council adopted to make first responder duties permanent without completing the recommended two year trial period and without the performance of an assessment. All medical emergency calls are to be dispatched to the Fire Department. The firefighters received their first responder training and were certified by the State. Fire apparatus vehicles are to be utilized to make the emergency medical calls. Because the expected annual emergency medical runs are estimated to be around 1,000 it could cause the fire trucks to be replaced at a faster rate. The fire trucks cost the City an average of \$500,000 each. An emergency van is to be utilized in addition to the trucks to help offset the number of runs made by the fire trucks.

Sewer Lines to Be Extended

Due to an Ohio Environmental Protection Agency order, sanitary sewer service is to be extended to 114 single family homes in Washington Township, which is located just southwest of the City. Several years ago, official of the Ohio EPA determined that the sewage from the septic tanks in the area was making its way into a small waterway in the area and ordered Stark County and Washington Township to have sanitary sewer lines installed in the area. Once those lines are installed the Stark County Health Department will be required to order the residents to tap into the sewer lines.

As the county, township and the City were negotiating the agreement it was decided to have the system enlarged to allow for more Washington Township residents living in the areas abutting the EPA ordered area to begin using the City's wastewater plant to treat their sewage. The expanded area has the potential of handling up to 430 sewer connections. The construction of two lift stations is expected in order to move the sewage from Washington Township into the City's existing sanitary sewer system. It is anticipated that the sewer line installation and lift station construction will be completed in 2008.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Street Resurfacing Project

The annual street resurfacing project cost the City \$449,809, approximately \$70,000 less than the engineer's estimate. A joint project between the City and Mahoning County to address problems with two abandoned access routes underneath Mahoning Avenue was undertaken. The areas needed to be filled in from the sides or filled in from above. It was determined to use the approximate \$70,000 savings to deal with the problems now and fill them in from above. The cost of the work and the paving was shared with Mahoning County. \$350,000 of street income tax and municipal road fund money was used to resurface 19 other municipal streets. \$20,000 was utilized from the Park & Recreation master capital fund to pave the roads and parking lots in Silver Park.

Water & Sewer Rate Increases

The City instituted water & sewer rate increases in 2005. The water rate increase was necessary to meet the rate covenant of the Trust Indenture as made by the City for the Series 1998 Water Works System Revenue Refunding Bonds (these bonds were sold to refund and retire the series 1990 and series 1991 Waterworks bonds) to provide adequate funds to operate and maintain and perform replacements and capital improvements, and to make timely payments on debt service. The proposed increases were effective January 1, 2005 and are as follows: Jan. 1, 2005 – 9%, Jan. 1, 2006 – 5%, Jan. 1, 2007 – 5%, Jan. 1, 2008 – 3%, Jan. 1, 2009 – 3%. In addition, effective January 1, 2005, water rates for users outside the limits of the City shall be surcharged at 75% of the inside the City rate.

To meet the rate covenant of the Trust Indenture as made by the City for the Sewerage System Revenue Refunding Bonds, and to provide adequate funds to operate, maintain, perform replacements, and capital improvements and to make timely payments on the Debt Service, a sewer rate increase was required. The sewer rate increases are as follows: Effective Jan. 1, 2005 – 5%, Jan. 1, 2006 – 5%, Jan. 1 2007 5%, Jan. 1. 2008 – 5%, Jan. 1, 2009 – 5%. In addition, the current practice of applying a 50% surcharge on the debt service portion only of the sewer rate by users in areas outside the City limits was revised to a surcharge of 75%.

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

Waste Water Treatment Plant Clarifier Rehab Project Phase II

Phase two of the clarifier rehab project began in April 2006 with the awarding of a contract to provide engineering services during the construction for the Waste Water Treatment Plant clarifier rehabilitation project. Another contract was awarded to provide on-site inspection services during the construction for the Waste Water Treatment Plant clarifier project. The City received from OPWC in December of 2006 a twenty-year, 0% interest loan of \$113,680 to help finance the project. The first payment on the loan was made in July of 2007.

Renovation of Dr. Martin Luther King, Jr. Viaduct

The City is planning to renovate and improve the Dr. Martin Luther King, Jr. Viaduct. A landscape architect is being contracted to assist in the concept work and construction plans for the vehicle and pedestrian bridge at the eastern end of Main Street. Improvements would include replacing the chain-link fence along the edges of the viaduct, ornamental rails to separate the pedestrian and vehicular traffic, new lighting and improved signage.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Waste Water Treatment Plant Raw Influent Screw Lift Pump Replacement Project

The rehabilitation of the waste water treatment plant continues. The waste water treatment plant raw influent screw lift pump replacement project is to be undertaken. Council authorized the City to enter into a contract with a qualified firm to provide engineering and design services for the raw influent screw lift pump replacement. The pumps are beyond their original life expectancy and have become a maintenance concern. The failure of any of the three pumps would very seriously impact the operations of the plant. The screw lift pumps are to be replaced with submerged centrifugal pumps. The work will cost \$75,000 and is to be paid from the sewer surplus reserve fund. It is expected that the work will be done over three phases.

City Takes Steps To Meet Storm Water Quality Standards

Council gave its permission to the Administration to submit a notice of intent to the Ohio EPA that acknowledges that the City will prepare a Storm Water Management Program. The City was also given permission to enter into an agreement with the Stark County Soil and Water Conservation district concerning storm water management.

US Route 62 Between Union and Mahoning Avenue Resurfaced

US Route 62 between state routes 173 and 225 was resurfaced. This work is part of the \$1.1 million dollar project to resurface state Route 173 to the Mahoning County line.

SARTA Mass Transit Project

The City and Stark Area Regional Transit Authority ("SARTA") joined together for groundbreaking ceremonies in May of 2007. A 2,052 square foot building was constructed on the northeast corner of Prospect Street and North Union Avenue and was completed by the end of the year.

Fire Department Retirements and Personnel Changes

Fire Department Chief James Reese retired in March 2007 after serving 26 years, the last five as chief. Competitive testing for a new fire chief, assistant fire chief and lieutenant was conducted and Captain James S. Cochran was sworn in as the new Fire Chief. Lieutenant Jason J. Hunt became the new Assistant Fire Chief. Brad A. Harlan filled the Lieutenant position vacated by Hunt to fully staff the fire department.

Alliance Police Chief Retires

Long-time serving Police Chief Lawrence Dordea retired on December 25, 2007 after a decade as police chief and a thirty year career in law enforcement. Dordea is a graduate of FBI National Academy and a certified voice stress analysis examiner. Assistant Chief Greg Anderson was named acting police chief until a permanent replacement can be hired.

MAJOR INITIATIVES - FUTURE

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

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

2008 General Fund Appropriations Up \$1 Million

Increasing medical insurance payments and a three percent (3%) wage increase (excluding elected officials) accounts for almost half the \$1 million increase in City general fund appropriations. Medical insurance payments increased by \$2,000 per employee for 2008, accounting for \$236,000. The three percent (3%) wage increase, as negotiated with the City's thirteen (13) unions accounted for \$230,000 while the hiring of additional police officers to bring the department back to the 2006 strength added another \$142,000. The remaining factors accounted for employee retirement payouts, worker's compensation cost increases, information technology support and higher costs for fuel and electricity and subsidies to the Cemetery and Keep Alliance Beautiful funds.

Series 2008 Waterworks System Revenue Refunding Bonds

The City anticipates refunding the 1998 Waterworks System Revenue Refunding Bonds in August of 2008. The refunding issue is designed to replace the Series 1998 indenture agreement to reduce the existing debt. No new debt will be incurred and an anticipated savings of \$601,000 is expected for the water enterprise fund over the remaining life of the bonds. The cost of issuance is estimated to be \$76,000.

Centralization of Countywide 911 Call & Dispatch Center

Alliance City Council and the Administration are examining a proposed countywide centralized 911 call & dispatch center although officials are skeptical the change will be favorable to the City. City Council supported a resolution that supports the Stark Council of Government in its efforts regarding investigation of the feasibility of the center. The City will reserve its decision to support or reject the implementation of the regionalized dispatch center until further review of the practicality.

North Johnson Avenue Repairs

Engineering and design services for repairs to North Johnson Avenue from West Ely Street to Mayfield Road due to increased traffic from Northside Elementary School is currently being considered. Installation of sidewalks will also be part of the project. The City plans to pursue State Issue II funding due to the proximity to the school and issues of student safety.

Alliance Carnation Mall Under New Ownership

Renovations and new stores are anticipated for the Carnation Mall according to new owners D&L Ferguson. The Carnation Mall, which opened during the early 1980's, had been the property of a New York City based group called Carnation Mall, LLC. D&L Ferguson is spending \$5.25 million to acquire the 244,919 square-foot mall. Being planned are extensive renovations to the mall parking lot, removal of trees and planting of shrubs and flowers, remodeling of the ceilings, corridors, lighting, and bathrooms.

Annexation Efforts of 51.279 Acres and 173.50 Acres On Hold

Stark County Commissioners were split on their decision whether 51.279 acres of land along Harrisburg, Sawburg and Beeson, located in Lexington Township should be annexed into the City of Alliance. The City is currently appealing the decision with the Stark County Court of Common Pleas.

Stark County Commissioners approved the petition of an additional annexation of 173.5 acres of Lexington Township land known as the Thunder Hill-Quality Annexation Territory and the matter was upheld by the Stark County Court of Common Pleas. Lexington Township is appealing the matter to the Fifth District Court of Appeals.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Alliance Police Department Receives \$379,000 for Federal Equitable Sharing Fund

“Operation Gumshoe” resulted in significant funds being generated for the Alliance Police Department. Working in conjunction with Federal, State and local authorities a nationwide trafficking ring was dismantled, assets seized or forfeited with the proceeds being split among those local branches involved. The Alliance Police Department received \$379,000 for its role in the investigation. The amount will be used to bring more tools to fight crime, seize assets and assist with capital purchases for the Alliance Police Department.

2008 General Fund Budget

Despite the recent growth in the income tax collections and the City’s cost cutting efforts, it appears the City will continue to have a difficult budget situation for the near future. This is due to other revenues such as shared support from the State, interest earnings and estate inheritance taxes, continuing to remain stagnant or declining while operating costs continue to increase due to inflationary pressures, higher utility and gasoline prices, training costs due to new State requirements and rising costs of health care. As a result, it is anticipated that further cost containment efforts and revenue enhancement actions will be necessary through the remainder of 2008 and beyond.

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 Acting City Auditor, Kevin Knowles. You may also visit our website at <http://www.cityofalliance.com> or email us at auditor@neo.rr.com.

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CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 7,123,461	\$ 7,599,676	\$ 14,723,137
Receivables (net of allowances for uncollectibles):			
Municipal income taxes	2,817,220	111,263	2,928,483
Property and other taxes.	1,299,452	-	1,299,452
Accounts	471,795	1,143,514	1,615,309
Special assessments	1,225,854	-	1,225,854
Intergovernmental	1,075,977	29,052	1,105,029
Loans.	2,002,924	-	2,002,924
Internal balances	39,491	(39,491)	-
Prepayments	22,502	22,235	44,737
Materials and supplies inventory.	33,376	281,753	315,129
Deferred charges.	-	247,202	247,202
Restricted assets:			
Equity in pooled cash and cash equivalents.	-	506,138	506,138
Cash and cash equivalents with fiscal agents	284,735	1,695,061	1,979,796
Capital assets:			
Land and construction in progress.	2,691,398	899,561	3,590,959
Depreciable capital assets, net	17,920,730	21,843,532	39,764,262
Total capital assets.	<u>20,612,128</u>	<u>22,743,093</u>	<u>43,355,221</u>
Total assets.	<u>37,008,915</u>	<u>34,339,496</u>	<u>71,348,411</u>
Liabilities:			
Accounts payable.	211,105	115,785	326,890
Contracts payable.	4,995	-	4,995
Accrued wages and benefits	374,659	104,911	479,570
Claims payable	214,261	-	214,261
Due to other governments	596,792	156,400	753,192
Accrued interest payable.	19,070	113,912	132,982
Unearned revenue.	1,116,804	-	1,116,804
Long-term liabilities:			
Due within one year	1,418,190	1,575,841	2,994,031
Due in more than one year	3,638,231	16,242,821	19,881,052
Total liabilities	<u>7,594,107</u>	<u>18,309,670</u>	<u>25,903,777</u>
Net assets:			
Invested in capital assets, net of related debt	18,197,128	5,947,976	24,145,104
Restricted for:			
Capital projects.	1,155,599	-	1,155,599
Debt service	960,434	838,787	1,799,221
Transportation projects	960,327	-	960,327
Public health service programs	726,240	-	726,240
Community environment programs	3,850,510	-	3,850,510
Police and fire pension	59,516	-	59,516
Other purposes	796,984	-	796,984
Replacement and surplus reserve	-	506,138	506,138
Unrestricted.	2,708,070	8,736,925	11,444,995
Total net assets	<u>\$ 29,414,808</u>	<u>\$ 16,029,826</u>	<u>\$ 45,444,634</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 3,016,883	\$ 1,091,967	\$ 11,069	\$ -
Security of persons and property.	7,539,046	506,379	77,632	-
Public health services	961,261	173,292	177,890	-
Transportation	2,285,361	-	883,294	125,478
Community environment.	854,061	94,094	540,042	-
Basic utility services.	47,762	-	-	-
Leisure time activities.	693,235	30,315	-	-
Interest and fiscal charges.	120,829	31,765	-	-
Total governmental activities	15,518,438	1,927,812	1,689,927	125,478
Business-type Activities:				
Water	4,391,750	4,377,711	-	-
Sewer	3,637,428	4,016,634	-	29,052
Nonmajor:				
Robertson Community Center.	79,192	52,404	-	-
Total business-type activities	8,108,370	8,446,749	-	29,052
Total primary government.	\$ 23,626,808	\$ 10,374,561	\$ 1,689,927	\$ 154,530

General Revenues:

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,913,847)	\$ -	\$ (1,913,847)
(6,955,035)	-	(6,955,035)
(610,079)	-	(610,079)
(1,276,589)	-	(1,276,589)
(219,925)	-	(219,925)
(47,762)	-	(47,762)
(662,920)	-	(662,920)
(89,064)	-	(89,064)
<u>(11,775,221)</u>	<u>-</u>	<u>(11,775,221)</u>
-	(14,039)	(14,039)
-	408,258	408,258
<u>-</u>	<u>(26,788)</u>	<u>(26,788)</u>
<u>-</u>	<u>367,431</u>	<u>367,431</u>
<u>(11,775,221)</u>	<u>367,431</u>	<u>(11,407,790)</u>
929,965	-	929,965
106,890	-	106,890
106,890	-	106,890
433,737	-	433,737
7,620,500	-	7,620,500
431,695	-	431,695
633,635	-	633,635
-	348,248	348,248
1,359,491	-	1,359,491
548,794	309,454	858,248
213,713	-	213,713
<u>12,385,310</u>	<u>657,702</u>	<u>13,043,012</u>
610,089	1,025,133	1,635,222
<u>28,804,719</u>	<u>15,004,693</u>	<u>43,809,412</u>
<u>\$ 29,414,808</u>	<u>\$ 16,029,826</u>	<u>\$ 45,444,634</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General Fund	Revolving Loan Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 2,109,644	\$ 1,776,038	\$ 120,267	\$ 2,728,047	\$ 6,733,996
Cash and cash equivalents with fiscal agent	-	-	284,735	-	284,735
Receivables (net of allowance for uncollectibles):					
Municipal income taxes.	2,344,353	-	-	472,867	2,817,220
Property and other taxes.	1,086,218	-	-	213,234	1,299,452
Accounts	67,727	-	-	390,841	458,568
Interfund loans	2,037	-	-	-	2,037
Intergovernmental	510,048	-	-	565,929	1,075,977
Special assessments.	612,750	-	574,502	38,602	1,225,854
Loans.	-	1,972,760	-	30,164	2,002,924
Prepayments.	16,776	-	-	5,726	22,502
Materials and supplies inventory	33,376	-	-	-	33,376
Total assets	\$ 6,782,929	\$ 3,748,798	\$ 979,504	\$ 4,445,410	\$ 15,956,641
Liabilities:					
Accounts payable	\$ 116,403	\$ -	\$ -	\$ 94,702	\$ 211,105
Contracts payable	-	-	-	4,995	4,995
Accrued wages and benefits.	335,104	-	-	39,555	374,659
Compensated absences payable.	42,080	-	-	-	42,080
Interfund loans payable.	-	-	-	2,037	2,037
Intergovernmental payable	542,471	229	-	54,092	596,792
Deferred revenue	1,928,067	-	574,502	571,569	3,074,138
Unearned revenue.	930,966	-	-	185,838	1,116,804
Total liabilities	3,895,091	229	574,502	952,788	5,422,610
Fund Balances:					
Reserved for encumbrances.	10,261	5,000	-	109,173	124,434
Reserved for prepayments	16,776	-	-	5,726	22,502
Reserved for loans receivable	-	1,972,760	-	30,164	2,002,924
Reserved for materials and supplies inventory	33,376	-	-	-	33,376
Unreserved, undesignated, reported in:					
General fund.	2,827,425	-	-	-	2,827,425
Special revenue funds.	-	1,770,809	-	2,468,519	4,239,328
Debt service fund	-	-	405,002	-	405,002
Capital projects funds.	-	-	-	879,040	879,040
Total fund balances	2,887,838	3,748,569	405,002	3,492,622	10,534,031
Total liabilities and fund balances.	\$ 6,782,929	\$ 3,748,798	\$ 979,504	\$ 4,445,410	\$ 15,956,641

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, 2007

Total governmental fund balances \$ 10,534,031

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 20,612,128

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

Municipal income taxes	\$ 1,037,647
Property taxes	164,637
Special assessments	1,225,854
Intergovernmental	<u>646,000</u>

Total 3,074,138

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 is included in governmental activities on the statement of net assets. The net assets of the internal service fund, including internal balances of \$39,491, are: 227,922

