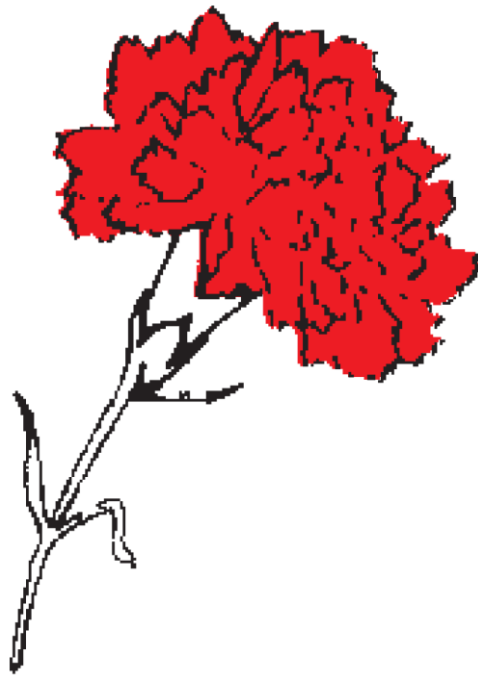


# **City of Alliance, Ohio**

“The Carnation City”



## **Comprehensive Annual Financial Report**

For the Year Ended December 31, 2017





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Alliance, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 4, 2018

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**CITY OF ALLIANCE, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

KEVIN KNOWLES  
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

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# INTRODUCTORY SECTION

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**CITY OF ALLIANCE, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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The City of

**Alliance,** OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



KEVIN KNOWLES

Phone 330-823-5900

Fax 330-829-2243

e-mail: [auditor@neo.rr.com](mailto:auditor@neo.rr.com)

Web Page: [www.cityofalliance.com](http://www.cityofalliance.com)

June 21, 2018

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, 2017, and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

### **Reporting Entity**

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Alliance (the primary government) and its potential component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Alliance, this includes the departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services. The City has no component units.

## **The City of Alliance**

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

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

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

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

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

One daily newspaper serves the City. The City is within the broadcast area of numerous television stations and AM and FM radio stations. Time Warner Cable and AT&T provide multi-channel cable TV service.

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

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

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

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

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

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

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

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

### **City Government**

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

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

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

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

### **Financial Matters**

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

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

Investments and deposits of City funds are governed by the Uniform Depository Law (Chapter 135 of the Ohio Revised Code) applicable to all subdivisions. An investment board, comprised of the Mayor, the City Auditor, the Law Director, the Treasurer and a member of the business community, is responsible for those investments and deposits. Under recent and current practices, investments are made primarily in federal agency securities, a U.S. Government money market account, commercial paper accounts and STAR Ohio (State Treasury Asset Reserve of Ohio), an investment pool for all Ohio political subdivisions, under the custody and management of the Treasurer of the State of Ohio. Investments in 2017 consist of STAR Ohio, STAR Plus, and a portfolio of investments through United American Capital Corporation (UACC).

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

### **Financial Outlook**

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

### **Long-Term Financial Planning**

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

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

The City of Alliance demolished 77 structures through grant funds to address blighted homes throughout the community. The average cost of demolition was 14K and included: acquisition, asbestos survey and abatement, demolition, grading & greening, tree removal, and sidewalk replacement. The program was led by Michelle Cutler and Randall Flint of the City of Alliance.

The City of Alliance anticipates demolishing as many as 49 structures in 2018. Some additional funding will be provided through the Community Development Block Grant program, a Federal Housing and Urban Development grant program which provides funding to jurisdictions in order to serve the low-moderate income residents within the city.

### **Sludge Dewatering**

Construction was completed on a sludge dewatering facility. The facility dewateres the bio solids that are produced as a result of the wastewater treatment process. These recycled bio solids have beneficial use as a fertilizer and dewatering assists in reducing the weight and cost of removing this material. Funding was supplied through the EPA Water Pollution Control Fund and the final cost is being tallied.



## **Water and Sewer Rates**

The City increased water rates by 3% and sewer rates by 3%. The City's is required to meet the rate covenant of the trust indenture made by the City for the series 2008 water works system revenue refunding bonds (these bonds were sold to refund and retire the series 1990, 1991 and 1998 waterworks bonds) to provide adequate funds to operate and maintain, perform replacements and capital improvements, and to make timely payments on debt service. The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements.

## **Major Initiatives**

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

### **City of Alliance/Marlinton Waterline**

The City of Alliance is working cooperatively to extend water services to the Marlinton local School system. The project will be completed in 3 phases and includes an EPA loan to the City which will be repaid by Marlinton. The City will contribute labor and materials for a portion of this project.

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

The City of Alliance will be extending water service to nearby Smith Township. This project will begin supply water to a commercial area east of the city along Oyster Rd. and help facilitate new commercial development. The cost is estimated at \$250,000.

### **Iron Horse Trail**

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

### **Contract Negotiations**

The City has completed negotiations with 12 out of 13 bargaining units as of early 2018. The City of Alliance expects to wrap up contract negotiations with the last contract opening in 2018, the IAFF480 Firefighters.

### **Financial Information**

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

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

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

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

### **Internal Accounting and Reporting Control**

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

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

### **Awards**

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Alliance, Ohio has received a Certificate of Achievement for the last eighteen consecutive years (1999-2016). 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, 2017 have been audited by Julian & Grube, Inc. The Auditor's opinion has been included in this report.

### **Acknowledgments**

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

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

Respectfully Submitted,

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

Kevin G. Knowles  
City Auditor

## CITY OF ALLIANCE, OHIO

### City Officials

December 31, 2017

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

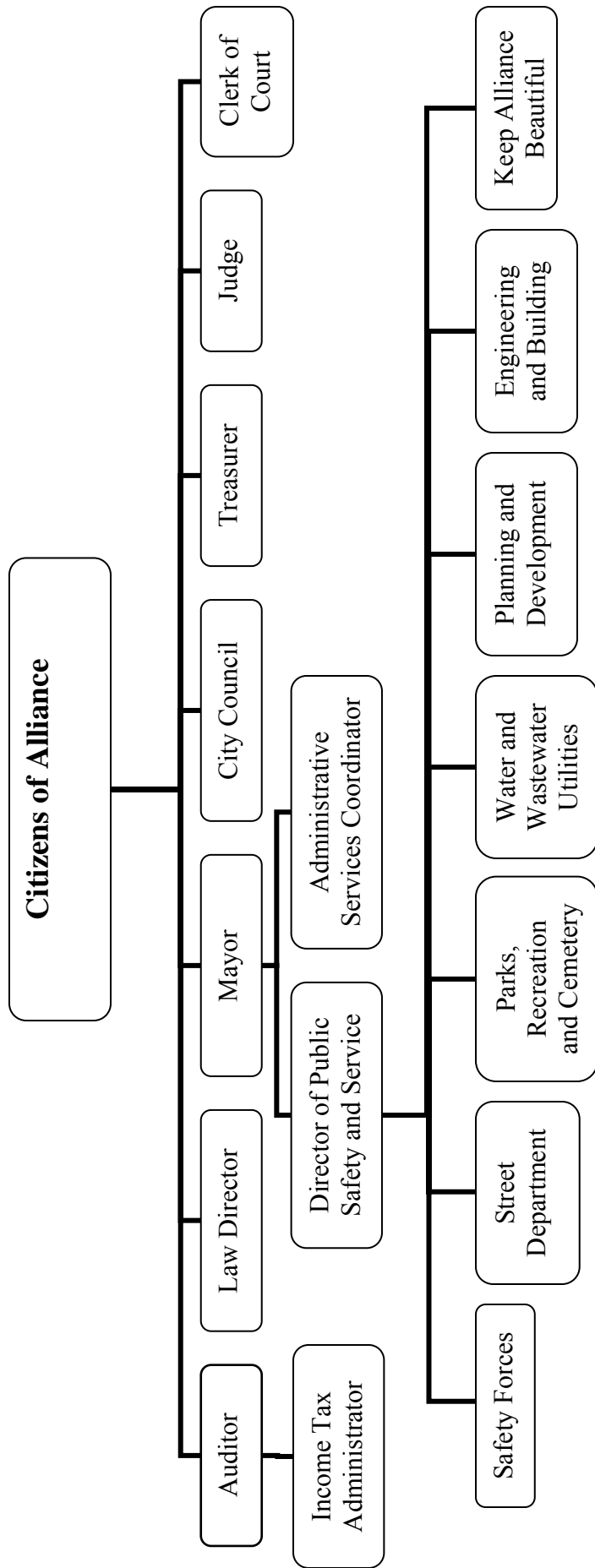
### Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

### Public Safety and Service

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

# City of Alliance, Ohio Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Alliance  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

FINANCIAL SECTION

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### Independent Auditor's Report

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

To the Members of Council and Mayor:

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2017, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

City of Alliance  
Independent Auditor's Report

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Revolving Loan funds, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

City of Alliance  
Independent Auditor's Report

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2018, on our consideration of the City of Alliance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alliance's internal control over financial reporting and compliance.

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

Julian & Grube, Inc.  
June 21, 2018

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## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

The management's discussion and analysis of the City of Alliance's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. 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 2017 are as follows:

- The total net position of the City decreased \$1,843,802. Net position of governmental activities decreased \$3,146,429 or 22.64% from 2016 and net position of business-type activities increased \$1,302,627 or 5.09% over 2016.
- General revenues accounted for \$11,494,527 or 70.50% of total governmental activities revenue. Program specific revenues accounted for \$4,809,863 or 29.50% of total governmental activities revenue.
- The City had \$19,450,819 in expenses related to governmental activities; \$4,809,863 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$14,640,956 were partially offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$11,494,527.
- The general fund had revenues and other financing sources of \$12,296,426 in 2017. This represents an increase of \$103,267 from 2016. The expenditures and other financing uses of the general fund, which totaled \$12,451,692 in 2017, decreased \$1,254,878 from 2016. The net decrease in fund balance for the general fund was \$155,266 or 11.16%, from \$1,391,611 in 2016 to \$1,236,345 in 2017.
- The revolving loan major fund had \$652,722 in revenues and \$997,503 in expenditures in 2017. The fund balance for the revolving loan fund decreased \$344,781 or 10.80%, from \$3,190,991 in 2016 to \$2,846,210 in 2017.
- Net position for the business-type activities, which are made up of the water, sewer, Robertson Community Center, and community improvement funds, increased \$1,302,627 from a net position balance of \$25,591,442 in 2016 to a net position balance of \$26,894,069 in 2017.
- The water fund had \$5,026,836 in operating revenues and \$4,419,831 in operating expenses in 2017. The water fund also had non-operating revenues and capital contributions of \$1,030,085 and non-operating expenses of \$312,898. The net position of the water fund increased \$1,324,192 or 11.50%.
- The sewer fund had \$4,398,714 in operating revenues and \$4,706,458 in operating expenses in 2017. The sewer fund also had non-operating revenues and capital contributions of \$153,723, and non-operating expenses of \$35,719. The net position of the sewer fund decreased \$189,740 or 1.38%.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

#### **Using this Comprehensive Annual Financial Report**

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

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

#### **Reporting the City as a Whole**

##### *Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows, using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

#### **Reporting the City's Most Significant Funds**

##### *Fund Financial Statements*

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

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 28.

#### ***Governmental Funds***

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund, and the revolving loan fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 42-45 of this report, budgetary comparison for the general fund and the revolving loan fund (a major special revenue fund) can be found on pages 46-51 of this report, and further detail on the City's major and nonmajor governmental funds can be found in Note 2 of this report.

#### ***Proprietary Funds***

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, community center, and community improvement funds. The City reports the water and sewer funds as major enterprise funds. These major funds are presented separately in the proprietary fund financial statements. The internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service fund is used to account for a self-insurance program for medical and dental benefits. The basic proprietary fund financial statements can be found on pages 52-57 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 two agency funds to account for segregated cash for the municipal court and monies received from cable franchise fees. The statement of fiduciary assets and liabilities can be found on page 58 of this report.

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 59-109 of this report.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 112-118 of this report.

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2017 compared to December 31, 2016.

**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b><u>Assets</u></b>						
Current assets	\$ 12,006,526	\$ 12,684,051	\$ 13,599,552	\$ 13,072,656	\$ 25,606,078	\$ 25,756,707
Capital assets, net	19,334,025	20,397,098	28,220,226	23,982,851	47,554,251	44,379,949
Total assets	<u>31,340,551</u>	<u>33,081,149</u>	<u>41,819,778</u>	<u>37,055,507</u>	<u>73,160,329</u>	<u>70,136,656</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	-	1,538	344,476	464,294	344,476	465,832
Pensions	4,600,730	5,018,423	1,808,127	1,408,794	6,408,857	6,427,217
Total deferred outflows of resources	<u>4,600,730</u>	<u>5,019,961</u>	<u>2,152,603</u>	<u>1,873,088</u>	<u>6,753,333</u>	<u>6,893,049</u>
<b><u>Liabilities</u></b>						
Current liabilities	1,241,213	1,340,642	349,102	376,625	1,590,315	1,717,267
Long-term liabilities:						
Due within one year	839,124	925,338	1,710,494	1,672,363	2,549,618	2,597,701
Net pension liability	19,392,288	18,061,555	4,661,813	3,571,448	24,054,101	21,633,003
Other amounts	2,432,881	2,471,025	10,292,093	7,643,611	12,724,974	10,114,636
Total liabilities	<u>23,905,506</u>	<u>22,798,560</u>	<u>17,013,502</u>	<u>13,264,047</u>	<u>40,919,008</u>	<u>36,062,607</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	874,079	857,940	-	-	874,079	857,940
Pension	412,000	548,485	64,810	73,106	476,810	621,591
Total deferred inflows of resources	<u>1,286,079</u>	<u>1,406,425</u>	<u>64,810</u>	<u>73,106</u>	<u>1,350,889</u>	<u>1,479,531</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	18,803,807	19,802,449	17,053,900	15,854,399	35,857,707	35,656,848
Restricted	4,661,709	5,037,083	1,572,040	1,316,101	6,233,749	6,353,184
Unrestricted (deficit)	<u>(12,715,820)</u>	<u>(10,943,407)</u>	<u>8,286,129</u>	<u>8,420,942</u>	<u>(4,429,691)</u>	<u>(2,522,465)</u>
Total net position	<u>\$ 10,749,696</u>	<u>\$ 13,896,125</u>	<u>\$ 26,912,069</u>	<u>\$ 25,591,442</u>	<u>\$ 37,661,765</u>	<u>\$ 39,487,567</u>



## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

During 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$37,643,765. At year-end, net position was \$10,749,696 and \$26,894,069 for the governmental activities and the business-type activities, respectively.

Total assets for governmental activities decreased due to the depreciation of capital assets. Total assets for business-type activities increased due to an increase in construction in progress. Total liabilities for governmental activities increased due to an increase in net pension liability, and total liabilities increased for business-type activities because of an increase in OWDA loans payable.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2017, capital assets represented 65.00% of total assets. Capital assets include land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2017, was \$18,803,807 and \$17,053,900 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's governmental net position, \$4,661,709, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit of \$12,715,820.

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**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

The table below shows the changes in net position for 2016 and 2017.

**Change in Net Position**

	Governmental Activities 2017	Governmental Activities 2016	Business-type Activities 2017	Business-type Activities 2016	Total 2017	Total 2016
<b>Revenues:</b>						
Program revenues:						
Charges for services and sales	\$ 1,534,095	\$ 1,722,788	\$ 10,000,342	\$ 9,837,471	\$ 11,534,437	\$ 11,560,259
Operating grants and contributions	2,603,393	2,742,389	-	-	2,603,393	2,742,389
Capital grants and contributions	<u>672,375</u>	<u>1,279,658</u>	<u>675,292</u>	<u>-</u>	<u>1,347,667</u>	<u>1,279,658</u>
Total program revenues	<u>4,809,863</u>	<u>5,744,835</u>	<u>10,675,634</u>	<u>9,837,471</u>	<u>15,485,497</u>	<u>15,582,306</u>
General revenues:						
Property taxes	934,726	955,825	-	-	934,726	955,825
Income taxes	9,728,707	10,156,552	380,242	399,981	10,108,949	10,556,533
Unrestricted grants	547,218	606,027	-	-	547,218	606,027
Interest	23,077	9,707	128,274	83,424	151,351	93,131
Gain (loss) on fair value of investments	(68,725)	-	-	-	(68,725)	-
Miscellaneous	<u>329,524</u>	<u>354,805</u>	<u>-</u>	<u>-</u>	<u>329,524</u>	<u>354,805</u>
Total general revenues	<u>11,494,527</u>	<u>12,082,916</u>	<u>508,516</u>	<u>483,405</u>	<u>12,003,043</u>	<u>12,566,321</u>
Total revenues	<u>16,304,390</u>	<u>17,827,751</u>	<u>11,184,150</u>	<u>10,320,876</u>	<u>27,488,540</u>	<u>28,148,627</u>
<b>Expenses:</b>						
General government	3,688,938	4,360,652	-	-	3,688,938	4,360,652
Security of persons and property	9,688,773	9,647,261	-	-	9,688,773	9,647,261
Public health services	1,099,398	1,038,202	-	-	1,099,398	1,038,202
Transportation	2,411,821	2,582,067	-	-	2,411,821	2,582,067
Community environment	1,699,760	1,410,889	-	-	1,699,760	1,410,889
Basic utility services	65,837	61,731	-	-	65,837	61,731
Leisure time activities	777,138	765,229	-	-	777,138	765,229
Interest and fiscal charges	19,154	26,933	-	-	19,154	26,933
Water	-	-	4,721,033	4,574,627	4,721,033	4,574,627
Sewer	-	-	4,729,283	4,194,853	4,729,283	4,194,853
Robertson Community Center	-	-	80,802	63,466	80,802	63,466
Community Improvement	<u>-</u>	<u>-</u>	<u>350,405</u>	<u>-</u>	<u>350,405</u>	<u>-</u>
Total expenses	<u>19,450,819</u>	<u>19,892,964</u>	<u>9,881,523</u>	<u>8,832,946</u>	<u>29,332,342</u>	<u>28,725,910</u>
Change in net position	<u>(3,146,429)</u>	<u>(2,065,213)</u>	<u>1,302,627</u>	<u>1,487,930</u>	<u>(1,843,802)</u>	<u>(577,283)</u>
Net position at beginning year	<u>13,896,125</u>	<u>15,961,338</u>	<u>25,591,442</u>	<u>24,103,512</u>	<u>39,487,567</u>	<u>40,064,850</u>
Net position at end of year	<u>\$ 10,749,696</u>	<u>\$ 13,896,125</u>	<u>\$ 26,894,069</u>	<u>\$ 25,591,442</u>	<u>\$ 37,643,765</u>	<u>\$ 39,487,567</u>

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

**Governmental Activities**

Governmental activities net position decreased \$3,146,429 in 2017.

Total revenues of governmental activities decreased as a result of a decrease in capital grants and contributions received from other governments, as well as a decline in income tax revenue.

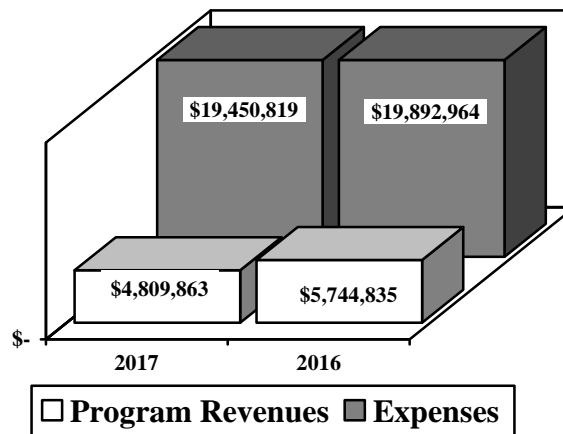
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$9,688,773 of the total expenses of the City. These expenses were partially funded by \$164,757 in direct charges to users of the services. General government expenses totaled \$3,688,938. General government expenses were partially funded by \$1,043,042 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,603,393 in operating grants and contributions and \$672,375 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Capital grants and contributions in 2017 subsidized transportation and leisure time activity programs.

General revenues totaled \$11,494,527 and amounted to 70.50% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,663,433. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and homestead and rollback, making up \$547,218.

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**

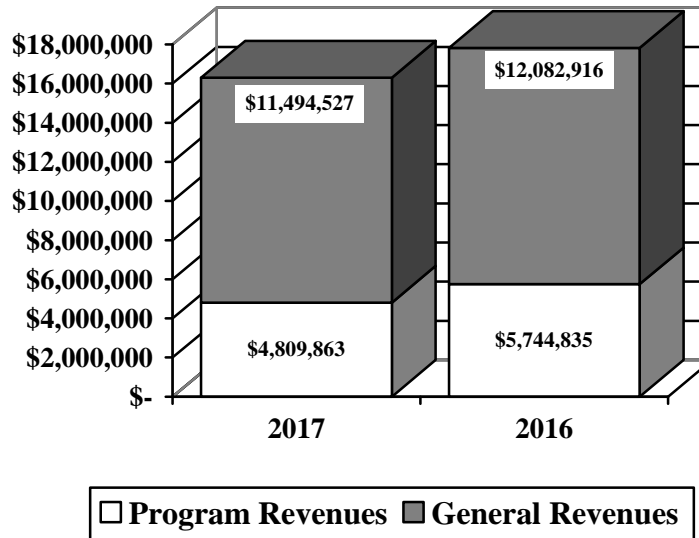
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

**Governmental Activities**

	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
<b>Program expenses:</b>				
General government	\$ 3,688,938	\$ 2,545,457	\$ 4,360,652	\$ 2,556,945
Security of persons and property	9,688,773	9,469,698	9,647,261	9,470,848
Public health services	1,099,398	793,522	1,038,202	731,756
Transportation	2,411,821	982,189	2,582,067	363,085
Community environment	1,699,760	320,523	1,410,889	200,301
Basic utility services	65,837	65,837	61,731	61,731
Leisure time activities	777,138	444,576	765,229	736,530
Interest and fiscal charges	<u>19,154</u>	<u>19,154</u>	<u>26,933</u>	<u>26,933</u>
Total expenses	<u>\$ 19,450,819</u>	<u>\$ 14,640,956</u>	<u>\$ 19,892,964</u>	<u>\$ 14,148,129</u>

The dependence upon general revenues for governmental activities is apparent, with only 24.73% of expenses supported through program revenues. The graph below shows the City's general revenues and program revenues for 2016 and 2017.

**Governmental Activities – General and Program Revenues**



**Business-Type Activities**

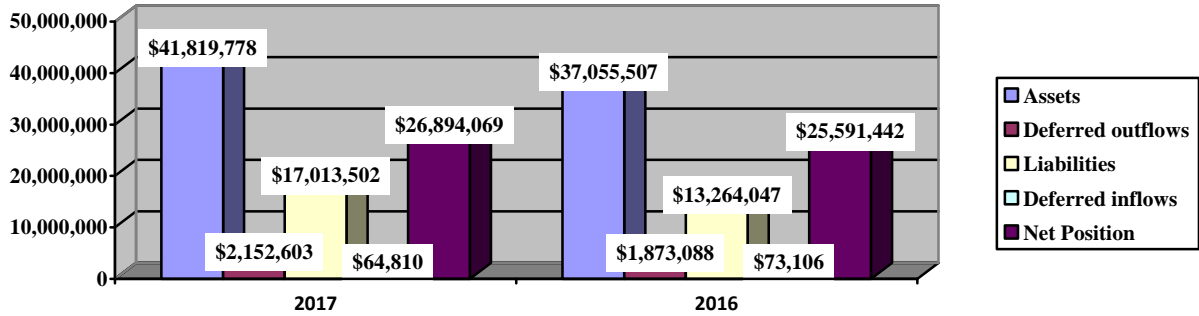
Business-type activities include the water, sewer, community center, and community improvement enterprise funds. These programs had program revenues of \$10,675,634, general revenues of \$508,516 and expenses of \$9,881,523 for 2017.

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

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

**Net Position in Business - Type Activities**



**Financial Analysis of the Government's Major Funds**

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

**Governmental Funds**

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

The City's governmental funds reported a combined fund balance of \$6,787,832 which is \$422,590 less than last year's total of \$7,210,422. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2017 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/2017</u>	Fund Balances <u>12/31/2016</u>	<u>Change</u>
Major funds:			
General	\$ 1,236,345	\$ 1,391,611	\$ (155,266)
Revolving loan	2,846,210	3,190,991	(344,781)
Other nonmajor governmental funds	<u>2,705,277</u>	<u>2,627,820</u>	<u>77,457</u>
Total	<u>\$ 6,787,832</u>	<u>\$ 7,210,422</u>	<u>\$ (422,590)</u>

**General Fund**

The City's general fund balance decreased \$155,266.

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

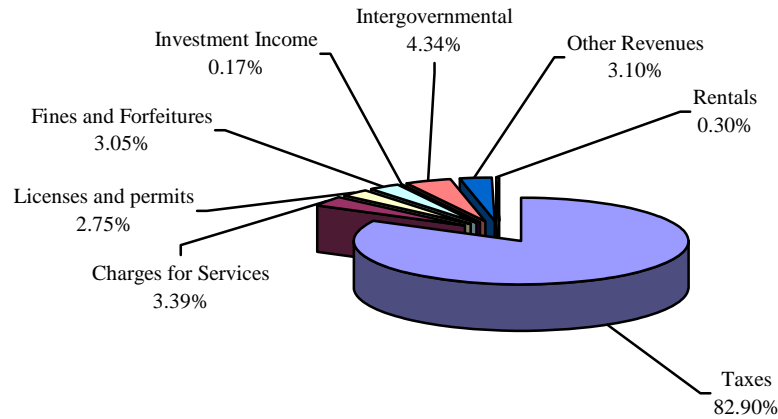
**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues:</b>				
Taxes	\$ 10,183,525	\$ 9,986,817	\$ 196,708	1.97 %
Charges for services	416,634	309,631	107,003	34.56 %
Licenses and permits	338,170	301,510	36,660	12.16 %
Fines and forfeitures	374,755	466,719	(91,964)	(19.70) %
Investment income	20,511	17,806	2,705	15.19 %
Intergovernmental	533,355	605,660	(72,305)	(11.94) %
Rentals	36,586	26,313	10,273	39.04 %
Other	<u>380,442</u>	<u>478,303</u>	<u>(97,861)</u>	(20.46) %
<b>Total</b>	<u>\$ 12,283,978</u>	<u>\$ 12,192,759</u>	<u>\$ 91,219</u>	0.75 %

Revenues of the general fund increased \$91,219 or 0.75%. Fines and forfeitures revenue decreased \$91,964 or 19.70% due mainly to a decline in municipal court revenues. The increase of \$36,660 or 12.16% in licenses and permits is due mainly to an increase in bank foreclosure registration fees. The decrease in intergovernmental revenue is due to less grants and entitlements received from the State. Other revenues decreased as a result of less miscellaneous refunds and reimbursements in 2017.

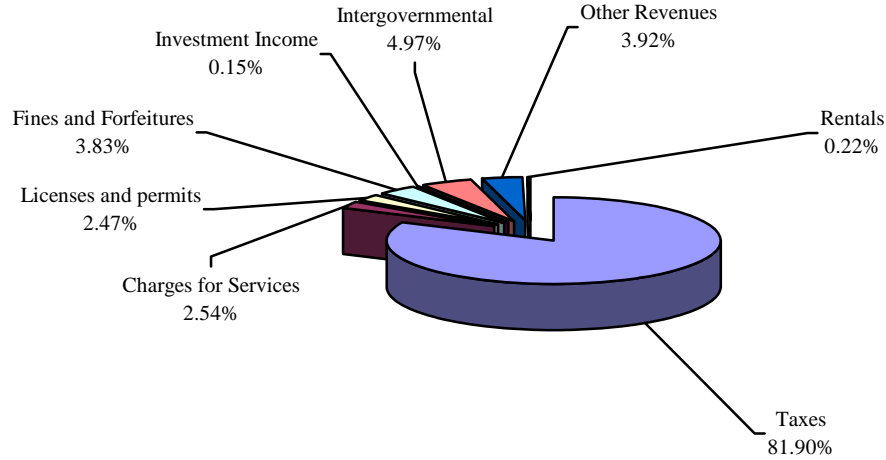
**Revenues – 2017**



**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

**Revenues –2016**



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

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Expenditures:</b>				
General government	\$ 2,889,378	\$ 3,526,503	\$ (637,125)	(18.07) %
Security of persons and property	7,271,258	7,466,795	(195,537)	(2.62) %
Public health services	648,068	649,043	(975)	(0.15) %
Community environment	158,148	134,124	24,024	17.91 %
Leisure time activities	587,521	610,799	(23,278)	(3.81) %
Basic utility services	55,032	55,108	(76)	(0.14) %
Transportation	-	289,001	(289,001)	(100.00) %
<b>Total</b>	<u>\$ 11,609,405</u>	<u>\$ 12,731,373</u>	<u>\$ (1,121,968)</u>	(8.81) %

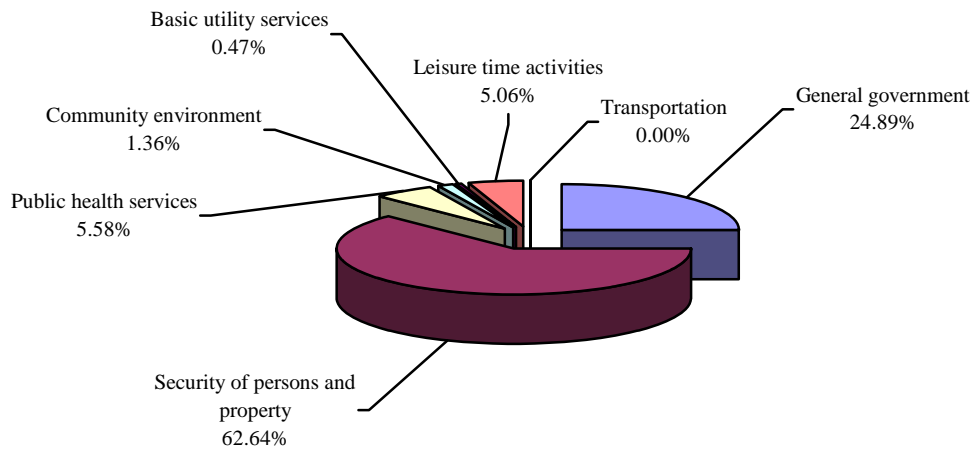
Expenditures of the general fund decreased \$1,121,968 or 8.81%. General government expenses decreased \$637,125 due to decreased expenditures in departments that are associated with day-to-day operations of the City. Transportation expenditures in 2016 were for street repairs and improvements.