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:

Accrued interest payable	(19,070)
General obligation bonds	(2,015,000)
Special assessment bonds	(400,000)
Police and fire pension liability	(389,017)
Compensated absences	<u>(2,210,324)</u>

(5,033,411)

Net assets of governmental activities \$ 29,414,808

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, 2007

	General Fund	Revolving Loan Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$ 7,691,408	\$ -	\$ -	\$ 989,094	\$ 8,680,502
Property and other taxes	1,034,469	-	-	620,121	1,654,590
Charges for services	210,692	-	-	-	210,692
Licenses, permits and fees	118,667	-	-	70,890	189,557
Fines and forfeitures	510,218	-	-	622,785	1,133,003
Intergovernmental	1,309,107	-	-	2,018,932	3,328,039
Special assessments	-	-	66,011	-	66,011
Investment income	313,524	169,052	-	46,010	528,586
Rental income	187,367	-	-	-	187,367
Contributions and donations	19,375	-	-	2,500	21,875
Other	255,972	30	-	130,812	386,814
Total revenues	<u>11,650,799</u>	<u>169,082</u>	<u>66,011</u>	<u>4,501,144</u>	<u>16,387,036</u>
Expenditures:					
Current:					
General government	2,404,709	-	-	134,946	2,539,655
Security of persons and property	6,414,482	-	-	952,622	7,367,104
Public health services	560,805	-	-	336,965	897,770
Transportation	24,111	-	-	1,402,035	1,426,146
Community environment	122,104	66,329	-	617,236	805,669
Leisure time activities	622,482	-	-	-	622,482
Basic utility services	29,842	-	-	-	29,842
Capital outlay	-	-	-	1,007,670	1,007,670
Debt service:					
Principal retirement	-	-	375,000	7,388	382,388
Interest and fiscal charges	-	-	108,842	16,758	125,600
Total expenditures	<u>10,178,535</u>	<u>66,329</u>	<u>483,842</u>	<u>4,475,620</u>	<u>15,204,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,472,264</u>	<u>102,753</u>	<u>(417,831)</u>	<u>25,524</u>	<u>1,182,710</u>
Other financing sources (uses):					
Transfers in	-	-	292,565	774,298	1,066,863
Transfers out	<u>(622,731)</u>	-	-	<u>(444,132)</u>	<u>(1,066,863)</u>
Total other financing sources (uses)	<u>(622,731)</u>	-	<u>292,565</u>	<u>330,166</u>	-
Net change in fund balances	849,533	102,753	(125,266)	355,690	1,182,710
Fund balances at beginning of year	<u>2,038,305</u>	<u>3,645,816</u>	<u>530,268</u>	<u>3,136,932</u>	<u>9,351,321</u>
Fund balances at end of year	<u>\$ 2,887,838</u>	<u>\$ 3,748,569</u>	<u>\$ 405,002</u>	<u>\$ 3,492,622</u>	<u>\$ 10,534,031</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, 2007

Net change in fund balances - total governmental funds \$ 1,182,710

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

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

Capital asset additions	\$	1,091,851	
Current year depreciation		<u>(1,516,826)</u>	
Total			(424,975)

The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets. (15,818)

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

Municipal income taxes		5,328	
Property taxes		(77,108)	
Special assessments		15,983	
Intergovernmental		<u>(223,195)</u>	
Total			(278,992)

Repayment of bond principal and the police and fire pension liability are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets. 382,388

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 4,771

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. (117,769)

Internal service funds used by management to charge the costs of health insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance of \$39,491 is allocated among the governmental activities. (122,226)

Change in net assets of governmental activities \$ 610,089

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 8,380,000	\$ 8,094,076	\$ 7,598,833	\$ (495,243)
Property and other taxes	870,821	1,026,370	1,016,458	(9,912)
Charges for services	240,000	235,050	213,358	(21,692)
Licenses, permits and fees	91,325	106,325	118,667	12,342
Fines and forfeitures	534,000	534,000	475,550	(58,450)
Intergovernmental	1,459,818	1,595,550	1,609,773	14,223
Investment income	90,000	110,000	313,524	203,524
Rental income.	192,000	192,000	160,374	(31,626)
Contributions and donations.	1,000	1,000	1,276	276
Other	244,000	249,000	265,922	16,922
Total revenues	12,102,964	12,143,371	11,773,735	(369,636)
Expenditures:				
Current:				
General government:				
Mayor:				
Salaries and wages	67,035	67,364	67,364	-
Fringe benefits.	29,239	29,783	29,678	105
Contractual services	2,100	2,256	2,243	13
Materials and supplies.	2,000	2,000	1,896	104
Total mayor.	100,374	101,403	101,181	222
Senior Center:				
Salaries and wages	33,291	33,291	32,220	1,071
Fringe benefits.	15,945	15,945	15,478	467
Contractual services	200	200	200	-
Materials and supplies.	1,700	1,700	1,126	574
Total senior center.	51,136	51,136	49,024	2,112
Auditor:				
Salaries and wages	82,000	82,000	74,970	7,030
Fringe benefits.	35,630	38,688	36,338	2,350
Contractual services	30,400	27,900	23,019	4,881
Materials and supplies.	8,000	8,000	7,976	24
Other	25,000	25,000	-	25,000
Total auditor.	181,030	181,588	142,303	39,285
Treasurer:				
Salaries and wages	3,754	3,754	3,754	-
Fringe benefits.	741	741	737	4
Materials and supplies.	150	150	150	-
Total treasurer.	4,645	4,645	4,641	4
Law director:				
Salaries and wages	139,587	139,587	138,782	805
Fringe benefits.	44,831	45,104	44,771	333
Contractual services	3,175	3,165	3,105	60
Materials and supplies.	1,400	1,400	1,267	133
Total law director.	188,993	189,256	187,925	1,331
City council:				
Salaries and wages	30,261	30,261	30,261	-
Fringe benefits.	5,922	5,922	5,875	47
Materials and supplies.	25	25	-	25
Total city council	36,208	36,208	36,136	72

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Clerk of council:				
Salaries and wages	\$ 8,672	\$ 8,672	\$ 8,593	\$ 79
Fringe benefits.	1,632	1,609	1,574	35
Contractual services	14,400	14,327	12,008	2,319
Materials and supplies.	500	573	573	-
Total clerk of council.	<u>25,204</u>	<u>25,181</u>	<u>22,748</u>	<u>2,433</u>
Judge and probation:				
Salaries and wages	170,065	170,065	166,617	3,448
Fringe benefits.	67,058	67,873	64,440	3,433
Contractual services	3,669	3,960	3,866	94
Materials and supplies.	4,400	3,809	3,286	523
Total judge and probation.	<u>245,192</u>	<u>245,707</u>	<u>238,209</u>	<u>7,498</u>
Clerk of courts:				
Salaries and wages	192,420	190,420	189,203	1,217
Fringe benefits.	95,367	100,613	95,134	5,479
Contractual services	42,011	52,570	46,421	6,149
Materials and supplies.	15,300	4,648	3,012	1,636
Total clerk of courts.	<u>345,098</u>	<u>348,251</u>	<u>333,770</u>	<u>14,481</u>
Civil service:				
Salaries and wages	15,101	15,101	14,807	294
Fringe benefits.	2,746	2,704	2,571	133
Materials and supplies.	6,000	8,056	8,055	1
Total civil service.	<u>23,847</u>	<u>25,861</u>	<u>25,433</u>	<u>428</u>
Engineering:				
Salaries and wages	54,918	54,918	50,990	3,928
Fringe benefits.	23,752	24,016	22,761	1,255
Contractual services	9,409	9,627	7,486	2,141
Materials and supplies.	3,600	3,250	2,768	482
Total engineering.	<u>91,679</u>	<u>91,811</u>	<u>84,005</u>	<u>7,806</u>
County auditor and treasurer:				
Contractual services	33,000	30,120	27,736	2,384
Total county auditor and treasurer.	<u>33,000</u>	<u>30,120</u>	<u>27,736</u>	<u>2,384</u>
State examiner:				
Contractual services	30,000	30,000	25,313	4,687
Total state examiner.	<u>30,000</u>	<u>30,000</u>	<u>25,313</u>	<u>4,687</u>
Maintenance:				
Contractual services	94,650	104,650	96,538	8,112
Materials and supplies.	1,060	1,060	56	1,004
Capital outlay.	11,225	11,225	9,590	1,635
Total maintenance.	<u>106,935</u>	<u>116,935</u>	<u>106,184</u>	<u>10,751</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, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Income tax:				
Salaries and wages	\$ 151,664	\$ 151,664	\$ 145,381	\$ 6,283
Fringe benefits.	57,885	57,285	49,461	7,824
Contractual services	33,400	38,828	34,478	4,350
Materials and supplies.	7,000	7,966	7,877	89
Capital outlay.	6,288	6,288	4,623	1,665
Other	415,849	815,849	357,447	458,402
Total income tax.	<u>672,086</u>	<u>1,077,880</u>	<u>599,267</u>	<u>478,613</u>
Land and buildings:				
Salaries and wages	59,478	53,878	53,339	539
Fringe benefits.	20,503	20,275	19,332	943
Contractual services	235,390	240,989	224,820	16,169
Total land and buildings.	<u>315,371</u>	<u>315,142</u>	<u>297,491</u>	<u>17,651</u>
General administration:				
Salaries and wages	31,492	31,492	31,223	269
Fringe benefits.	10,997	10,892	10,469	423
Contractual services	92,250	77,527	63,939	13,588
Materials and supplies.	10,000	10,000	8,292	1,708
Other	40,000	40,245	15,067	25,178
Total general administration.	<u>184,739</u>	<u>170,156</u>	<u>128,990</u>	<u>41,166</u>
Total general government.	<u>2,635,537</u>	<u>3,041,280</u>	<u>2,410,356</u>	<u>630,924</u>
Security of persons and property:				
Police:				
Salaries and wages	2,364,902	2,393,173	2,337,641	55,532
Fringe benefits.	572,481	605,251	586,987	18,264
Contractual services	173,883	177,060	168,920	8,140
Materials and supplies.	115,600	126,610	122,666	3,944
Total police.	<u>3,226,866</u>	<u>3,302,094</u>	<u>3,216,214</u>	<u>85,880</u>
Fire:				
Salaries and wages	1,745,472	1,743,615	1,693,780	49,835
Fringe benefits.	393,661	397,457	395,124	2,333
Contractual services	90,800	101,478	99,350	2,128
Materials and supplies.	28,800	37,022	35,427	1,595
Total fire.	<u>2,258,733</u>	<u>2,279,572</u>	<u>2,223,681</u>	<u>55,891</u>
Fire communications:				
Materials and supplies.	7,157	7,157	7,157	-
Total fire communications.	<u>7,157</u>	<u>7,157</u>	<u>7,157</u>	<u>-</u>
Safety administration:				
Salaries and wages	339,155	356,211	351,359	4,852
Fringe benefits.	161,681	159,133	156,862	2,271
Contractual services	254,500	254,500	229,100	25,400
Total safety administration.	<u>755,336</u>	<u>769,844</u>	<u>737,321</u>	<u>32,523</u>
Prisoner support:				
Contractual services	50,000	50,000	37,563	12,437
Total prisoner support.	<u>50,000</u>	<u>50,000</u>	<u>37,563</u>	<u>12,437</u>
Total security of persons and property	<u>6,298,092</u>	<u>6,408,667</u>	<u>6,221,936</u>	<u>186,731</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public health services:				
Health control and prevention:				
Salaries and wages	\$ 63,539	\$ 66,150	\$ 65,669	\$ 481
Fringe benefits.	32,278	32,275	32,235	40
Contractual services	25,250	26,250	25,473	777
Materials and supplies.	4,100	300	284	16
Other	720	720	720	-
Total health control and prevention	<u>125,887</u>	<u>125,695</u>	<u>124,381</u>	<u>1,314</u>
Health administration:				
Salaries and wages	265,482	265,440	264,463	977
Fringe benefits.	99,627	99,469	99,060	409
Contractual services	9,160	9,318	9,224	94
Materials and supplies.	16,100	15,942	15,831	111
Other	48,500	48,500	47,797	703
Total health administration.	<u>438,869</u>	<u>438,669</u>	<u>436,375</u>	<u>2,294</u>
Total public health services	<u>564,756</u>	<u>564,364</u>	<u>560,756</u>	<u>3,608</u>
Transportation				
Street transportation:				
Materials and supplies.	<u>35,000</u>	<u>35,000</u>	<u>33,972</u>	<u>1,028</u>
Total street transportation.	<u>35,000</u>	<u>35,000</u>	<u>33,972</u>	<u>1,028</u>
Total transportation	<u>35,000</u>	<u>35,000</u>	<u>33,972</u>	<u>1,028</u>
Community environment:				
Planning commission:				
Contractual services	2,000	2,000	2,000	-
Materials and supplies.	-	103	64	39
Total planning commission.	<u>2,000</u>	<u>2,103</u>	<u>2,064</u>	<u>39</u>
Tree care:				
Contractual services	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total tree care.	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Demolition:				
Contractual services	<u>-</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>
Total demolition	<u>-</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>
Zoning and building:				
Salaries and wages	104,197	104,197	86,865	17,332
Fringe benefits.	20,324	20,250	15,981	4,269
Contractual services	6,075	6,419	4,859	1,560
Materials and supplies.	2,700	2,706	2,701	5
Total zoning and building.	<u>133,296</u>	<u>133,572</u>	<u>110,406</u>	<u>23,166</u>
Total community environment	<u>136,796</u>	<u>139,075</u>	<u>114,370</u>	<u>24,705</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	44,960	44,960	31,913	13,047
Fringe benefits.	17,796	17,777	12,758	5,019
Materials and supplies.	500	500	500	-
Total storm sewer	<u>63,256</u>	<u>63,237</u>	<u>45,171</u>	<u>18,066</u>
Total basic utility services.	<u>63,256</u>	<u>63,237</u>	<u>45,171</u>	<u>18,066</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Leisure time activities:				
Parks:				
Salaries and wages	\$ 253,906	\$ 301,128	\$ 301,121	\$ 7
Fringe benefits.	106,400	110,874	109,511	1,363
Contractual services	60,373	60,573	57,593	2,980
Materials and supplies.	17,900	21,000	20,315	685
Other	300	300	285	15
Total parks.	<u>438,879</u>	<u>493,875</u>	<u>488,825</u>	<u>5,050</u>
Recreation:				
Salaries and wages	74,641	77,943	77,943	-
Fringe benefits.	37,637	37,102	34,673	2,429
Contractual services	4,090	3,290	3,284	6
Materials and supplies.	9,500	10,300	10,283	17
Total recreation	<u>125,868</u>	<u>128,635</u>	<u>126,183</u>	<u>2,452</u>
Total leisure time activities.	<u>564,747</u>	<u>622,510</u>	<u>615,008</u>	<u>7,502</u>
Total expenditures	<u>10,298,184</u>	<u>10,874,133</u>	<u>10,001,569</u>	<u>872,564</u>
Excess of revenues over expenditures	<u>1,804,780</u>	<u>1,269,238</u>	<u>1,772,166</u>	<u>502,928</u>
Other financing sources (uses):				
Transfers in.	39,484	146,595	24,405	(122,190)
Transfers out	(1,646,667)	(731,389)	(622,731)	108,658
Advance in.	-	21,698	21,698	-
Advance out.	-	(2,037)	(2,037)	-
Total other financing sources (uses).	<u>(1,607,183)</u>	<u>(565,133)</u>	<u>(578,665)</u>	<u>(13,532)</u>
Net change in fund balance.	197,597	704,105	1,193,501	489,396
Fund balance at beginning of year	<u>802,775</u>	<u>802,775</u>	<u>802,775</u>	<u>-</u>
Prior year encumbrances appropriated .	<u>78,177</u>	<u>78,177</u>	<u>78,177</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,078,549</u>	<u>\$ 1,585,057</u>	<u>\$ 2,074,453</u>	<u>\$ 489,396</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 165,000	\$ 165,000	\$ 169,052	\$ 4,052
Other.	285,000	285,000	240,141	(44,859)
Total revenues.	<u>450,000</u>	<u>450,000</u>	<u>409,193</u>	<u>(40,807)</u>
Expenditures:				
Current				
Community environment:				
Salaries and wages	17,000	17,000	14,502	2,498
Fringe benefits.	6,175	6,175	3,019	3,156
Contractual services	15,000	15,000	8,322	6,678
Capital outlay.	<u>1,710,000</u>	<u>1,710,000</u>	<u>472,967</u>	<u>1,237,033</u>
Total expenditures	<u>1,748,175</u>	<u>1,748,175</u>	<u>498,810</u>	<u>1,249,365</u>
Net change in fund balance	(1,298,175)	(1,298,175)	(89,617)	1,208,558
Fund balance at beginning of year	1,850,655	1,850,655	1,850,655	-
Prior year encumbrances appropriated	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 562,480</u>	<u>\$ 562,480</u>	<u>\$ 1,771,038</u>	<u>\$ 1,208,558</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2007