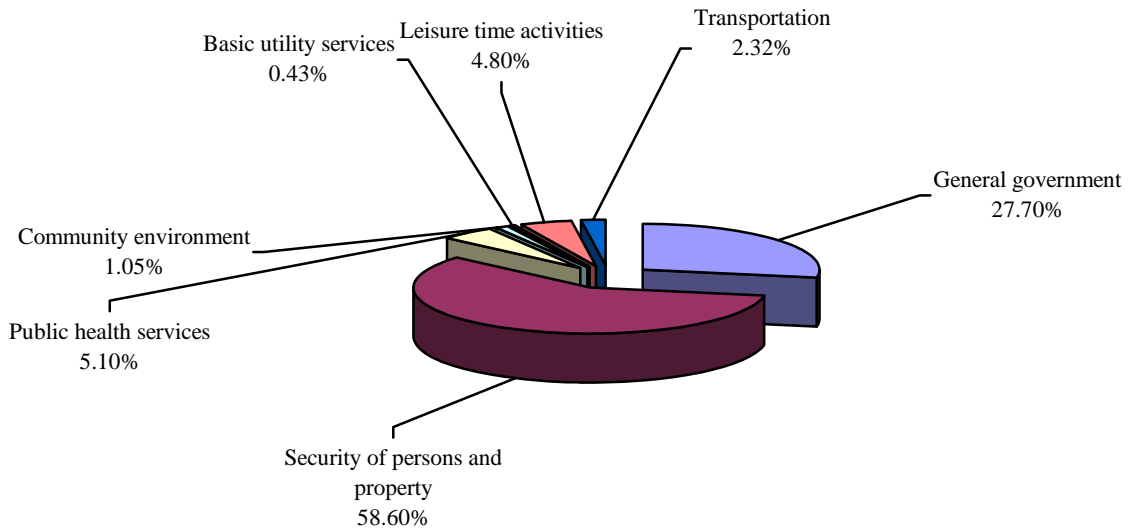
**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

**Expenditures – 2017**



**Expenditures – 2016**



***Revolving Loan Fund***

The revolving loan major fund had \$652,722 in revenues and \$997,503 in expenditures in 2017. Activities in this fund increased in 2017 as a result of the City’s expanding Neighborhood Initiative Program, which focuses on improving blighted neighborhoods. The City is reimbursed for a majority of the cost through State grants. The fund balance for the revolving loan fund decreased \$344,781 or 10.80%, from \$3,190,991 in 2016 to \$2,846,210 in 2017.

**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

**Budgeting Highlights – General Fund**

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

In the general fund, the actual revenues and other financing sources of \$11,614,257 were more than the final budget amount of \$11,495,462. Actual expenditures and other financing uses of \$11,783,362 were lower than the final budget amount of \$11,982,626. The decrease of \$199,264 from final budgeted amounts to actual expenditures and other financing uses is due mainly to decreased spending for general government and security of persons and property. Budgeted expenditures and other financing uses were increased \$1,135,508 from the original to the final budget, mostly to account for additional transfers out to other funds. Budgeted revenues were increased \$159,867 from the original to the final budget.

**Proprietary Funds**

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

The City's business-type funds (as presented on the statement of net position on page 53-54) reported a combined net position of \$26,882,882, which is \$1,278,037 more than last year's total of \$25,604,845.

The schedule below indicates the net position and the total change in net position as of December 31, 2017 for all major and nonmajor business-type funds.

	<u>Net Position</u> <u>12/31/17</u>	<u>Net Position</u> <u>12/31/16</u>	<u>Change</u>
Major funds:			
Water	\$ 12,834,418	\$ 11,510,226	\$ 1,324,192
Sewer	13,569,387	13,759,127	(189,740)
Nonmajor funds	<u>479,077</u>	<u>335,492</u>	<u>143,585</u>
Total	<u>\$ 26,882,882</u>	<u>\$ 25,604,845</u>	<u>\$ 1,278,037</u>

**Water**

The City's water fund increased \$1,324,192 or 11.50% during 2017 from a net position balance of \$11,510,226 in 2016 to \$12,834,418 in 2017.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Operating revenues</u></b>				
Charges for services	\$ 4,952,150	\$ 5,234,981	\$ (282,831)	(5.40) %
Other	<u>74,686</u>	<u>101,248</u>	<u>(26,562)</u>	(26.23) %
Total operating revenues	<u>5,026,836</u>	<u>5,336,229</u>	<u>(309,393)</u>	(5.80) %
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,330,928	1,363,858	(32,930)	(2.41) %
Fringe benefits	821,321	608,987	212,334	34.87 %
Contractual services	687,813	597,654	90,159	15.09 %
Materials and supplies	1,081,478	1,156,755	(75,277)	(6.51) %
Depreciation	492,681	475,323	17,358	3.65 %
Other	<u>5,610</u>	<u>20,877</u>	<u>(15,267)</u>	(73.13) %
Total operating expenses	<u>4,419,831</u>	<u>4,223,454</u>	<u>196,377</u>	4.65 %
<b><u>Other revenues</u></b>				
Municipal income tax	380,242	399,981	(19,739)	(4.93) %
Capital contributions	602,256	-	602,256	100.00 %
Investment income	<u>47,587</u>	<u>26,630</u>	<u>20,957</u>	78.70 %
Total other revenues	<u>1,030,085</u>	<u>426,611</u>	<u>603,474</u>	141.46 %
<b><u>Other expenses</u></b>				
Interest and fiscal charges	312,898	384,073	(71,175)	(18.53) %
Loss on disposal of capital assets	<u>-</u>	<u>8,100</u>	<u>(8,100)</u>	(100.00) %
Total other expenses	<u>\$ 312,898</u>	<u>\$ 392,173</u>	<u>\$ (79,275)</u>	(20.21) %

Operating revenues of the water fund decreased \$309,393 or 5.80%. This decrease is the result of a decrease in water consumption during the year and a decrease in other revenues due to more reimbursements receipted to the water fund. Operating expenses increased \$196,377 or 4.65% due mainly to an increase in pension expense, which is included in fringe benefits. Capital contributions are primarily related to grants from the OWDA for the City's Marlinton-Alliance waterline project

***Sewer***

The City's sewer fund decreased \$189,740 or 1.38% during 2017 from a net position balance of \$13,759,127 in 2016 to \$13,569,387 in 2017.

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Operating revenues</u></b>				
Charges for services	\$ 4,344,654	\$ 4,392,528	\$ (47,874)	(1.09) %
Licenses and permits	23,382	15,805	7,577	47.94 %
Other	<u>30,678</u>	<u>38,561</u>	<u>(7,883)</u>	(20.44) %
Total operating revenues	<u>4,398,714</u>	<u>4,446,894</u>	<u>(48,180)</u>	(1.08) %

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>		<u>Change</u>
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,368,476	1,447,489	(79,013)	(5.46) %
Fringe benefits	937,416	673,122	264,294	39.26 %
Contractual services	987,710	920,785	66,925	7.27 %
Materials and supplies	703,304	572,299	131,005	22.89 %
Depreciation	654,779	626,013	28,766	4.60 %
Other	<u>54,773</u>	<u>360</u>	<u>54,413</u>	15,114.72 %
Total operating expenses	<u>4,706,458</u>	<u>4,240,068</u>	<u>466,390</u>	11.00 %
<b><u>Non-operating revenues</u></b>				
Investment income	<u>80,687</u>	<u>56,794</u>	<u>23,893</u>	42.07 %
Total non-operating revenues	<u>80,687</u>	<u>56,794</u>	<u>23,893</u>	42.07 %
<b><u>Non-operating expenses</u></b>				
Interest and fiscal charges	<u>35,719</u>	<u>674</u>	<u>35,045</u>	5,199.55 %
Total non-operating expenses	<u>\$ 35,719</u>	<u>\$ 674</u>	<u>\$ 35,045</u>	5,199.55 %

Operating revenues of the sewer fund decreased \$48,180 or 1.08%. This decrease can mainly be attributed to a usage decrease from the prior year. Operating expenses increased \$466,390 or 11.00% due mainly to an increase in spending for fringe benefits and materials and supplies. The increase in fringe benefits is primarily the result of higher pension expense in 2017.

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2017, the City had \$47,554,251 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$19,334,025 was reported in governmental activities and \$28,220,226 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, 2017  
(UNAUDITED)**

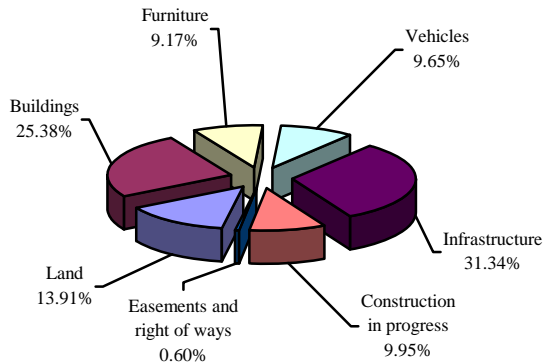
The following table shows December 31, 2017 balances compared to December 31, 2016:

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

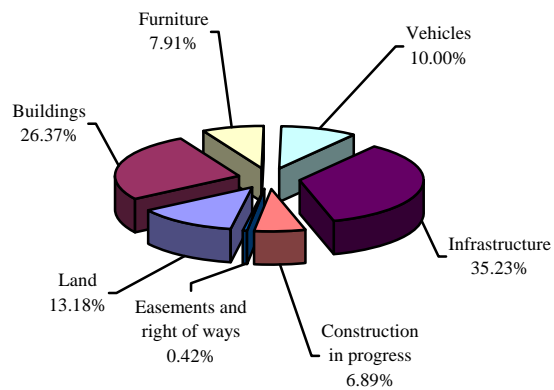
	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-type Activities <u>2017</u>	Business-type Activities <u>2016</u>	Total <u>2017</u>	Total <u>2016</u>
Land	\$ 2,688,987	\$ 2,688,987	\$ 1,159,437	\$ 1,159,437	\$ 3,848,424	\$ 3,848,424
Easements and right of ways	116,018	85,618	-	-	116,018	85,618
Buildings, structures and improvements	4,907,715	5,377,867	5,706,310	5,955,530	10,614,025	11,333,397
Furniture, fixtures and equipment	1,773,736	1,612,628	4,486,015	4,798,089	6,259,751	6,410,717
Vehicles	1,865,633	2,041,517	-	-	1,865,633	2,041,517
Infrastructure	6,059,033	7,184,954	-	-	6,059,033	7,184,954
Land improvements	-	-	174,069	178,091	174,069	178,091
Water and sewer lines	-	-	9,691,289	10,186,465	9,691,289	10,186,465
Construction in progress	<u>1,922,903</u>	<u>1,405,527</u>	<u>7,003,106</u>	<u>1,705,239</u>	<u>8,926,009</u>	<u>3,110,766</u>
Total	<u>\$ 19,334,025</u>	<u>\$ 20,397,098</u>	<u>\$ 28,220,226</u>	<u>\$ 23,982,851</u>	<u>\$ 47,554,251</u>	<u>\$ 44,379,949</u>

The following graphs show the breakdown of governmental capital assets by category at December 31, 2016 and December 31, 2017.

**Capital Assets - Governmental  
Activities 2017**



**Capital Assets - Governmental  
Activities 2016**



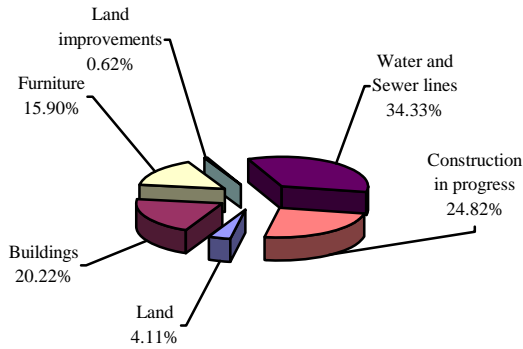
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 31.34% of the City's total governmental capital assets.

**CITY OF ALLIANCE, OHIO**

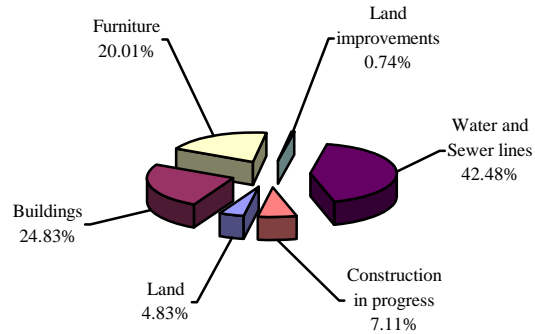
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2016 and December 31, 2017.

**Capital Assets - Business-type Activities  
2017**



**Capital Assets - Business-type Activities  
2016**



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 34.33% of the City's total business-type capital assets. Construction in progress increased as the City continued work on a sludge dewatering facility in 2017. The City also began construction of the Marlinton-Alliance waterline in 2017.

***Debt Administration***

The City had the following long-term obligations outstanding at December 31, 2016 and 2017:

	Governmental Activities 2017	Governmental Activities 2016
General obligation bonds	\$ -	\$ 75,000
Police and fire pension liability	295,250	306,496
SIB Loan	133,437	153,449
OPWC loan	353,334	366,667
<b>Total long-term obligations</b>	<b>\$ 782,021</b>	<b>\$ 901,612</b>

**CITY OF ALLIANCE, OHIO**

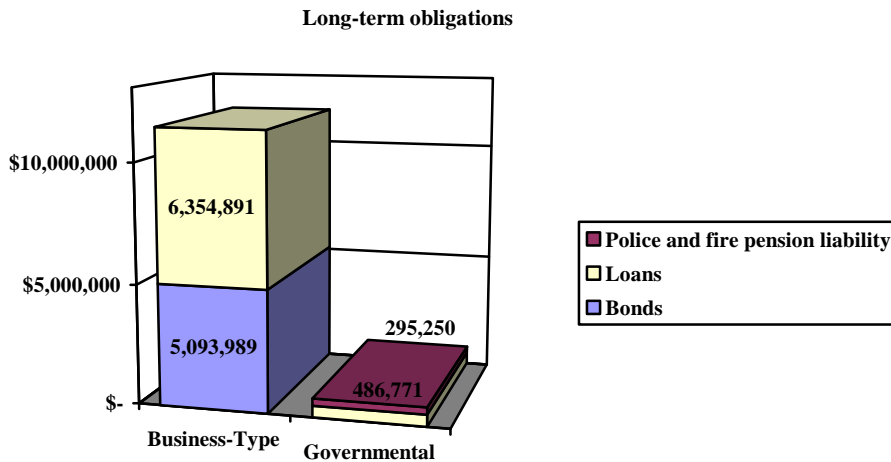
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)

	Business-type Activities 2017	Business-type Activities 2016
Revenue bonds	\$ 4,178,848	\$ 5,467,143
General obligation bonds	<u>915,141</u>	<u>970,151</u>
Total bonds	<u>5,093,989</u>	<u>6,437,294</u>
OPWC loans	1,436,678	1,516,768
OWDA loans	<u>4,918,213</u>	<u>744,614</u>
Total long-term obligations	<u>\$ 11,448,880</u>	<u>\$ 8,698,676</u>

The only additions to long-term debt in 2017 were two OWDA loans in the amount of \$4,173,599 for a sludge dewatering facility and the Marlinton-Alliance waterline project.

See Note 11 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 Conditions and Financial Outlook**

The City of Alliance, like many local government entities are dealing with revenue reductions, due to the elimination and decline of various sources, including the State of Ohio Estate Tax, Local Government Funding as well as the phase-out of payments made by the State to local governments for revenues once collected on tangible personal property and certain types of electricity generation. The combined effects of these losses along with increased costs, such as employee healthcare, wages and benefits, have been factors in the decline.

The City has experienced a continual decline in its general fund cash balance, in part due to a structural deficit as expenses have consistently exceeded revenues. The general fund balance has shrunk from a high of \$3.9 million in 2011 to a cash carryover of \$230,042 year ending 2017. In 2017 Moody's downgraded the City's rating on its outstanding general obligation debt from A1 to A2. This came after downgrading the City from A3 to A1 in 2015.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

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

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

The City is examining current and potential revenue streams as well as analyzing ways to reduce expenditures in light of revenue reductions and increasing operating costs. In 2016, a ballot issue for a .25% income tax increase dedicated to street improvement was defeated by a 58%-42% margin. The City passed a 3.0 mill, 5-year parks levy on May 8, 2018. It is estimated to provide \$865,000 annually.

The City was placed in fiscal caution by the Auditor of State of Ohio based on low carryover balances especially in the general fund. In 2018, Alliance City Council voted to approve reallocating income tax revenues to increase the percentage received from 79% to 91% for the second consecutive year. This has the effect of reducing funds normally reserved for master capital and street funds. The City did not complete a paving program in 2017 and expects to have slightly under \$100,000 in City funds for this purpose in 2018. The 2018 general fund budget may result in a general fund deficit fund balance at the end of 2018, unless measures as part of the Mayor's Recovery Plan are implemented.

#### **Request for Information**

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



CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 5,301,335	\$ 8,870,482	\$ 14,171,817
Receivables:			
Municipal income taxes . . . . .	2,049,550	85,398	2,134,948
Property and other taxes . . . . .	1,106,845	-	1,106,845
Accounts . . . . .	176,484	1,301,274	1,477,758
Special assessments . . . . .	1,217,605	-	1,217,605
Intergovernmental . . . . .	933,104	-	933,104
Accrued interest . . . . .	46,228	-	46,228
Loans . . . . .	884,788	-	884,788
Internal balance . . . . .	(11,187)	11,187	-
Prepayments . . . . .	230,877	94,630	325,507
Materials and supplies inventory . . . . .	56,175	413,803	469,978
Net pension asset . . . . .	14,722	10,664	25,386
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	-	1,132,890	1,132,890
Cash and cash equivalents with fiscal agents . . . . .	-	1,679,224	1,679,224
Capital assets:			
Non-depreciable capital assets . . . . .	4,727,908	8,162,543	12,890,451
Depreciable capital assets, net . . . . .	14,606,117	20,057,683	34,663,800
Total capital assets, net . . . . .	<u>19,334,025</u>	<u>28,220,226</u>	<u>47,554,251</u>
Total assets . . . . .	<u>31,340,551</u>	<u>41,819,778</u>	<u>73,160,329</u>
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refunding . . . . .	-	344,476	344,476
Pension-OP&F . . . . .	2,123,051	-	2,123,051
Pension-OPERS . . . . .	2,477,679	1,808,127	4,285,806
Total deferred outflows of resources . . . . .	<u>4,600,730</u>	<u>2,152,603</u>	<u>6,753,333</u>
Total assets and deferred outflows of resources . . . . .	<u>35,941,281</u>	<u>43,972,381</u>	<u>79,913,662</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	95,749	118,669	214,418
Contracts payable . . . . .	21,074	61,922	82,996
Retainage payable . . . . .	22,373	-	22,373
Accrued wages and benefits payable . . . . .	362,372	96,862	459,234
Claims payable . . . . .	215,610	-	215,610
Due to other governments . . . . .	186,968	48,320	235,288
Accrued interest payable . . . . .	1,069	23,329	24,398
Deposits held and due to others . . . . .	335,998	-	335,998
Long-term liabilities:			
Due within one year . . . . .	839,124	1,710,494	2,549,618
Due in more than one year:			
Net pension liability . . . . .	19,392,288	4,661,813	24,054,101
Other amounts due in more than one year . . . . .	2,432,881	10,292,093	12,724,974
Total liabilities . . . . .	<u>23,905,506</u>	<u>17,013,502</u>	<u>40,919,008</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	874,079	-	874,079
Pension - OP&F . . . . .	366,219	-	366,219
Pension - OPERS . . . . .	45,781	64,810	110,591
Total deferred inflows of resources . . . . .	<u>1,286,079</u>	<u>64,810</u>	<u>1,350,889</u>
Total liabilities and deferred inflows of resources . . . . .	<u>25,191,585</u>	<u>17,078,312</u>	<u>42,269,897</u>
<b>Net position:</b>			
Net investment in capital assets . . . . .	18,803,807	17,053,900	35,857,707
Restricted for:			
Debt service . . . . .	65,369	439,150	504,519
Transportation projects . . . . .	156,417	-	156,417
Public service programs . . . . .	982,136	-	982,136
Community development programs . . . . .	2,854,058	-	2,854,058
Police and fire pension . . . . .	66,555	-	66,555
Security programs . . . . .	347,508	-	347,508
Other purposes . . . . .	189,666	-	189,666
Replacement and surplus reserve . . . . .	-	1,132,890	1,132,890
Unrestricted (deficit) . . . . .	<u>(12,715,820)</u>	<u>8,268,129</u>	<u>(4,447,691)</u>
Total net position . . . . .	<u>\$ 10,749,696</u>	<u>\$ 26,894,069</u>	<u>\$ 37,643,765</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government . . . . .	\$ 3,688,938	\$ 1,043,042	\$ 100,439	\$ -
Security of persons and property . . . . .	9,688,773	164,757	54,318	-
Public health and welfare . . . . .	1,099,398	169,774	136,102	-
Transportation . . . . .	2,411,821	-	1,062,884	366,748
Community environment . . . . .	1,699,760	129,587	1,249,650	-
Basic utility services . . . . .	65,837	-	-	-
Leisure time activities . . . . .	777,138	26,935	-	305,627
Interest and fiscal charges . . . . .	19,154	-	-	-
<b>Total governmental activities . . . . .</b>	<b>19,450,819</b>	<b>1,534,095</b>	<b>2,603,393</b>	<b>672,375</b>
<b>Business-type activities:</b>				
Water . . . . .	4,721,033	5,026,836	-	602,256
Sewer . . . . .	4,729,283	4,398,714	-	73,036
Robertson Community Center . . . . .	80,802	48,188	-	-
Community Improvement . . . . .	350,405	526,604	-	-
<b>Total business-type activities . . . . .</b>	<b>9,881,523</b>	<b>10,000,342</b>	<b>-</b>	<b>675,292</b>
<b>Total primary government . . . . .</b>	<b>\$ 29,332,342</b>	<b>\$ 11,534,437</b>	<b>\$ 2,603,393</b>	<b>\$ 1,347,667</b>

**General revenues:**

Property taxes levied for:

    General purposes . . . . .

    Police pension . . . . .

    Fire pension . . . . .

Municipal income taxes levied for:

    General purposes . . . . .

    Transportation projects . . . . .

    Capital improvements . . . . .

    Water department . . . . .

Grants and entitlements not restricted

    to specific programs . . . . .

Investment earnings . . . . .

Loss on fair value adjustment . . . . .

Miscellaneous . . . . .

Total general revenues . . . . .

Change in net position . . . . .

**Net position at beginning of year . . . . .**

**Net position at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (2,545,457)	\$ -	\$ (2,545,457)
(9,469,698)	-	(9,469,698)
(793,522)	-	(793,522)
(982,189)	-	(982,189)
(320,523)	-	(320,523)
(65,837)	-	(65,837)
(444,576)	-	(444,576)
(19,154)	-	(19,154)
<u>(14,640,956)</u>	<u>-</u>	<u>(14,640,956)</u>
-	908,059	908,059
-	(257,533)	(257,533)
-	(32,614)	(32,614)
-	176,199	176,199
<u>-</u>	<u>794,111</u>	<u>794,111</u>
<u>(14,640,956)</u>	<u>794,111</u>	<u>(13,846,845)</u>
752,025	-	752,025
91,350	-	91,350
91,351	-	91,351
9,370,835	-	9,370,835
143,151	-	143,151
214,721	-	214,721
-	380,242	380,242
547,218	-	547,218
23,077	128,274	151,351
(68,725)	-	(68,725)
329,524	-	329,524
<u>11,494,527</u>	<u>508,516</u>	<u>12,003,043</u>
(3,146,429)	1,302,627	(1,843,802)
<u>13,896,125</u>	<u>25,591,442</u>	<u>39,487,567</u>
<u>\$ 10,749,696</u>	<u>\$ 26,894,069</u>	<u>\$ 37,643,765</u>

**CITY OF ALLIANCE, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 770,210	\$ 1,828,096	\$ 2,442,236	\$ 5,040,542
Receivables (net of allowances for uncollectibles):				
Municipal income taxes . . . . .	1,942,801	-	106,749	2,049,550
Property and other taxes . . . . .	916,779	-	190,066	1,106,845
Accounts . . . . .	99,586	13,000	41,686	154,272
Intergovernmental . . . . .	255,563	150,023	527,518	933,104
Special assessments . . . . .	1,195,446	-	22,159	1,217,605
Accrued interest . . . . .	46,228	-	-	46,228
Due from other funds . . . . .	28,893	-	-	28,893
Loans . . . . .	-	884,788	-	884,788
Advances from other funds . . . . .	5,626	-	-	5,626
Interfund loans receivable . . . . .	13,000	-	-	13,000
Prepayments . . . . .	201,904	417	28,556	230,877
Materials and supplies inventory . . . . .	10,037	-	46,138	56,175
Total assets . . . . .	<u>\$ 5,486,073</u>	<u>\$ 2,876,324</u>	<u>\$ 3,405,108</u>	<u>\$ 11,767,505</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 43,495	\$ 29,846	\$ 22,408	\$ 95,749
Contracts payable . . . . .	-	-	21,074	21,074
Retainage payable . . . . .	-	-	22,373	22,373
Accrued wages and benefits payable . . . . .	322,890	-	39,482	362,372
Compensated absences payable . . . . .	24,493	-	-	24,493
Interfund loans payable . . . . .	-	-	13,000	13,000
Due to other funds . . . . .	-	-	28,893	28,893
Due to other governments . . . . .	171,115	268	15,585	186,968
Advances to other funds . . . . .	-	-	5,626	5,626
Deposits held and due to others . . . . .	335,998	-	-	335,998
Total liabilities . . . . .	<u>897,991</u>	<u>30,114</u>	<u>168,441</u>	<u>1,096,546</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . .	722,149	-	151,930	874,079
Income tax revenue not available . . . . .	1,050,129	-	57,700	1,107,829
Delinquent property tax revenue not available . .	183,711	-	38,136	221,847
Accrued interest not available . . . . .	21,465	-	-	21,465
Special assessments revenue not available . . . .	1,195,446	-	22,159	1,217,605
Intergovernmental revenue not available . . . .	178,837	-	261,465	440,302
Total deferred inflows of resources . . . . .	<u>3,351,737</u>	<u>-</u>	<u>531,390</u>	<u>3,883,127</u>
Total liabilities and deferred inflows of resources.	<u>4,249,728</u>	<u>30,114</u>	<u>699,831</u>	<u>4,979,673</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	262,989	417	74,694	338,100
Restricted . . . . .	7,719	2,845,793	2,187,302	5,040,814
Committed . . . . .	87,966	-	455,388	543,354
Assigned . . . . .	877,671	-	-	877,671
Unassigned (deficit) . . . . .	-	-	(12,107)	(12,107)
Total fund balances . . . . .	<u>1,236,345</u>	<u>2,846,210</u>	<u>2,705,277</u>	<u>6,787,832</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 5,486,073</u>	<u>\$ 2,876,324</u>	<u>\$ 3,405,108</u>	<u>\$ 11,767,505</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2017

<b>Total governmental fund balances</b>		\$	6,787,832
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			19,334,025
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Municipal income taxes receivable	1,107,829		
Property and other taxes receivable	221,847		
Interest receivable	21,465		
Special assessments receivable	1,217,605		
Intergovernmental receivable	440,302		
<b>Total</b>	<b>3,009,048</b>		<b>3,009,048</b>
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. The net position of the internal service fund, including internal balances of \$11,187.			56,208
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(1,069)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset	14,722		
Deferred outflows of resources	4,600,730		
Deferred inflows of resources	(412,000)		
Net pension liability	(19,392,288)		
<b>Total</b>	<b>(15,188,836)</b>		<b>(15,188,836)</b>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:			
Police and fire pension liability	(295,250)		
Loans payable	(486,771)		
Compensated absences	(2,465,491)		
<b>Total</b>	<b>(3,247,512)</b>		<b>(3,247,512)</b>
<b>Net position of governmental activities</b>		<b>\$</b>	<b>10,749,696</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 9,384,892	\$ -	\$ 423,913	\$ 9,808,805
Property and other taxes. . . . .	798,633	-	150,128	948,761
Charges for services. . . . .	416,634	-	98,955	515,589
Licenses, permits and fees . . . . .	338,170	-	91,055	429,225
Fines and forfeitures . . . . .	374,755	-	168,766	543,521
Intergovernmental. . . . .	533,355	565,164	2,530,485	3,629,004
Investment income. . . . .	20,511	50,317	16,382	87,210
Rental income . . . . .	36,586	-	-	36,586
Contributions and donations. . . . .	600	-	4,045	4,645
Loss on fair value adjustment . . . . .	(68,725)	-	-	(68,725)
Other . . . . .	448,567	37,241	113,677	599,485
Total revenues . . . . .	<u>12,283,978</u>	<u>652,722</u>	<u>3,597,406</u>	<u>16,534,106</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	2,889,378	-	180,281	3,069,659
Security of persons and property . . . . .	7,271,258	-	1,096,952	8,368,210
Public health and welfare. . . . .	648,068	-	307,821	955,889
Transportation . . . . .	-	-	848,817	848,817
Community environment . . . . .	158,148	997,503	465,270	1,620,921
Leisure time activities. . . . .	587,521	-	914	588,435
Basic utility services. . . . .	55,032	-	-	55,032
Capital outlay . . . . .	-	-	1,331,645	1,331,645
Debt service:				
Principal retirement. . . . .	-	-	119,591	119,591
Interest and fiscal charges . . . . .	-	-	18,854	18,854
Total expenditures . . . . .	<u>11,609,405</u>	<u>997,503</u>	<u>4,370,145</u>	<u>16,977,053</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>674,573</u>	<u>(344,781)</u>	<u>(772,739)</u>	<u>(442,947)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets . . . . .	911	-	19,446	20,357
Transfers in . . . . .	11,537	-	879,287	890,824
Transfers (out). . . . .	(842,287)	-	(48,537)	(890,824)
Total other financing sources (uses) . . . . .	<u>(829,839)</u>	<u>-</u>	<u>850,196</u>	<u>20,357</u>
Net change in fund balances . . . . .	(155,266)	(344,781)	77,457	(422,590)
<b>Fund balances at beginning of year . . . . .</b>	<u>1,391,611</u>	<u>3,190,991</u>	<u>2,627,820</u>	<u>7,210,422</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,236,345</u>	<u>\$ 2,846,210</u>	<u>\$ 2,705,277</u>	<u>\$ 6,787,832</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, 2017