	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	\$ 3,696,820	\$ 3,828,402	\$ 74,454	\$ 7,599,676	\$ 389,465
Restricted assets:					
Cash and cash equivalents with fiscal agents	856,274	-	-	856,274	-
Receivables (net of allowance for uncollectibles):					
Accounts	584,718	558,796	-	1,143,514	13,227
Intergovernmental	-	29,052	-	29,052	-
Taxes	111,263	-	-	111,263	-
Prepayments	10,960	10,961	314	22,235	-
Materials and supplies inventory	238,168	43,585	-	281,753	-
Deferred charges	161,036	86,166	-	247,202	-
Total current assets	5,659,239	4,556,962	74,768	10,290,969	402,692
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents	506,138	-	-	506,138	-
Cash and cash equivalents with fiscal agents	838,746	41	-	838,787	-
Total restricted assets	1,344,884	41	-	1,344,925	-
Capital assets:					
Land and construction in progress	834,002	65,559	-	899,561	-
Depreciable capital assets, net	13,120,735	8,381,203	341,594	21,843,532	-
Total capital assets	13,954,737	8,446,762	341,594	22,743,093	-
Total noncurrent assets	15,299,621	8,446,803	341,594	24,088,018	-
Total assets	20,958,860	13,003,765	416,362	34,378,987	402,692
Liabilities:					
Current liabilities:					
Accounts payable	62,421	45,785	7,579	115,785	-
Accrued wages and benefits	48,189	56,722	-	104,911	-
Compensated absences	159,868	208,474	-	368,342	-
Due to other governments	72,454	83,423	523	156,400	-
Accrued interest payable	-	19,446	-	19,446	-
Claims payable	-	-	-	-	214,261
Payable from restricted assets:					
Revenue bonds payable - current	761,828	-	-	761,828	-
Accrued interest payable	94,466	-	-	94,466	-
General obligation bonds payable - current	-	423,540	-	423,540	-
OPWC loans - current	-	22,131	-	22,131	-
Total current liabilities	1,199,226	859,521	8,102	2,066,849	214,261
Long-term liabilities:					
Revenue bonds payable	13,306,454	-	-	13,306,454	-
General obligation bonds payable	-	2,173,540	-	2,173,540	-
OPWC loans	-	354,826	-	354,826	-
Compensated absences	110,440	297,561	-	408,001	-
Total long-term liabilities	13,416,894	2,825,927	-	16,242,821	-
Total liabilities	14,616,120	3,685,448	8,102	18,309,670	214,261
Net assets:					
Invested in capital assets, net of related debt	47,491	5,558,891	341,594	5,947,976	-
Restricted for:					
Debt service	838,746	41	-	838,787	-
Replacement and surplus reserve	506,138	-	-	506,138	-
Unrestricted	4,950,365	3,759,385	66,666	8,776,416	188,431
Total net assets	\$ 6,342,740	\$ 9,318,317	\$ 408,260	16,069,317	\$ 188,431
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(39,491)	
Net assets of business-type activities				\$ 16,029,826	

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, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Operating revenues:					
Charges for services	\$ 4,342,694	\$ 3,930,274	\$ 52,371	\$ 8,325,339	\$ 1,941,398
Licenses and permits.	-	61,043	-	61,043	-
Other.	35,017	25,317	33	60,367	-
Total operating revenues	4,377,711	4,016,634	52,404	8,446,749	1,941,398
Operating expenses:					
Salaries and benefits.	1,303,748	1,479,122	15,717	2,798,587	-
Fringe benefits.	551,939	624,484	2,668	1,179,091	-
Contractual services	575,261	673,607	45,527	1,294,395	-
Materials and supplies	547,403	188,135	2,348	737,886	-
Depreciation	583,807	515,829	12,932	1,112,568	-
Claims.	-	-	-	-	2,123,598
Other	750	250	-	1,000	-
Total operating expenses.	3,562,908	3,481,427	79,192	7,123,527	2,123,598
Operating income (loss)	814,803	535,207	(26,788)	1,323,222	(182,200)
Nonoperating revenues (expenses):					
Interest revenue.	140,088	169,366	-	309,454	20,483
Intergovernmental.	-	29,052	-	29,052	-
Interest expense and fiscal charges	(809,631)	(135,721)	-	(945,352)	-
Municipal income tax revenue.	348,248	-	-	348,248	-
Total nonoperating revenues (expenses)	(321,295)	62,697	-	(258,598)	20,483
Change in net assets.	493,508	597,904	(26,788)	1,064,624	(161,717)
Net assets at beginning of year.	<u>5,849,232</u>	<u>8,720,413</u>	<u>435,048</u>		<u>350,148</u>
Net assets at end of year.	<u>\$ 6,342,740</u>	<u>\$ 9,318,317</u>	<u>\$ 408,260</u>		<u>\$ 188,431</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(39,491)	
Changes in net assets of business-type activities				<u>\$ 1,025,133</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	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	\$ 4,334,769	\$ 3,805,780	\$ 52,371	\$ 8,192,920	\$ -
Cash received from licenses and permits	-	61,043	-	61,043	-
Cash received from other operations.	29,585	25,317	33	54,935	-
Cash received from interfund services provided.	-	-	-	-	1,928,171
Cash payments for salaries and benefits.	(1,293,369)	(1,471,408)	(16,126)	(2,780,903)	-
Cash payments for fringe benefits.	(527,429)	(568,456)	(2,145)	(1,098,030)	-
Cash payments for contractual services	(598,254)	(712,868)	(38,402)	(1,349,524)	-
Cash payments for materials and supplies	(562,921)	(160,286)	(2,348)	(725,555)	-
Cash payments for claims	-	-	-	-	(2,125,183)
Cash payments for other expenses.	(750)	(250)	-	(1,000)	-
Net cash provided by (used in) operating activities	<u>1,381,631</u>	<u>978,872</u>	<u>(6,617)</u>	<u>2,353,886</u>	<u>(197,012)</u>
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	339,707	-	-	339,707	-
Net cash provided by noncapital financing activities	<u>339,707</u>	<u>-</u>	<u>-</u>	<u>339,707</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(100,601)	(59,121)	-	(159,722)	-
Principal retirement on revenue bonds	(820,000)	-	-	(820,000)	-
Principal retirement on general obligation bonds	-	(420,000)	-	(420,000)	-
Principal retirement on OPWC loans	-	(22,131)	-	(22,131)	-
Interest and fiscal charges.	(696,186)	(108,592)	-	(804,778)	-
Net cash used in capital and related financing activities	<u>(1,616,787)</u>	<u>(609,844)</u>	<u>-</u>	<u>(2,226,631)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received.	140,088	169,366	-	309,454	20,483
Net cash provided by investing activities.	<u>140,088</u>	<u>169,366</u>	<u>-</u>	<u>309,454</u>	<u>20,483</u>
Net increase (decrease) in cash and cash equivalents	244,639	538,394	(6,617)	776,416	(176,529)
Cash and cash equivalents at beginning of year	<u>5,653,339</u>	<u>3,290,049</u>	<u>81,071</u>	<u>9,024,459</u>	<u>565,994</u>
Cash and cash equivalents at end of year.	<u>\$ 5,897,978</u>	<u>\$ 3,828,443</u>	<u>\$ 74,454</u>	<u>\$ 9,800,875</u>	<u>\$ 389,465</u>

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CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor- Robertson Community Center</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 814,803	\$ 535,207	\$ (26,788)	\$ 1,323,222	\$ (182,200)
Adjustments:					
Depreciation	583,807	515,829	12,932	1,112,568	-
Changes in assets and liabilities:					
(Increase) in accounts receivable.	(13,357)	(124,494)	-	(137,851)	(13,227)
Decrease in materials and supplies inventory	6,273	19,475	-	25,748	-
(Increase) in prepayments	(10,960)	(10,961)	(314)	(22,235)	-
Increase (decrease) in accounts payable	(33,824)	(18,033)	7,439	(44,418)	-
Increase in accrued wages and benefits	10,379	7,714	-	18,093	-
(Decrease) in claims payable.	-	-	-	-	(1,585)
Increase in due to other governments	18,308	20,622	114	39,044	-
Increase in compensated absences payable	6,202	33,513	-	39,715	-
Net cash provided by (used in) operating activities. . .	<u>\$ 1,381,631</u>	<u>\$ 978,872</u>	<u>\$ (6,617)</u>	<u>\$ 2,353,886</u>	<u>\$ (197,012)</u>

Non-cash transactions:

The sewer fund recognized an intergovernmental receivable of \$29,052 during 2007.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - DESCRIPTION OF THE CITY

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

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

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

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

The City is also associated with the Alliance Area Development Foundation (the "Foundation"). The Foundation is a not-for-profit corporation. The board of trustees consists of contributing trustees and elected trustees. The contributing trustees select the elected trustees. In 2007, the Mayor was an elected trustee. The Foundation's goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

B. Fund Accounting

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

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

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

Revolving Loan Fund - This fund accounts for revolving loans intended to spur economic development in the City.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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 Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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, 2007

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, 2007, but which were levied to finance year 2008 operations, and other revenues received in advance of the fiscal 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, 2007, are recorded as deferred revenue.

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, 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, 2007

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

E. Budgetary Data

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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 2007 investments were limited to 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 share price which is the price the investment could be sold for on December 31, 2007.

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 2007 amounted to \$313,524, which includes \$249,725 assigned from other City funds as not all funds of the City receive interest earnings.

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, 2007**

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

G. Interfund Assets and Liabilities

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

H. Inventories

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

I. Restricted Assets

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

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

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

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

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2007 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

L. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and not capitalized. The valuation bases 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 bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

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

Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

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

M. Compensated Absences

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

N. Fund Balance Reserves

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

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

O. Capitalization of Interest

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

P. Interfund Activity

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

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

Q. Estimates

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

R. Accrued Liabilities and Long-term Obligations

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

S. Net Assets

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

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

NOTE 3 – ACCOUNTABILITY

Change in Accounting Principles

For 2007, the City has implemented GASB Statement No. 48 “*Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*”. GASB Statement No. 48 established criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the City; however, additional disclosure related to revenues pledged for the repayment of revenue bonds has been provided in Note 10.B.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund and the revolving loan fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Revolving loan transactions are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

	Net Change in Fund Balance	
	General	Revolving Loan Fund
Budget Basis	\$ 1,193,501	\$ (89,617)
Net adjustment for revenues	(122,936)	(240,111)
Net adjustments for expenditures	(212,157)	427,481
Net adjustment for other sources/uses	(44,066)	-
Adjustments for encumbrances	35,191	5,000
GAAP Basis	\$ 849,533	\$ 102,753

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

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

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

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

A. Cash and Cash Equivalents with Fiscal Agents

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2007, the carrying amount of all City deposits was \$11,689,564. As of December 31, 2007, \$11,696,790 of the City's bank balance of \$11,996,790 was exposed to custodial risk as discussed below, while \$300,000 was covered by the Federal Deposit Insurance Corporation.

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

C. Investments

As of December 31, 2007, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>6 months or less</u>
U.S. Government Money		
Market Mutual Fund	\$ 1,979,796	\$ 1,979,796
STAR Ohio	<u>3,539,711</u>	<u>3,539,711</u>
 Total	 <u>\$ 5,519,507</u>	 <u>\$ 5,519,507</u>

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment 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 Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer 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 securities included in the U.S government money market mutual fund carry a rating of AAA by Standard & Poor's and Aaa by Moody's.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
U.S. Government Money		
Market Mutual Fund	\$ 1,979,796	35.87
STAR Ohio	<u>3,539,711</u>	<u>64.13</u>
 Total	 <u>\$ 5,519,507</u>	 <u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 11,689,564
Investments	<u>5,519,507</u>
Total	<u>\$ 17,209,071</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 7,408,196
Business-type activities	<u>9,800,875</u>
Total	<u>\$ 17,209,071</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2007, 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 \$420,041.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 6 - RECEIVABLES - (Continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 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 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 12.5% for 2007. This percentage will be reduced to 6.25% for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2007-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property tax on behalf of all taxing districts within the County, including the City of Alliance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2007 operations. The receivable is offset by unearned revenue.

The full tax rate for all City operations for the year ended December 31, 2007 was \$6.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real property	\$ 290,806,870
Tangible personal property	23,306,034
Public utility property	<u>8,457,080</u>
Total	<u>\$ 322,569,984</u>

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 6 - RECEIVABLES - (Continued)

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, 2007 were \$2,002,924.

C. Income Tax

For the period January 1, 2007 to June 30, 2007, the City levied a municipal income tax of 1.75 percent on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Beginning July 1, 2007, voter approved an increase to 2.00 percent on gross salaries, wages, other personal services and businesses operating within the City. Residents of the City are granted a credit of 100 percent for taxes paid to other municipalities.

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 2007, after income tax department expenditures, are credited to the following funds: 86 percent to the general fund, six percent to the capital improvements fund (a nonmajor governmental fund), four percent to the street income tax construction fund (a nonmajor governmental fund), and four percent to the water fund. On the fund financial statements, total income tax revenue for fiscal year 2007 was \$8,680,502 in the governmental funds and \$348,248 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, 2007, the total special assessment receivable of \$1,225,854 includes \$984,915 in delinquent receivables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

<u>Governmental Activities:</u>	<u>Balance</u> 1/1/07	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/07
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,674,588	\$ -	\$ -	\$ 2,674,588
Construction in progress	-	16,810	-	16,810
Total capital assets, not being depreciated	<u>2,674,588</u>	<u>16,810</u>	<u>-</u>	<u>2,691,398</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	6,810,867	223,896	-	7,034,763
Furniture, fixtures and equipment	3,270,317	151,989	-	3,422,306
Vehicles	2,794,356	239,895	(158,175)	2,876,076
Infrastructure	<u>24,479,203</u>	<u>459,261</u>	<u>-</u>	<u>24,938,464</u>
Total capital assets, being depreciated	<u>37,354,743</u>	<u>1,075,041</u>	<u>(158,175)</u>	<u>38,271,609</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(1,631,817)	(151,535)	-	(1,783,352)
Furniture, fixtures and equipment	(1,749,264)	(223,896)	-	(1,973,160)
Vehicles	(2,317,008)	(97,085)	142,357	(2,271,736)
Infrastructure	<u>(13,278,321)</u>	<u>(1,044,310)</u>	<u>-</u>	<u>(14,322,631)</u>
Total accumulated depreciation	<u>(18,976,410)</u>	<u>(1,516,826)</u>	<u>142,357</u>	<u>(20,350,879)</u>
Total capital assets being depreciated, net	<u>18,378,333</u>	<u>(441,785)</u>	<u>(15,818)</u>	<u>17,920,730</u>
Governmental activities capital assets, net	<u>\$ 21,052,921</u>	<u>\$ (424,975)</u>	<u>\$ (15,818)</u>	<u>\$ 20,612,128</u>

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

<u>Governmental Activities:</u>	
General government	\$ 424,504
Security of persons and property	226,876
Public health services	5,419
Transportation	789,329
Community environment	400
Basic utility services	9,453
Leisure time activities	<u>60,845</u>
Total depreciation expense - governmental activities	<u>\$ 1,516,826</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - CAPITAL ASSETS - (Continued)

<u>Business-type Activities:</u>	Balance <u>1/1/07</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 869,941	\$ -	\$ -	\$ 869,941
Construction in progress	<u>-</u>	<u>29,620</u>	<u>-</u>	<u>29,620</u>
Total capital assets, not being depreciated	<u>869,941</u>	<u>29,620</u>	<u>-</u>	<u>899,561</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,368,735	-	-	1,368,735
Buildings, structures and improvements	10,702,600	29,301	-	10,731,901
Water and sewer lines	25,272,146	-	-	25,272,146
Furniture, fixtures and equipment	<u>4,512,244</u>	<u>100,801</u>	<u>-</u>	<u>4,613,045</u>
Total capital assets, being depreciated	<u>41,855,725</u>	<u>130,102</u>	<u>-</u>	<u>41,985,827</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(740,377)	(62,287)	-	(802,664)
Buildings, structures and improvements	(4,233,421)	(321,809)	-	(4,555,230)
Water and sewer lines	(10,798,725)	(504,676)	-	(11,303,401)
Furniture, fixtures and equipment	<u>(3,257,204)</u>	<u>(223,796)</u>	<u>-</u>	<u>(3,481,000)</u>
Total accumulated depreciation	<u>(19,029,727)</u>	<u>(1,112,568)</u>	<u>-</u>	<u>(20,142,295)</u>
Total capital assets being depreciated, net	<u>22,825,998</u>	<u>(982,466)</u>	<u>-</u>	<u>21,843,532</u>
Business-type activities capital assets, net	<u>\$ 23,695,939</u>	<u>\$ (952,846)</u>	<u>\$ -</u>	<u>\$ 22,743,093</u>

Depreciation expense was charged to the enterprise funds as follows:

<u>Business-type Activities:</u>	
Sewer	\$ 515,829
Water	583,807
Nonmajor:	
Robertson Community Center	<u>12,932</u>
Total depreciation expense - business-type activities	<u>\$ 1,112,568</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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 2007, 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	2,000,000	1,000,000
Law Enforcement	5,000	2,000,000	1,000,000
Automobile Liability	250-500	1,000,000	1,000,000
Bond	250	None	50,000
Crime - Theft	250	None	10,000
Crime - Forgery/Computer Fraud	250	None	100,000
Property	2,500	None	59,095,091
Inland Marine	None	None	2,876,663
Electronic Data Processing	1,000	None	593,816
Excess Liability	10,000	2,000,000	2,000,000

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

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

B. Workers' Compensation

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8 - RISK MANAGEMENT - (Continued)

C. Health Insurance

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

The claims liability of \$214,261 reported in the self-insurance fund at December 31, 2007, 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
2005	\$ 258,615	\$ 1,840,299	\$(1,899,718)	\$ 199,196
2006	199,196	1,785,630	(1,768,980)	215,846
2007	215,846	2,123,598	(2,125,183)	214,261

NOTE 9 - INTERFUND TRANSACTIONS

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

A summary of interfund transfers is as follows:

<u>Transfer to</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
Debt Service	\$ -	\$ 292,565	\$ 292,565
Other governmental	622,731	151,567	774,298
Total	<u>\$ 622,731</u>	<u>\$ 444,132</u>	<u>\$ 1,066,863</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, 2007

NOTE 9 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund balances at December 31, 2007 as reported on the fund statements, consist of the following individual interfund loan receivable and payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 2,037

This interfund balance will be repaid to the general fund once the anticipated revenues are received by the Health fund (a nonmajor governmental fund). All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the statement of net assets.