<b>Net change in fund balances - total governmental funds</b>	\$	(422,590)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	\$ 1,087,878	
Current year depreciation	<u>(2,133,312)</u>	
Total		(1,045,434)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(17,639)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	(80,100)	
Property taxes	(14,035)	
Intergovernmental revenues	(6,629)	
Investment income	2,566	
Special assessments	<u>(131,518)</u>	
Total		(229,716)
Repayment of bond principal and police and fire pension liability are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		119,591
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	167	
Amortization of deferred amounts on refunding	(1,538)	
Amortization of bond premiums and discounts	<u>1,071</u>	
Total		(300)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,313,603
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(2,923,190)
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.		
		28,189
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance of \$11,187, is allocated among the governmental activities.		
		<u>31,057</u>
<b>Change in net position of governmental activities</b>	\$	<u><u>(3,146,429)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$8,655,510	\$8,778,452	\$8,844,972	\$ 66,520
Property and other taxes . . . . .	777,283	788,323	806,952	18,629
Charges for services . . . . .	417,349	423,277	432,961	9,684
Licenses, permits and fees . . . . .	178,904	181,445	185,170	3,725
Fines and forfeitures . . . . .	367,822	373,047	378,468	5,421
Intergovernmental . . . . .	548,412	556,202	564,675	8,473
Investment income . . . . .	9,233	9,364	9,452	88
Rental income . . . . .	26,046	26,416	33,106	6,690
Contributions and donations . . . . .	98	99	600	501
Other. . . . .	274,491	278,390	277,453	(937)
Total revenues . . . . .	<u>11,255,148</u>	<u>11,415,015</u>	<u>11,533,809</u>	<u>118,794</u>
<b>Expenditures:</b>				
Current:				
General government:				
Mayor:				
Salaries and wages . . . . .	88,000	88,000	86,994	1,006
Fringe benefits. . . . .	23,051	23,051	22,803	248
Contractual services . . . . .	2,110	2,110	2,040	70
Materials and supplies. . . . .	1,590	1,590	1,566	24
Total mayor. . . . .	<u>114,751</u>	<u>114,751</u>	<u>113,403</u>	<u>1,348</u>
Senior center:				
Salaries and wages . . . . .	39,062	39,062	39,061	1
Fringe benefits. . . . .	19,520	19,520	18,793	727
Total senior center . . . . .	<u>58,582</u>	<u>58,582</u>	<u>57,854</u>	<u>728</u>
Auditor:				
Salaries and wages . . . . .	87,858	87,858	87,389	469
Fringe benefits. . . . .	33,653	33,653	33,414	239
Contractual services . . . . .	14,500	14,500	14,072	428
Materials and supplies. . . . .	10,400	10,400	9,783	617
Total auditor. . . . .	<u>146,411</u>	<u>146,411</u>	<u>144,658</u>	<u>1,753</u>
Treasurer:				
Salaries and wages . . . . .	3,950	3,950	3,949	1
Fringe benefits. . . . .	756	756	752	4
Materials and supplies. . . . .	100	100	100	-
Total treasurer . . . . .	<u>4,806</u>	<u>4,806</u>	<u>4,801</u>	<u>5</u>
Law director:				
Salaries and wages . . . . .	207,922	207,922	204,290	3,632
Fringe benefits. . . . .	55,052	55,052	54,278	774
Contractual services . . . . .	5,045	5,045	4,061	984
Materials and supplies. . . . .	3,005	3,005	1,884	1,121
Total law director. . . . .	<u>271,024</u>	<u>271,024</u>	<u>264,513</u>	<u>6,511</u>
City council:				
Salaries and wages . . . . .	32,200	32,200	31,832	368
Fringe benefits. . . . .	6,125	6,125	6,003	122
Total city council . . . . .	<u>38,325</u>	<u>38,325</u>	<u>37,835</u>	<u>490</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, 2017

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Clerk of council:				
Salaries and wages . . . . .	\$ 8,800	\$ 8,800	\$ 8,606	\$ 194
Fringe benefits. . . . .	1,657	1,657	1,609	48
Contractual services . . . . .	9,300	9,300	4,650	4,650
Materials and supplies. . . . .	300	300	-	300
Total clerk of council. . . . .	<u>20,057</u>	<u>20,057</u>	<u>14,865</u>	<u>5,192</u>
Judge and probation:				
Salaries and wages . . . . .	221,251	221,251	212,577	8,674
Fringe benefits. . . . .	85,887	85,887	79,841	6,046
Contractual services . . . . .	20,424	10,424	8,341	2,083
Materials and supplies. . . . .	4,800	4,800	3,983	817
Total judge and probation. . . . .	<u>332,362</u>	<u>322,362</u>	<u>304,742</u>	<u>17,620</u>
Clerk of courts:				
Salaries and wages . . . . .	218,822	218,822	212,821	6,001
Fringe benefits. . . . .	108,670	108,670	103,685	4,985
Contractual services . . . . .	44,821	37,724	34,867	2,857
Materials and supplies. . . . .	23,500	10,792	10,792	-
Total clerk of courts. . . . .	<u>395,813</u>	<u>376,008</u>	<u>362,165</u>	<u>13,843</u>
Civil service:				
Salaries and wages . . . . .	12,150	15,296	15,295	1
Fringe benefits. . . . .	2,711	2,711	2,695	16
Materials and supplies. . . . .	9,646	14,854	14,854	-
Total civil service. . . . .	<u>24,507</u>	<u>32,861</u>	<u>32,844</u>	<u>17</u>
Engineering:				
Salaries and wages . . . . .	83,126	83,126	81,468	1,658
Fringe benefits. . . . .	28,574	28,574	28,319	255
Contractual services . . . . .	22,704	22,704	14,705	7,999
Materials and supplies. . . . .	5,756	5,756	4,634	1,122
Total engineering. . . . .	<u>140,160</u>	<u>140,160</u>	<u>129,126</u>	<u>11,034</u>
State examiner:				
Contractual services . . . . .	14,400	14,400	14,378	22
Total state examiner . . . . .	<u>14,400</u>	<u>14,400</u>	<u>14,378</u>	<u>22</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Land and buildings:				
Salaries and wages . . . . .	\$ 65,381	\$ 65,381	\$ 64,883	\$ 498
Fringe benefits. . . . .	31,386	31,386	28,966	2,420
Contractual services . . . . .	362,630	322,630	297,760	24,870
Total land and buildings. . . . .	<u>459,397</u>	<u>419,397</u>	<u>391,609</u>	<u>27,788</u>
General administration:				
Salaries and wages . . . . .	48,001	48,001	48,000	1
Fringe benefits. . . . .	16,514	16,514	16,310	204
Contractual services . . . . .	199,125	203,075	185,717	17,358
Materials and supplies. . . . .	14,500	14,500	13,927	573
Other . . . . .	100	100	43	57
Total general administration. . . . .	<u>278,240</u>	<u>282,190</u>	<u>263,997</u>	<u>18,193</u>
Total general government. . . . .	<u>2,298,835</u>	<u>2,241,334</u>	<u>2,136,790</u>	<u>104,544</u>
Security of persons and property:				
Police:				
Salaries and wages . . . . .	2,876,833	2,721,180	2,721,178	2
Fringe benefits. . . . .	483,113	709,687	704,846	4,841
Contractual services . . . . .	251,542	200,585	184,506	16,079
Materials and supplies. . . . .	148,339	128,479	126,718	1,761
Total police. . . . .	<u>3,759,827</u>	<u>3,759,931</u>	<u>3,737,248</u>	<u>22,683</u>
Fire:				
Salaries and wages . . . . .	2,035,272	2,035,272	2,033,564	1,708
Fringe benefits. . . . .	292,508	505,432	503,843	1,589
Contractual services . . . . .	135,500	110,838	101,164	9,674
Materials and supplies. . . . .	45,480	26,722	26,148	574
Total fire . . . . .	<u>2,508,760</u>	<u>2,678,264</u>	<u>2,664,719</u>	<u>13,545</u>
Fire communications:				
Materials and supplies. . . . .	7,020	7,020	7,020	-
Total fire communications. . . . .	<u>7,020</u>	<u>7,020</u>	<u>7,020</u>	<u>-</u>
Safety administration:				
Salaries and wages . . . . .	427,071	427,071	425,199	1,872
Fringe benefits. . . . .	170,153	170,153	169,483	670
Contractual services . . . . .	61,089	334,793	332,011	2,782
Total safety administration. . . . .	<u>658,313</u>	<u>932,017</u>	<u>926,693</u>	<u>5,324</u>
Prisoner support:				
Contractual services . . . . .	9,000	9,000	7,875	1,125
Total prisoner support. . . . .	<u>9,000</u>	<u>9,000</u>	<u>7,875</u>	<u>1,125</u>
Total security of persons and property .	<u>6,942,920</u>	<u>7,386,232</u>	<u>7,343,555</u>	<u>42,677</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public health services:				
Health control and prevention:				
Salaries and wages . . . . .	\$ 51,769	\$ 51,769	\$ 50,747	\$ 1,022
Fringe benefits. . . . .	30,511	30,511	30,285	226
Contractual services . . . . .	64,004	64,004	54,714	9,290
Materials and supplies. . . . .	300	300	300	-
Other . . . . .	1,075	1,075	1,075	-
Total health control and prevention . . . . .	<u>147,659</u>	<u>147,659</u>	<u>137,121</u>	<u>10,538</u>
Health administration:				
Salaries and wages . . . . .	332,941	324,090	324,090	-
Fringe benefits. . . . .	335	335	315	20
Contractual services . . . . .	135,106	131,367	127,377	3,990
Materials and supplies. . . . .	26,140	26,140	24,076	2,064
Other . . . . .	45,000	45,000	41,709	3,291
Total health administration . . . . .	<u>539,522</u>	<u>526,932</u>	<u>517,567</u>	<u>9,365</u>
Total public health services . . . . .	<u>687,181</u>	<u>674,591</u>	<u>654,688</u>	<u>19,903</u>
Community environment:				
Tree care:				
Contractual services . . . . .	<u>375</u>	<u>375</u>	<u>375</u>	<u>-</u>
Total tree care. . . . .	<u>375</u>	<u>375</u>	<u>375</u>	<u>-</u>
Zoning and building:				
Salaries and wages . . . . .	121,662	121,662	121,660	2
Fringe benefits. . . . .	29,761	29,761	27,920	1,841
Contractual services . . . . .	17,453	17,453	5,648	11,805
Materials and supplies. . . . .	4,180	4,180	3,779	401
Total zoning and building. . . . .	<u>173,056</u>	<u>173,056</u>	<u>159,007</u>	<u>14,049</u>
Total community environment . . . . .	<u>173,431</u>	<u>173,431</u>	<u>159,382</u>	<u>14,049</u>
Basic utility services:				
Storm sewer:				
Salaries and wages . . . . .	39,604	39,604	34,736	4,868
Fringe benefits. . . . .	21,116	21,116	20,415	701
Total storm sewer . . . . .	<u>60,720</u>	<u>60,720</u>	<u>55,151</u>	<u>5,569</u>
Total basic utility services. . . . .	<u>60,720</u>	<u>60,720</u>	<u>55,151</u>	<u>5,569</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, 2017

	<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 . . . . .	\$ 292,191	\$ 292,191	\$ 292,051	\$ 140
Fringe benefits. . . . .	89,691	89,691	86,764	2,927
Contractual services . . . . .	66,383	66,383	63,656	2,727
Materials and supplies. . . . .	22,181	22,181	18,564	3,617
Total parks. . . . .	<u>470,446</u>	<u>470,446</u>	<u>461,035</u>	<u>9,411</u>
Recreation:				
Salaries and wages . . . . .	81,831	81,831	81,831	-
Fringe benefits. . . . .	35,884	35,884	33,887	1,997
Contractual services . . . . .	3,840	3,840	3,696	144
Materials and supplies. . . . .	12,030	12,030	11,060	970
Total recreation . . . . .	<u>133,585</u>	<u>133,585</u>	<u>130,474</u>	<u>3,111</u>
Total leisure time activities. . . . .	<u>604,031</u>	<u>604,031</u>	<u>591,509</u>	<u>12,522</u>
Total expenditures . . . . .	<u>10,767,118</u>	<u>11,140,339</u>	<u>10,941,075</u>	<u>199,264</u>
Excess of revenues over expenditures. . . . .	<u>488,030</u>	<u>274,676</u>	<u>592,734</u>	<u>318,058</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	11,537	11,537	11,537	-
Transfers out . . . . .	(80,000)	(842,287)	(842,287)	-
Sale of capital assets . . . . .	910	910	911	1
Advance in . . . . .	68,000	68,000	68,000	-
Total other financing sources (uses). . . . .	<u>447</u>	<u>(761,840)</u>	<u>(761,839)</u>	<u>1</u>
Net change in fund balance. . . . .	488,477	(487,164)	(169,105)	318,059
<b>Fund balance at beginning of year . . . .</b>	347,404	347,404	347,404	-
<b>Prior year encumbrances appropriated .</b>	<u>26,372</u>	<u>26,372</u>	<u>26,372</u>	<u>-</u>
<b>Fund balance (deficit) at end of year. . . . .</b>	<u>\$ 862,253</u>	<u>\$ (113,388)</u>	<u>\$ 204,671</u>	<u>\$ 318,059</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 31,500	\$ 31,500	\$ 50,317	\$ 18,817
Intergovernmental . . . . .	120,000	120,000	402,141	282,141
Other. . . . .	450,000	450,000	498,390	48,390
<b>Total revenues . . . . .</b>	<u>601,500</u>	<u>601,500</u>	<u>950,848</u>	<u>349,348</u>
<b>Expenditures:</b>				
Current:				
Community environment:				
Salaries and wages . . . . .	16,592	16,592	16,586	6
Fringe benefits. . . . .	7,612	7,830	7,720	110
Contractual services . . . . .	856,570	1,146,570	1,104,884	41,686
Capital outlay . . . . .	1,427,000	1,427,000	335,647	1,091,353
<b>Total expenditures. . . . .</b>	<u>2,307,774</u>	<u>2,597,992</u>	<u>1,464,837</u>	<u>1,133,155</u>
Net change in fund balance . . . . .	(1,706,274)	(1,996,492)	(513,989)	1,482,503
<b>Fund balance at beginning of year . . . . .</b>	2,082,342	2,082,342	2,082,342	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>79,070</u>	<u>79,070</u>	<u>79,070</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 455,138</u>	<u>\$ 164,920</u>	<u>\$ 1,647,423</u>	<u>\$ 1,482,503</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 3,275,596	\$ 5,327,699	\$ 267,187	\$ 8,870,482	\$ 260,793
Restricted assets:					
Cash and cash equivalents with fiscal agents . . .	1,239,714	-	-	1,239,714	-
Receivables (net of allowance for uncollectibles):					
Accounts . . . . .	654,759	646,515	-	1,301,274	22,212
Municipal income taxes . . . . .	85,398	-	-	85,398	-
Prepayments . . . . .	44,652	49,465	513	94,630	-
Materials and supplies inventory . . . . .	352,213	61,590	-	413,803	-
Total current assets . . . . .	<u>5,652,332</u>	<u>6,085,269</u>	<u>267,700</u>	<u>12,005,301</u>	<u>283,005</u>
Noncurrent assets:					
Net pension asset . . . . .	5,215	5,388	61	10,664	-
Restricted assets:					
Equity in pooled cash and cash equivalents. . .	1,132,890	-	-	1,132,890	-
Cash and cash equivalents with fiscal agents . .	439,510	-	-	439,510	-
Total restricted assets. . . . .	<u>1,572,400</u>	<u>-</u>	<u>-</u>	<u>1,572,400</u>	<u>-</u>
Capital assets:					
Non-depreciable capital assets. . . . .	1,788,842	6,373,701	-	8,162,543	-
Depreciable capital assets, net . . . . .	11,797,381	8,041,188	219,114	20,057,683	-
Total capital assets, net. . . . .	<u>13,586,223</u>	<u>14,414,889</u>	<u>219,114</u>	<u>28,220,226</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>15,163,838</u>	<u>14,420,277</u>	<u>219,175</u>	<u>29,803,290</u>	<u>-</u>
Total assets . . . . .	<u>20,816,170</u>	<u>20,505,546</u>	<u>486,875</u>	<u>41,808,591</u>	<u>283,005</u>
<b>Deferred outflows of resources:</b>					
Unamortized deferred charges on debt refunding	344,476	-	-	344,476	-
Pension-OPERS . . . . .	886,527	901,626	19,974	1,808,127	-
Total deferred outflows of resources . . . . .	<u>1,231,003</u>	<u>901,626</u>	<u>19,974</u>	<u>2,152,603</u>	<u>-</u>
Total assets and deferred outflows of resources .	<u>\$ 22,047,173</u>	<u>\$ 21,407,172</u>	<u>\$ 506,849</u>	<u>\$ 43,961,194</u>	<u>\$ 283,005</u>

- Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS (CONTINUED)  
 DECEMBER 31, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	\$ 63,781	\$ 54,888	\$ -	\$ 118,669	\$ -
Contracts payable . . . . .	-	61,922	-	61,922	-
Accrued wages and benefits payable . . . . .	48,882	47,980	-	96,862	-
Compensated absences . . . . .	132,809	104,290	-	237,099	-
Due to other governments . . . . .	23,817	23,426	1,077	48,320	-
Accrued interest payable . . . . .	2,092	-	-	2,092	-
Claims payable . . . . .	-	-	-	-	215,610
Payable from restricted assets:					
Revenue bonds payable - current . . . . .	1,338,295	-	-	1,338,295	-
Accrued interest payable . . . . .	21,237	-	-	21,237	-
General obligation bonds payable - current . . . . .	55,010	-	-	55,010	-
OPWC loans payable - current . . . . .	37,105	42,985	-	80,090	-
Total current liabilities . . . . .	<u>1,723,028</u>	<u>335,491</u>	<u>1,077</u>	<u>2,059,596</u>	<u>215,610</u>
Long-term liabilities:					
Revenue bonds payable . . . . .	2,840,553	-	-	2,840,553	-
General obligation bonds payable . . . . .	860,131	-	-	860,131	-
OPWC loans payable . . . . .	983,272	373,316	-	1,356,588	-
Compensated absences payable . . . . .	144,137	172,471	-	316,608	-
OWDA loans payable . . . . .	365,607	4,552,606	-	4,918,213	-
Net pension liability . . . . .	2,279,811	2,355,496	26,506	4,661,813	-
Total long-term liabilities . . . . .	<u>7,473,511</u>	<u>7,453,889</u>	<u>26,506</u>	<u>14,953,906</u>	<u>-</u>
Total liabilities . . . . .	<u>9,196,539</u>	<u>7,789,380</u>	<u>27,583</u>	<u>17,013,502</u>	<u>215,610</u>
<b>Deferred inflows of resources:</b>					
Pension OPERS. . . . .	<u>16,216</u>	<u>48,405</u>	<u>189</u>	<u>64,810</u>	<u>-</u>
Total deferred inflows of resources . . . . .	<u>16,216</u>	<u>48,405</u>	<u>189</u>	<u>64,810</u>	<u>-</u>
<b>Net position:</b>					
Net investment in capital assets . . . . .	7,450,726	9,384,060	219,114	17,053,900	-
Restricted for:					
Debt service . . . . .	439,150	-	-	439,150	-
Replacement and surplus reserve . . . . .	1,132,890	-	-	1,132,890	-
Unrestricted . . . . .	<u>3,811,652</u>	<u>4,185,327</u>	<u>259,963</u>	<u>8,256,942</u>	<u>67,395</u>
Total net position . . . . .	<u>\$ 12,834,418</u>	<u>\$ 13,569,387</u>	<u>\$ 479,077</u>	<u>26,882,882</u>	<u>\$ 67,395</u>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				<u>11,187</u>	
Net position of business-type activities				<u>\$ 26,894,069</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF ALLIANCE, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 4,952,150	\$ 4,344,654	\$ 523,191	\$ 9,819,995	\$ 2,581,920
Licenses, permits and fees . . . . .	-	23,382	-	23,382	-
Other . . . . .	74,686	30,678	51,601	156,965	33,838
<b>Total operating revenues.</b> . . . .	<b>5,026,836</b>	<b>4,398,714</b>	<b>574,792</b>	<b>10,000,342</b>	<b>2,615,758</b>
<b>Operating expenses:</b>					
Salaries and benefits . . . . .	1,330,928	1,368,476	14,926	2,714,330	-
Fringe benefits . . . . .	821,321	937,416	9,291	1,768,028	-
Contract services. . . . .	687,813	987,710	359,566	2,035,089	-
Materials and supplies . . . . .	1,081,478	703,304	32,973	1,817,755	-
Depreciation. . . . .	492,681	654,779	14,301	1,161,761	-
Claims. . . . .	-	-	-	-	2,560,111
Other . . . . .	5,610	54,773	150	60,533	-
<b>Total operating expenses.</b> . . . .	<b>4,419,831</b>	<b>4,706,458</b>	<b>431,207</b>	<b>9,557,496</b>	<b>2,560,111</b>
<b>Operating income.</b> . . . .	<b>607,005</b>	<b>(307,744)</b>	<b>143,585</b>	<b>442,846</b>	<b>55,647</b>
<b>Nonoperating revenues (expenses):</b>					
Interest revenue . . . . .	47,587	80,687	-	128,274	-
Interest expense and fiscal charges . . . . .	(312,898)	(35,719)	-	(348,617)	-
Municipal income tax revenue . . . . .	380,242	-	-	380,242	-
<b>Total nonoperating revenues (expenses)</b> . . . .	<b>114,931</b>	<b>44,968</b>	<b>-</b>	<b>159,899</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>721,936</b>	<b>(262,776)</b>	<b>143,585</b>	<b>602,745</b>	<b>55,647</b>
<b>Capital contributions.</b> . . . .	<b>602,256</b>	<b>73,036</b>	<b>-</b>	<b>675,292</b>	<b>-</b>
<b>Change in net position</b> . . . . .	<b>1,324,192</b>	<b>(189,740)</b>	<b>143,585</b>	<b>1,278,037</b>	<b>55,647</b>
<b>Net position at beginning of year</b> . . . . .	<b>11,510,226</b>	<b>13,759,127</b>	<b>335,492</b>		<b>11,748</b>
<b>Net position at end of year</b> . . . . .	<b>\$ 12,834,418</b>	<b>\$ 13,569,387</b>	<b>\$ 479,077</b>		<b>\$ 67,395</b>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				24,590	
Change in net position of business-type activities.				\$ 1,302,627	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>					
Cash received from customers . . . . .	\$ 5,154,381	\$ 4,322,137	\$ 523,191	\$ 9,999,709	\$ -
Cash received from licenses and permits . . . . .	-	23,382	-	23,382	-
Cash received from other operations . . . . .	74,686	28,294	51,601	154,581	15,551
Cash received from interfund services provided . . . . .	-	-	-	-	2,577,995
Cash payments for salaries and benefits . . . . .	(1,359,516)	(1,405,570)	(15,207)	(2,780,293)	-
Cash payments for fringe benefits . . . . .	(546,082)	(613,311)	(2,631)	(1,162,024)	-
Cash payments for contractual services . . . . .	(681,157)	(966,295)	(359,668)	(2,007,120)	-
Cash payments for materials and supplies . . . . .	(1,018,217)	(726,171)	(32,973)	(1,777,361)	-
Cash payments for claims . . . . .	-	-	-	-	(2,499,740)
Cash payments for other expenses . . . . .	(4,965)	(54,035)	(150)	(59,150)	-
 Net cash provided by operating activities . . . . .	 1,619,130	 608,431	 164,163	 2,391,724	 93,806
<b>Cash flows from noncapital financing activities:</b>					
Cash received from municipal income taxes . . . . .	388,790	-	-	388,790	-
 Net cash provided by noncapital financing activities . . . . .	 388,790	 -	 -	 388,790	 -
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets . . . . .	(992,247)	(4,387,795)	-	(5,380,042)	-
Cash received from capital contributions . . . . .	602,256	73,036	-	675,292	-
Proceeds from OWDA loans . . . . .	365,607	3,807,992	-	4,173,599	-
Principal retirement on general obligation bonds . . . . .	(55,000)	-	-	(55,000)	-
Principal retirement on revenue bonds . . . . .	(1,280,000)	-	-	(1,280,000)	-
Principal retirement on OPWC loans . . . . .	(37,105)	(42,985)	-	(80,090)	-
Interest and fiscal charges . . . . .	(240,733)	(35,719)	-	(276,452)	-
 Net cash used in capital and related financing activities . . . . .	 (1,637,222)	 (585,471)	 -	 (2,222,693)	 -
<b>Cash flows from investing activities:</b>					
Interest received . . . . .	47,587	80,687	-	128,274	-
 Net cash provided by investing activities . . . . .	 47,587	 80,687	 -	 128,274	 -
 Net increase in cash and cash equivalents . . . . .	 418,285	 103,647	 164,163	 686,095	 93,806
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>5,669,425</b>	<b>5,224,052</b>	<b>103,024</b>	<b>10,996,501</b>	<b>166,987</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b>\$ 6,087,710</b>	<b>\$ 5,327,699</b>	<b>\$ 267,187</b>	<b>\$ 11,682,596</b>	<b>\$ 260,793</b>

- Continued

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income . . . . .	\$ 607,005	\$ (307,744)	\$ 143,585	\$ 442,846	\$ 55,647
Adjustments:					
Depreciation . . . . .	492,681	654,779	14,301	1,161,761	-
Changes in assets and liabilities:					
Accounts receivable . . . . .	202,231	(24,901)	-	177,330	(22,212)
Intergovernmental receivable . . . . .	645	738	-	1,383	-
Materials and supplies inventory . . . . .	18,847	(19,414)	-	(567)	-
Prepayments . . . . .	(569)	(725)	1	(1,293)	-
Net pension asset . . . . .	(881)	(670)	(61)	(1,612)	-
Deferred outflows - pension - OPERS. . . . .	(212,019)	(167,340)	(19,974)	(399,333)	-
Accounts payable . . . . .	18,344	22,340	(1,461)	39,223	-
Contracts payable . . . . .	-	(41,607)	-	(41,607)	-
Accrued wages and benefits. . . . .	4,707	1,014	-	5,721	-
Intergovernmental payable . . . . .	(4,867)	(6,816)	1,077	(10,606)	-
Compensated absences payable. . . . .	(58,068)	(5,523)	-	(63,591)	-
Net pension liability . . . . .	569,860	493,999	26,506	1,090,365	-
Deferred inflows - pension - OPERS . . . . .	(18,786)	10,301	189	(8,296)	-
Claims payable . . . . .	-	-	-	-	60,371
Net cash provided by operating activities . . . . .	<u>\$ 1,619,130</u>	<u>\$ 608,431</u>	<u>\$ 164,163</u>	<u>\$ 2,391,724</u>	<u>\$ 93,806</u>

**Noncash capital and related financing activities:**

At December 31, 2016, capital assets purchased on account for the Water fund amounted to \$21,414.

At December 31, 2017 and December 31, 2016, capital assets purchased on account for the Sewer fund amounted to \$61,922 and \$21,414, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2017**

	<u>Agency</u>
<b>Assets:</b>	
Cash and cash equivalents in segregated accounts . . . . .	\$ 17,053
Receivables:	
Accounts . . . . .	<u>835</u>
Total assets . . . . .	<u>\$ 17,888</u>
<b>Liabilities:</b>	
Due to others . . . . .	<u>\$ 17,888</u>
Total liabilities . . . . .	<u>\$ 17,888</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## **CITY OF ALLIANCE, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

#### **NOTE 1 - DESCRIPTION OF THE CITY**

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

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

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

The City is associated with the Stark County Council of Governments, the Stark County Regional Planning Commission, and the Stark Area Regional Transit Authority, which are defined as jointly governed organizations. The City does not have any financial interest in or responsibility for these organizations (see Note 16).

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 2017, the Mayor was an Ex-Officio non-voting member. The Foundation's goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **A. Basis of Presentation**

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

**B. Fund Accounting**

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

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

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

The nonmajor enterprise fund of the City are used to account for Robertson Community Center operations and garbage collection services.

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

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

**C. Measurement Focus and Basis of Accounting**

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

**D. Basis of Accounting**

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

*Deferred Inflows of resources* - Deferred inflows of resources arise when assets are recognized before revenue recognition criteria have been satisfied.

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



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

**E. Budgetary Data**

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

**F. Cash and Cash Equivalents**

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

During 2017, investments were limited to federal agency securities, a U.S. Government money market account, commercial paper accounts, the State Treasury Asset Reserve of Ohio (STAR Ohio) and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Investments are reported at fair value which is based on quoted market prices.

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by provisions of the Ohio Revised Code. Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2017 amounted to \$20,511, which includes \$8,997 assigned from other City funds.

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

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

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

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

**G. Interfund Assets and Liabilities**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is classified as “interfund loans receivable/payable” for the current portion of interfund loans and “advances to/from other funds” for the non-current portion. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

**H. Inventories**

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

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

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**I. Restricted Assets**

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

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

On government-wide financial statements and in the enterprise funds, issuance costs are expensed during the year in which they incurred.

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

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

On the governmental-wide financial statements and proprietary fund financial statements, bond premiums are recognized in the current period. The reconciliation between the bond's face value and the amount reported on the statement of net position is presented in Note 11.B.

**K. Prepayments**

Payments made to vendors for services that will benefit beyond December 31, 2017 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

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

**L. Capital Assets and Depreciation**

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

**M. Compensated Absences**

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

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

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

**N. Fund Balance**

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

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

**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.

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Q. Estimates**

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

**R. Fair Value Measurements**

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

**S. Accrued Liabilities and Long-term Obligations**

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

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

**T. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in capital assets" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position restricted for other purposes consist primarily of municipal court computerization, State misdemeanor programs, indigent drivers program, Brownfield programs, municipal court security and municipal court legal research.

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



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**U. Contributions of Capital**

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

**V. Pensions**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2017, the City has implemented GASB Statement No. 80, "*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*", GASB Statement No. 81 "*Irrevocable Split-Interest Agreements*", and GASB Statement No. 82, "*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*".