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental Activities

Changes in the governmental long-term obligations of the City during 2007 were as follows:

	Balance Outstanding <u>1/1/07</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>12/31/07</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities</u>					
<i>General Obligation Bonds:</i>					
1998 Various Purpose Bonds	\$ 715,000	\$ -	\$ (50,000)	\$ 665,000	\$ 55,000
2004 Main Street Bonds	450,000	-	(110,000)	340,000	110,000
2004 Fire Truck Bonds	230,000	-	(45,000)	185,000	45,000
2004 West State Street Bonds	440,000	-	(25,000)	415,000	25,000
2004 West Main Street/Freshley Bonds	510,000	-	(100,000)	410,000	100,000
Total General Obligation Bonds	<u>2,345,000</u>	<u>-</u>	<u>(330,000)</u>	<u>2,015,000</u>	<u>335,000</u>
<i>Special Assessment Bonds:</i>					
1999 Various Purpose	445,000	-	(45,000)	400,000	45,000
Total Special Assessment Bonds	<u>445,000</u>	<u>-</u>	<u>(45,000)</u>	<u>400,000</u>	<u>45,000</u>
<i>Other Long-Term Obligation:</i>					
Police and Fire Pension Liability	396,405	-	(7,388)	389,017	7,705
Compensated Absences	<u>2,090,528</u>	<u>1,237,256</u>	<u>(1,075,380)</u>	<u>2,252,404</u>	<u>1,030,485</u>
Total Governmental Activities	<u>\$ 5,276,933</u>	<u>\$1,237,256</u>	<u>\$(1,457,768)</u>	<u>\$ 5,056,421</u>	<u>\$ 1,418,190</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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 Main Street Downtown Improvements General Obligation Bonds

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

Series 2004 Fire Truck General Obligation Bonds

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

Series 2004 West State Street Improvement General Obligation Bonds

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

Series 2004 West Main Street/Freshley Avenue General Obligation Bonds

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

Series 1999 Special Assessment Bonds

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

Police and Fire Pension Liability

During 2003, the City was required to pay past pension liabilities in the amount of \$416,793 for police and fire pension. 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, 2036. The police and fire pension liability will be paid from tax revenue in the police pension fund (a nonmajor governmental fund) and the fire pension fund (a nonmajor governmental fund).

Compensated absences

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2007, are as follows:

Year Ending	<u>1998 Various Purpose</u>		<u>2004 Main Street</u>		<u>2004 Fire Truck</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 55,000	\$ 32,573	\$ 110,000	\$ 15,425	\$ 45,000	\$ 5,575
2009	55,000	30,070	115,000	7,050	45,000	4,450
2010	60,000	27,540	115,000	7,050	45,000	3,100
2011	60,000	24,750	-	-	50,000	1,600
2012	65,000	21,750	-	-	-	-
2013 - 2017	<u>370,000</u>	<u>57,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 665,000</u>	<u>\$ 194,183</u>	<u>\$ 340,000</u>	<u>\$ 29,525</u>	<u>\$ 185,000</u>	<u>\$ 14,725</u>

Year Ending	<u>2004 West State Street</u>		<u>2004 West Main Street/Freshly</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 25,000	\$ 15,448	\$ 100,000	\$ 12,470
2009	30,000	14,823	100,000	9,970
2010	30,000	13,923	105,000	6,820
2011	30,000	13,023	105,000	3,520
2012	30,000	13,023	-	-
2013 - 2017	<u>165,000</u>	<u>49,648</u>	<u>-</u>	<u>-</u>
2018 - 2020	<u>105,000</u>	<u>11,305</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 415,000</u>	<u>\$ 131,193</u>	<u>\$ 410,000</u>	<u>\$ 32,780</u>

Year Ending	<u>Special Assessment Bonds</u>		<u>Police and Fire Pension Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 45,000	\$ 23,649	\$ 7,705	\$ 16,441
2009	50,000	21,219	8,035	16,110
2010	55,000	18,469	8,380	15,765
2011	55,000	5,169	8,740	15,406
2012	60,000	11,869	9,115	15,031
2013 - 2017	<u>135,000</u>	<u>12,557</u>	<u>51,791</u>	<u>68,937</u>
2018 - 2022	-	-	<u>63,901</u>	<u>56,826</u>
2023 - 2027	-	-	<u>78,844</u>	<u>41,884</u>
2028 - 2032	-	-	<u>97,282</u>	<u>23,447</u>
2033 - 2036	-	-	<u>55,224</u>	<u>2,932</u>
Total	<u>\$ 400,000</u>	<u>\$ 92,932</u>	<u>\$ 389,017</u>	<u>\$ 272,779</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type Activities

Changes in the enterprise long-term obligations of the City during 2007 were as follows:

	Balance Outstanding 1/1/07	Additions	Reductions	Balance Outstanding 12/31/07	Amounts Due Within One Year
<u>Business-type Activities</u>					
<i>Revenue Bonds:</i>					
1998 Water Refunding	\$ 15,820,000	\$ -	\$ (820,000)	\$ 15,000,000	\$ 855,000
Unamortized Discount	(211,855)	-	19,259	(192,596)	(19,260)
Unamortized Accounting Loss	(813,034)	-	73,912	(739,122)	(73,912)
Total Revenue Bonds	<u>14,795,111</u>	<u>-</u>	<u>(726,829)</u>	<u>14,068,282</u>	<u>761,828</u>
<i>General Obligation Bonds:</i>					
2004 Sewer General Obligation Bond	1,713,000	-	(385,000)	1,328,000	400,000
2004 Sewer West Beech Creek	1,327,000	-	(35,000)	1,292,000	35,000
Unamortized Discount	(34,380)	-	11,460	(22,920)	(11,460)
Total General Obligation Bonds	<u>3,005,620</u>	<u>-</u>	<u>(408,540)</u>	<u>2,597,080</u>	<u>423,540</u>
<i>Other Long-Term Obligations:</i>					
OPWC Loan - Gaskill (2002)	37,285	-	(2,663)	34,622	2,663
OPWC Loan - Beeson St. (2004)	248,123	-	(13,784)	234,339	13,784
OPWC Loan - WWTP Clarifier (2006)	113,680	-	(5,684)	107,996	5,684
Compensated Absences	736,629	388,278	(348,564)	776,343	368,342
Total Business-type Activities	<u>\$ 18,936,448</u>	<u>\$ 388,278</u>	<u>\$(1,506,064)</u>	<u>\$ 17,818,662</u>	<u>\$ 1,575,841</u>

Series 1998 Water Refunding Revenue Bonds

During 1998, the City issued \$21,510,000 in revenue bonds to refund previously issued Series 1991 water revenue bonds. These refunded bonds were defeased by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The assets held in trust as a result of the advance refunding are not included in the financial statements. The balance of the refunded bonds was \$13,565,000 at December 31, 2007; however this amount is not an obligation of the City as it was in-substance defeased as a result of the refunding.

The Series 1998 water refunding revenue 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 water fund. Interest on these bonds is payable semiannually and the interest rates vary from 3.80% to 5.00%. The bonds mature on November 15, 2020. Principal and interest payments will be made from the water fund.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future water customer revenues, net of specified operating expenses, to repay the Series 1998 water refunding revenue bonds that were used for the purchase and repair of water lines in the City. The Series 1998 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 114% percent of net revenues. The total principal and interest remaining to be paid on the Series 1998 water refunding revenue bonds is \$20,731,175. Principal and interest paid for the current year and total customer net revenues were \$1,596,200 and \$1,398,610, respectively.

Series 2004 General Obligation Sewer Bonds

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

Series 2004 West Beech Creek Sewer General Obligation Bonds

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

Ohio Public Works Commission (OPWC) Loans

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

Compensated absences

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

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2007, are as follows:

Year Ending	1998 Revenue Bonds		2004 Sewer Bonds		2004 West Beech Creek Sewer Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 855,000	\$ 739,300	\$ 400,000	\$ 34,900	\$ 35,000	\$ 56,016
2009	895,000	700,398	410,000	24,900	35,000	55,141
2010	935,000	659,227	518,000	12,600	40,000	54,091
2011	980,000	615,750	-	-	40,000	52,891
2012	1,030,000	566,750	-	-	40,000	51,611
2013 - 2017	5,965,000	2,008,500	-	-	225,000	235,815
2018 - 2022	4,340,000	441,250	-	-	270,000	188,189
2023 - 2027	-	-	-	-	335,000	123,038
2028 - 2031	-	-	-	-	272,000	38,388
Total	<u>\$ 15,000,000</u>	<u>\$ 5,731,175</u>	<u>\$ 1,328,000</u>	<u>\$ 72,400</u>	<u>\$ 1,292,000</u>	<u>\$ 855,180</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending	OPWC - Gaskill Street		OPWC - Beeson Street		WWTP Clarifier Rehab	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,663	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2009	2,663	-	13,785	-	5,684	-
2010	2,663	-	13,785	-	5,684	-
2011	2,663	-	13,785	-	5,684	-
2012	2,663	-	13,785	-	5,684	-
2013 - 2017	13,315	-	68,923	-	28,420	-
2018 - 2022	7,992	-	68,923	-	28,420	-
2023 - 2025	-	-	27,568	-	22,736	-
Total	<u>\$ 34,622</u>	<u>\$ -</u>	<u>\$ 234,339</u>	<u>\$ -</u>	<u>\$ 107,996</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, 2007, the City's total debt margin was \$29,107,322 and the unvoted debt margin was \$14,287,169.

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, 2007, \$62,210,000 had been issued and \$56,815,000 was still outstanding.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 - PENSION PLANS

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement under the Traditional Pension Plan, were required to contribute 9.5% of their annual covered salaries. Members participating in the Traditional Pension Plan that were in law enforcement contributed 10.1% of their annual covered salary. The City's contribution rate for pension benefits for 2007 was 8.85% for the period January 1, 2007 through June 30, 2007 and 7.85% for the period July 1, 2007 through December 31, 2007, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 12.17% of covered payroll for the period January 1, 2007 through June 30, 2007 and 11.17% of covered payroll for the period July 1, 2007 through December 31, 2007. The Ohio Revised Code provides statutory authority for member and employer contributions. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2007, 2006, and 2005 were \$511,531, \$525,331, and \$570,359, respectively; 88.30% has been contributed for 2007 and 100% has been contributed for 2006 and 2005.

B. Ohio Police and Fire Pension Fund

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 - PENSION PLANS - (Continued)

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.5% and 24.0% for police officers and firefighters, respectively. 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 \$240,903 and \$249,238 for the year ended December 31, 2007, \$235,628 and \$238,545 for the year ended December 31, 2006, and \$241,001 and \$272,915 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 69.84% for police officers and 73.07% for firefighters has been contributed for 2007 with the remainder being reported as a liability.

NOTE 12 - POST-EMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the Traditional Pension or Combined Plans is set aside for the funding of post-employment health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% of covered payroll (17.17% for public safety and law enforcement); 5.00% of covered payroll was the portion that was used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00% of covered payroll was the portion that was used to fund health care for the period July 1, 2007 through December 31, 2007.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 5.00% for the next eight years. In subsequent years, (nine and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the Traditional Pension and Combined Plans was 374,979 as of December 31, 2007. The City's actual employer contributions for 2007 which were used to fund post-employment benefits were \$336,492. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12.0 billion. At December 31, 2006 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)

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

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by OP&F is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 6.75% of covered payroll was applied to the post-employment health care program during 2007. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2007 that were used to fund post-employment benefits were \$158,604 for police officers and \$118,913 for firefighters. The OP&F's total health care expense for the year ended December 31, 2006 (the latest information available) was \$120.374 million, which was net of member contributions of \$58.533 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006 (the latest information available), was 14,120 for police officers and 10,563 for firefighters.

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, 2007**

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, 2007, the total liability for unpaid compensated absences was \$2,252,404 for the governmental activities and \$776,343 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, 2007.

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, 2007.

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 2007, the City of Alliance did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 2007, 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 – SUBSEQUENT EVENTS

Beginning January 1, 2008, income tax proceeds, after income tax department expenditures, will be credited to the following funds: 79 percent to the general fund, ten percent to the capital improvements capital projects fund (a nonmajor governmental fund), seven percent to the street income tax construction capital projects fund (a nonmajor governmental fund), and four percent to the water enterprise fund.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,114,864	\$ 613,183	\$ 2,728,047
Receivables (net of allowances of uncollectibles):			
Property and other taxes	213,234	-	213,234
Municipal income taxes	-	472,867	472,867
Special assessments	-	38,602	38,602
Intergovernmental	526,001	39,928	565,929
Loans	30,164	-	30,164
Accounts	390,841	-	390,841
Prepayments	5,726	-	5,726
Total assets	<u>\$ 3,280,830</u>	<u>\$ 1,164,580</u>	<u>\$ 4,445,410</u>
Liabilities:			
Accounts payable	\$ 90,716	\$ 3,986	\$ 94,702
Contracts payable	-	4,995	4,995
Accrued wages and benefits	39,555	-	39,555
Interfund loans payable	2,037	-	2,037
Intergovernmental payable	54,092	-	54,092
Deferred revenue	349,217	222,352	571,569
Unearned revenue	185,838	-	185,838
Total liabilities	<u>721,455</u>	<u>231,333</u>	<u>952,788</u>
Fund Balances:			
Fund balances:			
Reserved for encumbrances	54,966	54,207	109,173
Reserved for prepayments	5,726	-	5,726
Reserved for loans receivable	30,164	-	30,164
Unreserved, undesignated, reported in:			
Special revenue funds	2,468,519	-	2,468,519
Capital projects funds	-	879,040	879,040
Total fund balances	<u>2,559,375</u>	<u>933,247</u>	<u>3,492,622</u>
Total liabilities and fund equity	<u>\$ 3,280,830</u>	<u>\$ 1,164,580</u>	<u>\$ 4,445,410</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Municipal income taxes	\$ -	\$ 989,094	\$ 989,094
Property and other taxes	620,121	-	620,121
Licenses and permits	70,890	-	70,890
Fines and forfeitures	622,785	-	622,785
Intergovernmental	1,895,888	123,044	2,018,932
Investment income	46,010	-	46,010
Contributions and donations	2,500	-	2,500
Other	99,706	31,106	130,812
	<hr/>	<hr/>	<hr/>
Total revenues	3,357,900	1,143,244	4,501,144
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	134,946	-	134,946
Security of persons and property	952,622	-	952,622
Public health services	336,965	-	336,965
Transportation	1,280,772	121,263	1,402,035
Community environment	617,236	-	617,236
Capital outlay	-	1,007,670	1,007,670
Debt service:			
Principal retirement	7,388	-	7,388
Interest and fiscal charges	16,758	-	16,758
	<hr/>	<hr/>	<hr/>
Total expenditures	3,346,687	1,128,933	4,475,620
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	11,213	14,311	25,524
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	774,298	-	774,298
Transfers out	(392,432)	(51,700)	(444,132)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses):	381,866	(51,700)	330,166
	<hr/>	<hr/>	<hr/>
Net change in fund balances	393,079	(37,389)	355,690
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	2,166,296	970,636	3,136,932
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 2,559,375</u>	<u>\$ 933,247</u>	<u>\$ 3,492,622</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Street Repair and Maintenance Fund

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

Federal COPS Fast Program Fund

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

State Highway Fund

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

Law Enforcement Block Grant Fund

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

Motor Vehicle License Fund

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

Municipal Court Computerization Fund

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

Health Fund

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

Litter Control Fund

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

State Misdemeanant Grant Fund

This fund accounts for monies received for payment of the Misdemeanant Community Sanctions Coordinator Project Program. Sanctions 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.

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 District that are used for economic development in the District.