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the City.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

**B. Deficit Fund Balances**

Fund balances at December 31, 2017 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Court ADR	\$ 240
Brownfield Grant	5,671
Alliance Municipal Court Special Projects	6,196

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

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

	<b>Net Change in Fund Balance</b>	
	<u>General fund</u>	<u>Revolving loan fund</u>
Budget basis	\$ (169,105)	\$ (513,989)
Net adjustment for revenue accruals	(199,930)	(298,126)
Net adjustment for expenditure accruals	168,366	286,661
Net adjustments for other financing sources and uses	(68,000)	-
Funds budgeted elsewhere	88,031	-
Adjustments for encumbrances	<u>25,372</u>	<u>180,673</u>
GAAP basis	<u>\$ (155,266)</u>	<u>\$ (344,781)</u>

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

**NOTE 5 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the City has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

**A. Cash and Cash Equivalents with Fiscal Agents**

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

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

At year end, the City had \$17,053 in cash held in segregated accounts for Municipal Court operations. This amount is not included in deposits with financial institutions below.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**C. Deposits with Financial Institutions**

At December 31, 2017, the carrying amount of all City deposits was \$2,839,756 and the bank balance of all City deposits was \$3,733,763. Of the bank balance, \$496,255 was covered by the FDIC and \$3,237,508 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

**D. Investments**

As of December 31, 2017, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 - 18 months	19 - 24 months	Greater than 24 months
Fair Value:						
Commercial Paper	\$ 1,424,175	\$ 297,519	\$ 1,126,656	\$ -	\$ -	\$ -
FFCB	1,985,932	-	-	-	439,415	1,546,517
FHLB	1,942,291	-	298,776	-	590,256	1,053,259
FNMA	4,410,937	999,559	-	1,737,907	-	1,673,471
FHLMC	2,475,453	-	-	-	-	2,475,453
U.S. Government money market mutual funds	1,702,648	1,702,648	-	-	-	-
Amortized Cost:						
STAR Ohio	<u>202,739</u>	<u>202,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,144,175</u>	<u>\$ 3,202,465</u>	<u>\$ 1,425,432</u>	<u>\$ 1,737,907</u>	<u>\$ 1,029,671</u>	<u>\$ 6,748,700</u>

The weighted average maturity of investments is 1.84 years. The City's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FFCB, FHLB, FNMA, FHLMC and commercial paper) are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

*Concentration of Credit Risk:* The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair Value:		
Commercial Paper	\$ 1,424,175	10.07
FFCB	1,985,932	14.04
FHLB	1,942,291	13.73
FNMA	4,410,937	31.19
FHLMC	2,475,453	17.50
U.S. Government money market mutual funds	1,702,648	12.04
Amortized cost:		
STAR Ohio	<u>202,739</u>	<u>1.43</u>
Total	<u>\$ 14,144,175</u>	<u>100.00</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,839,756
Investments	14,144,175
Cash in segregated accounts	<u>17,053</u>
Total	<u>\$ 17,000,984</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 5,301,335
Business-type activities	11,682,596
Agency	<u>17,053</u>
Total	<u>\$ 17,000,984</u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2017 consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues, accrued interest and special assessments. All receivables are deemed collectible in full.

**A. Property Taxes**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Alliance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the governmental funds, the current portion of the receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2017 was \$6.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 167,409,670
Commercial/industrial/mineral	101,153,200
Public utility	<u>12,318,940</u>
Total assessed value	<u>\$ 280,881,810</u>

**B. Loans Receivable**

Loans receivable represent the principal owed to the City for community development block grants and urban development action grants. The loans bear interest at annual rates between two and six percent. The loans are to be repaid over periods ranging from five to fifteen years. Total loans receivable at December 31, 2017 were \$884,788.

**C. Income Taxes**

Employers within the City are required to withhold income taxes on employee compensation and remit the taxes to the City either monthly or quarterly, as required. Corporations are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds in 2017, after income tax department expenditures, are to be credited to the following funds at the following percentages: 91 percent to the general fund, 3 percent to the capital improvements fund, 2 percent to the street income tax construction fund (a nonmajor governmental fund) and 4 percent to the water fund. On the fund financial statements, total income taxes receivable for 2017 was \$2,049,550 in the governmental funds and \$85,398 in the water fund.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**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, 2017, the total special assessments receivable was \$1,217,605.

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for 2017 is as follows:

	Balance			Balance
<b><u>Governmental activities:</u></b>	<u>1/1/17</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,688,987	\$ -	\$ -	\$ 2,688,987
Easements and right of ways	85,618	30,400	-	116,018
Construction in progress	<u>1,405,527</u>	<u>517,376</u>	<u>-</u>	<u>1,922,903</u>
Total capital assets, not being depreciated	<u>4,180,132</u>	<u>547,776</u>	<u>-</u>	<u>4,727,908</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	8,832,564	115,885	-	8,948,449
Furniture, fixtures and equipment	5,048,143	351,246	-	5,399,389
Vehicles	4,484,261	20,900	(176,390)	4,328,771
Infrastructure	<u>34,071,607</u>	<u>52,071</u>	<u>-</u>	<u>34,123,678</u>
Total capital assets, being depreciated	<u>52,436,575</u>	<u>540,102</u>	<u>(176,390)</u>	<u>52,800,287</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(3,454,697)	(586,037)	-	(4,040,734)
Furniture, fixtures and equipment	(3,435,515)	(190,138)	-	(3,625,653)
Vehicles	(2,442,744)	(179,145)	158,751	(2,463,138)
Infrastructure	<u>(26,886,653)</u>	<u>(1,177,992)</u>	<u>-</u>	<u>(28,064,645)</u>
Total accumulated depreciation	<u>(36,219,609)</u>	<u>(2,133,312)</u>	<u>158,751</u>	<u>(38,194,170)</u>
Total capital assets being depreciated, net	<u>16,216,966</u>	<u>(1,593,210)</u>	<u>(17,639)</u>	<u>14,606,117</u>
Governmental activities capital assets, net	<u>\$ 20,397,098</u>	<u>\$ (1,045,434)</u>	<u>\$ (17,639)</u>	<u>\$ 19,334,025</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

**Governmental activities:**

General government	\$ 388,082
Security of persons and property	523,933
Public health services	3,574
Transportation	1,104,439
Community environment	12,723
Basic utility services	2,241
Leisure time activities	<u>98,320</u>
Total depreciation expense - governmental activities	<u>\$ 2,133,312</u>

	Balance			Balance
<b><u>Business-type activities:</u></b>	1/1/17	Additions	Disposals	12/31/17
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,159,437	\$ -	\$ -	\$ 1,159,437
Construction in progress	<u>1,705,239</u>	<u>5,297,867</u>	<u>-</u>	<u>7,003,106</u>
Total capital assets, not being depreciated	<u>2,864,676</u>	<u>5,297,867</u>	<u>-</u>	<u>8,162,543</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,482,896	20,000	-	1,502,896
Buildings, structures and improvements	13,147,288	-	-	13,147,288
Water and sewer lines	25,913,575	15,175	-	25,928,750
Furniture, fixtures and equipment	<u>9,878,852</u>	<u>66,094</u>	<u>-</u>	<u>9,944,946</u>
Total capital assets, being depreciated	<u>50,422,611</u>	<u>101,269</u>	<u>-</u>	<u>50,523,880</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,304,805)	(24,022)	-	(1,328,827)
Buildings, structures and improvements	(7,191,758)	(249,220)	-	(7,440,978)
Water and sewer lines	(15,727,110)	(510,351)	-	(16,237,461)
Furniture, fixtures and equipment	<u>(5,080,763)</u>	<u>(378,168)</u>	<u>-</u>	<u>(5,458,931)</u>
Total accumulated depreciation	<u>(29,304,436)</u>	<u>(1,161,761)</u>	<u>-</u>	<u>(30,466,197)</u>
Total capital assets being depreciated, net	<u>21,118,175</u>	<u>(1,060,492)</u>	<u>-</u>	<u>20,057,683</u>
Business-type activities capital assets, net	<u>\$23,982,851</u>	<u>\$ 4,237,375</u>	<u>\$ -</u>	<u>\$ 28,220,226</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Depreciation expense was charged to the enterprise funds as follows:

**Business-type activities:**

Sewer	\$	654,779
Water		492,681
Nonmajor:		
Robertson Community Center		14,301
Total depreciation expense - business-type activities		\$ 1,161,761

**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 2017, the City contracted with Ohio Municipal Joint Self-Insurance Pool for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Occurrence</u>	<u>Limit - Aggregate</u>
General Liability	None	\$1,000,000	\$ 3,000,000
Wrongful Acts	\$ 5,000	1,000,000	1,000,000
Law Enforcement	5,000	1,000,000	1,000,000
Automobile Liability	250-500	1,000,000	1,000,000
Bond	250	None	50,000
Crime - Theft	250	None	100,000
Crime - Forgery/Computer Fraud	250	None	100,000
Property	2,500	None	68,939,643
Inland Marine	1,000	None	2,990,343
Electronic Data Processing	1,000	None	593,816
Excess Liability	10,000	2,000,000	2,000,000

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**B. Workers' Compensation**

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

**C. Health Insurance**

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

The claims liability of \$215,610 reported in the self-insurance fund at December 31, 2017, 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
2015	274,553	2,729,400	(2,764,051)	239,902
2016	239,902	2,714,772	(2,799,435)	155,239
2017	155,239	2,560,111	(2,499,740)	215,610

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 9 - INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

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

A summary of interfund transfers is as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 842,287
Nonmajor governmental funds	General fund	11,537
Nonmajor governmental funds	Nonmajor governmental funds	<u>37,000</u>
Total		<u>\$ 890,824</u>

Transfers between governmental funds are eliminated on the government-wide financial statements. All transfers made in 2017 were in accordance with Ohio Revised Code sections 5705.14, 5705.15 and 5705.16.

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

Interfund balances at December 31, 2017 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 28,893</u>

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**C. Interfund Loans**

Interfund loans consisted of the following at December 31, 2017, as reported on the fund financial statements.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	\$ <u>13,000</u>

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

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

The City had long-term interfund loans at December 31, 2017. These loans are not expected to be repaid in the subsequent year. The City has classified these loans as “advances to/from other funds” on the fund financial statements

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

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

**NOTE 10 - TAX ABATEMENTS**

As of December 31, 2017, the City provides tax abatements through Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

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

During 2017, the City's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>City Taxes Abated</u>
CRA	\$ <u>277,684</u>
Total	\$ <u>277,684</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 11 - LONG-TERM OBLIGATIONS**

**A. Governmental activities**

A schedule of changes in long-term obligations of the City during 2017 follows:

	Balance Outstanding 1/1/17	Additions	Reductions	Balance Outstanding 12/31/17	Amounts Due Within One Year
<b><u>Governmental activities</u></b>					
<b><i>General obligation bonds:</i></b>					
2012 various purpose refunding bonds	\$ 75,000	\$ -	\$ (75,000)	\$ -	\$ -
Total General obligation bonds	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>
<b><i>OPWC loans:</i></b>					
MLK bridge rehabilitation	366,667	-	(13,333)	353,334	13,333
Total OPWC loans	<u>366,667</u>	<u>-</u>	<u>(13,333)</u>	<u>353,334</u>	<u>13,333</u>
<b><i>SIB loans:</i></b>					
MLK bridge project	153,449	-	(20,012)	133,437	20,617
Total SIB loans	<u>153,449</u>	<u>-</u>	<u>(20,012)</u>	<u>133,437</u>	<u>20,617</u>
<b><i>Other long-term obligations:</i></b>					
Police and fire pension liability	306,496	-	(11,246)	295,250	11,729
Net pension liability	18,061,555	1,556,763	(226,030)	19,392,288	-
Compensated absences	2,493,680	129,813	(133,509)	2,489,984	793,445
Total governmental activities	<u>\$ 21,456,847</u>	<u>\$ 1,686,576</u>	<u>\$ (479,130)</u>	<u>\$ 22,664,293</u>	<u>\$ 839,124</u>

**Series 2012 Various Purpose Improvement and Refunding Bonds**

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

The refunding issue is comprised of only serial bonds in the amount of \$455,000. The interest rate on the serial bonds ranges from 1.0% to 2.0%. The bonds were issued for a five year period, with a final stated maturity of December 1, 2017. The bonds are retired through the capital improvements fund and through the debt service fund (a nonmajor governmental fund).

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

The reacquisition price exceeded the net carrying amount of the old debt by \$9,652. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded general obligation bonds at December 31, 2017 is \$0.

Police and Fire Pension Liability

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

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These loans bear no interest. Principal payments are being made from the capital improvements fund.

State Infrastructure Bank (SIB) Loan

The City has entered into SIB Loan agreements to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These loans bear a 3.00% interest rate and mature in 2023. Principal and interest payments will be made from the capital improvements fund. During 2017, there was no interest capitalized and added to the balance of the SIB loan. During 2017, the City made a principal payment of \$20,012.

Compensated Absences

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

Net Pension Liability

The net pension liability is typically liquidated 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). See Note 12 for more detail on the net pension liability.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2017 are as follows:

Year Ending December 31,	Police and Fire Pension Liability		OPWC Loan - MLK Bridge	
	Principal	Interest	Principal	Interest
2018	\$ 11,729	\$ 12,416	\$ 13,333	\$ -
2019	12,233	11,913	13,333	-
2020	12,758	11,388	13,333	-
2021	13,305	10,840	13,333	-
2022	13,877	10,269	13,333	-
2023 - 2027	78,845	41,884	66,665	-
2028 - 2032	97,282	23,447	66,665	-
2033 - 2037	55,221	3,499	66,665	-
2038 - 2042	-	-	66,665	-
2043 - 2045	-	-	20,009	-
<b>Total</b>	<b>\$ 295,250</b>	<b>\$ 125,656</b>	<b>\$ 353,334</b>	<b>\$ -</b>

Year Ending December 31,	2014 SIB Loan - MLK Project	
	Principal	Interest
2018	\$ 20,617	\$ 3,850
2019	21,241	3,226
2020	21,882	2,584
2021	22,544	1,923
2022	23,225	1,242
2023	23,928	540
<b>Total</b>	<b>\$ 133,437</b>	<b>\$ 13,365</b>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

**B. Business-type activities**

A schedule of changes in long-term obligations of the City during 2017 follows:

	Balance Outstanding 1/1/17	Additions	Reductions	Balance Outstanding 12/31/17	Amounts Due Within One Year
<b><u>Business-type activities:</u></b>					
<b><i>Revenue bonds:</i></b>					
2008 water refunding	\$ 5,435,000	\$ -	\$ (1,280,000)	\$ 4,155,000	\$ 1,330,000
Unamortized premium	<u>32,143</u>	<u>-</u>	<u>(8,295)</u>	<u>23,848</u>	<u>8,295</u>
Total revenue bonds	<u>5,467,143</u>	<u>-</u>	<u>(1,288,295)</u>	<u>4,178,848</u>	<u>1,338,295</u>
<b><i>General obligation bonds:</i></b>					
2012 water works improvement bonds	970,000	-	(55,000)	915,000	55,000
Unamortized premium	<u>151</u>	<u>-</u>	<u>(10)</u>	<u>141</u>	<u>10</u>
Total general obligation bonds	<u>970,151</u>	<u>-</u>	<u>(55,010)</u>	<u>915,141</u>	<u>55,010</u>
<b><i>OPWC loans:</i></b>					
OPWC loan - Gaskill (2002)	10,655	-	(2,663)	7,992	2,663
OPWC loan - Beeson St. (2004)	110,277	-	(13,785)	96,492	13,785
OPWC loan - WWTP clarifier (2006)	56,840	-	(5,684)	51,156	5,684
OPWC loan - raw influent pump replacement (2009)	281,514	-	(20,853)	260,661	20,853
OPWC loan - Water UV Light Oxidation (2013)	<u>1,057,482</u>	<u>-</u>	<u>(37,105)</u>	<u>1,020,377</u>	<u>37,105</u>
Total OPWC loans	<u>1,516,768</u>	<u>-</u>	<u>(80,090)</u>	<u>1,436,678</u>	<u>80,090</u>
<b><i>OWDA loans:</i></b>					
OWDA loan - Sludge dewatering facility (2016)	744,614	3,807,992	-	4,552,606	-
OWDA loan - Marlinton-Alliance Waterline (2017)	<u>-</u>	<u>365,607</u>	<u>-</u>	<u>365,607</u>	<u>-</u>
Total OWDA loans	<u>744,614</u>	<u>4,173,599</u>	<u>-</u>	<u>4,918,213</u>	<u>-</u>
<b><i>Other long-term obligations:</i></b>					
Net pension liability	3,571,448	1,090,365	-	4,661,813	-
Compensated absences	<u>617,298</u>	<u>37,349</u>	<u>(100,940)</u>	<u>553,707</u>	<u>237,099</u>
Total business-type activities	<u>\$ 12,887,422</u>	<u>\$ 5,301,313</u>	<u>\$ (1,524,335)</u>	<u>\$ 16,664,400</u>	<u>\$ 1,710,494</u>

**Series 2008 Water Refunding Bonds**

On September 24, 2008, the City issued revenue bonds (series 2008 water refunding bonds) to advance refund the callable portion of the series 1998 revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded series 1998 current interest bonds at December 31, 2017 is \$4,340,000.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

The refunding issue is comprised of revenue bonds, par value \$14,275,000. The interest rate on the revenue bonds ranges from 3.0% - 4.0%. Interest payments on the revenue bonds are due on May 15 and November 15 of each year. The final maturity stated in the issue is November 15, 2020. Payments of principal and interest are recorded as an expense of the water fund.

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

The City has pledged future water customer revenues, net of specified operating expenses, to repay the series 2008 water refunding revenue bonds that were used for the purchase and repair of water lines in the City. The series 2008 water refunding revenue bonds are payable solely from water customer net revenues and are payable through 2020. Annual principal and interest payments on the bonds are expected to require approximately 53.77% percent of net revenues. The total principal and interest remaining to be paid on the series 2008 water refunding revenue bonds is \$4,491,800. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,494,200 and \$2,778,910, respectively.

Series 2012 Various Purpose Improvement and Refunding Bonds

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

The waterworks improvement bonds are comprised of current interest bonds (consisting of \$330,000 of serial bonds and \$915,000 term bonds). The interest rate on the current interest bonds ranges from 1.0% to 3.225%. The bonds were issued for a nineteen year period, with a final stated maturity date of December 1, 2031. The bonds will be retired through the water fund.

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

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Ohio Public Works Commission (OPWC) Loans

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

Ohio Water Development Authority (OWDA) Loans

The City has entered into two loan agreements with the OWDA to finance the construction of a sludge dewatering facility and the Marlinton-Alliance waterline project. These loans accrue interest that will be capitalized as they come due. The interest rate of the loans range from 0% to 1.47%. As of December 31, 2017, the loans are still open and amortization schedules are not yet available.

Compensated absences

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

Net Pension Liability

See Note 12 for details on the net pension liability.

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2017 are as follows:

Year Ending December 31,	2008 Water Refunding		2012 Water Works Improvement	
	Principal	Interest	Principal	Interest
2018	\$ 1,330,000	\$ 166,200	\$ 55,000	\$ 25,100
2019	1,385,000	113,000	55,000	24,000
2020	1,440,000	57,600	60,000	22,900
2021	-	-	60,000	21,700
2022	-	-	60,000	20,200
2023 - 2027	-	-	325,000	76,775
2028 - 2031	-	-	300,000	24,687
Total	<u>\$ 4,155,000</u>	<u>\$ 336,800</u>	<u>\$ 915,000</u>	<u>\$ 215,362</u>

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifer	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 2,663	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2019	2,663	-	13,785	-	5,684	-
2020	2,666	-	13,785	-	5,684	-
2021	-	-	13,785	-	5,684	-
2022	-	-	13,785	-	5,684	-
2023 - 2026	-	-	27,567	-	22,736	-
Total	<u>\$ 7,992</u>	<u>\$ -</u>	<u>\$ 96,492</u>	<u>\$ -</u>	<u>\$ 51,156</u>	<u>\$ -</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Year Ending December 31,	OPWC - Raw		OPWC - WTP Ultraviolet	
	Influent Pump Replacement		Light Oxidation	
	Principal	Interest	Principal	Interest
2018	\$ 20,853	\$ -	\$ 37,105	\$ -
2019	20,853	-	37,105	-
2020	20,853	-	37,105	-
2021	20,853	-	37,105	-
2022	20,853	-	37,105	-
2023 - 2027	104,265	-	185,525	-
2028 - 2032	52,131	-	185,525	-
2033 - 2037	-	-	185,525	-
2038 - 2042	-	-	185,525	-
2043 - 2045	-	-	92,752	-
Total	<u>\$ 260,661</u>	<u>\$ -</u>	<u>\$ 1,020,377</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, 2017, the City's total debt margin was \$29,492,590 and the unvoted debt margin was \$15,448,500.

**D. Conduit Debt**

The City has issued Industrial Development Revenue Bonds for private-sector entities for the acquisition and construction of facilities deemed to be in the public's interest. Servicing these debts is the sole obligation of the entities which received the debt proceeds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2017, \$62,210,000 had been issued and \$41,515,000 was still outstanding.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

#### NOTE 12 - DEFINED BENEFIT PENSION PLANS

##### *Net Pension Liability/Asset*

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

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

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

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

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

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



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
<b>2017 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2017 Actual Contribution Rates</b>			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	<u>1.0 %</u>	<u>1.0 %</u>	<u>1.0 %</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$785,984 for 2017. Of this amount, \$108,555 is reported as due to other governments.

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2017 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2017 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$857,778 for 2017. Of this amount \$118,297 is reported as due to other governments.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2017, the specific liability of the City was \$295,250 payable in semi-annual payments through the year 2035.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.04878900%	0.04368000%	0.04322800%	0.20491200%	
Proportion of the net pension liability/asset current measurement date	<u>0.04887200%</u>	<u>0.04528400%</u>	<u>0.04337500%</u>	<u>0.20455100%</u>	
Change in proportionate share	<u>0.00008300%</u>	<u>0.00160400%</u>	<u>0.00014700%</u>	<u>-0.00036100%</u>	
Proportionate share of the net pension liability	\$ 11,097,999	\$ -	\$ -	\$ 12,956,102	\$ 24,054,101
Proportionate share of the net pension asset	-	25,205	181	-	25,386
Pension expense	2,396,045	18,209	223	1,519,996	3,934,473

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 15,042	\$ -	\$ 1,841	\$ 3,665	\$ 20,548
Net difference between projected and actual earnings on pension plan investments	1,652,747	6,150	155	1,259,918	2,918,970
Changes of assumptions	1,760,276	6,142	203	-	1,766,621
Changes in employer's proportionate percentage/difference between employer contributions	57,265	-	-	1,690	58,955
City contributions subsequent to the measurement date	747,045	22,470	16,470	857,778	1,643,763
Total deferred outflows of resources	<u>\$ 4,232,375</u>	<u>\$ 34,762</u>	<u>\$ 18,669</u>	<u>\$ 2,123,051</u>	<u>\$ 6,408,857</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 66,051	\$ 12,890	\$ -	\$ 29,831	\$ 108,772
Changes in employer's proportionate percentage/difference between employer contributions	31,650	-	-	336,388	368,038
Total deferred inflows of resources	<u>\$ 97,701</u>	<u>\$ 12,890</u>	<u>\$ -</u>	<u>\$ 366,219</u>	<u>\$ 476,810</u>

\$1,643,763 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2018	\$ 1,406,144	\$ 1,195	\$ 322	\$ 398,857	\$ 1,806,518
2019	1,442,148	1,195	322	398,856	1,842,521
2020	587,787	929	311	283,834	872,861
2021	(48,448)	(1,250)	253	(165,974)	(215,419)
2022	(2)	(1,020)	262	(16,506)	(17,266)
Thereafter	-	(1,647)	729	(13)	(931)
<b>Total</b>	<b>\$ 3,387,629</b>	<b>\$ (598)</b>	<b>\$ 2,199</b>	<b>\$ 899,054</b>	<b>\$ 4,288,284</b>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

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

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 16,954,674	\$ 11,097,999	\$ 6,217,496
Combined Plan	1,811	(25,204)	(46,190)
Member-Directed Plan	434	(181)	(434)

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

*Actuarial Assumptions – OP&F*

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

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



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation			
Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
<b>Total</b>	<b>120.00 %</b>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 17,255,930	\$ 12,956,102	\$ 9,311,853

**Changes Between Measurement Date and Report Date** - In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

**NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

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

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$65,781, \$140,558, and \$123,632, respectively; 87.26% has been contributed for 2017 and 100% has been contributed for 2016 and 2015. The remaining 2017 post-employment health care benefits liability has been reported as due to other governments.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**B. Ohio Police and Fire Pension Fund**

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)**

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$11,572 and \$8,895 for the year ended December 31, 2017, \$14,176 and \$8,959 for the year ended December 31, 2016, and \$12,845 and \$8,661, for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 86.38% has been contributed for police and 86.69% has been contributed for firefighters for 2017. The remaining 2017 post-employment health care benefits liability has been reported as due to other governments/pension and postemployment benefits payable on the basic financial statements.

**NOTE 14 - 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. Several union contracts have additional language limiting employees hired within the past 15 years to either 960 hours or 25% of all hours on credit, whichever is less, or 25% of all hours on credit not to exceed 240 hours paid.

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 14 - 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. As of December 31, 2017, the total liability for unpaid compensated absences was \$2,489,984 for the governmental activities and \$553,707 for the business-type activities.

**B. Life Insurance**

The City provides life insurance and accidental death and dismemberment insurance to its employees through 5 Star Life Insurance Company.

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

**A. Grants**

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2017.

**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, 2017.

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

*Stark County Council of Governments (SCOG)* - The City participates in the Stark County Council of Governments (SCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities, villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and oversees accounting and finance related activities. Each participant's control is limited to its membership shares. During 2017, the City did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 - 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 85 member Board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the Board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2017, the City contributed \$8,000 to the Commission. Complete financial statements may be obtained from the Stark County Regional Planning Commission, 201 3<sup>rd</sup> Street NE, Suite 201, Canton, Ohio 44702.

***Stark Area Regional Transit Authority*** The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon, and Alliance. A nine member board of trustees oversees the operation of the Authority. Of the nine members, the City appoints one member. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Authority's liabilities. The Authority provides transportation services in Stark County. Complete financial statements may be obtained from the Stark Area Regional Transit Authority, 1600 Gateway Boulevard, SE, Canton, Ohio 44707.

**NOTE 17 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 22,489
Revolving loan fund	150,827
Other governmental	<u>339,097</u>
Total	<u>\$ 512,413</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 18 - FUND BALANCE**

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

<u>Fund balance</u>	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Materials and supplies inventory	\$ 10,037	\$ -	\$ 46,138	\$ 56,175
Prepays	201,904	417	28,556	230,877
Unclaimed monies	<u>51,048</u>	<u>-</u>	<u>-</u>	<u>51,048</u>
Total nonspendable	<u>262,989</u>	<u>417</u>	<u>74,694</u>	<u>338,100</u>
Restricted:				
Judicial operations	-	-	545,569	545,569
Security programs	-	-	355,819	355,819
K-9 collections	7,719	-	-	7,719
Public health service programs	-	-	806,011	806,011
Transportation projects	-	-	336,714	336,714
Community environment programs	-	1,961,005	99,339	2,060,344
Long-term loans	-	884,788	-	884,788
Debt service	<u>-</u>	<u>-</u>	<u>43,850</u>	<u>43,850</u>
Total restricted	<u>7,719</u>	<u>2,845,793</u>	<u>2,187,302</u>	<u>5,040,814</u>
Committed:				
Legislative and executive operations	87,966	-	-	87,966
Community environment programs	-	-	4,144	4,144
Leisure time activities programs	-	-	1,996	1,996
Transportation	-	-	6,154	6,154
Capital projects	<u>-</u>	<u>-</u>	<u>443,094</u>	<u>443,094</u>
Total committed	<u>87,966</u>	<u>-</u>	<u>455,388</u>	<u>543,354</u>
Assigned:				
Legislative and executive operations	<u>877,671</u>	<u>-</u>	<u>-</u>	<u>877,671</u>
Total assigned	<u>877,671</u>	<u>-</u>	<u>-</u>	<u>877,671</u>
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(12,107)</u>	<u>(12,107)</u>
Total fund balances	<u>\$ 1,236,345</u>	<u>\$ 2,846,210</u>	<u>\$ 2,705,277</u>	<u>\$ 6,787,832</u>

**NOTE 19 - SUBSEQUENT EVENTS**

On May 8, 2018, the City passed a 3.0 mill, 5 year property tax levy. It is estimated to provide \$865,000 annually. Collections will commence in 2018 and will be used for parks and recreational purposes.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST FOUR YEARS			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.048872%	0.048789%	0.048044%	0.048044%
City's proportionate share of the net pension liability	\$ 11,097,999	\$ 8,450,870	\$ 5,794,643	\$ 5,663,762
City's covered payroll	\$ 6,345,067	\$ 6,022,642	\$ 5,899,225	\$ 5,845,338
City's proportionate share of the net pension liability as a percentage of its covered payroll	174.91%	140.32%	98.23%	96.89%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.045284%	0.043680%	0.043697%	0.043697%
City's proportionate share of the net pension asset	\$ 25,204	\$ 21,256	\$ 16,824	\$ 4,585
City's covered payroll	\$ 176,275	\$ 158,975	\$ 153,433	\$ 119,669
City's proportionate share of the net pension asset as a percentage of its covered payroll	14.30%	13.37%	10.97%	3.83%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.043375%	0.043228%	n/a	n/a
City's proportionate share of the net pension asset	\$ 181	\$ 165	n/a	n/a
City's covered payroll	\$ 178,258	\$ 240,742	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.10%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST FOUR YEARS			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.20455100%	0.20491200%	0.21463130%	0.21463130%
City's proportionate share of the net pension liability	\$ 12,956,102	\$ 13,182,132	\$ 11,118,796	\$ 10,453,218
City's covered payroll	\$ 4,552,466	\$ 4,233,608	\$ 4,341,884	\$ 4,175,541
City's proportionate share of the net pension liability as a percentage of its covered payroll	284.60%	311.37%	256.08%	250.34%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 747,045	\$ 761,408	\$ 722,717	\$ 707,907
Contributions in relation to the contractually required contribution	<u>(747,045)</u>	<u>(761,408)</u>	<u>(722,717)</u>	<u>(707,907)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,746,500	\$ 6,345,067	\$ 6,022,642	\$ 5,899,225
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 22,470	\$ 21,153	\$ 19,077	\$ 18,412
Contributions in relation to the contractually required contribution	<u>(22,470)</u>	<u>(21,153)</u>	<u>(19,077)</u>	<u>(18,412)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 172,846	\$ 176,275	\$ 158,975	\$ 153,433
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 16,470	\$ 21,391	\$ 28,889	
Contributions in relation to the contractually required contribution	<u>(16,470)</u>	<u>(21,391)</u>	<u>(28,889)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 164,700	\$ 178,258	\$ 240,742	
Contributions as a percentage of covered payroll	10.00%	12.00%	12.00%	

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 759,894	\$ 599,490	\$ 606,260	\$ 239,852	\$ 497,389	\$ 434,238
<u>(759,894)</u>	<u>(599,490)</u>	<u>(606,260)</u>	<u>(239,852)</u>	<u>(497,389)</u>	<u>(434,238)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,845,338	\$ 5,994,900	\$ 6,062,600	\$ 2,689,929	\$ 6,121,711	\$ 6,203,400
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 15,557	\$ 9,462	\$ 8,447	\$ 9,946		
<u>(15,557)</u>	<u>(9,462)</u>	<u>(8,447)</u>	<u>(9,946)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 119,669	\$ 119,019	\$ 106,252	\$ 102,677		
13.00%	7.95%	7.95%	9.69%		

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 439,734	\$ 524,512	\$ 475,279	\$ 497,799
Contributions in relation to the contractually required contribution	<u>(439,734)</u>	<u>(524,512)</u>	<u>(475,279)</u>	<u>(497,799)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,314,389	\$ 2,760,589	\$ 2,501,468	\$ 2,619,995
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 418,044	\$ 421,091	\$ 407,053	\$ 404,644
Contributions in relation to the contractually required contribution	<u>(418,044)</u>	<u>(421,091)</u>	<u>(407,053)</u>	<u>(404,644)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,778,911	\$ 1,791,877	\$ 1,732,140	\$ 1,721,889
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 397,100	\$ 294,093	\$ 310,923	\$ 304,125	\$ 301,492	\$ 274,079
<u>(397,100)</u>	<u>(294,093)</u>	<u>(310,923)</u>	<u>(304,125)</u>	<u>(301,492)</u>	<u>(274,079)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,500,105	\$ 2,306,612	\$ 2,438,612	\$ 2,385,294	\$ 2,364,643	\$ 2,149,639
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 341,347	\$ 287,740	\$ 294,805	\$ 289,105	\$ 282,125	\$ 287,060
<u>(341,347)</u>	<u>(287,740)</u>	<u>(294,805)</u>	<u>(289,105)</u>	<u>(282,125)</u>	<u>(287,060)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,674,638	\$ 1,668,058	\$ 1,709,014	\$ 1,675,971	\$ 1,635,507	\$ 1,664,116
20.38%	17.25%	17.25%	17.25%	17.25%	17.25%

**CITY OF ALLIANCE, OHIO**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

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

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.