Other

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

- 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*
- Land Use Study Fund*
- Court ADR Fund*
- Municipal Court Historical Grant Fund*
- Court Security Grant Fund*
- Municipal Court Security Fund*
- Court Immobilization Fund*
- Parking Lot Maintenance Fund*
- Land Reutilization Fund*
- Park Resource Fund*

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
Assets:				
Equity in pooled cash and cash equivalents.	\$ 42,439	\$ 75,163	\$ 2,183	\$ 18,381
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Intergovernmental	364,502	-	29,554	-
Loans	-	-	-	-
Accounts	-	-	-	-
Prepayments	5,592	-	-	-
Total assets	<u>\$ 412,533</u>	<u>\$ 75,163</u>	<u>\$ 31,737</u>	<u>\$ 18,381</u>
Liabilities:				
Accounts payable	\$ 7,990	\$ -	\$ -	\$ 2,019
Accrued wages and benefits	21,517	-	-	-
Interfund loans payable	-	-	-	-
Intergovernmental payable	32,487	-	-	-
Deferred revenue.	235,202	-	19,070	-
Unearned revenue	-	-	-	-
Total liabilities	<u>297,196</u>	<u>-</u>	<u>19,070</u>	<u>2,019</u>
Fund Balances:				
Reserved for encumbrances	1,500	-	-	-
Reserved for prepayments.	5,592	-	-	-
Reserved for loans receivable	-	-	-	-
Unreserved:				
Undesignated.	108,245	75,163	12,667	16,362
Total fund balances	<u>115,337</u>	<u>75,163</u>	<u>12,667</u>	<u>16,362</u>
Total liabilities and fund balances.	<u>\$ 412,533</u>	<u>\$ 75,163</u>	<u>\$ 31,737</u>	<u>\$ 18,381</u>

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$ 8,118	\$ 18,463	\$ 106,209	\$ 128	\$ 10,568	\$ 2,627
-	-	-	-	-	-
89,538	-	27,184	6,517	-	874
-	-	-	-	-	-
-	5,325	-	-	-	-
-	-	-	-	-	-
<u>\$ 97,656</u>	<u>\$ 23,788</u>	<u>\$ 133,393</u>	<u>\$ 6,645</u>	<u>\$ 10,568</u>	<u>\$ 3,501</u>
\$ -	\$ -	\$ 28	\$ 578	\$ -	\$ -
-	-	6,351	1,366	-	-
-	-	2,037	-	-	-
-	1,277	7,839	1,925	-	222
59,717	-	-	-	-	-
-	-	-	-	-	-
<u>59,717</u>	<u>1,277</u>	<u>16,255</u>	<u>3,869</u>	<u>-</u>	<u>222</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,939</u>	<u>22,511</u>	<u>117,138</u>	<u>2,776</u>	<u>10,568</u>	<u>3,279</u>
<u>37,939</u>	<u>22,511</u>	<u>117,138</u>	<u>2,776</u>	<u>10,568</u>	<u>3,279</u>
<u>\$ 97,656</u>	<u>\$ 23,788</u>	<u>\$ 133,393</u>	<u>\$ 6,645</u>	<u>\$ 10,568</u>	<u>\$ 3,501</u>

CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Fire Pension</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 640,662	\$ 120,917	\$ 72,402	\$ 12,156
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	106,617
Intergovernmental	-	-	-	3,916
Loans	-	-	30,164	-
Accounts	-	-	-	-
Prepayments	134	-	-	-
Total assets	<u>\$ 640,796</u>	<u>\$ 120,917</u>	<u>\$ 102,566</u>	<u>\$ 122,689</u>
Liabilities:				
Accounts payable	\$ 1,885	\$ 15,205	\$ 625	\$ 24
Accrued wages and benefits	1,927	8,394	-	-
Interfund loans payable	-	-	-	-
Intergovernmental payable	2,891	7,276	-	-
Deferred revenue	-	-	-	17,614
Unearned revenue	-	-	-	92,919
Total liabilities	<u>6,703</u>	<u>30,875</u>	<u>625</u>	<u>110,557</u>
Fund Balances:				
Reserved for encumbrances	16	48,490	-	-
Reserved for prepayments	134	-	-	-
Reserved for loans receivable	-	-	30,164	-
Unreserved:				
Undesignated	633,943	41,552	71,777	12,132
Total fund balances	<u>634,093</u>	<u>90,042</u>	<u>101,941</u>	<u>12,132</u>
Total liabilities and fund balances	<u>\$ 640,796</u>	<u>\$ 120,917</u>	<u>\$ 102,566</u>	<u>\$ 122,689</u>

Police Pension	Tax Increment	Other	Totals
\$ 12,156	\$ 780,825	\$ 191,467	\$ 2,114,864
106,617	-	-	213,234
3,916	-	-	526,001
-	-	-	30,164
-	-	385,516	390,841
-	-	-	5,726
<u>\$ 122,689</u>	<u>\$ 780,825</u>	<u>\$ 576,983</u>	<u>\$ 3,280,830</u>
\$ -	\$ 57,121	\$ 5,241	\$ 90,716
-	-	-	39,555
-	-	-	2,037
-	-	175	54,092
17,614	-	-	349,217
92,919	-	-	185,838
<u>110,533</u>	<u>57,121</u>	<u>5,416</u>	<u>721,455</u>
-	-	4,960	54,966
-	-	-	5,726
-	-	-	30,164
<u>12,156</u>	<u>723,704</u>	<u>566,607</u>	<u>2,468,519</u>
<u>12,156</u>	<u>723,704</u>	<u>571,567</u>	<u>2,559,375</u>
<u>\$ 122,689</u>	<u>\$ 780,825</u>	<u>\$ 576,983</u>	<u>\$ 3,280,830</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, 2007

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-
Fines and forfeitures	-	-	-	81,246
Intergovernmental	837,118	-	67,111	-
Investment income	275	3,620	2,546	4,403
Contributions and donations	-	-	-	-
Other	5,135	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues.	842,528	3,620	69,657	85,649
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	45,694	-	-	138,300
Public health services	-	-	-	-
Transportation	952,773	-	141,276	-
Community environment	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges.	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures.	998,467	-	141,276	138,300
Excess (deficiency) of revenues over (under) expenditures	(155,939)	3,620	(71,619)	(52,651)
Other financing sources (uses):				
Transfers in	150,000	-	-	-
Transfers out	-	-	(41,073)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses):	150,000	-	(41,073)	-
Net change in fund balances	(5,939)	3,620	(112,692)	(52,651)
Fund balances at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	121,276	71,543	125,359	69,013
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 115,337	\$ 75,163	\$ 12,667	\$ 16,362

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	36,440	-	-	-
-	73,639	-	-	-	-
183,459	-	186,311	44,743	-	10,902
-	-	-	-	-	34
-	-	-	2,500	-	-
-	59	289	174	-	24
<u>183,459</u>	<u>73,698</u>	<u>223,040</u>	<u>47,417</u>	<u>-</u>	<u>10,960</u>
-	70,612	-	-	-	8,831
-	-	9,688	-	-	-
-	-	221,886	-	-	-
-	-	-	-	-	-
-	-	-	52,817	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>70,612</u>	<u>231,574</u>	<u>52,817</u>	<u>-</u>	<u>8,831</u>
<u>183,459</u>	<u>3,086</u>	<u>(8,534)</u>	<u>(5,400)</u>	<u>-</u>	<u>2,129</u>
-	-	3,500	1,500	-	-
<u>(234,822)</u>	<u>-</u>	<u>(1,567)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(234,822)</u>	<u>-</u>	<u>1,933</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
(51,363)	3,086	(6,601)	(3,900)	-	2,129
<u>89,302</u>	<u>19,425</u>	<u>123,739</u>	<u>6,676</u>	<u>10,568</u>	<u>1,150</u>
<u>\$ 37,939</u>	<u>\$ 22,511</u>	<u>\$ 117,138</u>	<u>\$ 2,776</u>	<u>\$ 10,568</u>	<u>\$ 3,279</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, 2007

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Fire Pension</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ 93,192
License and permits	34,450	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	507,529	-	13,403
Investment income	29,951	-	4,933	-
Contributions and donations	-	-	-	-
Other	34,760	16,698	21,616	12
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues.	99,161	524,227	26,549	106,607
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	370,266
Public health services	113,979	-	-	-
Transportation	-	-	-	-
Community environment	-	522,377	21,516	-
Debt service:				
Principal retirement	-	-	-	3,195
Interest and fiscal charges.	-	-	-	7,247
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures.	113,979	522,377	21,516	380,708
Excess (deficiency) of revenues over (under) expenditures	<hr/> (14,818) <hr/>	<hr/> 1,850 <hr/>	<hr/> 5,033 <hr/>	<hr/> (274,101) <hr/>
Other financing sources (uses):				
Transfers in	60,000	-	-	276,234
Transfers out	<hr/> -	<hr/> -	<hr/> -	<hr/> -
Total other financing sources (uses):	<hr/> 60,000 <hr/>	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> 276,234 <hr/>
Net change in fund balances	45,182	1,850	5,033	2,133
Fund balances at beginning of year	<hr/> 588,911 <hr/>	<hr/> 88,192 <hr/>	<hr/> 96,908 <hr/>	<hr/> 9,999 <hr/>
Fund balances at end of year	<hr/> <u>\$ 634,093</u> <hr/>	<hr/> <u>\$ 90,042</u> <hr/>	<hr/> <u>\$ 101,941</u> <hr/>	<hr/> <u>\$ 12,132</u> <hr/>

Police Pension	Tax Increment	Other	Totals
\$ 93,192	\$ 433,737	\$ -	\$ 620,121
-	-	-	70,890
-	-	467,900	622,785
13,403	-	31,909	1,895,888
-	-	248	46,010
-	-	-	2,500
12	-	20,927	99,706
<u>106,607</u>	<u>433,737</u>	<u>520,984</u>	<u>3,357,900</u>
-	-	55,503	134,946
373,811	-	14,863	952,622
-	-	1,100	336,965
-	186,351	372	1,280,772
-	-	20,526	617,236
4,193	-	-	7,388
9,511	-	-	16,758
<u>387,515</u>	<u>186,351</u>	<u>92,364</u>	<u>3,346,687</u>
<u>(280,908)</u>	<u>247,386</u>	<u>428,620</u>	<u>11,213</u>
283,064	-	-	774,298
-	(114,970)	-	(392,432)
<u>283,064</u>	<u>(114,970)</u>	<u>-</u>	<u>381,866</u>
2,156	132,416	428,620	393,079
10,000	591,288	142,947	2,166,296
<u>\$ 12,156</u>	<u>\$ 723,704</u>	<u>\$ 571,567</u>	<u>\$ 2,559,375</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 820,000	\$ 821,164	\$ 1,164
Investment income.	1,500	275	(1,225)
Other.	1,700	5,135	3,435
Total revenues.	<u>823,200</u>	<u>826,574</u>	<u>3,374</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	35,977	35,941	36
Fringe benefits.	15,427	15,337	90
Contractual services.	12,000	10,583	1,417
Total security of persons and property.	<u>63,404</u>	<u>61,861</u>	<u>1,543</u>
Transportation:			
Street transportation:			
Salaries and wages.	545,056	537,822	7,234
Fringe benefits.	209,438	203,407	6,031
Contractual services.	92,124	86,294	5,830
Materials and supplies.	75,185	73,888	1,297
Total transportation.	<u>921,803</u>	<u>901,411</u>	<u>20,392</u>
Total expenditures.	<u>985,207</u>	<u>963,272</u>	<u>21,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(162,007)</u>	<u>(136,698)</u>	<u>25,309</u>
Other financing sources:			
Transfers in.	150,000	150,000	-
Total other financing sources.	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balance.	(12,007)	13,302	25,309
Fund balance at beginning of year	25,759	25,759	-
Prior year encumbrances appropriated	1,878	1,878	-
Fund balance at end of year.	<u>\$ 15,630</u>	<u>\$ 40,939</u>	<u>\$ 25,309</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income.	\$ 4,500	\$ 3,620	\$ (880)
Total revenues.	<u>4,500</u>	<u>3,620</u>	<u>(880)</u>
Net change in fund balance.	4,500	3,620	(880)
Fund balance at beginning of year	<u>71,543</u>	<u>71,543</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 76,043</u></u>	<u><u>\$ 75,163</u></u>	<u><u>\$ (880)</u></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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 62,500	\$ 66,581	\$ 4,081
Investment income.	4,500	2,546	(1,954)
Total revenues.	<u>67,000</u>	<u>69,127</u>	<u>2,127</u>
Expenditures:			
Current:			
Transportation:			
Street repair and maintenance:			
Capital outlay.	<u>141,277</u>	<u>141,276</u>	<u>1</u>
Total expenditures	<u>141,277</u>	<u>141,276</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,277)</u>	<u>(72,149)</u>	<u>2,128</u>
Other financing uses:			
Transfers out.	<u>(41,100)</u>	<u>(41,073)</u>	<u>27</u>
Total other financing uses	<u>(41,100)</u>	<u>(41,073)</u>	<u>27</u>
Net change in fund balance.	(115,377)	(113,222)	2,155
Fund balance at beginning of year	<u>115,405</u>	<u>115,405</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 28</u>	<u>\$ 2,183</u>	<u>\$ 2,155</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 79,150	\$ 81,246	\$ 2,096
Investment income.	8,001	4,403	(3,598)
Total revenues.	<u>87,151</u>	<u>85,649</u>	<u>(1,502)</u>
 Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	93,575	80,824	12,751
Capital outlay.	<u>60,111</u>	<u>57,564</u>	<u>2,547</u>
Total expenditures	<u>153,686</u>	<u>138,388</u>	<u>15,298</u>
Net change in fund balance.	(66,535)	(52,739)	13,796
 Fund balance at beginning of year	69,698	69,698	-
Prior year encumbrances appropriated . .	<u>75</u>	<u>75</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 3,238</u>	<u>\$ 17,034</u>	<u>\$ 13,796</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 175,000	\$ 181,390	\$ 6,390
Total revenues.	<u>175,000</u>	<u>181,390</u>	<u>6,390</u>
 Excess of revenues over expenditures	 <u>175,000</u>	 <u>181,390</u>	 <u>6,390</u>
 Other financing uses:			
Transfers out.	<u>(234,900)</u>	<u>(234,822)</u>	<u>78</u>
Total other financing uses.	<u>(234,900)</u>	<u>(234,822)</u>	<u>78</u>
 Net change in fund balance.	 (59,900)	 (53,432)	 6,468
 Fund balance at beginning of year	 <u>61,550</u>	 <u>61,550</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ 1,650</u>	 <u>\$ 8,118</u>	 <u>\$ 6,468</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 60,000	\$ 68,314	\$ 8,314
Other.	-	59	59
Total revenues.	<u>60,000</u>	<u>68,373</u>	<u>8,373</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Salaries and wages.	30,000	25,950	4,050
Fringe benefits.	5,271	4,744	527
Contractual services.	16,500	15,627	873
Materials and supplies.	16,074	14,888	1,186
Capital outlay.	10,000	8,851	1,149
Total expenditures	<u>77,845</u>	<u>70,060</u>	<u>7,785</u>
Net change in fund balance.	(17,845)	(1,687)	16,158
Fund balance at beginning of year	<u>20,150</u>	<u>20,150</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,305</u>	<u>\$ 18,463</u>	<u>\$ 16,158</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fees.	\$ 37,200	\$ 36,440	\$ (760)
Intergovernmental	188,150	178,345	(9,805)
Other.	20	289	269
Total revenues.	<u>225,370</u>	<u>215,074</u>	<u>(10,296)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Salaries and wages.	16,179	8,975	7,204
Fringe benefits.	666	411	255
Total security of persons and property.	<u>16,845</u>	<u>9,386</u>	<u>7,459</u>
Public health services:			
Salaries and wages.	137,978	133,244	4,734
Fringe benefits.	55,368	54,272	1,096
Contractual services.	5,170	2,957	2,213
Materials and supplies.	11,345	8,978	2,367
Capital outlay.	600	-	600
Other.	5,114	4,364	750
Total public health services	<u>215,575</u>	<u>203,815</u>	<u>11,760</u>
Total expenditures	<u>232,420</u>	<u>213,201</u>	<u>19,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,050)</u>	<u>1,873</u>	<u>8,923</u>
Other financing sources (uses):			
Transfers in.	4,691	3,500	(1,191)
Transfers out.	(21,230)	(15,247)	5,983
Advance in.	2,037	2,037	-
Advance out.	(11,294)	(11,294)	-
Total other financing sources (uses)	<u>(25,796)</u>	<u>(21,004)</u>	<u>4,792</u>
Net change in fund balance.	(32,846)	(19,131)	13,715
Fund balance at beginning of year	<u>125,340</u>	<u>125,340</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 92,494</u>	<u>\$ 106,209</u>	<u>\$ 13,715</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 58,316	\$ 54,789	\$ (3,527)
Contributions and donations	2,500	2,500	-
Other	10	174	164
Total revenues	<u>60,826</u>	<u>57,463</u>	<u>(3,363)</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages	33,345	32,964	381
Fringe benefits	15,925	15,920	5
Contractual services	3,925	3,811	114
Materials and supplies	4,915	4,510	405
Capital outlay	1,700	1,630	70
Total expenditures	<u>59,810</u>	<u>58,835</u>	<u>975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,016</u>	<u>(1,372)</u>	<u>(2,388)</u>
Other financing sources:			
Transfers in	<u>9,242</u>	<u>1,500</u>	<u>(7,742)</u>
Total other financing sources	<u>9,242</u>	<u>1,500</u>	<u>(7,742)</u>
Net change in fund balance	10,258	128	(10,130)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,258</u>	<u>\$ 128</u>	<u>\$ (10,130)</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1	\$ -	\$ (1)
Total revenues.	<u>1</u>	<u>-</u>	<u>(1)</u>
Expenditures:			
Current:			
General government:			
Judge:			
Other.	<u>10,568</u>	<u>-</u>	<u>10,568</u>
Total expenditures	<u>10,568</u>	<u>-</u>	<u>10,568</u>
Net change in fund balance.	(10,567)	-	10,567
Fund balance at beginning of year	<u>10,568</u>	<u>10,568</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1</u>	<u>\$ 10,568</u>	<u>\$ 10,567</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 12,500	\$ 10,948	\$ (1,552)
Investment income.	20	34	14
Other.	5	24	19
Total revenues.	<u>12,525</u>	<u>11,006</u>	<u>(1,519)</u>
Expenditures:			
Current:			
General government:			
Aging:			
Salaries and wages.	8,200	6,206	1,994
Fringe benefits.	2,210	1,762	448
Contractual services.	320	300	20
Materials and supplies.	311	309	2
Total expenditures	<u>11,041</u>	<u>8,577</u>	<u>2,464</u>
Excess of revenues over expenditures	<u>1,484</u>	<u>2,429</u>	<u>945</u>
Other financing uses:			
Transfers out.	<u>(725)</u>	<u>(725)</u>	<u>-</u>
Total other financing uses	<u>(725)</u>	<u>(725)</u>	<u>-</u>
Net change in fund balance.	759	1,704	945
Fund balance at beginning of year	<u>923</u>	<u>923</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,682</u>	<u>\$ 2,627</u>	<u>\$ 945</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fees.	\$ 32,000	\$ 34,450	\$ 2,450
Investment income.	45,600	29,951	(15,649)
Other.	30,525	34,760	4,235
Total revenues.	<u>108,125</u>	<u>99,161</u>	<u>(8,964)</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages.	63,717	63,679	38
Fringe benefits.	22,311	22,191	120
Contractual services.	21,251	20,160	1,091
Materials and supplies.	6,250	5,914	336
Other.	192	-	192
Total expenditures	<u>113,721</u>	<u>111,944</u>	<u>1,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,596)</u>	<u>(12,783)</u>	<u>(7,187)</u>
Other financing sources:			
Transfers in.	60,000	60,000	-
Total other financing sources.	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance.	54,404	47,217	(7,187)
Fund balance at beginning of year	<u>592,729</u>	<u>592,729</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 647,133</u></u>	<u><u>\$ 639,946</u></u>	<u><u>\$ (7,187)</u></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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,374,855	\$ 502,473	\$ (872,382)
Other.	41,141	16,698	(24,443)
Total revenues.	<u>1,415,996</u>	<u>519,171</u>	<u>(896,825)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages.	236,496	117,536	118,960
Fringe benefits.	142,690	64,059	78,631
Contractual services.	430,137	234,576	195,561
Materials and supplies.	10,890	5,575	5,315
Capital outlay.	376,345	61,540	314,805
Other.	272,957	84,202	188,755
Total expenditures	<u>1,469,515</u>	<u>567,488</u>	<u>902,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(53,519)</u>	<u>(48,317)</u>	<u>5,202</u>
Other financing uses:			
Transfers out.	<u>(59,608)</u>	-	<u>59,608</u>
Total other financing uses.	<u>(59,608)</u>	-	<u>59,608</u>
Net change in fund balance.	(113,127)	(48,317)	64,810
Fund balance at beginning of year	46,997	46,997	-
Prior year encumbrances appropriated . .	<u>66,130</u>	<u>66,130</u>	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 64,810</u>	<u>\$ 64,810</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 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income.	\$ 7,050	\$ 6,566	\$ (484)
Other.	35,000	29,534	(5,466)
Total revenues.	<u>42,050</u>	<u>36,100</u>	<u>(5,950)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Capital outlay.	<u>102,996</u>	<u>20,891</u>	<u>82,105</u>
Total expenditures	<u>102,996</u>	<u>20,891</u>	<u>82,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,946)</u>	<u>15,209</u>	<u>76,155</u>
Other financing sources:			
Transfers in.	<u>56,000</u>	<u>-</u>	<u>(56,000)</u>
Total other financing sources.	<u>56,000</u>	<u>-</u>	<u>(56,000)</u>
Net change in fund balance.	(4,946)	15,209	20,155
Fund balance at beginning of year	54,197	54,197	-
Prior year encumbrances appropriated	<u>2,996</u>	<u>2,996</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 52,247</u>	<u>\$ 72,402</u>	<u>\$ 20,155</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other taxes.	\$ 83,885	\$ 93,192	\$ 9,307
Intergovernmental.	20,554	13,403	(7,151)
Other.	-	12	12
Total revenues.	<u>104,439</u>	<u>106,607</u>	<u>2,168</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	400,000	379,188	20,812
Contractual services.	<u>1,500</u>	<u>1,497</u>	<u>3</u>
Total expenditures	<u>401,500</u>	<u>380,685</u>	<u>20,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(297,061)</u>	<u>(274,078)</u>	<u>22,983</u>
Other financing sources:			
Transfers in.	<u>300,000</u>	<u>276,234</u>	<u>(23,766)</u>
Total other financing sources.	<u>300,000</u>	<u>276,234</u>	<u>(23,766)</u>
Net change in fund balance.	2,939	2,156	(783)
Fund balance at beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 12,939</u></u>	<u><u>\$ 12,156</u></u>	<u><u>\$ (783)</u></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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other taxes.	\$ 83,885	\$ 93,192	\$ 9,307
Intergovernmental.	20,554	13,403	(7,151)
Other.	-	12	12
Total revenues.	<u>104,439</u>	<u>106,607</u>	<u>2,168</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	400,000	386,018	13,982
Contractual services.	1,500	1,497	3
Total expenditures	<u>401,500</u>	<u>387,515</u>	<u>13,985</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(297,061)</u>	<u>(280,908)</u>	<u>16,153</u>
Other financing sources:			
Transfers in.	300,000	283,064	(16,936)
Total other financing sources.	<u>300,000</u>	<u>283,064</u>	<u>(16,936)</u>
Net change in fund balance.	2,939	2,156	(783)
Fund balance at beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 12,939</u>	<u>\$ 12,156</u>	<u>\$ (783)</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other taxes.	\$ 433,738	\$ 433,737	\$ (1)
Total revenues.	<u>433,738</u>	<u>433,737</u>	<u>(1)</u>
Expenditures:			
Current:			
Transportation:			
Tax increment:			
Contractual services.	7,995	7,995	-
Other.	<u>130,005</u>	<u>121,234</u>	<u>8,771</u>
Total expenditures	<u>138,000</u>	<u>129,229</u>	<u>8,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>295,738</u>	<u>304,508</u>	<u>8,770</u>
Other financing uses:			
Transfers out	<u>(115,000)</u>	<u>(114,970)</u>	<u>30</u>
Total other financing uses	<u>(115,000)</u>	<u>(114,970)</u>	<u>30</u>
Net change in fund balance.	180,738	189,538	8,800
Fund balance at beginning of year	<u>591,287</u>	<u>591,287</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 772,025</u>	<u>\$ 780,825</u>	<u>\$ 8,800</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 22,557	\$ 22,557	\$ -
Total revenues.	<u>22,557</u>	<u>22,557</u>	<u>-</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Capital outlay.	<u>12,153</u>	<u>12,153</u>	<u>-</u>
Total expenditures	<u>12,153</u>	<u>12,153</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,404</u>	<u>10,404</u>	<u>-</u>
Other financing uses:			
Advance out	<u>(10,404)</u>	<u>(10,404)</u>	<u>-</u>
Total other financing uses	<u>(10,404)</u>	<u>(10,404)</u>	<u>-</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 300,000	\$ 6,750	\$ (293,250)
Investment income.	200	248	48
Total revenues.	<u>300,200</u>	<u>6,998</u>	<u>(293,202)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	125,000	2,710	122,290
Capital outlay.	<u>175,000</u>	<u>-</u>	<u>175,000</u>
Total expenditures	<u>300,000</u>	<u>2,710</u>	<u>297,290</u>
Net change in fund balance.	200	4,288	4,088
Fund balance at beginning of year	<u>3,818</u>	<u>3,818</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 4,018</u>	<u>\$ 8,106</u>	<u>\$ 4,088</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 10,000	\$ 11,331	\$ 1,331
Total revenues.	<u>10,000</u>	<u>11,331</u>	<u>1,331</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	<u>2,000</u>	<u>1,999</u>	<u>1</u>
Total expenditures	<u>2,000</u>	<u>1,999</u>	<u>1</u>
Net change in fund balance.	8,000	9,332	1,332
Fund balance at beginning of year	<u>3,830</u>	<u>3,830</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 11,830</u></u>	<u><u>\$ 13,162</u></u>	<u><u>\$ 1,332</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 5,000	\$ 5,734	\$ 734
Total revenues.	<u>5,000</u>	<u>5,734</u>	<u>734</u>
Expenditures:			
Current:			
General government:			
Judicial:			
Materials and supplies.	<u>20,172</u>	<u>-</u>	<u>20,172</u>
Total expenditures	<u>20,172</u>	<u>-</u>	<u>20,172</u>
Net change in fund balance.	(15,172)	5,734	20,906
Fund balance at beginning of year	<u>20,171</u>	<u>20,171</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 4,999</u></u>	<u><u>\$ 25,905</u></u>	<u><u>\$ 20,906</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 14,000	\$ 15,101	\$ 1,101
Total revenues.	<u>14,000</u>	<u>15,101</u>	<u>1,101</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	4,500	3,255	1,245
Materials and supplies.	9,500	4,177	5,323
Capital outlay.	<u>15,000</u>	<u>9,377</u>	<u>5,623</u>
Total expenditures	<u>29,000</u>	<u>16,809</u>	<u>12,191</u>
Net change in fund balance.	(15,000)	(1,708)	13,292
Fund balance at beginning of year	<u>17,664</u>	<u>17,664</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,664</u>	<u>\$ 15,956</u>	<u>\$ 13,292</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 2,800	\$ 1,552	\$ (1,248)
Total revenues.	<u>2,800</u>	<u>1,552</u>	<u>(1,248)</u>
 Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	<u>2,800</u>	<u>953</u>	<u>1,847</u>
Total expenditures	<u>2,800</u>	<u>953</u>	<u>1,847</u>
 Net change in fund balance.	-	599	599
 Fund balance at beginning of year	<u>584</u>	<u>584</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 584</u>	<u>\$ 1,183</u>	<u>\$ 599</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 48,667	\$ 19,256	\$ (29,411)
Total revenues.	<u>48,667</u>	<u>19,256</u>	<u>(29,411)</u>
Expenditures:			
Current:			
Community environment:			
Salaries and wages.	8,505	8,505	-
Fringe benefits.	1,244	1,211	33
Capital outlay.	40,000	10,590	29,410
Total expenditures	<u>49,749</u>	<u>20,306</u>	<u>29,443</u>
Net change in fund balance.	(1,082)	(1,050)	32
Fund balance at beginning of year	<u>1,082</u>	<u>1,082</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 32</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community environment:			
Contractual services.	\$ 4,189	\$ 4,189	\$ -
Total expenditures	<u>4,189</u>	<u>4,189</u>	<u>-</u>
Net change in fund balance.	(4,189)	(4,189)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated . .	<u>4,189</u>	<u>4,189</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF ALLIANCE, OHIO

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

COURT ADR FUND

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 16,000	\$ 17,030	\$ 1,030
Total revenues.	<u>16,000</u>	<u>17,030</u>	<u>1,030</u>
 Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	<u>21,800</u>	<u>14,700</u>	<u>7,100</u>
Total expenditures	<u>21,800</u>	<u>14,700</u>	<u>7,100</u>
 Net change in fund balance.	(5,800)	2,330	8,130
 Fund balance at beginning of year	3,248	3,248	-
Prior year encumbrances appropriated . .	<u>4,800</u>	<u>4,800</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 2,248</u>	<u>\$ 10,378</u>	<u>\$ 8,130</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT HISTORICAL GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

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

CITY OF ALLIANCE, OHIO

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

COURT SECURITY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income.	\$ 1	\$ -	\$ (1)
Total revenues.	<u>1</u>	<u>-</u>	<u>(1)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Capital outlay.	<u>3</u>	<u>-</u>	<u>3</u>
Total expenditures	<u>3</u>	<u>-</u>	<u>3</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 33,000	\$ 35,855	\$ 2,855
Total revenues.	<u>33,000</u>	<u>35,855</u>	<u>2,855</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	7,000	-	7,000
Capital outlay.	50,000	-	50,000
Total expenditures	<u>57,000</u>	<u>-</u>	<u>57,000</u>
Net change in fund balance.	(24,000)	35,855	59,855
Fund balance at beginning of year	<u>40,734</u>	<u>40,734</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 16,734</u>	<u>\$ 76,589</u>	<u>\$ 59,855</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 7,100	\$ 8,000	\$ 900
Total revenues.	<u>7,100</u>	<u>8,000</u>	<u>900</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	5,750	4,917	833
Capital outlay.	16,000	16,000	-
Total expenditures	<u>21,750</u>	<u>20,917</u>	<u>833</u>
Net change in fund balance.	(14,650)	(12,917)	1,733
Fund balance at beginning of year	<u>28,031</u>	<u>28,031</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 13,381</u>	<u>\$ 15,114</u>	<u>\$ 1,733</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 2,100	\$ 1,750	\$ (350)
Total revenues.	<u>2,100</u>	<u>1,750</u>	<u>(350)</u>
Expenditures:			
Current:			
Transportation:			
Contractual services.	<u>5,000</u>	<u>372</u>	<u>4,628</u>
Total expenditures	<u>5,000</u>	<u>372</u>	<u>4,628</u>
Net change in fund balance.	(2,900)	1,378	4,278
Fund balance at beginning of year	<u>15,111</u>	<u>15,111</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 12,211</u>	<u>\$ 16,489</u>	<u>\$ 4,278</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community environment:			
Contractual services.	\$ 2,850	\$ -	\$ 2,850
Materials and supplies.	500	-	500
Total expenditures	<u>3,350</u>	<u>-</u>	<u>3,350</u>
Net change in fund balance.	(3,350)	-	3,350
Fund balance at beginning of year	<u>3,383</u>	<u>3,383</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 33</u></u>	<u><u>\$ 3,383</u></u>	<u><u>\$ 3,350</u></u>

CITY OF ALLIANCE, OHIO

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

PARK RESOURCE FUND

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 1,208	\$ 1,208	\$ -
Total revenues.	<u>1,208</u>	<u>1,208</u>	<u>-</u>
Expenditures:			
Current:			
Public health services:			
Capital outlay.	1,100	1,100	-
Total expenditures	<u>1,100</u>	<u>1,100</u>	<u>-</u>
Net change in fund balance.	108	108	-
Fund balance at beginning of year	<u>100</u>	<u>100</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 208</u>	<u>\$ 208</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION - GOVERNMENTAL FUNDS

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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessments	\$ 70,000	\$ 66,011	\$ (3,989)
Total revenues	<u>70,000</u>	<u>66,011</u>	<u>(3,989)</u>
Expenditures:			
Debt service:			
Principal retirement:			
Bond	1,650,000	1,494,912	155,088
Interest and fiscal charges:			
Bond	<u>1,010,000</u>	<u>935,415</u>	<u>74,585</u>
Total expenditures	<u>2,660,000</u>	<u>2,430,327</u>	<u>229,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,590,000)</u>	<u>(2,364,316)</u>	<u>225,684</u>
Other financing sources:			
Transfers in	<u>2,650,000</u>	<u>2,359,474</u>	<u>(290,526)</u>
Total other financing sources	<u>2,650,000</u>	<u>2,359,474</u>	<u>(290,526)</u>
Net change in fund balance	60,000	(4,842)	(64,842)
Fund balance at beginning of year	<u>125,109</u>	<u>125,109</u>	<u>-</u>
Fund balance at end of year	<u>\$ 185,109</u>	<u>\$ 120,267</u>	<u>\$ (64,842)</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

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

Street Income Tax Construction Fund

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

Capital Improvements Fund

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

Downtown Development Fund

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

Communication Equipment Fund

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

Jail Construction Fund

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

West State Street Fund

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

Street Improvement Fund

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

Municipal Road Fund

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

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2007

	Street Income Tax Construction	Municipal Road	Capital Improvements	Street Improvement
Assets:				
Equity in pooled cash and cash equivalents	\$ 172,145	\$ -	\$ 231,884	\$ 158,493
Receivables (net of allowances of uncollectibles):				
Municipal income taxes	194,710	-	278,157	-
Special assessments	38,602	-	-	-
Intergovernmental	-	-	39,928	-
	<u>405,457</u>	<u>-</u>	<u>549,969</u>	<u>158,493</u>
Total assets	<u>\$ 405,457</u>	<u>\$ -</u>	<u>\$ 549,969</u>	<u>\$ 158,493</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 3,986	\$ -
Contracts payable	-	-	4,995	-
Deferred revenue	114,264	-	108,088	-
	<u>114,264</u>	<u>-</u>	<u>117,069</u>	<u>-</u>
Total liabilities	<u>114,264</u>	<u>-</u>	<u>117,069</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	5,019	-	49,188	-
Unreserved:				
Undesignated	286,174	-	383,712	158,493
Total fund balances	<u>291,193</u>	<u>-</u>	<u>432,900</u>	<u>158,493</u>
Total liabilities and fund equity	<u>\$ 405,457</u>	<u>\$ -</u>	<u>\$ 549,969</u>	<u>\$ 158,493</u>

<u>Downtown Development</u>	<u>Communication Equipment</u>	<u>Jail Construction</u>	<u>West State Street</u>	<u>Total</u>
\$ 34,307	\$ 207	\$ 32	\$ 16,115	\$ 613,183
-	-	-	-	472,867
-	-	-	-	38,602
-	-	-	-	39,928
<u>\$ 34,307</u>	<u>\$ 207</u>	<u>\$ 32</u>	<u>\$ 16,115</u>	<u>\$ 1,164,580</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,986
-	-	-	-	4,995
-	-	-	-	222,352
-	-	-	-	231,333
-	-	-	-	54,207
34,307	207	32	16,115	879,040
<u>34,307</u>	<u>207</u>	<u>32</u>	<u>16,115</u>	<u>933,247</u>
<u>\$ 34,307</u>	<u>\$ 207</u>	<u>\$ 32</u>	<u>\$ 16,115</u>	<u>\$ 1,164,580</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, 2007

	<u>Street Income Tax Construction</u>	<u>Municipal Road</u>	<u>Capital Improvements</u>
Revenues:			
Municipal income taxes	\$ 399,039	\$ -	\$ 590,055
Intergovernmental	-	77,016	45,278
Other	17,873	-	13,233
	<hr/>	<hr/>	<hr/>
Total revenues	416,912	77,016	648,566
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Transportation	-	77,016	-
Capital outlay	360,170	-	647,500
	<hr/>	<hr/>	<hr/>
Total expenditures	360,170	77,016	647,500
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	56,742	-	1,066
	<hr/>	<hr/>	<hr/>
Other financing uses:			
Transfers out	-	-	(51,700)
	<hr/>	<hr/>	<hr/>
Total other financing uses	-	-	(51,700)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	56,742	-	(50,634)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	234,451	-	483,534
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 291,193</u>	<u>\$ -</u>	<u>\$ 432,900</u>