**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF ALLIANCE, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,978,820	\$ 43,850	\$ 419,566	\$ 2,442,236
Receivables (net of allowances for uncollectibles):				
Municipal income taxes. . . . .	-	-	106,749	106,749
Property and other taxes . . . . .	190,066	-	-	190,066
Accounts. . . . .	19,177	-	22,509	41,686
Intergovernmental. . . . .	527,518	-	-	527,518
Special assessments . . . . .	-	21,519	640	22,159
Prepayments . . . . .	28,556	-	-	28,556
Materials and supplies inventory. . . . .	46,138	-	-	46,138
Total assets . . . . .	<u>\$ 2,790,275</u>	<u>\$ 65,369</u>	<u>\$ 549,464</u>	<u>\$ 3,405,108</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 19,341	\$ -	\$ 3,067	\$ 22,408
Contracts payable . . . . .	-	-	21,074	21,074
Retainage payable . . . . .	-	-	22,373	22,373
Accrued wages and benefits payable. . . . .	39,482	-	-	39,482
Interfund loans payable . . . . .	13,000	-	-	13,000
Due to other funds . . . . .	21,181	-	7,712	28,893
Due to other governments . . . . .	15,585	-	-	15,585
Advances to other funds . . . . .	5,626	-	-	5,626
Total liabilities. . . . .	<u>114,215</u>	<u>-</u>	<u>54,226</u>	<u>168,441</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	151,930	-	-	151,930
Income tax revenue not available . . . . .	-	-	57,700	57,700
Delinquent property tax revenue not available . . . . .	38,136	-	-	38,136
Special assessments revenue not available. . . . .	-	21,519	640	22,159
Intergovernmental revenue not available . . . . .	261,465	-	-	261,465
Total deferred inflows of resources . . . . .	<u>451,531</u>	<u>21,519</u>	<u>58,340</u>	<u>531,390</u>
Total liabilities and deferred inflows of resources . . . . .	<u>565,746</u>	<u>21,519</u>	<u>112,566</u>	<u>699,831</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	74,694	-	-	74,694
Restricted . . . . .	2,143,452	43,850	-	2,187,302
Committed . . . . .	12,294	-	443,094	455,388
Unassigned (deficit) . . . . .	<u>(5,911)</u>	<u>-</u>	<u>(6,196)</u>	<u>(12,107)</u>
Total fund balances . . . . .	<u>2,224,529</u>	<u>43,850</u>	<u>436,898</u>	<u>2,705,277</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 2,790,275</u>	<u>\$ 65,369</u>	<u>\$ 549,464</u>	<u>\$ 3,405,108</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ -	\$ -	\$ 423,913	\$ 423,913
Property and other taxes . . . . .	150,128	-	-	150,128
Charges for services . . . . .	98,955	-	-	98,955
Licenses, permits and fees . . . . .	69,965	-	21,090	91,055
Fines and forfeitures . . . . .	168,766	-	-	168,766
Intergovernmental . . . . .	1,891,479	-	639,006	2,530,485
Investment income . . . . .	16,382	-	-	16,382
Contributions and donations . . . . .	3,445	-	600	4,045
Other . . . . .	80,926	-	32,751	113,677
Total revenues . . . . .	<u>2,480,046</u>	<u>-</u>	<u>1,117,360</u>	<u>3,597,406</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	180,281	-	-	180,281
Security of persons and property . . . . .	1,096,952	-	-	1,096,952
Public health and welfare . . . . .	307,821	-	-	307,821
Transportation . . . . .	848,817	-	-	848,817
Community environment . . . . .	465,270	-	-	465,270
Leisure time activities . . . . .	914	-	-	914
Capital outlay . . . . .	-	-	1,331,645	1,331,645
Debt service:				
Principal retirement . . . . .	86,246	-	33,345	119,591
Interest and fiscal charges . . . . .	14,399	-	4,455	18,854
Total expenditures . . . . .	<u>3,000,700</u>	<u>-</u>	<u>1,369,445</u>	<u>4,370,145</u>
Excess of expenditures over revenues . . . . .	<u>(520,654)</u>	<u>-</u>	<u>(252,085)</u>	<u>(772,739)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets . . . . .	19,446	-	-	19,446
Transfers in . . . . .	879,287	-	-	879,287
Transfers (out) . . . . .	(48,537)	-	-	(48,537)
Total other financing sources (uses) . . . . .	<u>850,196</u>	<u>-</u>	<u>-</u>	<u>850,196</u>
Net change in fund balances . . . . .	329,542	-	(252,085)	77,457
<b>Fund balances at beginning of year . . . . .</b>	<u>1,894,987</u>	<u>43,850</u>	<u>688,983</u>	<u>2,627,820</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,224,529</u>	<u>\$ 43,850</u>	<u>\$ 436,898</u>	<u>\$ 2,705,277</u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds**

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

***Street Repair and Maintenance Fund***

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

***Federal COPS Fast Program Fund***

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

***State Highway Fund***

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

***Law Enforcement Block Grant Fund***

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

***Motor Vehicle License Fund***

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

***Municipal Court Computerization Fund***

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

***Health Fund***

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

***Litter Control Fund***

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

***State Misdemeanant Grant Fund***

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

***Cemetery Fund***

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

(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 the Federal government and expenditures as prescribed under the Housing and Urban Development Grant Program.

***Community Development Block Grant Fund***

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

***Fire Pension Fund***

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

***Police Pension Fund***

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

***Other***

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

- L.E. Professional Training Fund*
- Byrne Justice Assistance Grant Fund*
- Federal Equitable Sharing Fund*
- Indigent Driver Alcohol Treatment Fund*
- Enforcement and Education Fund*
- Municipal Court Legal Research Fund*
- E-Cite Fund*
- Alliance Area Senior Citizens Fund*
- Home Administration Fund*
- Tax Incentive Review Fund*
- Land Use Study Fund*
- Court ADR Fund*
- Court Security Grant Fund*
- Municipal Court Security Fund*
- Court Immobilization Fund*
- Parking Lot Maintenance Fund*
- Land Reutilization Fund*
- Brownfield Grant Fund*
- Park Resources Fund*
- Downtown Special Events Fund*

**Funds Included in the General Fund**

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

***City Income Tax Fund***

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

***Supply Revolving Fund***

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

***Auditor Transfer Fund***

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

**CITY OF ALLIANCE, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017

	<u>Street Repair and Maintenance</u>	<u>Federal COPS Fast Program</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 139,032	\$ 78,683	\$ 40,179	\$ 34,755
Receivables (net of allowances for uncollectibles):				
Property and other taxes . . . . .	-	-	-	-
Accounts. . . . .	522	-	-	-
Intergovernmental . . . . .	356,684	-	24,767	-
Prepayments . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	46,138	-	-	-
Total assets . . . . .	<u>\$ 542,376</u>	<u>\$ 78,683</u>	<u>\$ 64,946</u>	<u>\$ 34,755</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 11,104	\$ -	\$ 680	\$ 768
Accrued wages and benefits payable. . . . .	22,022	-	-	-
Interfund loans payable . . . . .	-	-	-	-
Due to other funds . . . . .	-	-	-	-
Due to other governments . . . . .	10,950	-	-	-
Advances to other funds . . . . .	-	-	-	-
Total liabilities . . . . .	<u>44,076</u>	<u>-</u>	<u>680</u>	<u>768</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available . . . . .	236,921	-	15,056	-
Total deferred inflows of resources . . . . .	<u>236,921</u>	<u>-</u>	<u>15,056</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	46,138	-	-	-
Restricted . . . . .	215,241	78,683	49,210	33,987
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances . . . . .	<u>261,379</u>	<u>78,683</u>	<u>49,210</u>	<u>33,987</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 542,376</u>	<u>\$ 78,683</u>	<u>\$ 64,946</u>	<u>\$ 34,755</u>

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Cemetery</u>
\$ 54,465	\$ 124,150	\$ 80,309	\$ 9,595	\$ 10,568	\$ 738,042
-	-	-	-	-	-
-	3,764	-	-	-	-
18,426	-	-	13,286	-	-
19,888	-	2,754	546	-	2,225
-	-	-	-	-	-
<u>\$ 92,779</u>	<u>\$ 127,914</u>	<u>\$ 83,063</u>	<u>\$ 23,427</u>	<u>\$ 10,568</u>	<u>\$ 740,267</u>
\$ 628	\$ 880	\$ 146	\$ -	\$ -	\$ 1,123
-	-	6,173	1,005	-	2,476
-	-	-	11,000	-	-
-	-	-	-	-	-
-	-	1,364	156	-	1,058
-	-	-	-	-	-
<u>628</u>	<u>880</u>	<u>7,683</u>	<u>12,161</u>	<u>-</u>	<u>4,657</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,888	-	2,754	546	-	2,225
72,263	127,034	72,626	10,720	10,568	733,385
-	-	-	-	-	-
-	-	-	-	-	-
<u>92,151</u>	<u>127,034</u>	<u>75,380</u>	<u>11,266</u>	<u>10,568</u>	<u>735,610</u>
<u>\$ 92,779</u>	<u>\$ 127,914</u>	<u>\$ 83,063</u>	<u>\$ 23,427</u>	<u>\$ 10,568</u>	<u>\$ 740,267</u>

Continued

**CITY OF ALLIANCE, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2017

	<b>HUD Grant</b>	<b>Community Development Block Grant</b>	<b>Fire Pension</b>	<b>Police Pension</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 6,657	\$ 10,000	\$ 10,000
Receivables (net of allowances for uncollectibles):				
Property and other taxes . . . . .	-	-	95,033	95,033
Accounts. . . . .	-	50	-	-
Intergovernmental . . . . .	104,867	-	4,744	4,744
Prepayments . . . . .	2,392	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
<b>Total assets . . . . .</b>	<b>\$ 107,259</b>	<b>\$ 6,707</b>	<b>\$ 109,777</b>	<b>\$ 109,777</b>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 1,862	\$ 44	\$ -	\$ -
Accrued wages and benefits payable. . . . .	7,806	-	-	-
Interfund loans payable . . . . .	-	-	-	-
Due to other funds . . . . .	21,181	-	-	-
Due to other governments . . . . .	1,553	-	-	-
Advances to other funds . . . . .	-	-	-	-
<b>Total liabilities . . . . .</b>	<b>32,402</b>	<b>44</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	75,965	75,965
Delinquent property tax revenue not available . . . . .	-	-	19,068	19,068
Intergovernmental revenue not available . . . . .	-	-	4,744	4,744
<b>Total deferred inflows of resources . . . . .</b>	<b>-</b>	<b>-</b>	<b>99,777</b>	<b>99,777</b>
<b>Fund balances:</b>				
Nonspendable . . . . .	2,392	-	-	-
Restricted . . . . .	72,465	6,663	10,000	10,000
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
<b>Total fund balances . . . . .</b>	<b>74,857</b>	<b>6,663</b>	<b>10,000</b>	<b>10,000</b>
<b>Total liabilities, deferred inflows of resources and fund balances . . . . .</b>	<b>\$ 107,259</b>	<b>\$ 6,707</b>	<b>\$ 109,777</b>	<b>\$ 109,777</b>



<u>Other</u>	<u>Total</u>
\$ 642,385	\$ 1,978,820
-	190,066
14,841	19,177
-	527,518
751	28,556
-	46,138
<u>\$ 657,977</u>	<u>\$ 2,790,275</u>
\$ 2,106	\$ 19,341
-	39,482
2,000	13,000
-	21,181
504	15,585
<u>5,626</u>	<u>5,626</u>
<u>10,236</u>	<u>114,215</u>
-	151,930
-	38,136
-	261,465
<u>-</u>	<u>451,531</u>
751	74,694
640,607	2,143,452
12,294	12,294
<u>(5,911)</u>	<u>(5,911)</u>
<u>647,741</u>	<u>2,224,529</u>
<u>\$ 657,977</u>	<u>\$ 2,790,275</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, 2017

	<u>Street Repair and Maintenance</u>	<u>Federal COPS Fast Program</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Licenses, permits and fees . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	19,913
Intergovernmental . . . . .	768,081	-	58,707	-
Investment income . . . . .	1,377	1,173	659	514
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	17,710	-	10,778	-
Total revenues . . . . .	<u>787,168</u>	<u>1,173</u>	<u>70,144</u>	<u>20,427</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	62,483	-	-	18,607
Public health and welfare . . . . .	-	-	-	-
Transportation . . . . .	699,712	-	52,998	-
Community environment . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures . . . . .	<u>762,195</u>	<u>-</u>	<u>52,998</u>	<u>18,607</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>24,973</u>	<u>1,173</u>	<u>17,146</u>	<u>1,820</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets . . . . .	-	-	-	-
Transfers in . . . . .	-	-	-	-
Transfers (out) . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	24,973	1,173	17,146	1,820
<b>Fund balances at beginning of year . . . . .</b>	236,406	77,510	32,064	32,167
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 261,379</u>	<u>\$ 78,683</u>	<u>\$ 49,210</u>	<u>\$ 33,987</u>

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Cemetery</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	43,515	-	-	26,450
-	54,101	-	-	-	-
226,053	-	136,102	27,635	-	-
-	-	-	-	-	10,936
-	-	-	-	-	-
-	-	-	-	-	8,095
<u>226,053</u>	<u>54,101</u>	<u>179,617</u>	<u>27,635</u>	<u>-</u>	<u>45,481</u>
-	64,293	-	-	-	-
-	-	-	-	-	-
-	-	168,841	-	-	138,980
96,107	-	-	-	-	-
-	-	-	14,370	-	-
-	-	-	-	-	-
75,000	-	-	-	-	-
1,500	-	-	-	-	-
<u>172,607</u>	<u>64,293</u>	<u>168,841</u>	<u>14,370</u>	<u>-</u>	<u>138,980</u>
<u>53,446</u>	<u>(10,192)</u>	<u>10,776</u>	<u>13,265</u>	<u>-</u>	<u>(93,499)</u>
-	-	-	-	-	17,805
-	-	-	-	-	90,000
-	-	(11,537)	-	-	-
-	-	(11,537)	-	-	107,805
53,446	(10,192)	(761)	13,265	-	14,306
38,705	137,226	76,141	(1,999)	10,568	721,304
<u>\$ 92,151</u>	<u>\$ 127,034</u>	<u>\$ 75,380</u>	<u>\$ 11,266</u>	<u>\$ 10,568</u>	<u>\$ 735,610</u>

Continued

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ 75,064	\$ 75,064
Charges for services . . . . .	-	-	-	-
Licenses, permits and fees . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	569,101	-	9,487	9,487
Investment income . . . . .	-	142	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	-	50	-	-
Total revenues . . . . .	<u>569,101</u>	<u>192</u>	<u>84,551</u>	<u>84,551</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	-	-	429,856	467,545
Public health and welfare . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	442,667	8,233	-	-
Leisure time activities . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	6,383	4,863
Interest and fiscal charges . . . . .	-	-	7,321	5,578
Total expenditures . . . . .	<u>442,667</u>	<u>8,233</u>	<u>443,560</u>	<u>477,986</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>126,434</u>	<u>(8,041)</u>	<u>(359,009)</u>	<u>(393,435)</u>
<b>Other financing sources:</b>				
Proceeds from sale of capital assets . . . . .	-	-	-	-
Transfers in . . . . .	-	-	358,852	393,435
Transfers (out) . . . . .	-	-	-	-
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>358,852</u>	<u>393,435</u>
Net change in fund balances . . . . .	126,434	(8,041)	(157)	-
<b>Fund balances at beginning of year . . . . .</b>	<u>(51,577)</u>	<u>14,704</u>	<u>10,157</u>	<u>10,000</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 74,857</u>	<u>\$ 6,663</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

<u>Other</u>	<u>Total</u>
\$ -	\$ 150,128
98,955	98,955
-	69,965
94,752	168,766
86,826	1,891,479
1,581	16,382
3,445	3,445
44,293	80,926
<u>329,852</u>	<u>2,480,046</u>
115,988	180,281
118,461	1,096,952
-	307,821
-	848,817
-	465,270
914	914
-	86,246
-	14,399
<u>235,363</u>	<u>3,000,700</u>
<u>94,489</u>	<u>(520,654)</u>
1,641	19,446
37,000	879,287
(37,000)	(48,537)
<u>1,641</u>	<u>850,196</u>
96,130	329,542
551,611	1,894,987
<u>\$ 647,741</u>	<u>\$ 2,224,529</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 710,000	\$ 732,192	\$ 22,192
Investment income. . . . .	700	1,377	677
Other . . . . .	51,798	52,400	602
<b>Total revenues.</b> . . . .	<u>762,498</u>	<u>785,969</u>	<u>23,471</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages. . . . .	41,500	40,655	845
Fringe benefits . . . . .	7,218	6,596	622
Contractual services . . . . .	13,000	6,684	6,316
<b>Total security of persons and property . . . . .</b>	<u>61,718</u>	<u>53,935</u>	<u>7,783</u>
Transportation:			
Street transportation:			
Salaries and wages. . . . .	532,013	509,408	22,605
Fringe benefits . . . . .	104,840	92,126	12,714
Contractual services . . . . .	8,654	6,225	2,429
Materials and supplies . . . . .	56,258	48,840	7,418
<b>Total transportation.</b> . . . .	<u>701,765</u>	<u>656,599</u>	<u>45,166</u>
<b>Total expenditures</b> . . . . .	<u>763,483</u>	<u>710,534</u>	<u>52,949</u>
<b>Net change in fund balance</b> . . . . .	(985)	75,435	76,420
<b>Fund balance at beginning of year.</b> . . . .	50,962	50,962	-
<b>Prior year encumbrances appropriated</b> . . . .	5,125	5,125	-
<b>Fund balance at end of year.</b> . . . .	<u>\$ 55,102</u>	<u>\$ 131,522</u>	<u>\$ 76,420</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Investment income . . . . .	\$ 200	\$ 1,173	\$ 973
Total revenues . . . . .	<u>200</u>	<u>1,173</u>	<u>973</u>
Net change in fund balance . . . . .	200	1,173	973
<b>Fund balance at beginning of year . . . . .</b>	<u>77,510</u>	<u>77,510</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 77,710</u>	<u>\$ 78,683</u>	<u>\$ 973</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 58,900	\$ 59,367	\$ 467
Investment income. . . . .	200	659	459
Other. . . . .	-	10,778	10,778
<b>Total revenues . . . . .</b>	<u>59,100</u>	<u>70,804</u>	<u>11,704</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Capital outlay . . . . .	60,000	57,467	2,533
<b>Total expenditures . . . . .</b>	<u>60,000</u>	<u>57,467</u>	<u>2,533</u>
<b>Net change in fund balance . . . . .</b>	(900)	13,337	14,237
<b>Fund balance at beginning of year . . . . .</b>	<u>21,693</u>	<u>21,693</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 20,793</u>	<u>\$ 35,030</u>	<u>\$ 14,237</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 17,900	\$ 19,913	\$ 2,013
Investment income. . . . .	200	514	314
<b>Total revenues.</b> . . . .	<u>18,100</u>	<u>20,427</u>	<u>2,327</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies . . . . .	25,987	19,460	6,527
<b>Total expenditures</b> . . . . .	<u>25,987</u>	<u>19,460</u>	<u>6,527</u>
Net change in fund balance. . . . .	(7,887)	967	8,854
<b>Fund balance at beginning of year</b> . . . .	31,952	31,952	-
<b>Prior year encumbrances appropriated</b> . .	<u>987</u>	<u>987</u>	<u>-</u>
<b>Fund balance at end of year.</b> . . . . .	<u>\$ 25,052</u>	<u>\$ 33,906</u>	<u>\$ 8,854</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 225,000	\$ 225,178	\$ 178
Total revenues. . . . .	<u>225,000</u>	<u>225,178</u>	<u>178</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits . . . . .	118,580	96,938	21,642
Contractual services . . . . .	19,000	14,343	4,657
Total expenditures . . . . .	<u>137,580</u>	<u>111,281</u>	<u>26,299</u>
Excess of revenues over expenditures . . . .	<u>87,420</u>	<u>113,897</u>	<u>26,477</u>
<b>Other financing uses:</b>			
Transfers (out) . . . . .	(76,500)	(76,500)	-
Total other financing uses . . . . .	<u>(76,500)</u>	<u>(76,500)</u>	<u>-</u>
Net change in fund balance . . . . .	10,920	37,397	26,477
<b>Fund balance at beginning of year . . . . .</b>	<u>17,068</u>	<u>17,068</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 27,988</u>	<u>\$ 54,465</u>	<u>\$ 26,477</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 72,000	\$ 55,319	\$ (16,681)
Total revenues. . . . .	<u>72,000</u>	<u>55,319</u>	<u>(16,681)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Contractual services . . . . .	63,437	48,961	14,476
Materials and supplies . . . . .	23,300	17,891	5,409
Capital outlay . . . . .	<u>15,000</u>	<u>2,170</u>	<u>12,830</u>
Total expenditures . . . . .	<u>101,737</u>	<u>69,022</u>	<u>32,715</u>
Net change in fund balance . . . . .	(29,737)	(13,703)	16,034
<b>Fund balance at beginning of year . . . .</b>	129,658	129,658	-
<b>Prior year encumbrances appropriated . .</b>	<u>3,737</u>	<u>3,737</u>	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 103,658</u>	<u>\$ 119,692</u>	<u>\$ 16,034</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees. . . . .	\$ 45,000	\$ 43,515	\$ (1,485)
Intergovernmental . . . . .	134,500	136,102	1,602
<b>Total revenues . . . . .</b>	<u>179,500</u>	<u>179,617</u>	<u>117</u>
<b>Expenditures:</b>			
Current:			
Public health services:			
Public health and welfare:			
Salaries and wages. . . . .	114,318	109,703	4,615
Fringe benefits . . . . .	49,493	48,141	1,352
Contractual services . . . . .	2,150	1,205	945
Materials and supplies . . . . .	7,100	4,737	2,363
Capital outlay . . . . .	2,419	2,419	-
Other . . . . .	5,000	4,800	200
<b>Total expenditures . . . . .</b>	<u>180,480</u>	<u>171,005</u>	<u>9,475</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(980)</u>	<u>8,612</u>	<u>9,592</u>
<b>Other financing (uses):</b>			
Transfers (out). . . . .	<u>(11,600)</u>	<u>(11,537)</u>	<u>63</u>
<b>Total other financing (uses) . . . . .</b>	<u>(11,600)</u>	<u>(11,537)</u>	<u>63</u>
Net change in fund balance. . . . .	(12,580)	(2,925)	9,655
<b>Fund balance at beginning of year . . . . .</b>	<u>83,214</u>	<u>83,214</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 70,634</u>	<u>\$ 80,289</u>	<u>\$ 9,655</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 24,300	\$ 21,144	\$ (3,156)
Total revenues . . . . .	<u>24,300</u>	<u>21,144</u>	<u>(3,156)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
Litter control:			
Salaries and wages. . . . .	10,794	10,640	154
Fringe benefits. . . . .	2,443	2,438	5
Materials and supplies. . . . .	2,134	570	1,564
Total expenditures. . . . .	<u>15,371</u>	<u>13,648</u>	<u>1,723</u>
Net change in fund balance. . . . .	8,929	7,496	(1,433)
<b>Fund balance at beginning of year . . . . .</b>	1,965	1,965	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>134</u>	<u>134</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 11,028</u>	<u>\$ 9,595</u>	<u>\$ (1,433)</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, 2017

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

**CITY OF ALLIANCE, OHIO**

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

**CEMETERY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees . . . . .	\$ 38,648	\$ 26,450	\$ (12,198)
Investment income . . . . .	4,000	10,936	6,936
Other . . . . .	6,100	8,095	1,995
Total revenues . . . . .	<u>48,748</u>	<u>45,481</u>	<u>(3,267)</u>
<b>Expenditures:</b>			
Current:			
Public health services:			
Cemetery:			
Salaries and wages . . . . .	87,771	87,769	2
Fringe benefits . . . . .	26,391	26,290	101
Contractual services . . . . .	20,593	20,508	85
Materials and supplies . . . . .	5,253	4,824	429
Total expenditures . . . . .	<u>140,008</u>	<u>139,391</u>	<u>617</u>
Excess of expenditures over revenues . . . .	<u>(91,260)</u>	<u>(93,910)</u>	<u>(2,650)</u>
<b>Other financing sources:</b>			
Proceeds from sale of fixed assets . . . . .	15,000	17,805	2,805
Transfers in . . . . .	85,000	90,000	5,000
Total other financing sources . . . . .	<u>100,000</u>	<u>107,805</u>	<u>7,805</u>
Net change in fund balance . . . . .	8,740	13,895	5,155
<b>Fund balance at beginning of year . . . .</b>	<u>724,147</u>	<u>724,147</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 732,887</u>	<u>\$ 738,042</u>	<u>\$ 5,155</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 1,283,551	\$ 464,234	\$ (819,317)
Total revenues . . . . .	<u>1,283,551</u>	<u>464,234</u>	<u>(819,317)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
HUD:			
Salaries and wages . . . . .	113,210	96,260	16,950
Fringe benefits. . . . .	58,701	54,543	4,158
Contractual services. . . . .	215,248	170,080	45,168
Materials and supplies. . . . .	127,735	57,732	70,003
Other . . . . .	<u>750,747</u>	<u>294,515</u>	<u>456,232</u>
Total expenditures . . . . .	<u>1,265,641</u>	<u>673,130</u>	<u>592,511</u>
Net change in fund balance . . . . .	17,910	(208,896)	(226,806)
<b>Fund balance (deficit) at beginning of year.</b>	(182,235)	(182,235)	-
<b>Prior year encumbrances appropriated. . .</b>	<u>164,326</u>	<u>164,326</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . .</b>	<u>\$ 1</u>	<u>\$ (226,805)</u>	<u>\$ (226,806)</u>



**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Investment income . . . . .	\$ 3	\$ 142	\$ 139
Other . . . . .	5,000	-	(5,000)
Total revenues. . . . .	<u>5,003</u>	<u>142</u>	<u>(4,861)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
CDBG:			
Contractual services. . . . .	14,100	8,295	5,805
Total expenditures. . . . .	<u>14,100</u>	<u>8,295</u>	<u>5,805</u>
Net change in fund balance . . . . .	(9,097)	(8,153)	944
<b>Fund balance at beginning of year . . . . .</b>	<u>14,704</u>	<u>14,704</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,607</u>	<u>\$ 6,551</u>	<u>\$ 944</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes. . . . .	\$ 73,000	\$ 75,064	\$ 2,064
Intergovernmental. . . . .	10,550	9,487	(1,063)
<b>Total revenues . . . . .</b>	<u>83,550</u>	<u>84,551</u>	<u>1,001</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits. . . . .	452,053	442,053	10,000
Contractual services . . . . .	1,507	1,507	-
<b>Total expenditures . . . . .</b>	<u>453,560</u>	<u>443,560</u>	<u>10,000</u>
Excess of expenditures over revenues . . . . .	<u>(370,010)</u>	<u>(359,009)</u>	<u>11,001</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	390,000	358,852	(31,148)
<b>Total other financing sources. . . . .</b>	<u>390,000</u>	<u>358,852</u>	<u>(31,148)</u>
Net change in fund balance. . . . .	19,990	(157)	(20,147)
<b>Fund balance at beginning of year . . . . .</b>	<u>10,157</u>	<u>10,157</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 30,147</u>	<u>\$ 10,000</u>	<u>\$ (20,147)</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ 73,000	\$ 75,064	\$ 2,064
Intergovernmental . . . . .	10,550	9,487	(1,063)
<b>Total revenues . . . . .</b>	<u>83,550</u>	<u>84,551</u>	<u>1,001</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Fringe benefits. . . . .	476,479	476,479	-
Contractual services. . . . .	1,507	1,507	-
<b>Total expenditures. . . . .</b>	<u>477,986</u>	<u>477,986</u>	<u>-</u>
Excess of expenditures over revenues. . . . .	<u>(394,436)</u>	<u>(393,435)</u>	<u>1,001</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	440,000	393,435	(46,565)
<b>Total other financing sources. . . . .</b>	<u>440,000</u>	<u>393,435</u>	<u>(46,565)</u>
Net change in fund balance. . . . .	45,564	-	(45,564)
<b>Fund balance at beginning of year . . . . .</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 55,564</u>	<u>\$ 10,000</u>	<u>\$ (45,564)</u>