Street Improvement	Downtown Development	Communication Equipment	Jail Construction	West State Street	Total
\$ -	\$ -	\$ -		\$ -	\$ 989,094
750	-	-		-	123,044
-	-	-		-	31,106
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
750	-	-	-	-	1,143,244
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
44,247	-	-	-	-	121,263
-	-	-	-	-	1,007,670
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
44,247	-	-	-	-	1,128,933
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(43,497)	-	-	-	-	14,311
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	(51,700)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	(51,700)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(43,497)	-	-	-	-	(37,389)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
201,990	34,307	207	32	16,115	970,636
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 158,493	\$ 34,307	\$ 207	\$ 32	\$ 16,115	\$ 933,247
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes.	\$ 353,600	\$ 339,707	\$ (13,893)
Other.	17,920	17,873	(47)
Total revenues.	<u>371,520</u>	<u>357,580</u>	<u>(13,940)</u>
Expenditures:			
Capital outlay:			
Street income tax:			
Capital outlay	<u>385,429</u>	<u>367,044</u>	<u>18,385</u>
Total expenditures	<u>385,429</u>	<u>367,044</u>	<u>18,385</u>
Net change in fund balance.	(13,909)	(9,464)	4,445
Fund balance at beginning of year	168,739	168,739	-
Prior year encumbrances appropriated . .	<u>7,851</u>	<u>7,851</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 162,681</u>	<u>\$ 167,126</u>	<u>\$ 4,445</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 93,750	\$ 77,016	\$ (16,734)
Total revenues.	<u>93,750</u>	<u>77,016</u>	<u>(16,734)</u>
Expenditures:			
Capital outlay:			
Capital outlay.	<u>93,750</u>	<u>77,016</u>	<u>16,734</u>
Total expenditures	<u>93,750</u>	<u>77,016</u>	<u>16,734</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes.	\$ 610,300	\$ 509,560	\$ (100,740)
Intergovernmental	6,350	5,350	(1,000)
Other.	13,250	13,233	(17)
Total revenues.	<u>629,900</u>	<u>528,143</u>	<u>(101,757)</u>
Expenditures:			
Capital outlay:			
Capital improvements:			
Capital outlay.	<u>808,249</u>	<u>704,813</u>	<u>103,436</u>
Total expenditures	<u>808,249</u>	<u>704,813</u>	<u>103,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(178,349)</u>	<u>(176,670)</u>	<u>1,679</u>
Other financing uses:			
Transfers out.	<u>(64,265)</u>	<u>(61,700)</u>	<u>2,565</u>
Total other financing uses	<u>(64,265)</u>	<u>(61,700)</u>	<u>2,565</u>
Net change in fund balance.	(242,614)	(238,370)	4,244
Fund balance at beginning of year	326,721	326,721	-
Prior year encumbrances appropriated	<u>85,644</u>	<u>85,644</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 169,751</u>	<u>\$ 173,995</u>	<u>\$ 4,244</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
Street improvement:			
Capital outlay	\$ 11,100	\$ -	\$ 11,100
Other.	44,248	44,247	1
Total expenditures	<u>55,348</u>	<u>44,247</u>	<u>11,101</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(55,348)</u>	 <u>(44,247)</u>	 <u>11,101</u>
 Other financing sources (uses):			
Transfers in.	2	-	(2)
Transfers out.	<u>(147,394)</u>	<u>-</u>	<u>147,394</u>
Total other financing sources (uses)	<u>(147,392)</u>	<u>-</u>	<u>147,392</u>
 Net change in fund balance.	 (202,740)	 (44,247)	 158,493
 Fund balance at beginning of year	 <u>202,740</u>	 <u>202,740</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ -</u>	 <u>\$ 158,493</u>	 <u>\$ 158,493</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 1	\$ -	\$ (1)
Total revenues.	<u>1</u>	<u>-</u>	<u>(1)</u>
Expenditures:			
Capital outlay:			
Community development:			
Capital outlay	34,308	-	34,308
Total expenditures	<u>34,308</u>	<u>-</u>	<u>34,308</u>
Net change in fund balance.	(34,307)	-	34,307
Fund balance at beginning of year	<u>34,307</u>	<u>34,307</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 34,307</u>	<u>\$ 34,307</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNICATION EQUIPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
General administration safety:			
Capital outlay	\$ 207	\$ -	\$ 207
Total expenditures	<u>207</u>	<u>-</u>	<u>207</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(207)</u>	 <u>-</u>	 <u>207</u>
 Other financing sources (uses):			
Transfers in.	<u>1</u>	<u>-</u>	<u>(1)</u>
Total other financing sources (uses)	<u>1</u>	<u>-</u>	<u>(1)</u>
 Net change in fund balance.	 (206)	 -	 206
 Fund balance at beginning of year	 <u>207</u>	 <u>207</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ 1</u>	 <u>\$ 207</u>	 <u>\$ 206</u>

CITY OF ALLIANCE, OHIO

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

JAIL CONSTRUCTION FUND

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources (uses):			
Transfers in.	\$ 1	\$ -	\$ (1)
Transfers out.	(32)	-	32
Total other financing sources (uses)	<u>(31)</u>	<u>-</u>	<u>31</u>
Net change in fund balance.	(31)	-	31
Fund balance at beginning of year	<u>32</u>	<u>32</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 1</u></u>	<u><u>\$ 32</u></u>	<u><u>\$ 31</u></u>

CITY OF ALLIANCE, OHIO

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

WEST STATE STREET FUND

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
Street transportation:			
Capital outlay	\$ 16,116	\$ -	\$ 16,116
Total expenditures	<u>16,116</u>	<u>-</u>	<u>16,116</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(16,116)</u>	 <u>-</u>	 <u>16,116</u>
 Other financing sources:			
Transfers in.	<u>1</u>	<u>-</u>	<u>(1)</u>
Total other financing sources	<u>1</u>	<u>-</u>	<u>(1)</u>
 Net change in fund balance.	 (16,115)	 -	 16,115
 Fund balance at beginning of year	 <u>16,115</u>	 <u>16,115</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ -</u>	 <u>\$ 16,115</u>	 <u>\$ 16,115</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 4,369,000	\$ 4,334,769	\$ (34,231)
Other.	28,000	29,586	1,586
Total operating revenues	<u>4,397,000</u>	<u>4,364,355</u>	<u>(32,645)</u>
Operating expenses:			
Salaries and wages.	1,384,346	1,293,370	90,976
Fringe benefits.	531,822	527,429	4,393
Contractual services.	636,386	618,247	18,139
Materials and supplies.	446,277	394,549	51,728
Capital outlay.	456,613	340,561	116,052
Other.	4,700	750	3,950
Total operating expenses	<u>3,460,144</u>	<u>3,174,906</u>	<u>285,238</u>
Operating income	<u>936,856</u>	<u>1,189,449</u>	<u>252,593</u>
Nonoperating revenues:			
Municipal income taxes.	353,600	339,707	(13,893)
Investment income.	161,000	125,900	(35,100)
Total nonoperating revenues	<u>514,600</u>	<u>465,607</u>	<u>(48,993)</u>
Income before transfers	<u>1,451,456</u>	<u>1,655,056</u>	<u>203,600</u>
Transfers in.	300,000	-	(300,000)
Transfers out.	<u>(1,896,200)</u>	<u>(1,516,186)</u>	<u>380,014</u>
Net income (loss)	(144,744)	138,870	283,614
Fund equity beginning of year.	3,844,437	3,844,437	-
Prior year encumbrances appropriated	<u>128,070</u>	<u>128,070</u>	<u>-</u>
Fund equity end of year.	<u>\$ 3,827,763</u>	<u>\$ 4,111,377</u>	<u>\$ 283,614</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 3,702,000	\$ 3,805,780	\$ 103,780
Licenses, permits, and fees.	50,000	61,043	11,043
Intergovernmental.	113,680	-	(113,680)
Other.	23,000	25,319	2,319
Total operating revenues	<u>3,888,680</u>	<u>3,892,142</u>	<u>3,462</u>
Operating expenses:			
Salaries and wages.	1,551,774	1,471,409	80,365
Fringe benefits.	584,038	568,456	15,582
Contractual services.	2,446,840	724,543	1,722,297
Materials and supplies.	199,769	89,183	110,586
Capital outlay.	581,276	230,167	351,109
Other.	1,100	250	850
Total operating expenses	<u>5,364,797</u>	<u>3,084,008</u>	<u>2,280,789</u>
Operating income (loss)	<u>(1,476,117)</u>	<u>808,134</u>	<u>2,284,251</u>
Nonoperating revenues:			
Investment income.	252,000	169,366	(82,634)
Total nonoperating revenues.	<u>252,000</u>	<u>169,366</u>	<u>(82,634)</u>
Income (loss) before transfers	<u>(1,224,117)</u>	<u>977,500</u>	<u>2,201,617</u>
Transfers in.	286,287	-	(286,287)
Transfers out.	<u>(1,020,902)</u>	<u>(550,723)</u>	<u>470,179</u>
Net income (loss)	<u>(1,958,732)</u>	<u>426,777</u>	<u>2,385,509</u>
Fund equity beginning of year.	3,275,187	3,275,187	-
Prior year encumbrances appropriated	<u>14,819</u>	<u>14,819</u>	<u>-</u>
Fund equity end of year.	<u>\$ 1,331,274</u>	<u>\$ 3,716,783</u>	<u>\$ 2,385,509</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 51,000	\$ 52,371	\$ 1,371
Other.	-	33	33
Total operating revenues	<u>51,000</u>	<u>52,404</u>	<u>1,404</u>
Operating expenses:			
Salaries and wages.	16,278	16,126	152
Fringe benefits.	2,925	2,145	780
Contractual services.	38,667	38,401	266
Capital outlay.	2,348	2,348	-
Total operating expenses.	<u>60,218</u>	<u>59,020</u>	<u>1,198</u>
Net income (loss)	(9,218)	(6,616)	2,602
Fund equity beginning of year.	<u>81,070</u>	<u>81,070</u>	<u>-</u>
Fund equity end of year.	<u>\$ 71,852</u>	<u>\$ 74,454</u>	<u>\$ 2,602</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Internal Service Fund

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 2,041,000	\$ 1,928,171	\$ (112,829)
Total operating revenues	<u>2,041,000</u>	<u>1,928,171</u>	<u>(112,829)</u>
Operating expenses:			
Claims.	<u>2,212,000</u>	<u>2,125,183</u>	<u>86,817</u>
Total operating expenses.	<u>2,212,000</u>	<u>2,125,183</u>	<u>86,817</u>
Operating loss	<u>(171,000)</u>	<u>(197,012)</u>	<u>(26,012)</u>
Nonoperating revenue:			
Investment income.	<u>22,500</u>	<u>20,483</u>	<u>(2,017)</u>
Total nonoperating revenues.	<u>22,500</u>	<u>20,483</u>	<u>(2,017)</u>
Net loss.	(148,500)	(176,529)	(28,029)
Fund equity at beginning of year	<u>565,994</u>	<u>565,994</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 417,494</u>	<u>\$ 389,465</u>	<u>\$ (28,029)</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Agency Fund

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

Carnation Cable Channel Fund

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

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance</u> <u>1/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 54,301	\$ 54,301	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 54,301</u>	<u>\$ 54,301</u>	<u>\$ -</u>
Liabilities:				
Due to others	\$ -	\$ 54,301	\$ 54,301	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 54,301</u>	<u>\$ 54,301</u>	<u>\$ -</u>

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STATISTICAL SECTION

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CITY OF ALLIANCE, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	158-162
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	163
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.	164-169
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.	170-171
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.	172-176

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 FIVE YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 18,197,128	\$ 18,707,921	\$ 19,015,248	\$ 9,184,300	\$ 8,614,889
Restricted for:					
Capital projects	1,155,599	1,115,068	1,457,599	1,822,941	1,369,346
Debt service	960,434	1,139,016	128,199	128,809	-
Special revenue	-	5,780,614	5,961,372	5,912,729	5,814,454
Transporation projects	960,327	-	-	-	-
Public health service programs	726,240	-	-	-	-
Community environment programs	3,850,510	-	-	-	-
Police and fire pension	59,516	-	-	-	-
Other purposes	796,984	-	-	-	-
Unrestricted	<u>2,708,070</u>	<u>2,062,100</u>	<u>1,084,862</u>	<u>751,439</u>	<u>2,143,124</u>
Total governmental activities net assets	<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>
Business-type Activities					
Invested in capital assets, net of related debt	\$ 5,947,976	\$ 6,893,121	\$ 6,435,656	\$ 6,159,014	\$ 5,097,337
Restricted:					
Debt service	838,787	1,583,849	1,533,905	1,495,291	2,324,516
Replacement and surplus reserve	506,138	724,445	846,888	904,389	-
Unrestricted	<u>8,736,925</u>	<u>5,803,278</u>	<u>5,009,687</u>	<u>4,564,432</u>	<u>5,446,828</u>
Total business-type activities net assets	<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>
Total Primary Government					
Invested in capital assets, net of related debt	\$ 24,145,104	\$ 25,601,042	\$ 25,450,904	\$ 15,343,314	\$ 13,712,226
Restricted for:					
Capital projects	1,155,599	1,115,068	1,457,599	1,822,941	1,369,346
Debt service	1,799,221	2,722,865	1,662,104	1,624,100	2,324,516
Special revenue	-	5,780,614	5,961,372	5,912,729	5,814,454
Replacement and surplus reserve	506,138	724,445	846,888	904,389	-
Transporation projects	960,327	-	-	-	-
Public health service programs	726,240	-	-	-	-
Community environment programs	3,850,510	-	-	-	-
Police and fire pension	59,516	-	-	-	-
Other purposes	796,984	-	-	-	-
Unrestricted	<u>11,444,995</u>	<u>7,865,378</u>	<u>6,094,549</u>	<u>5,315,871</u>	<u>7,589,952</u>
Total primary government net assets	<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>

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

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues:					
Governmental activities					
Charges for services:					
General government	\$ 1,091,967	\$ 1,029,473	\$ 1,007,370	\$ 879,558	\$ 936,325
Security of persons and property	506,379	93,262	-	-	-
Public health services	173,292	162,627	150,203	151,688	139,243
Transportation	-	-	-	-	50
Community environment	94,094	110,248	128,596	123,380	152,257
Leisure time activities	30,315	35,154	59,195	20,125	20,128
Interest and fiscal charges	31,765	-	-	-	-
Subtotal - charges for services	<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>
Operating grants and contributions					
General government	11,069	94,223	77,760	-	44,448
Security of persons and property	77,632	-	-	15,939	47,413
Public health services	177,890	187,919	178,869	168,865	213,500
Transportation	883,294	-	-	-	-
Community environment	540,042	945,837	940,819	440,217	-
Subtotal - operating grants and contributions	<u>1,689,927</u>	<u>1,227,979</u>	<u>1,197,448</u>	<u>625,021</u>	<u>305,361</u>
Capital grants and contributions					
Transportation	125,478	69,653	-	-	-
Community environment	-	-	100,000	356,235	-
Leisure time activities	-	-	-	-	46,887
Subtotal - capital grants and contributions	<u>125,478</u>	<u>69,653</u>	<u>100,000</u>	<u>356,235</u>	<u>46,887</u>
Total governmental activities program revenues	<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>
Business-type activities:					
Charges for services:					
Water	4,377,711	4,420,598	4,119,622	3,917,644	3,917,191
Sewer	4,016,634	3,686,640	3,252,855	3,351,600	3,341,118
Nonmajor	52,404	51,582	44,464	-	-
Capital grants and contributions	29,052	-	-	410,572	170,307
Total business-type activities program revenues	<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>
Total primary government	<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>
Expenses:					
Governmental Activities					
General government	\$ 3,016,883	\$ 4,043,160	\$ 3,055,599	\$ 2,953,410	\$ 2,138,370
Security of persons and property	7,539,046	6,917,630	7,437,917	6,908,599	7,095,318
Public health services	961,261	852,080	812,097	877,649	718,678
Transportation	2,285,361	1,124,564	2,003,429	1,078,691	1,036,841
Community environment	854,061	1,440,811	819,843	1,146,965	943,633
Basic utility services	47,762	113,162	66,864	62,048	70,332
Leisure time activities	693,235	650,091	667,520	647,592	598,089
Interest and fiscal charges	120,829	129,179	150,982	155,793	175,161
Total governmental activities expenses	<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 FIVE YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Business-type activities:					
Water	\$ 4,391,750	\$ 4,151,267	\$ 4,099,091	\$ 4,210,253	\$ 4,377,606
Sewer	3,637,428	3,439,175	3,216,935	3,322,084	3,132,644
Nonmajor	79,192	57,972	76,859	-	-
Total business-type activities expenses	<u>8,108,370</u>	<u>7,648,414</u>	<u>7,392,885</u>	<u>7,532,337</u>	<u>7,510,250</u>
Total primary government	<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>
Net (Expense) Revenue					
Governmental activities	(11,775,221)	(12,542,281)	(12,371,439)	(11,674,740)	(11,176,171)
Business-type activities	367,431	510,406	24,056	147,479	(81,634)
Total primary government net expense	<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>
General Revenues and Other Changes in Net Assets					
Governmental activities					
Municipal income taxes	\$ 8,685,830	\$ 8,344,521	\$ 7,626,396	\$ 7,537,702	\$ 6,706,398
Property and other local taxes	1,577,482	1,503,423	1,523,469	1,370,645	1,493,119
Grants and entitlements not restricted to specific programs	1,359,491	3,118,133	1,998,723	1,951,422	2,879,685
Investment earnings	548,794	326,744	266,974	151,771	117,106
Miscellaneous	213,713	372,327	680,693	506,605	627,687
Transfers	-	34,572	(59,725)	15,000	-
Total governmental activities	<u>12,385,310</u>	<u>13,699,720</u>	<u>12,036,530</u>	<u>11,533,145</u>	<u>11,823,995</u>
Business-type activities					
Municipal income taxes	348,248	307,661	383,794	69,164	268,840
Unrestricted grants and contributions	-	-	414,108	-	-
Investment earnings	309,454	395,062	228,161	52,802	41,794
Transfers	-	(34,572)	59,725	(15,000)	-
Total business-type activities	<u>657,702</u>	<u>668,151</u>	<u>1,085,788</u>	<u>106,966</u>	<u>310,634</u>
Total primary government	<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>
Change in Net Assets					
Governmental activities	\$ 610,089	\$ 1,157,439	\$ (334,909)	\$ (141,595)	\$ 647,824
Business-type activities	1,025,133	1,178,557	1,109,844	254,445	229,000
Total primary government	<u>\$ 1,635,222</u>	<u>\$ 2,335,996</u>	<u>\$ 774,935</u>	<u>\$ 112,850</u>	<u>\$ 876,824</u>

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

CITY OF ALLIANCE, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$ 60,413	\$ 78,177	\$ 6,271	\$ 7,277	\$ 57,758
Unreserved	<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>
Total general fund	<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>
All Other Governmental Funds					
Reserved	\$ 2,122,823	\$ 2,008,866	\$ 2,666,144	\$ 2,558,410	\$ 3,150,503
Unreserved, reported in:					
Special revenue funds	2,468,519	2,046,513	1,887,440	1,772,658	1,744,308
Debt service fund	405,002	530,268	128,199	128,809	(2,001,533)
Capital projects funds	879,040	877,141	1,179,745	1,500,142	851,257
Revolving loan fund	<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>
Total all other governmental funds	<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>
Total governmental funds	<u>\$ 10,534,031</u>	<u>\$ 9,351,321</u>	<u>\$ 8,995,216</u>	<u>\$ 8,771,461</u>	<u>\$ 6,578,704</u>

CITY OF ALLIANCE, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues					
Municipal income taxes	\$ 8,680,502	\$ 8,024,521	\$ 7,626,396	\$ 7,401,163	\$ 6,830,817
Property and other taxes	1,654,590	1,369,882	1,523,469	1,370,645	1,493,119
Charges for services	210,692	286,675	319,431	231,861	351,965
Licenses permits and fees	189,557	198,136	214,178	219,095	251,699
Fines and forfeitures	1,133,003	752,202	673,263	528,808	456,481
Intergovernmental	3,328,039	4,088,770	3,305,958	3,049,565	3,343,052
Special assessments	66,011	69,653	69,284	66,491	72,263
Investment income	528,586	326,744	266,974	165,781	117,106
Rentals	187,367	197,651	187,794	195,600	187,858
Contributions and donations	21,875	-	-	-	-
Other	386,814	368,427	611,409	425,483	535,305
Total revenues	<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>
Expenditures					
Current:					
General government	2,539,655	3,004,114	2,696,600	2,639,368	2,238,952
Security of persons and property	7,367,104	7,120,972	6,884,123	6,464,712	6,571,883
Public health services	897,770	847,880	814,061	772,536	743,463
Transportation	1,426,146	779,409	806,465	952,269	944,347
Community environment	805,669	1,437,792	866,213	1,110,544	959,165
Basic utility services	29,842	103,710	57,412	54,497	54,340
Leisure time activity	622,482	591,116	565,882	544,468	580,700
Capital outlay	1,007,670	1,218,871	1,052,146	844,885	1,865,747
Debt service:					
Principal retirement	382,388	372,083	376,792	111,512	2,846,232
Interest and fiscal charges	125,600	129,181	150,982	146,952	178,561
Total expenditures	<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>
Excess (deficiency) of revenues over (under) expenditures	1,182,710	77,533	527,480	12,749	(3,343,725)
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	-	2,165,000	-
Notes issued	-	-	-	-	240,000
Transfers in	1,066,863	1,353,119	1,368,001	1,260,384	1,735,416
Transfers (out)	(1,066,863)	(1,318,547)	(1,427,726)	(1,245,384)	(1,735,416)
Total other financing sources (uses)	<u>-</u>	<u>34,572</u>	<u>(59,725)</u>	<u>2,180,000</u>	<u>240,000</u>
Net change in fund balances	<u>\$ 1,182,710</u>	<u>\$ 112,105</u>	<u>\$ 467,755</u>	<u>\$ 2,192,749</u>	<u>\$ (3,103,725)</u>
Capital expenditures	\$ 1,091,851	\$ 1,257,438	\$ 1,052,146	\$ 844,885	\$ 1,865,747
Debt service as a percentage of noncapital expenditures	3.60%	3.49%	3.99%	2.02%	20.01%

CITY OF ALLIANCE, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST NINE YEARS

Tax Year (1)	Individual		Total Individual	Business	Total	Tax Rate (2)
	Withholding	Non-withholding				
2007	\$ 6,511,369	\$ 1,063,413	\$ 7,574,782	\$ 1,094,809	\$ 8,669,591	1.75% & 2.00%
2006	6,270,100	1,039,854	7,309,954	935,107	8,245,061	1.75%
2005	6,295,748	1,032,284	7,328,032	544,566	7,872,598	1.75%
2004	5,707,689	1,019,523	6,727,212	474,838	7,202,050	1.75%
2003	5,570,847	981,191	6,552,038	464,191	7,016,229	1.75%
2002	5,647,196	1,002,435	6,649,631	454,223	7,103,854	1.75%
2001	5,663,197	967,259	6,630,456	626,707	7,257,163	1.75%
2000	5,825,110	953,533	6,778,643	476,367	7,255,010	1.75%
1999	5,897,420	916,478	6,813,898	977,755	7,791,653	1.75%

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

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

Note: The City is prohibited by statute from presenting information regarding individual taxpayers. Information prior to 1999 was not available.

CITY OF ALLIANCE, OHIO

INCOME TAX WITHHOLDINGS BY SECTOR
LAST FOUR YEARS

Sector	2007	2006	2005	2004
Industrial	33.9%	36.7%	35.5%	31.7%
Medical	23.3%	21.6%	21.2%	22.8%
Education	21.1%	13.1%	12.8%	13.5%
Retail	10.1%	7.3%	8.2%	9.1%
Service	3.5%	5.7%	6.0%	6.0%
Food/Restaurant	1.5%	4.3%	4.3%	4.8%
Carnation Mall Area	3.1%	4.2%	3.7%	4.1%
Financial	3.0%	3.4%	3.4%	3.5%
Construction	0.5%	2.1%	3.4%	1.9%
Other	0.0%	1.6%	1.5%	2.6%
	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 FIVE YEARS

Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Special Assessment Bonds	Police and Fire Pension	General Obligation Bonds	Revenue Bonds	OPWC Loans
2007	\$ 2,015,000	\$ 400,000	\$ 389,017	\$ 2,620,000	\$ 15,000,000	\$ 376,957
2006	2,345,000	445,000	396,405	3,040,000	15,820,000	399,088
2005	2,665,000	490,000	403,490	3,460,000	16,605,000	301,855
2004	2,995,000	530,000	410,281	3,960,000	17,355,000	318,302
2003	895,000	570,000	416,793	190,000	21,330,000	45,272

Note: Population and personal income data are presented on page 170.

Total Primary Government	Percentage of Personal Income	Per Capita
\$ 20,800,974	5.89%	\$ 895
22,445,493	6.36%	965
23,925,345	6.78%	1,029
25,568,583	7.24%	1,100
23,447,065	6.64%	1,008

CITY OF ALLIANCE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST FIVE YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2007	23,253	\$ 322,569,984	\$ 4,635,000	1.44%	\$ 199.33
2006	23,253	290,531,674	5,385,000	1.85%	231.58
2005	23,253	290,572,913	6,125,000	2.11%	263.41
2004	23,253	282,876,811	6,955,000	2.46%	299.10
2003	23,253	264,876,811	1,085,000	0.41%	46.66

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

(2) County Auditor

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

CITY OF ALLIANCE, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2007

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Alliance			
General obligation bonds	\$ 2,015,000	100.00%	\$ 2,015,000
Special assessment bonds	400,000	100.00%	400,000
Police and fire pension	389,017	100.00%	389,017
	<u>2,804,017</u>		<u>2,804,017</u>
Overlapping debt:			
Alliance City Schools	8,743,970	81.73%	7,146,447
	<u>8,743,970</u>		<u>7,146,447</u>
Total direct and overlapping debt	<u>\$ 11,547,987</u>		<u>\$ 9,950,464</u>

Source: County Auditor

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

CITY OF ALLIANCE, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST FIVE YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Total Assessed Property Value	\$ 296,403,070	\$ 290,531,674	\$ 290,572,913	\$ 282,876,811	\$ 264,876,811
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	31,122,322	30,505,826	30,510,156	29,702,065	27,812,065
Debt Outstanding					
General obligation bonds	2,015,000	2,345,000	2,665,000	2,995,000	895,000
Special assessment bonds	400,000	445,000	490,000	530,000	570,000
Enterprise general obligation bonds	2,620,000	3,040,000	3,460,000	3,960,000	190,000
OPWC loans	376,957	399,088	301,855	318,302	45,272
Revenue bonds	15,000,000	15,820,000	16,605,000	17,355,000	21,330,000
Notes	-	-	-	-	2,495,000
Total gross indebtedness	<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>
Less:					
Special assessment bonds	400,000	445,000	490,000	530,000	570,000
Enterprise general obligation bonds	2,620,000	3,040,000	3,460,000	3,960,000	190,000
OPWC loans	376,957	399,088	301,855	318,302	45,272
Revenue bonds	15,000,000	15,820,000	16,605,000	17,355,000	21,330,000
Total net debt applicable to debt limit	<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>
Legal debt margin within 10 1/2 % limitation	\$ <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>
Legal debt margin as a percentage of the debt limit	93.53%	92.31%	91.27%	89.92%	87.81%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<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>
Total gross indebtedness	20,411,957	22,049,088	23,521,855	25,158,302	25,525,272
Less:					
Special assessment bonds	400,000	445,000	490,000	530,000	570,000
Enterprise general obligation bonds	2,620,000	3,040,000	3,460,000	3,960,000	190,000
OPWC loans	376,957	399,088	301,855	318,302	45,272
Revenue bonds	15,000,000	15,820,000	16,605,000	17,355,000	21,330,000
Net debt within 5 1/2 % limitations	<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>
Unvoted legal debt margin within 5 1/2 % limitations	\$ <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>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	87.64%	85.32%	83.32%	80.75%	76.73%

Source: City financial records.

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

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

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2007	\$ 4,377,711	\$ 2,979,101	\$ 1,398,610	\$ 820,000	\$ 776,200	0.88
2006	4,420,598	2,685,625	1,734,973	785,000	773,099	1.11
2005	4,119,622	2,566,530	1,553,092	750,000	838,958	0.98
2004	3,917,644	2,463,697	1,453,947	720,000	873,230	0.91
2003	3,917,191	2,583,677	1,333,514	695,000	902,762	0.83
2002	4,091,878	2,028,142	2,063,736	665,000	929,005	1.29
2001	3,784,820	2,501,436	1,283,384	640,000	954,605	0.80
2000	3,968,292	2,504,951	1,463,341	615,000	979,205	0.92
1999	4,117,212	2,211,054	1,906,158	590,000	1,017,893	1.19
1998	3,719,118	2,160,627	1,558,491	230,000	911,582	1.37

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

CITY OF ALLIANCE, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST FIVE 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</u>
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%

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

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

CITY OF ALLIANCE, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2007			
Employer	Employees	Rank	Percentage of Total City Employment
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		52.15%
Total City Employment	12,300		
December 31, 1998			
Employer	Employees (1)	Rank	Percentage of Total
American Steel Foundries	N/A	1	N/A
Alliance Tubular	N/A	2	N/A
Alliance Community Hospital	N/A	3	N/A
Alliance City Schools	N/A	4	N/A
Mount Union College	N/A	5	N/A
Coastal Pet	N/A	6	N/A
Reunion (Alliance Machine)	N/A	7	N/A
City of Alliance	N/A	8	N/A
GMI (Genie)	N/A	9	N/A
Mobile Consultants	N/A	10	N/A
Total	-		0.00%

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

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

CITY OF ALLIANCE, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TWO YEARS

Function/Program	2007	2006
General Government		
Council and clerk		
Number of ordinances passed	97	116
Number of Resolutions passed	32	27
Number of planning commission docket items	30	34
Zoning board of appeals docket items	23	37
Finance Department		
Number of checks/vouchers issued	3,857	3,632
Number of payroll checks issued	4,154	4,458
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 758,752	\$ 621,555
Number of receipts issued	1,278	1,294
Number of journal entries issued	516	362
Number of budget adjustments issued	15	11
Agency ratings - Moody's Financial Services	Aaa	Aaa
Health insurance costs	\$ 2,033,948	\$ 1,768,980
General fund receipts (budgetary-basis)	\$ 11,819,838	\$ 9,820,070
General fund expenditures (budgetary-basis)	\$ 10,626,337	\$ 9,911,961
General fund cash balances	\$ 2,109,644	\$ 471,014
Income Tax Department		
Number of individual returns	8,392	8,372
Number of business returns	1,230	1,224
Number of business withholding accounts	4,702	4,683
Annual number of estimated payment forms processed	2,905	3,612
Annual number of reconciliation of withholding processed	3,651	2,898
Engineer Contracted Services		
Dollar amount of construction overseen by Engineer	\$ 462,751	\$ 800,391
Municipal Court		
Number of civil cases filed	2,438	2,203
Number of criminal cases filed	1,815	1,592
Number of traffic cases filed	3,013	3,864
Total cases filed	7,266	7,659
Number of civil cases disposed	2,375	2,075
Number of criminal cases disposed	1,721	1,535
Number of traffic cases disposed	3,032	3,823
Total cases disposed	7,128	7,433
Vital Statistics		
Certificates filed	893	746
Number of births	522	438
Number of deaths	371	308
Certificates issued	5,324	4,715
Burial permits issued	303	434
Civil Service		
Number of police entry tests administered	1	1
Number of fire entry test administered	1	-
Number of police promotional tests administered	-	3
Number of fire promotional tests administered	4	-
Number of hires of police officers from certified lists	-	6
Number of hires of fire/medics from certified lists	2	-
Number of promotions from police certified lists	-	5
Number of promotions from fire certified lists	4	-

CITY OF ALLIANCE, OHIO

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

Function/Program	2007	2006
Building Department Indicators		
Construction permits issued	352	410
Estimated value of construction	\$ 14,782,277	\$ 19,463,377
Number of permits issued	880	936
Amount of revenue generated from permits	\$ 75,508	\$ 85,131
Number of contract registrations issued	135	148
Security of Persons & Property		
Police		
Total calls for services	49,742	59,394
Number of traffic citations issued	2,283	2,594
Number of parking citations issued	316	383
Number of criminal arrests	2,364	2,471
Number of accident reports completed	699	680
Felony offenses (F1-F5)	456	533
Misdemeanor offenses (M1-MM)	1,908	1,354
Police dept. auxiliary hours worked	2,045	912
DUI arrests	110	117
Prisoners	1,890	1,682
Motor vehicle accidents	1,326	1,275
Property damage accidents	1,181	513
Fatalities from motor vehicle accidents	4	2
Gasoline costs of fleet	\$ 85,139	\$ 77,146
Community diversion program - community service hours	339	890
Fire		
EMS/Rescue calls	1,759	459
Other EMS calls (assist ambulance, stand-by)	107	247
Structure fires	42	43
Fires other than structure	80	100
Other fire calls (electrical, smoke/odor, hazardous mat.)	549	542
Total calls for services	2,537	1,391
Fire with loss	58	61
Fires with losses exceeding \$10 K	10	9
Fire losses	\$ 484,155	\$ 660,420
Fire safety inspections	775	982
Number of times mutual aid given to fire and EMS	3	8
Number of times mutual aid received for fire and EMS	3	5
Fire Department receipts from fees & permits	\$ 125	\$ 1,330
Fire department total receipts	\$ 5,026	\$ 11,902
Public Health and Welfare		
Number of health inspections	1,562	1,551
Cemetery burials	63	75
Cemetery cremations	23	25
Cemetery sale of lots	60	37
Cemetery receipts	\$ 69,088	\$ 48,607

CITY OF ALLIANCE, OHIO

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

Function/Program	2007	2006
Leisure Time Activities		
Recreation		
Recreation mens & womens league receipts	\$ 1,865	\$ 3,530
Other fees	\$ 1,683	\$ 1,434
Cabin rentals	\$ 12,815	\$ 11,047
Robertson community center facility rentals	\$ 10,132	\$ 7,273
Robertson community center swimming pool receipts	\$ 42,239	\$ 44,309
Total recreation department receipts	\$ 68,734	\$ 67,593
Community Development		
Grant amounts received due to economic development dept.	\$ 707,476	\$ 923,769
Basic Utility Services		
Refuse disposal per year (in tons) January - December	8,796	9,645
Refuse disposal costs per year January - December	\$ 791,537	\$ 542,354
Annual recycling tonnage (excluding leaf and compost)	532.80	608.02
Percentage of waste recycled	5.70	5.72
Transportation		
Total area within corporation limit (square miles)	8.677	8.677
Total area within Stark County (square miles)	8.600	8.600
Total area within Mahoning County (square miles)	0.077	0.077
Total dedicated streets (miles)	106.462	106.462
Total paved street (miles)	79.343	79.343
Total unpaved street (miles)	27.119	27.119
Total number of street intersections	735	735
Street repair (curb, apron, berms, asphalt) (hours)	1,500	750
Guardrail repair (hours)	25	50
Paint striping (hours)	1,200	1,200
Street sweeper (hours)	553	620
Cold patch (hours)	3,500	3,000
Snow and ice removal regular hours	6,500	6,000
Snow and ice removal overtime hours	970	600
Tons of snow melting salt purchased (Nov-Mar)	2,352	2,044
Cost of salt purchased	\$ 83,185	\$ 70,776
Sewer and sanitary calls for service	110	108
After hours sewer calls (hours)	57	112
Sewer crew (hours)	18,458	17,952
Sewer jet, vac-all, other services (hours)	1,036	2,100
Landscaping, stump-chipper service (hours)	650	800
Leaf collection (hours)	1,532	1,688
Sign department (hours)	800	800
Water Department		
Water rates per 1st 300 Cu ft of water used (inside City rate)	\$ 4.35	\$ 4.35
Water rates per 1st 300 Cu ft of water used (outside City rate)	\$ 7.61	\$ 7.61
Avg. number of water accounts billed monthly (Cu. Ft)	9,909	9,897
Total water collections annually (including P&I)	\$ 4,224,254	\$ 4,188,073
Payments for bulk water purchases	\$ 30,181	\$ 34,029
Wastewater Department		
Wastewater rates per 1st 300 Cu ft of water used (inside City rate)	\$ 3.12	\$ 3.12
Wastewater rates per 1st 300 Cu ft of water used (outside City rate)	\$ 3.54	\$ 3.54
Total flow of wastewater treatment plant (billions of gallons)	1.64	1.73
Average daily flow (millions of gallons per day)	4.50	4.75
Tons of dry sludge removed	1,191	1,378

(1) Information prior to 2006 is not available

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

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

CITY OF ALLIANCE, OHIO

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

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

Source: City Payroll Department W2 Audit Listing

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



Mary Taylor, CPA
Auditor of State

CITY OF ALLIANCE

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 12, 2008**