**CITY OF ALLIANCE, OHIO**

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

**L.E. PROFESSIONAL TRAINING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services. . . . .	\$ 65,000	\$ 98,955	\$ 33,955
Intergovernmental . . . . .	-	26,680	26,680
Other. . . . .	-	1	1
<b>Total revenues.</b> . . . .	<u>65,000</u>	<u>125,636</u>	<u>60,636</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Salaries and wages. . . . .	79,350	78,910	440
Fringe benefits. . . . .	7,915	3,117	4,798
Contractual services. . . . .	20,000	5,545	14,455
Materials and supplies. . . . .	13,000	11,450	1,550
<b>Total expenditures</b> . . . . .	<u>120,265</u>	<u>99,022</u>	<u>21,243</u>
 Net change in fund balance. . . . .	 (55,265)	 26,614	 81,879
 <b>Fund balance at beginning of year</b> . . . . .	 <u>56,355</u>	 <u>56,355</u>	 <u>-</u>
 <b>Fund balance at end of year.</b> . . . . .	 <u>\$ 1,090</u>	 <u>\$ 82,969</u>	 <u>\$ 81,879</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 7,450	\$ 7,444	\$ (6)
Investment income . . . . .	-	57	57
<b>Total revenues . . . . .</b>	<u>7,450</u>	<u>7,501</u>	<u>51</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Capital outlay . . . . .	14,591	7,444	7,147
<b>Total expenditures . . . . .</b>	<u>14,591</u>	<u>7,444</u>	<u>7,147</u>
Net change in fund balance. . . . .	(7,141)	57	7,198
<b>Fund balance at beginning of year . . . . .</b>	<u>7,141</u>	<u>7,141</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ 7,198</u>	<u>\$ 7,198</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 12,900	\$ 34,126	\$ 21,226
Investment income . . . . .	1,200	1,524	324
<b>Total revenues.</b> . . . .	<u>14,100</u>	<u>35,650</u>	<u>21,550</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies . . . . .	54,300	13,762	40,538
<b>Total expenditures</b> . . . . .	<u>54,300</u>	<u>13,762</u>	<u>40,538</u>
<b>Net change in fund balance.</b> . . . . .	(40,200)	21,888	62,088
<b>Fund balance at beginning of year</b> . . . . .	85,929	85,929	-
<b>Prior year encumbrances appropriated</b> . . . . .	<u>4,300</u>	<u>4,300</u>	-
<b>Fund balance at end of year.</b> . . . . .	<u>\$ 50,029</u>	<u>\$ 112,117</u>	<u>\$ 62,088</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ -	\$ 32,544	\$ 32,544
Total revenues . . . . .	<u>-</u>	<u>32,544</u>	<u>32,544</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies . . . . .	25,000	3,000	22,000
Total expenditures . . . . .	<u>25,000</u>	<u>3,000</u>	<u>22,000</u>
Net change in fund balance . . . . .	(25,000)	29,544	54,544
<b>Fund balance at beginning of year. . . . .</b>	<u>201,223</u>	<u>201,223</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 176,223</u>	<u>\$ 230,767</u>	<u>\$ 54,544</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other. . . . .	\$ 3,500	\$ 4,245	\$ 745
Total revenues. . . . .	<u>3,500</u>	<u>4,245</u>	<u>745</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies. . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total expenditures . . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance. . . . .	(500)	245	745
<b>Fund balance at beginning of year . . . . .</b>	<u>10,675</u>	<u>10,675</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 10,175</u>	<u>\$ 10,920</u>	<u>\$ 745</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 25,000	\$ 14,788	\$ (10,212)
Total revenues. . . . .	<u>25,000</u>	<u>14,788</u>	<u>(10,212)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Capital outlay. . . . .	9,500	6,988	2,512
Total expenditures . . . . .	<u>9,500</u>	<u>6,988</u>	<u>2,512</u>
Excess of revenues over expenditures . . . . .	<u>15,500</u>	<u>7,800</u>	<u>(7,700)</u>
<b>Other financing (uses):</b>			
Transfers (out). . . . .	<u>(37,000)</u>	<u>(37,000)</u>	<u>-</u>
Total other financing (uses) . . . . .	<u>(37,000)</u>	<u>(37,000)</u>	<u>-</u>
Net change in fund balance. . . . .	(21,500)	(29,200)	(7,700)
<b>Fund balance at beginning of year . . . . .</b>	<u>64,800</u>	<u>64,800</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 43,300</u>	<u>\$ 35,600</u>	<u>\$ (7,700)</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 2,000	\$ 904	\$ (1,096)
Total revenues. . . . .	<u>2,000</u>	<u>904</u>	<u>(1,096)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Judge:			
Materials and supplies. . . . .	3,500	506	2,994
Total expenditures . . . . .	<u>3,500</u>	<u>506</u>	<u>2,994</u>
Net change in fund balance. . . . .	(1,500)	398	1,898
<b>Fund balance at beginning of year . . . . .</b>	<u>8,143</u>	<u>8,143</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 6,643</u>	<u>\$ 8,541</u>	<u>\$ 1,898</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ALLIANCE AREA SENIOR CITIZENS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 4,618	\$ -	\$ (4,618)
Other . . . . .	-	4,000	4,000
Total revenues . . . . .	<u>4,618</u>	<u>4,000</u>	<u>(618)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Senior center:			
Fringe benefits . . . . .	<u>618</u>	<u>-</u>	<u>618</u>
Total expenditures . . . . .	<u>618</u>	<u>-</u>	<u>618</u>
Net change in fund balance . . . . .	4,000	4,000	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 4,000</u></u>	<u><u>\$ 4,000</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)  
**HOME ADMINISTRATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other. . . . .	\$ -	\$ 1,180	\$ 1,180
Total revenues. . . . .	<u>-</u>	<u>1,180</u>	<u>1,180</u>
Net change in fund balance. . . . .	-	1,180	1,180
<b>Fund balance at beginning of year . . . . .</b>	<u>\$ 3,311</u>	<u>\$ 3,311</u>	<u>\$ -</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 3,311</u></u>	<u><u>\$ 4,491</u></u>	<u><u>\$ 1,180</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**TAX INCENTIVE REVIEW FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

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

**CITY OF ALLIANCE, OHIO**

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

**LAND USE STUDY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

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

**CITY OF ALLIANCE, OHIO**

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

**COURT ADR FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 14,642	\$ 9,625	\$ (5,017)
Total revenues. . . . .	<u>14,642</u>	<u>9,625</u>	<u>(5,017)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Contractual services. . . . .	15,000	9,928	5,072
Total expenditures . . . . .	<u>15,000</u>	<u>9,928</u>	<u>5,072</u>
Net change in fund balance. . . . .	(358)	(303)	55
<b>Fund balance at beginning of year . . . . .</b>	<u>358</u>	<u>358</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 55</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, 2017

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



**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MUNICIPAL COURT SECURITY FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 38,000	\$ 25,548	\$ (12,452)
Total revenues. . . . .	<u>38,000</u>	<u>25,548</u>	<u>(12,452)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Salaries and wages . . . . .	31,998	31,153	845
Fringe benefits . . . . .	6,752	5,730	1,022
Capital outlay . . . . .	<u>47,000</u>	<u>47,000</u>	<u>-</u>
Total expenditures . . . . .	<u>85,750</u>	<u>83,883</u>	<u>1,867</u>
Excess of expenditures over revenues. . . . .	<u>(47,750)</u>	<u>(58,335)</u>	<u>(10,585)</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	<u>37,000</u>	<u>37,000</u>	<u>-</u>
Total other financing sources . . . . .	<u>37,000</u>	<u>37,000</u>	<u>-</u>
Net change in fund balance. . . . .	(10,750)	(21,335)	(10,585)
<b>Fund balance at beginning of year . . . . .</b>	<u>134,440</u>	<u>134,440</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 123,690</u>	<u>\$ 113,105</u>	<u>\$ (10,585)</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ -	\$ 500	\$ 500
Total revenues. . . . .	<u>-</u>	<u>500</u>	<u>500</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Materials and supplies . . . . .	6,500	3,662	2,838
Total expenditures . . . . .	<u>6,500</u>	<u>3,662</u>	<u>2,838</u>
Net change in fund balance. . . . .	(6,500)	(3,162)	3,338
<b>Fund balance at beginning of year . . . . .</b>	<u>17,785</u>	<u>17,785</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 11,285</u>	<u>\$ 14,623</u>	<u>\$ 3,338</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ 1,500	\$ 2,424	\$ 924
Total revenues . . . . .	<u>1,500</u>	<u>2,424</u>	<u>924</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Parking facilities:			
Contractual services . . . . .	5,880	880	5,000
Total expenditures . . . . .	<u>5,880</u>	<u>880</u>	<u>5,000</u>
Net change in fund balance . . . . .	(4,380)	1,544	5,924
<b>Fund balance at beginning of year . . . . .</b>	3,700	3,700	-
<b>Prior year encumbrances appropriated . .</b>	<u>880</u>	<u>880</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 200</u>	<u>\$ 6,124</u>	<u>\$ 5,924</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities:			
Land reutilization:			
Contractual services . . . . .	\$ 1,100	\$ 914	\$ 186
Total expenditures . . . . .	<u>1,100</u>	<u>914</u>	<u>186</u>
 Excess of expenditures over revenues. . . . .	<u>(1,100)</u>	<u>(914)</u>	<u>186</u>
 <b>Other financing sources:</b>			
Proceeds from sale of capital assets . . . . .	-	1,641	1,641
Total other financing sources . . . . .	<u>-</u>	<u>1,641</u>	<u>1,641</u>
 Net change in fund balance. . . . .	(1,100)	727	1,827
 <b>Fund balance at beginning of year . . . . .</b>	<u>1,170</u>	<u>1,170</u>	<u>-</u>
 <b>Fund balance at end of year. . . . .</b>	<u>\$ 70</u>	<u>\$ 1,897</u>	<u>\$ 1,827</u>

**CITY OF ALLIANCE, OHIO**

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

**BROWNFIELD GRANT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 549,307	\$ 52,702	\$ (496,605)
Total revenues. . . . .	<u>549,307</u>	<u>52,702</u>	<u>(496,605)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Administration:			
Contractual services . . . . .	<u>117,439</u>	<u>51,507</u>	<u>65,932</u>
Total expenditures . . . . .	<u>117,439</u>	<u>51,507</u>	<u>65,932</u>
Net change in fund balance. . . . .	431,868	1,195	(430,673)
<b>Fund balance at beginning of year . . . . .</b>	<u>760</u>	<u>760</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 432,628</u>	<u>\$ 1,955</u>	<u>\$ (430,673)</u>

**CITY OF ALLIANCE, OHIO**

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

**PARK RESOURCES FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Capital outlay. . . . .	\$ 99	\$ -	\$ 99
Total expenditures . . . . .	<u>99</u>	<u>-</u>	<u>99</u>
Net change in fund balance. . . . .	(99)	-	99
<b>Fund balance at beginning of year . . . . .</b>	<u>99</u>	<u>99</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 99</u></u>	<u><u>\$ 99</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DOWNTOWN SPECIAL EVENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Contributions and donations . . . . .	\$ 6,900	\$ 3,445	\$ (3,455)
Total revenues. . . . .	<u>6,900</u>	<u>3,445</u>	<u>(3,455)</u>
<b>Expenditures:</b>			
Current:			
General government:			
General administration:			
Contractual services. . . . .	<u>10,500</u>	<u>4,555</u>	<u>5,945</u>
Total expenditures . . . . .	<u>10,500</u>	<u>4,555</u>	<u>5,945</u>
Net change in fund balance. . . . .	(3,600)	(1,110)	2,490
<b>Fund balance at beginning of year . . . . .</b>	<u>3,644</u>	<u>3,644</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 44</u>	<u>\$ 2,534</u>	<u>\$ 2,490</u>

**CITY OF ALLIANCE, OHIO**

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

**CITY INCOME TAX FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Municipal income taxes . . . . .	\$ 10,321,464	\$ 10,322,650	\$ 1,186
Other . . . . .	10,500	5,286	(5,214)
<b>Total revenues . . . . .</b>	<u>10,331,964</u>	<u>10,327,936</u>	<u>(4,028)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Income tax:			
Salaries and wages . . . . .	184,982	171,797	13,185
Fringe benefits. . . . .	75,163	58,329	16,834
Contractual services . . . . .	57,782	38,553	19,229
Materials and supplies. . . . .	6,718	6,165	553
Capital outlay . . . . .	15,976	15,708	268
Other. . . . .	259,923	255,423	4,500
<b>Total expenditures . . . . .</b>	<u>600,544</u>	<u>545,975</u>	<u>54,569</u>
Excess of revenues over expenditures. . . . .	<u>9,731,420</u>	<u>9,781,961</u>	<u>50,541</u>
<b>Other financing (uses):</b>			
Transfers (out) . . . . .	(9,724,746)	(9,719,749)	4,997
<b>Total other financing (uses) . . . . .</b>	<u>(9,724,746)</u>	<u>(9,719,749)</u>	<u>4,997</u>
Net change in fund balance. . . . .	6,674	62,212	55,538
<b>Fund balance at beginning of year . . . . .</b>	27,812	27,812	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>4,976</u>	<u>4,976</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 39,462</u>	<u>\$ 95,000</u>	<u>\$ 55,538</u>



**CITY OF ALLIANCE, OHIO**

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

**SUPPLY REVOLVING FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other. . . . .	\$ 151,200	\$ 174,136	\$ 22,936
Total revenues. . . . .	<u>151,200</u>	<u>174,136</u>	<u>22,936</u>
<b>Expenditures:</b>			
Current:			
General government:			
Maintenance:			
Contractual services . . . . .	253,047	166,621	86,426
Materials and supplies . . . . .	14,400	168	14,232
Capital outlay . . . . .	<u>15,000</u>	<u>6,382</u>	<u>8,618</u>
Total expenditures . . . . .	<u>282,447</u>	<u>173,171</u>	<u>109,276</u>
Net change in fund balance. . . . .	(131,247)	965	132,212
<b>Fund balance at beginning of year . . . . .</b>	165,650	165,650	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,297</u>	<u>1,297</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 35,700</u>	<u>\$ 167,912</u>	<u>\$ 132,212</u>

**CITY OF ALLIANCE, OHIO**

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

**AUDITOR TRANSFER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees. . . . .	\$ 120,000	\$ 153,000	\$ 33,000
Other . . . . .	32,200	4,080	(28,120)
<b>Total revenues . . . . .</b>	<u>152,200</u>	<u>157,080</u>	<u>4,880</u>
<b>Expenditures:</b>			
Current:			
General government:			
Auditor:			
Materials and supplies. . . . .	11,448	3,515	7,933
Capital outlay. . . . .	2,285	2,285	-
Other . . . . .	280,000	90,911	189,089
<b>Total expenditures . . . . .</b>	<u>293,733</u>	<u>96,711</u>	<u>197,022</u>
<b>Net change in fund balance. . . . .</b>	(141,533)	60,369	201,902
<b>Fund balance at beginning of year . . . . .</b>	330,948	330,948	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>3,448</u>	<u>3,448</u>	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 192,863</u>	<u>\$ 394,765</u>	<u>\$ 201,902</u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTION - NONMAJOR GOVERNMENTAL FUND**

**Debt Service Fund**

The debt service fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

**CITY OF ALLIANCE, OHIO**

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

**DEBT SERVICE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other. . . . .	\$ 1,500	\$ -	\$ (1,500)
Total revenues. . . . .	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal retirement:			
Bond . . . . .	1,550,000	1,531,186	18,814
Interest and fiscal charges:			
Bond . . . . .	<u>250,000</u>	<u>238,937</u>	<u>11,063</u>
Total expenditures . . . . .	<u>1,800,000</u>	<u>1,770,123</u>	<u>29,877</u>
Excess of expenditures over revenues. . . .	<u>(1,798,500)</u>	<u>(1,770,123)</u>	<u>28,377</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	<u>2,000,000</u>	<u>1,770,123</u>	<u>(229,877)</u>
Total other financing sources . . . . .	<u>2,000,000</u>	<u>1,770,123</u>	<u>(229,877)</u>
Net change in fund balance. . . . .	201,500	-	(201,500)
<b>Fund balance at beginning of year. . . . .</b>	<u>43,850</u>	<u>43,850</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 245,350</u>	<u>\$ 43,850</u>	<u>\$ (201,500)</u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - CAPITAL PROJECT FUNDS**

**Capital Projects Funds**

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

***Capital Improvements Fund***

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

***Street Income Tax Construction Fund***

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

***Municipal Road Fund***

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

***Municipal Court Special Projects Fund***

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

**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2017**

	<b>Street Income Tax Construction</b>	<b>Capital Improvements</b>	<b>Muni. Court Special Projects</b>	<b>Total</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 71,954	\$ 347,612	\$ -	\$ 419,566
Receivables (net of allowances for uncollectibles):				
Municipal income taxes . . . . .	42,700	64,049	-	106,749
Accounts. . . . .	-	20,993	1,516	22,509
Special assessments . . . . .	42	598	-	640
Total assets . . . . .	<u>\$ 114,696</u>	<u>\$ 433,252</u>	<u>\$ 1,516</u>	<u>\$ 549,464</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,204	\$ 863	\$ -	\$ 3,067
Contracts payable . . . . .	-	21,074	-	21,074
Retainage payable . . . . .	-	22,373	-	22,373
Due to other funds. . . . .	-	-	7,712	7,712
Total liabilities . . . . .	<u>2,204</u>	<u>44,310</u>	<u>7,712</u>	<u>54,226</u>
<b>Deferred inflows of resources:</b>				
Income tax revenue not available. . . . .	23,080	34,620	-	57,700
Special assessments revenue not available . . . . .	42	598	-	640
Total liabilities and deferred inflows of resources. . .	<u>25,326</u>	<u>79,528</u>	<u>7,712</u>	<u>112,566</u>
<b>Fund balances:</b>				
Committed . . . . .	89,370	353,724	-	443,094
Unassigned (deficit). . . . .	-	-	(6,196)	(6,196)
Total fund balances . . . . .	<u>89,370</u>	<u>353,724</u>	<u>(6,196)</u>	<u>436,898</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 114,696</u>	<u>\$ 433,252</u>	<u>\$ 1,516</u>	<u>\$ 549,464</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, 2017

	<b>Street Income Tax Construction</b>	<b>Municipal Road</b>	<b>Capital Improvements</b>	<b>Muni. Court Special Projects</b>	<b>Total</b>
<b>Revenues:</b>					
Municipal income taxes . . . . .	\$ 169,566	\$ -	\$ 254,347	\$ -	\$ 423,913
Licenses, permits and fees . . . . .	-	-	-	21,090	21,090
Intergovernmental . . . . .	-	68,000	571,006	-	639,006
Contributions and donations . . . . .	-	-	600	-	600
Other . . . . .	-	-	32,751	-	32,751
Total revenues . . . . .	<u>169,566</u>	<u>68,000</u>	<u>858,704</u>	<u>21,090</u>	<u>1,117,360</u>
<b>Expenditures:</b>					
Capital outlay . . . . .	232,328	-	1,092,977	6,340	1,331,645
Debt service:					
Principal retirement . . . . .	-	-	33,345	-	33,345
Interest and fiscal charges. . . . .	-	-	4,455	-	4,455
Total expenditures. . . . .	<u>232,328</u>	<u>-</u>	<u>1,130,777</u>	<u>6,340</u>	<u>1,369,445</u>
Net change in fund balances . . . . .	(62,762)	68,000	(272,073)	14,750	(252,085)
<b>Fund balances (deficits) at beginning of year. .</b>	<u>152,132</u>	<u>(68,000)</u>	<u>625,797</u>	<u>(20,946)</u>	<u>688,983</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 89,370</u>	<u>\$ -</u>	<u>\$ 353,724</u>	<u>\$ (6,196)</u>	<u>\$ 436,898</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET INCOME TAX CONSTRUCTION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Municipal income taxes. . . . .	\$ 194,395	\$ 194,395	\$ -
Total revenues. . . . .	<u>194,395</u>	<u>194,395</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Street income tax:			
Personal services. . . . .	111,600	111,599	1
Capital outlay. . . . .	<u>212,222</u>	<u>167,720</u>	<u>44,502</u>
Total expenditures. . . . .	<u>323,822</u>	<u>279,319</u>	<u>44,503</u>
Net change in fund balance. . . . .	(129,427)	(84,924)	44,503
<b>Fund balance at beginning of year. . . . .</b>	102,878	102,878	-
<b>Prior year encumbrances appropriated . .</b>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
<b>Fund balance (deficit) at end of year. . . .</b>	<u>\$ (2,549)</u>	<u>\$ 41,954</u>	<u>\$ 44,503</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ -	\$ 68,000	\$ 68,000
Total revenues. . . . .	<u>-</u>	<u>68,000</u>	<u>68,000</u>
Excess of revenues over expenditures . . . . .	<u>-</u>	<u>68,000</u>	<u>68,000</u>
<b>Other financing (uses):</b>			
Advance out . . . . .	-	(68,000)	(68,000)
Total other financing (uses). . . . .	<u>-</u>	<u>(68,000)</u>	<u>(68,000)</u>
Net change in fund balance. . . . .	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<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)  
**CAPITAL IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Municipal income taxes . . . . .	\$ 295,417	\$ 291,592	\$ (3,825)
Intergovernmental . . . . .	262,025	266,079	4,054
Contributions and donations . . . . .	1,500	600	(900)
Other . . . . .	10,500	11,758	1,258
Total revenues . . . . .	<u>569,442</u>	<u>570,029</u>	<u>587</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital improvements:			
Materials and supplies . . . . .	2,500	2,000	500
Capital outlay . . . . .	1,035,251	867,531	167,720
Total expenditures . . . . .	<u>1,037,751</u>	<u>869,531</u>	<u>168,220</u>
Excess of expenditures over revenues . . . .	<u>(468,309)</u>	<u>(299,502)</u>	<u>168,807</u>
<b>Other financing (uses):</b>			
Transfers (out) . . . . .	<u>(37,801)</u>	<u>(37,800)</u>	<u>1</u>
Total other financing (uses) . . . . .	<u>(37,801)</u>	<u>(37,800)</u>	<u>1</u>
Net change in fund balance . . . . .	(506,110)	(337,302)	168,808
<b>Fund balance at beginning of year . . . . .</b>	244,587	244,587	-
<b>Prior year encumbrances appropriated . .</b>	<u>323,702</u>	<u>323,702</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 62,179</u>	<u>\$ 230,987</u>	<u>\$ 168,808</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MUNICIPAL COURT SPECIAL PROJECT FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits, and fees . . . . .	\$ 24,000	\$ 21,292	\$ (2,708)
Total revenues . . . . .	<u>24,000</u>	<u>21,292</u>	<u>(2,708)</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay . . . . .	60,000	6,440	53,560
Total expenditures . . . . .	<u>60,000</u>	<u>6,440</u>	<u>53,560</u>
Net change in fund balance. . . . .	(36,000)	14,852	50,852
<b>Fund balance (deficit) at beginning of year .</b>	<u>(22,564)</u>	<u>(22,564)</u>	<u>-</u>
<b>Fund (deficit) at end of year . . . . .</b>	<u><u>\$ (58,564)</u></u>	<u><u>\$ (7,712)</u></u>	<u><u>\$ 50,852</u></u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS**

**Major Enterprise Funds**

***Water Fund***

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

***Sewer Fund***

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

**Nonmajor Enterprise Funds**

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.

***Robertson Community Center Fund***

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

***Community Improvement Fund***

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

**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 90,988	\$ 176,199	\$ 267,187
Prepayments. . . . .	513	-	513
Net pension asset. . . . .	61	-	61
Capital assets (net of accumulated depreciation) . . . . .	219,114	-	219,114
Total assets . . . . .	<u>310,676</u>	<u>176,199</u>	<u>486,875</u>
<b>Deferred outflows of resources:</b>			
Pension OPERS . . . . .	19,974	-	19,974
Total assets and deferred outflows of resources. . . . .	<u>\$ 330,650</u>	<u>\$ 176,199</u>	<u>\$ 506,849</u>
<b>Liabilities:</b>			
Due to other governments . . . . .	\$ 1,077	\$ -	\$ 1,077
Net pension liability . . . . .	26,506	-	26,506
Total liabilities. . . . .	<u>27,583</u>	<u>-</u>	<u>27,583</u>
<b>Deferred inflows of resources:</b>			
Pension OPERS . . . . .	189	-	189
Total liabilities and deferred inflows of resources. . . . .	<u>27,772</u>	<u>-</u>	<u>27,772</u>
<b>Net position:</b>			
Net investment in capital assets. . . . .	219,114	-	219,114
Unrestricted . . . . .	83,764	176,199	259,963
Total net position. . . . .	<u>302,878</u>	<u>176,199</u>	<u>479,077</u>
Total liabilities, deferred inflows of resources, and net position. . . . .	<u>\$ 330,650</u>	<u>\$ 176,199</u>	<u>\$ 506,849</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Operating revenues:</b>			
Charges for services. . . . .	\$ -	\$ 523,191	\$ 523,191
Other operating revenues . . . . .	48,188	3,413	51,601
	<hr/>	<hr/>	<hr/>
Total operating revenues. . . . .	48,188	526,604	574,792
<b>Operating expenses:</b>			
Personal services . . . . .	14,926	-	14,926
Fringe benefits. . . . .	9,291	-	9,291
Contractual services. . . . .	12,652	346,914	359,566
Materials and supplies. . . . .	29,482	3,491	32,973
Depreciation. . . . .	14,301	-	14,301
Other operating expenses . . . . .	150	-	150
	<hr/>	<hr/>	<hr/>
Total operating expenses. . . . .	80,802	350,405	431,207
Operating income (loss) . . . . .	<hr/> (32,614)	<hr/> 176,199	<hr/> 143,585
<b>Net position at beginning of year . . . . .</b>	<hr/> 335,492	<hr/> -	<hr/> 335,492
<b>Net position at end of year . . . . .</b>	<hr/> <u>\$ 302,878</u>	<hr/> <u>\$ 176,199</u>	<hr/> <u>\$ 479,077</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ -	\$ 523,191	\$ 523,191
Cash received from other operations . . . . .	48,188	3,413	51,601
Cash payments for salaries and benefits . . . . .	(15,207)	-	(15,207)
Cash payments for fringe benefits . . . . .	(2,631)	-	(2,631)
Cash payments for contractual services. . . . .	(12,754)	(346,914)	(359,668)
Cash payments for materials and supplies . . . . .	(29,482)	(3,491)	(32,973)
Cash payments for other expenses . . . . .	(150)	-	(150)
Net cash provided by (used in) operating activities. . . . .	<u>(12,036)</u>	<u>176,199</u>	<u>164,163</u>
Net increase (decrease) in cash and cash equivalents. . .	(12,036)	176,199	164,163
<b>Cash and cash equivalents at beginning of year . . . .</b>	<u>103,024</u>	<u>-</u>	<u>103,024</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u><u>\$ 90,988</u></u>	<u><u>\$ 176,199</u></u>	<u><u>\$ 267,187</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss) . . . . .	\$ (32,614)	\$ 176,199	143,585
Adjustments:			
Depreciation. . . . .	14,301	-	14,301
Changes in assets and liabilities:			
Prepayments. . . . .	1	-	1
Net pension asset . . . . .	(61)	-	(61)
Deferred outflows - pension - OPERS. . . . .	(19,974)	-	(19,974)
Accounts payable . . . . .	(1,461)	-	(1,461)
Due to other governments. . . . .	1,077	-	1,077
Net pension liability. . . . .	26,506	-	26,506
Deferred outflows - pension - OPERS . . . . .	189	-	189
<b>Net cash provided by (used in) operating activities . . . . .</b>	<u><u>\$ (12,036)</u></u>	<u><u>\$ 176,199</u></u>	<u><u>\$ 164,163</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 5,221,500	\$ 5,154,381	\$ (67,119)
Other . . . . .	36,000	647,142	611,142
Total operating revenues . . . . .	<u>5,257,500</u>	<u>5,801,523</u>	<u>544,023</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	1,405,366	1,359,516	45,850
Fringe benefits . . . . .	603,924	546,082	57,842
Contract services . . . . .	860,526	690,473	170,053
Materials and supplies . . . . .	968,092	848,914	119,178
Capital outlay . . . . .	1,873,780	992,681	881,099
Other . . . . .	45,000	4,965	40,035
Total operating expenses . . . . .	<u>5,756,688</u>	<u>4,442,631</u>	<u>1,314,057</u>
Operating income (loss) . . . . .	<u>(499,188)</u>	<u>1,358,892</u>	<u>1,858,080</u>
<b>Nonoperating revenues:</b>			
Interest revenue . . . . .	17,500	44,898	27,398
Total nonoperating revenues . . . . .	<u>17,500</u>	<u>44,898</u>	<u>27,398</u>
Income (loss) before transfers . . . . .	<u>(481,688)</u>	<u>1,403,790</u>	<u>1,885,478</u>
Transfers in . . . . .	800,000	988,790	188,790
Transfers (out) . . . . .	<u>(2,369,000)</u>	<u>(2,212,838)</u>	<u>156,162</u>
Net change in net position . . . . .	<u>(2,050,688)</u>	<u>179,742</u>	<u>2,230,430</u>
<b>Net position beginning of year . . . . .</b>	3,814,892	3,814,892	-
<b>Prior year encumbrances appropriated . .</b>	<u>177,998</u>	<u>177,998</u>	<u>-</u>
<b>Net position end of year . . . . .</b>	<u>\$ 1,942,202</u>	<u>\$ 4,172,632</u>	<u>\$ 2,230,430</u>



**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 4,350,000	\$ 4,322,137	\$ (27,863)
Licenses, permits and fees . . . . .	20,000	23,382	3,382
Other . . . . .	45,630	111,384	65,754
Total operating revenues . . . . .	<u>4,415,630</u>	<u>4,456,903</u>	<u>41,273</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	1,531,050	1,405,570	125,480
Fringe benefits. . . . .	694,020	613,311	80,709
Contract services . . . . .	1,224,046	1,056,032	168,014
Materials and supplies. . . . .	440,875	317,849	123,026
Capital outlay . . . . .	6,583,604	5,910,762	672,842
Other. . . . .	57,000	54,035	2,965
Total operating expenses . . . . .	<u>10,530,595</u>	<u>9,357,559</u>	<u>1,173,036</u>
Operating loss . . . . .	<u>(6,114,965)</u>	<u>(4,900,656)</u>	<u>1,214,309</u>
<b>Nonoperating revenues:</b>			
Interest revenue . . . . .	44,000	80,687	36,687
Loan proceeds . . . . .	3,502,750	3,772,273	269,523
Total nonoperating revenues . . . . .	<u>3,546,750</u>	<u>3,852,960</u>	<u>306,210</u>
Loss before transfers. . . . .	<u>(2,568,215)</u>	<u>(1,047,696)</u>	<u>1,520,519</u>
Transfers in . . . . .	2,650,000	2,650,000	-
Transfers (out). . . . .	<u>(2,695,000)</u>	<u>(2,692,985)</u>	<u>2,015</u>
Net change in net position. . . . .	(2,613,215)	(1,090,681)	1,522,534
<b>Net position beginning of year . . . . .</b>	4,998,826	4,998,826	-
<b>Prior year encumbrances appropriated . .</b>	<u>225,226</u>	<u>225,226</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 2,610,837</u>	<u>\$ 4,133,371</u>	<u>\$ 1,522,534</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ROBERTSON COMMUNITY CENTER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Other. . . . .	\$ 47,100	\$ 48,188	\$ 1,088
Total operating revenues. . . . .	<u>47,100</u>	<u>48,188</u>	<u>1,088</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	15,552	15,207	345
Fringe benefits. . . . .	2,825	2,631	194
Contract services . . . . .	15,910	12,754	3,156
Materials and supplies . . . . .	10,000	8,963	1,037
Capital outlay. . . . .	23,400	23,187	213
Other. . . . .	150	150	-
Total operating expenses . . . . .	<u>67,837</u>	<u>62,892</u>	<u>4,945</u>
Net change in net position . . . . .	(20,737)	(14,704)	6,033
Net position beginning of year . . . . .	<u>103,024</u>	<u>103,024</u>	-
Net position end of year. . . . .	<u>\$ 82,287</u>	<u>\$ 88,320</u>	<u>\$ 6,033</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMMUNITY IMPROVEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services. . . . .	\$ 417,500	\$ 523,191	\$ 105,691
Other. . . . .	2,500	3,413	913
Total operating revenues. . . . .	<u>420,000</u>	<u>526,604</u>	<u>106,604</u>
<b>Operating expenses:</b>			
Contract services . . . . .	400,000	346,914	53,086
Materials and supplies . . . . .	20,000	3,491	16,509
Total operating expenses . . . . .	<u>420,000</u>	<u>350,405</u>	<u>69,595</u>
Net change in net position . . . . .	-	176,199	176,199
Net position beginning of year . . . . .	<u>-</u>	<u>-</u>	<u>-</u>
Net position end of year. . . . .	<u>\$ -</u>	<u>\$ 176,199</u>	<u>\$ 176,199</u>

**CITY OF ALLIANCE, OHIO**

FUND DESCRIPTION

**Internal Service Fund**

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

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**INTERNAL SERVICE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 2,789,000	\$ 2,577,995	\$ (211,005)
Other . . . . .	-	15,551	15,551
Total operating revenues . . . . .	<u>2,789,000</u>	<u>2,593,546</u>	<u>(195,454)</u>
<b>Operating expenses:</b>			
Claims . . . . .	<u>2,810,000</u>	<u>2,499,740</u>	<u>310,260</u>
Total operating expenses . . . . .	<u>2,810,000</u>	<u>2,499,740</u>	<u>310,260</u>
Net change in net position. . . . .	(21,000)	93,806	114,806
<b>Net position beginning of year . . . . .</b>	<u>166,987</u>	<u>166,987</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 145,987</u>	<u>\$ 260,793</u>	<u>\$ 114,806</u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTION**

**Agency Funds**

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

***Carnation Cable Channel Fund***

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

***Municipal Court Fund***

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

**CITY OF ALLIANCE, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Balance</u> <u>1/1/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2017</u>
<b>Carnation Cable Channel</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ -	\$ 79,220	\$ 79,220	\$ -
Receivables (net of allowances of uncollectibles):				
Accounts . . . . .	1,050	835	1,050	835
Total assets . . . . .	<u>\$ 1,050</u>	<u>\$ 80,055</u>	<u>\$ 80,270</u>	<u>\$ 835</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 1,050	\$ 80,055	\$ 80,270	\$ 835
Total liabilities . . . . .	<u>\$ 1,050</u>	<u>\$ 80,055</u>	<u>\$ 80,270</u>	<u>\$ 835</u>
<b>Municipal Court Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts	\$ 25,896	\$ 1,763,658	\$ 1,772,501	\$ 17,053
Total assets . . . . .	<u>\$ 25,896</u>	<u>\$ 1,763,658</u>	<u>\$ 1,772,501</u>	<u>\$ 17,053</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 25,896	\$ 1,763,658	\$ 1,772,501	\$ 17,053
Total liabilities . . . . .	<u>\$ 25,896</u>	<u>\$ 1,763,658</u>	<u>\$ 1,772,501</u>	<u>\$ 17,053</u>
<b>All Agency Funds</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts	\$ 25,896	\$ 1,842,878	\$ 1,851,721	\$ 17,053
Receivables (net of allowances for uncollectibles):				
Accounts . . . . .	1,050	835	1,050	835
Total assets . . . . .	<u>\$ 26,946</u>	<u>\$ 1,843,713</u>	<u>\$ 1,852,771</u>	<u>\$ 17,888</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 26,946	\$ 1,843,713	\$ 1,852,771	\$ 17,888
Total liabilities . . . . .	<u>\$ 26,946</u>	<u>\$ 1,843,713</u>	<u>\$ 1,852,771</u>	<u>\$ 17,888</u>

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# STATISTICAL SECTION

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**CITY OF ALLIANCE, OHIO**  
**STATISTICAL SECTION**

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

**Contents**

**Page**

**Financial Trends**

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

**192-201**

**Revenue Capacity**

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

**202**

**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.

**203-209**

**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.

**210-211**

**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.

**212-219**

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

**CITY OF ALLIANCE, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>Restated 2014</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 18,803,807	\$ 19,802,449	\$ 19,340,616	\$ 19,325,774
Restricted for:				
Capital projects	-	-	-	86,105
Debt service	65,369	64,617	145,057	425,849
Transportation projects	156,417	89,780	117,694	357,951
Public service programs	982,136	1,016,857	1,048,390	1,175,610
Community environment programs	2,854,058	3,184,299	3,184,160	3,329,142
Police and fire pension	66,555	34,220	24,686	38,397
Security programs	347,508	344,515	355,439	392,320
Other purposes	189,666	302,795	148,897	119,585
Unrestricted (deficit)	<u>(12,715,820)</u>	<u>(10,943,407)</u>	<u>(8,403,601)</u>	<u>(7,859,134)</u>
Total governmental activities net position	<u>\$ 10,749,696</u>	<u>\$ 13,896,125</u>	<u>\$ 15,961,338</u>	<u>\$ 17,391,599</u>
 <b>Business-type activities</b>				
Net investment in capital assets	\$ 17,053,900	\$ 15,854,399	\$ 14,314,561	\$ 13,620,315
Restricted:				
Debt service	439,150	449,748	520,304	548,950
Replacement and surplus reserve	1,132,890	866,353	878,195	522,362
Unrestricted	<u>8,268,129</u>	<u>8,420,942</u>	<u>8,390,452</u>	<u>7,305,450</u>
Total business-type activities net position	<u>\$ 26,894,069</u>	<u>\$ 25,591,442</u>	<u>\$ 24,103,512</u>	<u>\$ 21,997,077</u>
 <b>Total primary government</b>				
Net investment in capital assets	\$ 35,857,707	\$ 35,656,848	\$ 33,655,177	\$ 32,946,089
Restricted for:				
Capital projects	-	-	-	86,105
Debt service	504,519	514,365	665,361	974,799
Replacement and surplus reserve	1,132,890	866,353	878,195	522,362
Transportation projects	156,417	89,780	117,694	357,951
Public service programs	982,136	1,016,857	1,048,390	1,175,610
Community environment programs	2,854,058	3,184,299	3,184,160	3,329,142
Security programs	347,508	344,515	355,439	392,320
Police and fire pension	66,555	34,220	24,686	38,397
Other purposes	189,666	302,795	148,897	119,585
Unrestricted (deficit)	<u>(4,447,691)</u>	<u>(2,522,465)</u>	<u>(13,149)</u>	<u>(553,684)</u>
Total primary government net position	<u>\$ 37,643,765</u>	<u>\$ 39,487,567</u>	<u>\$ 40,064,850</u>	<u>\$ 39,388,676</u>

**Source:** City financial records.

**Note:** The net position at December 31, 2014 has been restated for GASB statement Nos. 68 and 71.

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$	19,528,061	\$ 19,194,878	\$ 19,233,554	\$ 19,217,527	\$ 18,500,286	\$ 17,764,197
	936,012	1,286,549	31,763	1,154,738	1,447,623	1,751,872
	191,036	322,426	346,139	401,200	661,027	915,520
	375,369	386,247	285,686	374,892	265,771	325,698
	759,389	760,258	737,980	737,032	728,398	734,587
	3,318,742	3,859,082	3,976,347	3,892,153	4,521,279	4,785,006
	69,984	72,662	76,794	60,133	59,322	58,717
	232,414	175,111	235,720	290,824	394,189	448,672
	903,606	604,772	367,747	365,774	291,652	290,657
	2,743,270	2,717,776	5,348,341	5,157,606	2,679,203	2,624,597
\$	<u>29,057,883</u>	<u>\$ 29,379,761</u>	<u>\$ 30,640,071</u>	<u>\$ 31,651,879</u>	<u>\$ 29,548,750</u>	<u>\$ 29,699,523</u>
\$	12,266,157	\$ 11,655,997	\$ 9,633,092	\$ 9,524,020	\$ 8,804,341	\$ 6,945,805
	573,116	592,084	618,439	609,249	637,561	869,875
	1,152,065	1,903,787	616,385	591,030	682,495	493,477
	9,757,719	8,314,065	8,897,636	8,899,493	9,162,368	9,119,655
\$	<u>23,749,057</u>	<u>\$ 22,465,933</u>	<u>\$ 19,765,552</u>	<u>\$ 19,623,792</u>	<u>\$ 19,286,765</u>	<u>\$ 17,428,812</u>
\$	31,794,218	\$ 30,850,875	\$ 28,866,646	\$ 28,741,547	\$ 27,304,627	\$ 24,710,002
	936,012	1,286,549	31,763	1,154,738	1,447,623	1,751,872
	764,152	914,510	964,578	1,010,449	1,298,588	1,785,395
	1,152,065	1,903,787	616,385	591,030	682,495	493,477
	375,369	386,247	285,686	374,892	265,771	325,698
	759,389	760,258	737,980	737,032	728,398	734,587
	3,318,742	3,859,082	3,976,347	3,892,153	4,521,279	4,785,006
	232,414	175,111	235,720	290,824	394,189	448,672
	69,984	72,662	76,794	60,133	59,322	58,717
	903,606	604,772	367,747	365,774	291,652	290,657
	12,500,989	11,031,841	14,245,977	14,057,099	11,841,571	11,744,252
\$	<u>52,806,940</u>	<u>\$ 51,845,694</u>	<u>\$ 50,405,623</u>	<u>\$ 51,275,671</u>	<u>\$ 48,835,515</u>	<u>\$ 47,128,335</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Program revenues:</b>				
Governmental activities				
Charges for services:				
General government	\$ 1,043,042	\$ 1,282,857	\$ 1,657,019	\$ 1,572,870
Security of persons and property	164,757	107,598	76,764	65,939
Public health and welfare	169,774	179,096	200,787	161,864
Transportation	-	-	-	272
Community environment	129,587	124,538	158,407	59,609
Leisure time activities	26,935	28,699	7,420	26,106
Interest and fiscal charges	-	-	-	-
Subtotal - charges for services	<u>1,534,095</u>	<u>1,722,788</u>	<u>2,100,397</u>	<u>1,886,660</u>
Operating grants and contributions				
General government	100,439	520,850	49,925	56,207
Security of persons and property	54,318	68,815	88,367	119,213
Public health and welfare	136,102	127,350	122,410	133,115
Transportation	1,062,884	939,324	986,928	975,748
Community environment	1,249,650	1,086,050	731,338	999,489
Subtotal - operating grants and contributions	<u>2,603,393</u>	<u>2,742,389</u>	<u>1,978,968</u>	<u>2,283,772</u>
Capital grants and contributions				
General government	-	-	12,500	263
Transportation	366,748	1,279,658	331,606	543,314
Leisure time activities	305,627	-	-	-
Subtotal - capital grants and contributions	<u>672,375</u>	<u>1,279,658</u>	<u>344,106</u>	<u>543,577</u>
Total governmental activities program revenues	<u>4,809,863</u>	<u>5,744,835</u>	<u>4,423,471</u>	<u>4,714,009</u>
Business-type activities:				
Charges for services:				
Water	5,026,836	5,336,229	5,244,227	5,027,585
Sewer	4,398,714	4,446,894	4,546,914	4,245,435
Robertson Community Center	48,188	54,348	44,928	47,494
Community Improvement	526,604	-	-	-
Capital grants and contributions	675,292	-	-	-
Total business-type activities program revenues	<u>10,675,634</u>	<u>9,837,471</u>	<u>9,836,069</u>	<u>9,320,514</u>
Total primary government	<u>\$ 15,485,497</u>	<u>\$ 15,582,306</u>	<u>\$ 14,259,540</u>	<u>\$ 14,034,523</u>
<b>Expenses:</b>				
Governmental activities				
General government	\$ 3,688,938	\$ 4,360,652	\$ 3,786,152	\$ 3,530,481
Security of persons and property	9,688,773	9,647,261	9,005,619	8,983,758
Public health and welfare	1,099,398	1,038,202	952,886	944,102
Transportation	2,411,821	2,582,067	2,584,976	1,946,535
Community environment	1,699,760	1,410,889	941,453	1,132,317
Basic utility services	65,837	61,731	41,870	68,828
Leisure time activities	777,138	765,229	748,255	741,638
Interest and fiscal charges	19,154	26,933	28,195	39,947
Bond issuance costs	-	-	-	-
Total governmental activities expenses	<u>19,450,819</u>	<u>19,892,964</u>	<u>18,089,406</u>	<u>17,387,606</u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	1,090,395	\$ 1,061,567	\$ 974,521	\$ 704,836	\$ 984,588	\$ 948,427
	464,505	50,980	68,727	32,285	14,278	157,747
	162,282	168,495	162,688	306,416	162,113	165,168
	-	-	-	-	-	-
	64,284	78,811	72,433	90,263	82,968	207,862
	24,022	145,468	50,926	49,205	22,990	31,456
	-	-	-	-	-	36,025
	<u>1,805,488</u>	<u>1,505,321</u>	<u>1,329,295</u>	<u>1,183,005</u>	<u>1,266,937</u>	<u>1,546,685</u>
	199,541	166,290	32,043	40,638	30,622	16,550
	185,490	178,676	131,084	51,838	141,330	66,882
	148,884	186,825	200,510	76,594	197,403	181,104
	997,472	997,806	935,710	962,280	853,054	1,042,127
	645,228	679,300	1,544,671	1,110,616	995,772	798,218
	<u>2,176,615</u>	<u>2,208,897</u>	<u>2,844,018</u>	<u>2,241,966</u>	<u>2,218,181</u>	<u>2,104,881</u>
	-	-	-	-	-	-
	660,617	115,061	483,045	-	207,196	326,119
	-	-	-	-	-	-
	<u>660,617</u>	<u>115,061</u>	<u>483,045</u>	<u>-</u>	<u>207,196</u>	<u>326,119</u>
	<u>4,642,720</u>	<u>3,829,279</u>	<u>4,656,358</u>	<u>3,424,971</u>	<u>3,692,314</u>	<u>3,977,685</u>
	5,080,395	4,935,880	4,380,453	3,935,652	4,460,193	4,343,787
	4,516,682	3,716,822	3,980,135	3,966,871	4,618,220	4,180,728
	43,062	46,873	46,682	49,086	75,933	56,293
	-	-	-	-	-	-
	-	1,741,568	-	144,918	313,745	24,295
	<u>9,640,139</u>	<u>10,441,143</u>	<u>8,407,270</u>	<u>8,096,527</u>	<u>9,468,091</u>	<u>8,605,103</u>
\$	<u>14,282,859</u>	<u>\$ 14,270,422</u>	<u>\$ 13,063,628</u>	<u>\$ 11,521,498</u>	<u>\$ 13,160,405</u>	<u>\$ 12,582,788</u>
\$	3,429,427	\$ 3,293,515	\$ 3,280,078	\$ 3,073,733	\$ 2,917,013	\$ 3,086,862
	8,727,248	9,121,557	9,033,362	8,624,742	8,416,988	8,407,092
	961,188	1,069,283	1,034,561	1,015,414	952,822	965,155
	1,852,335	1,727,130	2,015,461	1,960,588	1,636,141	1,787,268
	1,419,894	942,663	1,856,513	1,355,294	969,055	783,718
	72,018	62,457	60,904	54,541	56,427	62,750
	711,074	785,750	770,365	772,260	793,909	769,611
	45,757	50,615	71,335	83,669	110,107	114,938
	-	50,234	-	-	-	-
	<u>17,218,941</u>	<u>17,103,204</u>	<u>18,122,579</u>	<u>16,940,241</u>	<u>15,852,462</u>	<u>15,977,394</u>

Continued

**CITY OF ALLIANCE, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Business-type activities:				
Water	\$ 4,721,033	\$ 4,574,627	\$ 4,222,774	\$ 4,490,494
Sewer	4,729,283	4,194,853	3,932,292	4,364,930
Robertson Community Center	350,405	63,466	54,428	60,546
Community Improvement	<u>80,802</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities expenses	<u>9,881,523</u>	<u>8,832,946</u>	<u>8,209,494</u>	<u>8,915,970</u>
Total primary government	<u>\$ 29,332,342</u>	<u>\$ 28,725,910</u>	<u>\$ 26,298,900</u>	<u>\$ 26,303,576</u>
<b>Net (expense) revenue</b>				
Governmental activities	\$ (14,640,956)	\$ (14,148,129)	\$ (13,665,935)	\$ (12,673,597)
Business-type activities	794,111	1,004,525	1,626,575	404,544
Total primary government net expense	<u>\$ (13,846,845)</u>	<u>\$ (13,143,604)</u>	<u>\$ (12,039,360)</u>	<u>\$ (12,269,053)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities				
Municipal income taxes	\$ 9,728,707	\$ 10,156,552	\$ 10,305,849	\$ 10,739,033
Property and other local taxes	934,726	955,825	893,577	905,285
Grants and entitlements				
not restricted to specific programs	547,218	606,027	630,859	592,068
Investment earnings	23,077	18,684	18,707	25,442
Gain (loss) on fair value adjustment	(68,725)	(8,977)	14,262	-
Miscellaneous	329,524	354,805	372,420	537,100
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>546,889</u>
Total governmental activities	<u>11,494,527</u>	<u>12,082,916</u>	<u>12,235,674</u>	<u>13,345,817</u>
Business-type activities				
Municipal income taxes	380,242	399,981	404,207	420,332
Investment earnings	128,274	83,424	75,653	115,162
Gain on sale of capital assets	-	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(546,889)</u>
Total business-type activities	<u>508,516</u>	<u>483,405</u>	<u>479,860</u>	<u>(11,395)</u>
Total primary government	<u>\$ 12,003,043</u>	<u>\$ 12,566,321</u>	<u>\$ 12,715,534</u>	<u>\$ 13,334,422</u>
<b>Change in net position</b>				
Governmental activities	\$ (3,146,429)	\$ (2,065,213)	\$ (1,430,261)	\$ 672,220
Business-type activities	1,302,627	1,487,930	2,106,435	393,149
Total primary government	<u>\$ (1,843,802)</u>	<u>\$ (577,283)</u>	<u>\$ 676,174</u>	<u>\$ 1,065,369</u>

Source: City financial records.



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 4,518,463	\$ 4,415,238	\$ 4,834,781	\$ 4,616,259	\$ 4,498,029	\$ 3,974,057
4,186,816	3,650,814	3,739,990	3,436,932	3,523,095	3,629,692
55,503	56,050	60,278	56,745	54,174	76,277
-	-	-	-	-	-
8,760,782	8,122,102	8,635,049	8,109,936	8,075,298	7,680,026
<u>\$ 25,979,723</u>	<u>\$ 25,225,306</u>	<u>\$ 26,757,628</u>	<u>\$ 25,050,177</u>	<u>\$ 23,927,760</u>	<u>\$ 23,657,420</u>
\$ (12,576,221)	\$ (13,273,925)	\$ (13,466,221)	\$ (13,515,270)	\$ (12,160,148)	\$ (11,999,709)
879,357	2,319,041	(227,779)	(13,409)	1,392,793	925,077
<u>\$ (11,696,864)</u>	<u>\$ (10,954,884)</u>	<u>\$ (13,694,000)</u>	<u>\$ (13,528,679)</u>	<u>\$ (10,767,355)</u>	<u>\$ (11,074,632)</u>
\$ 10,118,478	\$ 9,769,613	\$ 9,776,370	\$ 8,713,256	\$ 8,540,876	\$ 8,844,311
917,317	1,071,476	929,774	956,359	984,883	1,331,701
967,436	880,730	1,103,878	4,524,885	1,714,806	1,458,034
4,166	4,428	8,435	10,202	21,096	154,923
-	-	-	-	-	-
246,946	287,368	835,956	504,111	747,714	495,455
-	-	(200,000)	-	-	-
12,254,343	12,013,615	12,454,413	14,708,813	12,009,375	12,284,424
394,602	374,081	386,543	343,668	340,765	349,905
9,165	7,259	5,279	6,768	15,215	124,004
-	-	-	-	109,180	-
-	-	200,000	-	-	-
403,767	381,340	591,822	350,436	465,160	473,909
<u>\$ 12,658,110</u>	<u>\$ 12,394,955</u>	<u>\$ 13,046,235</u>	<u>\$ 15,059,249</u>	<u>\$ 12,474,535</u>	<u>\$ 12,758,333</u>
\$ (321,878)	\$ (1,260,310)	\$ (1,011,808)	\$ 1,193,543	\$ (150,773)	\$ 284,715
1,283,124	2,700,381	364,043	337,027	1,857,953	1,398,986
<u>\$ 961,246</u>	<u>\$ 1,440,071</u>	<u>\$ (647,765)</u>	<u>\$ 1,530,570</u>	<u>\$ 1,707,180</u>	<u>\$ 1,683,701</u>

**CITY OF ALLIANCE, OHIO**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General fund:</b>				
Nonspendable	\$ 262,989	\$ 256,700	\$ 386,149	\$ 98,029
Restricted	7,719	4,586	-	-
Committed	87,966	27,592	59,451	103,593
Assigned	877,671	186,256	1,299,804	1,566,149
Unassigned	-	916,477	1,159,618	1,130,672
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>1,236,345</u>	<u>1,391,611</u>	<u>2,905,022</u>	<u>2,898,443</u>
<b>All other governmental funds:</b>				
Nonspendable	75,111	109,983	53,784	31,068
Restricted	5,033,095	5,125,523	5,372,753	5,859,314
Committed	455,388	787,042	760,187	1,057,921
Assigned	-	-	-	1,000
Unassigned (deficit)	(12,107)	(203,737)	(352,810)	-
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service fund	-	-	-	-
Capital projects funds	-	-	-	-
Revolving loan fund	-	-	-	-
Total all other governmental funds	<u>5,551,487</u>	<u>5,818,811</u>	<u>5,833,914</u>	<u>6,949,303</u>
Total governmental funds	<u>\$ 6,787,832</u>	<u>\$ 7,210,422</u>	<u>\$ 8,738,936</u>	<u>\$ 9,847,746</u>

**Source:** City financial records.

**Note:** The City implemented GASB 54 in 2011.

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 100,473	\$ 90,479	\$ 88,225	\$ -	\$ -	\$ -
-	-	-	-	-	-
86,927	134,581	10,289	-	-	-
1,380,734	135,180	64,886	-	-	-
1,237,121	2,672,552	3,789,207	-	-	-
-	-	-	36,264	39,787	54,034
-	-	-	5,207,831	2,277,229	2,415,812
<u>2,805,255</u>	<u>3,032,792</u>	<u>3,952,607</u>	<u>5,244,095</u>	<u>2,317,016</u>	<u>2,469,846</u>
15,867	41,511	38,929	-	-	-
5,671,080	5,891,152	5,797,381	-	-	-
825,390	1,099,759	1,575,115	-	-	-
1,000	1,000	1,000	-	-	-
(3,292)	-	(3,142)	-	-	-
-	-	-	1,920,513	2,396,244	2,053,742
-	-	-	2,261,677	2,234,113	2,670,338
-	-	-	126,581	253,537	383,562
-	-	-	869,425	997,814	1,253,617
-	-	-	1,595,729	1,775,948	1,877,054
<u>6,510,045</u>	<u>7,033,422</u>	<u>7,409,283</u>	<u>6,773,925</u>	<u>7,657,656</u>	<u>8,238,313</u>
<u>\$ 9,315,300</u>	<u>\$ 10,066,214</u>	<u>\$ 11,361,890</u>	<u>\$ 12,018,020</u>	<u>\$ 9,974,672</u>	<u>\$ 10,708,159</u>

**CITY OF ALLIANCE, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>				
Municipal income taxes	\$ 9,808,805	\$ 10,183,234	\$ 10,272,590	\$ 10,701,172
Property and other taxes	948,761	954,561	897,035	897,977
Charges for services	515,589	376,950	325,908	378,773
Licenses, permits and fees	429,225	396,001	658,533	225,825
Fines and forfeitures	543,521	638,352	831,263	851,808
Intergovernmental	3,629,004	4,153,323	2,758,634	2,796,166
Special assessments	-	-	-	67,295
Investment income	18,485	58,434	61,429	44,593
Rental income	36,586	26,313	44,546	74,834
Contributions and donations	4,645	17,812	10,498	13,092
Other	599,485	943,409	678,148	1,095,294
Total revenues	<u>16,534,106</u>	<u>17,748,389</u>	<u>16,538,584</u>	<u>17,146,829</u>
<b>Expenditures</b>				
Current:				
General government	3,069,659	3,912,589	3,279,554	3,104,014
Security of persons and property	8,368,210	8,582,751	8,420,148	8,618,050
Public health and welfare	955,889	964,767	960,431	926,077
Transportation	848,817	1,287,637	1,304,365	897,753
Community environment	1,620,921	1,366,506	929,267	1,129,378
Leisure time activities	588,435	614,440	626,454	613,020
Basic utility services	55,032	55,108	61,384	64,775
Capital outlay	1,331,645	2,234,305	1,778,871	1,382,029
Debt service:				
Principal retirement	119,591	283,542	263,673	551,581
Interest and fiscal charges	18,854	23,503	32,081	42,434
Bond issuance cost	-	-	-	-
Total expenditures	<u>16,977,053</u>	<u>19,325,148</u>	<u>17,656,228</u>	<u>17,329,111</u>
Excess (deficiency) of revenues over (under) expenditures	(442,947)	(1,576,759)	(1,117,644)	(182,282)
<b>Other financing sources (uses)</b>				
Sale of capital assets	20,357	48,245	8,834	-
Sale of refunded bond	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Premium on refunded bond issuance	-	-	-	-
General obligation bonds issued	-	-	-	-
Premium on bond issuance	-	-	-	-
SIB loan proceeds	-	-	-	167,839
OPWC loan proceeds	-	-	-	-
Transfers in	890,824	975,197	823,331	1,734,266
Transfers (out)	(890,824)	(975,197)	(823,331)	(1,187,377)
Total other financing sources (uses)	<u>20,357</u>	<u>48,245</u>	<u>8,834</u>	<u>714,728</u>
Net change in fund balances	<u>\$ (422,590)</u>	<u>\$ (1,528,514)</u>	<u>\$ (1,108,810)</u>	<u>\$ 532,446</u>
Capital expenditures	\$ 1,087,878	\$ 2,153,633	\$ 1,625,458	\$ 1,189,258
Debt service as a percentage of noncapital expenditures	0.87%	1.79%	1.84%	3.68%

**Source:** City financial records.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	10,065,525	\$ 9,768,208	\$ 9,670,227	\$ 8,718,059	\$ 8,516,605	\$ 8,918,599
	916,991	986,268	955,054	969,712	980,354	1,317,000
	428,359	313,836	251,838	224,081	286,138	219,980
	226,663	241,853	219,834	336,829	177,116	211,965
	977,143	554,343	461,502	512,398	553,954	707,122
	3,390,528	3,058,631	4,349,101	6,833,514	4,248,142	3,339,642
	69,216	74,029	62,204	68,563	63,244	67,529
	44,886	47,283	74,730	64,763	109,236	284,258
	99,211	88,653	101,858	84,887	91,888	197,934
	42,346	5,617	4,384	6,231	8,660	8,936
	657,936	608,534	1,039,446	712,218	931,047	617,343
	<u>16,918,804</u>	<u>15,747,255</u>	<u>17,190,178</u>	<u>18,531,255</u>	<u>15,966,384</u>	<u>15,890,308</u>
	3,085,737	2,736,209	2,749,939	2,492,289	2,389,066	2,557,730
	8,548,046	8,375,312	8,220,965	7,857,210	7,821,330	7,894,771
	949,521	979,756	956,336	944,131	911,403	916,506
	867,372	789,652	1,106,279	966,818	963,850	1,078,028
	1,412,050	859,742	1,759,825	1,676,693	1,167,061	745,376
	627,704	653,096	631,225	657,273	687,874	707,879
	68,584	59,583	55,238	51,936	53,228	56,634
	1,833,204	2,957,264	2,089,454	1,335,972	2,194,333	1,249,970
	324,507	329,115	308,740	418,380	403,036	387,705
	48,033	53,201	73,267	87,205	108,690	121,581
	-	50,234	-	-	-	-
	<u>17,764,758</u>	<u>17,843,164</u>	<u>17,951,268</u>	<u>16,487,907</u>	<u>16,699,871</u>	<u>15,716,180</u>
	(845,954)	(2,095,909)	(761,090)	2,043,348	(733,487)	174,128
	-	-	-	-	-	-
	-	455,000	-	-	-	-
	-	(444,652)	-	-	-	-
	-	8,169	-	-	-	-
	-	775,000	-	-	-	-
	-	6,716	-	-	-	-
	-	-	-	-	-	-
	95,040	-	304,960	-	-	-
	1,243,765	1,130,886	1,393,096	1,066,718	1,030,531	1,120,695
	<u>(1,243,765)</u>	<u>(1,130,886)</u>	<u>(1,593,096)</u>	<u>(1,066,718)</u>	<u>(1,030,531)</u>	<u>(1,120,695)</u>
	<u>95,040</u>	<u>800,233</u>	<u>104,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>(750,914)</u>	<u>(1,295,676)</u>	<u>(656,130)</u>	<u>2,043,348</u>	<u>(733,487)</u>	<u>174,128</u>
\$	1,871,185	\$ 1,991,679	\$ 1,605,167	\$ 982,102	\$ 1,891,704	\$ 629,761
	2.34%	2.41%	2.34%	3.26%	3.46%	3.38%

**CITY OF ALLIANCE, OHIO**

**INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS**

<b>Tax Year (1)</b>	<b>Individual</b>		<b>Total Individual</b>	<b>Business</b>	<b>Total</b>	<b>Tax Rate</b>
	<b>Withholding</b>	<b>Non-withholding</b>				
2017	\$ 7,945,320	\$ 1,360,127	\$ 9,305,447	\$ 985,722	\$ 10,291,169	2.00%
2016	8,960,233	927,033	9,887,266	1,490,436	11,377,702	2.00%
2015	8,065,388	1,474,251	9,539,640	1,116,699	10,656,339	2.00%
2014	8,049,056	1,443,002	9,492,058	1,470,963	10,963,021	2.00%
2013	7,678,323	1,377,277	9,055,600	1,227,886	10,283,486	2.00%
2012	7,682,227	1,351,720	9,033,947	1,240,725	10,274,672	2.00%
2011	7,136,465	1,352,612	8,489,077	1,447,690	9,936,767	2.00%
2010	6,651,975	1,250,681	7,902,656	940,634	8,843,290	2.00%
2009	6,768,976	1,347,416	8,116,392	825,594	8,941,986	2.00%
2008	7,209,183	1,214,575	8,423,758	770,489	9,194,247	2.00%

**Source:** City of Alliance Income Tax Department.

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

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

**CITY OF ALLIANCE, OHIO**

**INCOME TAX WITHHOLDINGS BY SECTOR  
LAST TEN YEARS**

<b>Sector</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Industrial	45.0%	48.0%	47.0%	47.0%	46.0%	42.0%	40.0%	31.0%	33.1%	33.9%
Medical	18.0%	17.0%	17.0%	17.0%	17.0%	20.0%	21.0%	22.0%	24.1%	23.3%
Education	14.0%	13.0%	13.0%	12.0%	12.0%	13.0%	14.0%	15.0%	15.4%	21.1%
Retail	6.0%	5.0%	6.0%	6.0%	8.0%	6.0%	5.0%	7.0%	6.5%	10.1%
Service	5.0%	5.0%	5.0%	5.0%	5.0%	6.0%	6.0%	6.0%	6.2%	3.5%
Food/Restaurant	3.0%	4.0%	4.0%	3.0%	4.0%	4.0%	4.0%	5.0%	4.7%	1.5%
Carnation Mall Area	5.0%	4.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%	5.3%	3.1%
Financial	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.6%	3.0%
Construction	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.5%	0.5%
Other	1.0%	1.0%	1.0%	3.0%	1.0%	1.0%	2.0%	6.0%	1.6%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Source:** City of Alliance Income Tax Department.

**CITY OF ALLIANCE, OHIO**

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

Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Special Assessment Bonds	OPWC Loans	SIB Loans	General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans			
2017	\$ -	\$ -	\$ 353,334	\$ 133,437	\$ 915,141	\$ 4,178,848	\$ 4,918,213	\$ 1,436,678	11,935,651	3.04%	\$ 530
2016	75,000	-	366,667	153,449	970,151	5,467,143	744,614	1,516,768	9,293,792	2.37%	413
2015	315,000	-	380,000	167,839	1,025,161	6,715,438	-	1,596,858	10,200,296	2.60%	453
2014	555,000	-	393,333	167,839	1,080,171	7,923,733	-	1,581,084	11,701,160	2.98%	520
2013	1,029,591	70,000	400,000	-	2,197,181	9,092,028	-	1,555,078	14,343,878	3.65%	637
2012	1,270,000	135,000	304,960	-	2,287,000	10,160,000	-	631,224	14,788,184	3.77%	657
2011	735,000	195,000	304,960	-	1,142,000	11,255,000	-	674,209	14,306,169	3.64%	635
2010	980,000	250,000	-	-	1,182,000	12,315,000	-	717,194	15,444,194	3.93%	686
2009	1,335,000	305,000	-	-	1,740,000	13,345,000	-	683,506	17,408,506	4.93%	749
2008	1,680,000	355,000	-	-	2,185,000	14,275,000	-	354,826	18,849,826	5.34%	811

**Source:** City financial records.

**Note:** Population and personal income data are presented on page 209.

**CITY OF ALLIANCE, OHIO**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS

Year	Population (1)	Assessed Value of Taxable Property (2)	Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Net Bonded Debt Per Capita
			Gross Bonded Debt (3)	Debt Service Available Balance	Net Bonded Debt		
2017	22,522	\$ 280,881,810	\$ 915,141	\$ 43,850	\$ 871,291	0.31%	\$ 38.69
2016	22,522	280,881,810	1,045,151	43,850	1,001,301	0.36%	44.46
2015	22,522	278,005,220	1,340,161	126,550	1,213,611	0.44%	53.89
2014	22,522	264,521,390	1,635,171	396,305	1,238,866	0.47%	55.01
2013	22,522	259,506,760	3,226,772	96,408	3,130,364	1.21%	138.99
2012	22,522	262,059,330	3,557,000	98,461	3,458,539	1.32%	153.56
2011	22,522	288,001,100	1,877,000	118,616	1,758,384	0.61%	78.07
2010	22,522	289,117,210	2,162,000	126,581	2,035,419	0.70%	90.37
2009	23,253	299,392,613	3,075,000	253,537	2,821,463	0.94%	121.34
2008	23,253	308,189,431	3,865,000	383,562	3,481,438	1.13%	149.72

**Sources:**

(1) U.S. Census Bureau.

(2) County Auditor.

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



**CITY OF ALLIANCE, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2017

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
<b>Direct - City of Alliance</b>			
OPWC loans	\$ 353,334	100.00%	\$ 353,334
SIB loans	133,437	100.00%	133,437
	<u>486,771</u>		<u>486,771</u>
<b>Overlapping debt:</b>			
Alliance City Schools	4,838,250	88.65%	4,289,109
Marlington Local School District	564,472	20.43%	115,322
Stark County Park District	1,600,000	3.85%	61,600
Stark County	16,273,002	3.85%	626,511
Mahoning County	32,270,000	0.01%	3,227
	<u>55,545,724</u>		<u>5,095,769</u>
Total direct and overlapping debt	<u>\$ 56,032,495</u>		<u>\$ 5,582,540</u>

**Source:** Ohio Municipal Advisory Council.

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

**CITY OF ALLIANCE, OHIO**

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total assessed property value	\$ 280,881,810	\$ 280,881,810	\$ 278,005,220	\$ 264,521,390
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>29,492,590</u>	<u>29,492,590</u>	<u>29,190,548</u>	<u>27,774,746</u>
Debt outstanding				
General obligation bonds	-	75,000	315,000	555,000
Special assessment bonds	-	-	-	-
SIB loans	133,437	153,449	167,839	167,839
Enterprise general obligation bonds	915,141	970,151	1,025,161	1,080,171
OPWC loans	1,790,012	1,883,435	1,976,858	1,974,417
Revenue bonds	4,178,848	5,467,143	6,715,438	7,923,733
Total gross indebtedness	<u>7,017,438</u>	<u>8,549,178</u>	<u>10,200,296</u>	<u>11,701,160</u>
Less:				
Special assessment bonds	-	-	-	-
SIB loans	133,437	153,449	167,839	167,839
Enterprise general obligation bonds	915,141	970,151	1,025,161	1,080,171
OPWC loans	1,790,012	1,883,435	1,976,858	1,974,417
Revenue bonds	4,178,848	5,467,143	6,715,438	7,923,733
Total net debt applicable to debt limit	<u>-</u>	<u>75,000</u>	<u>315,000</u>	<u>555,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 29,492,590</u>	<u>\$ 29,417,590</u>	<u>\$ 28,875,548</u>	<u>\$ 27,219,746</u>
Legal debt margin as a percentage of the debt limit	100.00%	99.75%	98.92%	98.00%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>\$ 15,448,500</u>	<u>\$ 15,448,500</u>	<u>\$ 15,290,287</u>	<u>\$ 14,548,676</u>
Total gross indebtedness	7,017,438	8,549,178	10,200,296	11,701,160
Less:				
Special assessment bonds	-	-	-	-
SIB loans	133,437	153,449	167,839	167,839
Enterprise general obligation bonds	915,141	970,151	1,025,161	1,080,171
OPWC loans	1,790,012	1,883,435	1,976,858	1,974,417
Revenue bonds	4,178,848	5,467,143	6,715,438	7,923,733
Net debt within 5 1/2 % limitations	<u>-</u>	<u>75,000</u>	<u>315,000</u>	<u>555,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 15,448,500</u>	<u>\$ 15,373,500</u>	<u>\$ 14,975,287</u>	<u>\$ 13,993,676</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	100.00%	99.51%	97.94%	96.19%

**Source:** City financial records.

**Notes:**

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

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 259,506,760	\$ 262,059,330	\$ 288,001,100	\$ 288,748,770	\$ 299,234,860	\$ 296,983,320
<u>27,248,210</u>	<u>27,516,230</u>	<u>30,240,116</u>	<u>30,318,621</u>	<u>31,419,660</u>	<u>31,183,249</u>
1,029,591	1,270,000	735,000	980,000	1,335,000	1,680,000
70,000	135,000	195,000	250,000	305,000	355,000
-	-	-	-	-	-
2,197,181	2,287,000	1,142,000	1,182,000	1,740,000	2,185,000
1,955,078	936,184	979,169	717,194	683,506	354,826
9,092,028	10,160,000	11,255,000	12,315,000	13,345,000	14,275,000
<u>14,343,878</u>	<u>14,788,184</u>	<u>14,306,169</u>	<u>15,444,194</u>	<u>17,408,506</u>	<u>18,849,826</u>
70,000	135,000	195,000	250,000	305,000	355,000
-	-	-	-	-	-
2,197,181	2,287,000	1,142,000	1,182,000	1,740,000	2,185,000
1,955,078	936,184	979,169	717,194	683,506	354,826
9,092,028	10,160,000	11,255,000	12,315,000	13,345,000	14,275,000
<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>
<u>\$ 26,218,619</u>	<u>\$ 26,246,230</u>	<u>\$ 29,505,116</u>	<u>\$ 29,338,621</u>	<u>\$ 30,084,660</u>	<u>\$ 29,503,249</u>
96.22%	95.38%	97.57%	96.77%	95.75%	94.61%
\$ 14,272,872	\$ 14,413,263	\$ 15,840,061	\$ 15,881,182	\$ 16,457,917	\$ 16,334,083
14,343,878	14,788,184	14,306,169	15,444,194	17,408,506	18,849,826
70,000	135,000	195,000	250,000	305,000	355,000
-	-	-	-	-	-
2,197,181	2,287,000	1,142,000	1,182,000	1,740,000	2,185,000
1,955,078	936,184	979,169	717,194	683,506	354,826
9,092,028	10,160,000	11,255,000	12,315,000	13,345,000	14,275,000
<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>
<u>\$ 13,243,281</u>	<u>\$ 13,143,263</u>	<u>\$ 15,105,061</u>	<u>\$ 14,901,182</u>	<u>\$ 15,122,917</u>	<u>\$ 14,654,083</u>
92.79%	91.19%	95.36%	93.83%	91.89%	89.71%

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**CITY OF ALLIANCE, OHIO**

PLEDGED REVENUE COVERAGE  
WATER REVENUE BONDS  
LAST TEN YEARS

Year	Operating Revenues	Direct Operating Expenses (1)	Cash and cash equivalents with fiscal agent	Net Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2017	\$ 5,026,836	\$ 4,419,831	\$ 1,679,224	\$ 2,286,229	\$ 1,280,000	\$ 214,200	1.53
2016	5,336,229	4,223,454	1,226,707	2,339,482	1,240,000	257,600	1.56
2015	5,244,227	3,245,642	1,678,905	3,677,490	1,200,000	299,600	2.45
2014	5,027,585	3,406,534	1,678,985	3,300,036	1,160,000	338,750	2.20
2013	5,080,395	3,365,400	1,678,808	3,393,803	1,125,000	375,313	2.26
2012	4,935,880	3,282,009	1,677,730	3,331,601	1,095,000	407,688	2.22
2011	4,380,453	3,632,635	1,678,027	2,425,845	1,060,000	439,963	1.62
2010	3,935,652	3,397,003	1,677,494	2,216,143	1,030,000	470,863	1.48
2009	4,460,193	3,216,538	1,684,217	2,927,872	930,000	569,421	1.95
2008	4,343,787	3,060,768	1,862,595	3,145,614	855,000	739,300	1.97

**Source:** City financial records.

**Notes:**

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Stark County Unemployment Rate (3)</u>
2017	22,522	\$ 392,490,894	\$ 17,427	\$ 32,048	35.9	5.2%
2016	22,522	392,490,894	17,427	32,048	35.9	6.4%
2015	22,522	392,490,894	17,427	32,048	35.9	6.4%
2014	22,522	392,490,894	17,427	32,048	35.9	4.5%
2013	22,522	392,490,894	17,427	32,048	35.9	6.9%
2012	22,522	392,490,894	17,427	32,048	35.9	6.7%
2011	22,522	392,490,894	17,427	32,743	35.9	7.9%
2010	22,522	392,490,894	17,427	32,743	35.9	11.1%
2009	23,253	353,000,000	15,181	30,078	34.0	12.2%
2008	23,253	353,000,000	15,181	30,078	34.0	8.0%

**Sources:**

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

(3) Ohio Department of Job and Family Services labor market information, annual average.

**Notes:**

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

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

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

<b>December 31, 2017</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
University of Mount Union	1,726	1	11.14%
Alliance Community Hospital	1,153	2	7.44%
Alliance City Schools	840	3	5.42%
Coastal Pet	654	4	4.22%
WalMart (2)	500	5	3.23%
Mac Trailer Enterprises	371	6	2.39%
City of Alliance	312	7	2.01%
Alliance Tubular	301	8	1.94%
Robertson Heating & Supply	132	9	0.85%
Alliance Community Medical	121	10	0.78%
<b>Total</b>	<b>6,110</b>		<b>39.42%</b>
<b>Total City Employment (1)</b>	<b>15,500</b>		

<b>December 31, 2008</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total</b>
Mount Union College	1,774	1	14.54%
Alliance Community Hospital	1,077	2	8.83%
Alliance City Schools	741	3	6.07%
Coastal Pet	672	4	5.51%
Alliance Castings	614	5	5.03%
WalMart	432	6	3.54%
Alliance Tubular	382	7	3.13%
City of Alliance	252	8	2.07%
Terry's Tire Town	152	9	1.25%
Robertson Heating	121	10	0.99%
<b>Total</b>	<b>6,217</b>		<b>50.96%</b>
<b>Total City Employment (1)</b>	<b>12,200</b>		

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

**Notes:**

- (1) Total City Employment is estimated by the City.
- (2) WalMart's 2017 employment is estimated by the City.

**CITY OF ALLIANCE, OHIO**

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS

Function/Program	2017	2016	2015	2014
<b>General Government</b>				
<b>Council and clerk</b>				
Number of ordinances passed	61	69	69	80
Number of resolutions passed	8	13	2	6
Number of planning commission docket items	26	35	32	11
Zoning board of appeals docket items	17	32	22	22
<b>Finance Department</b>				
Number of checks/vouchers issued	4,012	4,188	3,961	3,593
Number of payroll checks issued	7,830	2,126	2,242	2,577
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 180,622	\$ 127,697	\$ 104,325	\$ 14,844
Number of receipts issued	2,633	289	292	284
Number of journal entries issued	251	283	201	212
Number of budget adjustments issued	32	15	20	29
Agency ratings - Moody's Financial Services	A2	A2	A1	Aaa
Health insurance costs- Medical	\$ 1,897,930	\$ 2,227,464	\$ 2,283,972	\$ 1,759,447
Health insurance costs- Dental	\$ 106,401	\$ 116,824	\$ 111,121	\$ 124,595
Health insurance costs- Administration	\$ 495,409	\$ 455,148	\$ 368,918	\$ 358,408
Health insurance total	\$ 2,499,740	\$ 2,799,436	\$ 2,764,011	\$ 2,242,450
General fund receipts (budgetary-basis)	\$ 11,533,809	\$ 12,057,771	\$ 11,796,835	\$ 11,713,463
General fund expenditures (budgetary-basis)	\$ 10,941,075	\$ 11,585,501	\$ 12,361,924	\$ 10,870,256
General fund cash balance	\$ 230,043	\$ 373,777	\$ 651,973	\$ 1,197,685
<b>Income Tax Department</b>				
Number of individual returns	7,809	8,045	8,418	8,372
Number of business returns	1,328	1,389	1,259	1,224
Number of business withholding accounts	9,438	9,238	4,459	4,683
Annual number of corporate withholding forms processed	3,523	3,447	3,422	3,612
Annual number of estimated payment forms processed	2,700	2,851	2,735	2,898
Annual number of reconciliation of withholdings processed	3,621	3,608	3,925	3,612
<b>Engineer Contracted Services</b>				
Dollar amount of construction overseen by engineer	\$ 800,000	\$ 898,839	\$ 953,981	\$ 550,000
Private construction overseen/inspected	\$ 897,129	\$ 931,250	\$ 857,900	\$ 1,056,500
Engineering design contracts	\$ 160,000	\$ 650	\$ 52,975	\$ 28,600
<b>Municipal Court</b>				
Number of civil cases filed	1,317	1,290	1,389	1,476
Number of criminal cases filed	1,547	2,237	1,995	2,042
Number of traffic cases filed	2,285	3,407	4,544	5,528
Total cases filed	5,149	6,934	7,928	9,046
Number of civil cases disposed	1,204	1,324	1,396	1,453
Number of criminal cases disposed	1,667	2,307	2,058	2,127
Number of traffic cases disposed	2,350	3,462	4,581	5,537
Total cases disposed	5,221	7,093	8,035	9,117
<b>Vital Statistics</b>				
Certificates filed	314	459	714	694
Number of births (1)	-	140	387	385
Number of deaths	314	319	309	309
Certificates issued	2,942	2,877	3,176	3,172
Burial permits issued	364	-	323	365



2013	2012	2011	2010	2009	2008
75	96	101	95	86	95
11	13	6	10	9	18
27	25	34	27	17	26
4	17	20	26	20	32
3,830	3,802	4,013	3,936	4,305	4,212
2,522	2,463	2,801	2,681	3,064	3,823
\$ 17,116	\$ 14,581	\$ 16,328	\$ 20,387	\$ 43,384	\$ 338,202
329	2,513	2,461	2,546	1,686	1,427
326	360	424	424	221	442
20	13	10	8	23	12
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
\$ 2,202,445	\$ 1,929,298	\$ 1,994,330	\$ 1,680,722	\$ 1,567,989	\$ 1,667,442
\$ 123,818	\$ 116,435	\$ 100,563	\$ 105,433	\$ 103,322	n/a
\$ 310,190	\$ 275,995	\$ 242,136	\$ 234,843	\$ 197,585	n/a
\$ 2,636,453	\$ 2,337,029	\$ 2,337,029	\$ 2,020,998	\$ 1,868,896	\$ 1,667,442
\$ 11,188,999	\$ 10,397,109	\$ 10,450,333	\$ 14,203,022	\$ 11,248,650	\$ 10,977,577
\$ 10,663,936	\$ 10,778,843	\$ 11,533,844	\$ 11,421,889	\$ 11,509,720	\$ 11,495,283
\$ 1,249,079	\$ 1,651,750	\$ 2,854,512	\$ 3,927,726	\$ 1,356,683	\$ 1,602,045
8,070	8,141	8,024	8,084	8,418	8,770
1,304	1,314	1,234	1,216	1,259	1,279
4,989	4,817	4,785	4,467	4,459	4,470
3,451	3,544	3,659	3,380	3,220	3,288
2,680	2,793	2,682	2,564	3,036	3,364
3,550	3,441	3,632	3,576	3,436	3,651
\$ 954,950	n/a	\$ 613,528	\$ 268,152	\$ 1,029,635	\$ -
n/a	n/a	\$ 834,500	\$ 97,600	\$ 275,000	\$ 740,300
\$ 20,625	n/a	\$ 33,395	\$ 25,917	\$ 178,198	\$ 209,948
1,371	1,694	1,717	1,924	1,988	2,473
2,290	2,338	2,262	1,763	1,746	1,894
4,844	4,644	2,733	3,268	3,519	2,603
8,505	8,676	6,712	6,955	7,253	6,970
1,402	1,667	1,727	1,818	2,059	2,524
2,402	2,311	2,147	1,740	1,748	1,952
4,858	4,585	2,728	3,324	3,465	2,651
8,662	8,563	6,602	6,882	7,272	7,127
754	772	734	799	803	778
416	430	402	401	450	432
338	342	332	398	353	346
3,255	3,100	3,270	3,621	4,078	4,402
n/a	364	304	392	365	333

**CITY OF ALLIANCE, OHIO**

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

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Civil Service</b>				
Number of police entry tests administered	1	-	1	-
Number of fire entry tests administered	1	-	1	-
Number of police promotional tests administered	2	1	1	2
Number of fire promotional tests administered	-	-	1	1
Number of hires of police officers from certified lists	1	2	3	4
Number of hires of fire/medics from certified lists	-	1	2	1
Number of promotions from police certified lists	4	1	3	-
Number of promotions from fire certified lists	-	-	3	-
<b>Building Department Indicators</b>				
Construction permits issued	242	260	252	278
Estimated value of construction	\$ 8,425,614	\$ 12,082,854	\$ 14,100,000	\$ 18,635,280
Number of permits issued	999	939	967	894
Amount of revenue generated from permits	\$ 104,138	\$ 105,491	\$ 103,103	\$ 86,670
Number of contract registrations issued	308	272	253	290
<b>Security of Persons &amp; Property</b>				
<b>Police</b>				
Total calls for services	57,259	59,871	58,286	66,082
Number of traffic citations issued	1,345	2,444	4,268	6,188
Number of parking citations issued	87	128	505	166
Number of criminal arrests	3,057	4,697	3,843	3,248
Number of accident reports completed	515	578	572	567
Felony offenses (F1-F5)	536	423	641	668
Misdemeanor offenses (M1-MM)	1,836	1,729	2,465	2,580
Police dept. auxiliary hours worked	820	844	834	1,230
DUI arrests	125	171	141	220
Prisoners	1,863	2,413	2,063	2,056
Motor vehicle accidents	543	578	834	587
Property damage accidents	543	99	817	587
Fatalities from motor vehicle accidents	-	2	1	-
Gasoline costs of fleet	\$ 70,038	\$ 65,464	\$ 76,952	\$ 127,200
Community diversion program - community service hours	n/a	n/a	n/a	n/a
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Fire</b>				
EMS/Rescue calls	2,209	2,184	2,337	2,311
Other EMS calls (assist ambulance, stand-by)	n/a	n/a	n/a	n/a
Structure fires	20	32	35	40
Fires other than structure	55	46	49	46
Other fire calls (electrical, smoke/odor, hazardous mat.)	767	729	719	645
Total calls for services	3,059	3,021	3,150	3,042
Fire with loss	32	51	47	55
Fires with losses exceeding \$10 K	5	9	9	10
Fire losses	\$ 138,420	\$ 710,007	\$ 477,490	\$ 325,149
Fire safety inspections	1,069	1,045	1,217	1,090
Number of times mutual aid given to fire and EMS	2	6	8	16
Number of times mutual aid received for fire and EMS	8	3	2	4
Fire department receipts from fees & permits	\$ 605	\$ 820	\$ 1,040	\$ 630
Fire department total receipts	\$ 5,349	\$ 820	\$ 5,418	\$ 3,374
<b>Public Health and Welfare</b>				
Number of health inspections	-	1,009	678	633
Cemetery burials	37	46	53	59
Cemetery cremations	32	18	34	17
Cemetery sale of lots	n/a	74	75	35
Cemetery receipts	\$ 52,350	\$ 48,782	\$ 62,855	\$ 58,665

2013	2012	2011	2010	2009	2008
1	-	1	-	-	-
-	1	-	-	-	-
-	-	-	-	3	1
1	1	1	-	-	-
1	1	3	2	-	-
-	-	-	-	-	-
-	-	-	1	3	1
2	1	-	-	-	-

295	317	296	346	290	333
\$ 26,214,855	\$ 9,368,510	\$ 13,075,583	\$ 13,906,316	\$ 12,270,074	\$ 29,005,371
720	818	802	1,324	1,164	909
\$ 52,130	\$ 47,969	\$ 56,748	\$ 118,626	\$ 96,578	\$ 88,359
308	286	209	248	119	133

43,231	50,504	41,283	43,950	42,920	44,302
4,122	3,727	1,401	1,796	2,423	2,034
125	245	250	699	776	286
2,883	n/a	2,505	1,826	1,221	3,733
547	n/a	646	618	542	647
583	n/a	564	461	511	565
1,981	n/a	1,640	1,354	1,493	1,652
1,723	1,297	1,204	1,418	956	1,200
215	225	158	143	141	130
1,498	n/a	1,407	1,338	1,666	1,744
557	648	771	803	908	1,040
557	648	771	669	790	892
1	1	-	2	-	1
\$ 146,593	\$ 151,234	\$ 142,749	\$ 105,476	\$ 84,070	\$ 114,869
n/a	n/a	85	94	396	249

2013	2012	2011	2010	2009	2008
2,142	2,179	2,220	2,024	1,885	1,925
n/a	n/a	n/a	n/a	n/a	n/a
39	50	67	87	38	36
39	59	28	46	67	69
620	649	796	738	530	699
2,840	2,937	3,111	2,895	2,520	2,729
21	43	35	41	43	64
7	17	9	5	9	8
\$ 285,280	\$ 1,811,335	\$ 276,650	\$ 2,416,875	\$ 627,410	\$ 388,255
909	155	882	827	540	223
27	19	8	26	8	3
11	19	3	10	9	7
\$ 920	\$ 990	\$ 727	\$ 961	\$ 855	\$ 813
\$ 2,421	\$ 2,708	\$ 727	\$ 26,502	\$ 9,700	\$ 13,905

910	1,085	1,423	1,363	1,476	1,531
80	64	78	78	73	62
22	21	21	13	21	19
48	61	30	45	69	78
\$ 52,300	\$ 49,306	\$ 49,306	\$ 58,946	\$ 60,110	\$ 71,373

**CITY OF ALLIANCE, OHIO**

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

Function/Program	2017	2016	2015	2014
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Recreation mens & womens league receipts	\$ -	\$ 760	\$ -	\$ 1,115
Other fees	\$ -	\$ -	\$ -	\$ -
Cabin rentals	\$ 18,905	\$ 23,055	\$ 18,920	\$ 30,565
Robertson community center facility rentals	\$ 12,458	\$ 11,463	\$ 11,284	\$ 12,343
Robertson community center swimming pool receipts	\$ 35,730	\$ 42,886	\$ 33,643	\$ 34,976
Total recreation department receipts	\$ 67,093	\$ 78,163	\$ 63,847	\$ 78,999
<b>Community Development</b>				
Grant amounts received due to economic development dept.	\$ -	\$ -	\$ -	\$ -
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons) January - December	7,353	7,974	6,828	8,095
Refuse disposal costs per year January - December	\$ 904,490	\$ 859,771	\$ 863,604	\$ 836,118
Annual recycling tonnage (excluding leaf and compost)	651	559	583	730
Percentage of waste recycled	11.29	14.28	11.71	11.08
<b>Transportation</b>				
Total area within corporation limit (square miles)	8,677	8,677	8,677	8,677
Total area within Stark County (square miles)	8.600	8.600	8.600	8.600
Total area within Mahoning County (square miles)	0.077	0.077	0.077	0.077
Total dedicated streets (miles)	106.462	106.462	106.462	106.462
Total paved street (miles)	79.343	79.343	79.343	79.343
Total unpaved street (miles)	27.119	27.119	27.119	27.119
Total number of street intersections	735	735	735	735
Street repair (curb, apron, berms, asphalt) (hours)	6,915	3,305	5,120	3,695
Guardrail repair (hours)	-	3	-	-
Paint striping (hours)	310	462	640	932
Street sweeper (hours)	409	213	623	485
Cold patch (hours)	409	2,845	3,840	3,453
Snow and ice removal regular hours	2,563	3,012	3,915	3,820
Snow and ice removal overtime hours	384	714	882	834
Tons of snow melting salt purchased (Nov-Mar)	1,603	2,300	2,742	2,990
Cost of salt purchased	\$ 65,825	\$ 90,137	\$ 153,970	\$ 82,209
Sewer and sanitary calls for service	n/a	51	84	86
After hours sewer calls (hours)	n/a	14	57	75
Sewer crew (hours)	n/a	21,005	21,490	18,391
Sewer jet, vac-all, other services (hours)	n/a	1,101	1,359	1,280
Landscaping, stump-chipper service (hours)	131	101	193	89
Leaf collection (hours)	811	1,445	1,474	1,481
Sign department (hours)	1,568	1,782	1,165	943
<b>Water Department</b>				
Water rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 6.35	\$ 5.99	\$ 5.82	\$ 5.65
Water rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 11.13	\$ 10.49	\$ 10.18	\$ 9.89
Avg. number of water accounts billed monthly (Cu. Ft.)	9,780	9,703	9,640	9,846
Total water collections annually (including P&I)	\$ 5,337,028	\$ 5,400,479	\$ 5,175,035	\$ 5,014,397
Payments for bulk water purchases	31,371	47,276	29,615	\$ 20,394
<b>Wastewater Department</b>				
Wastewater rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 3.67	\$ 3.46	\$ 3.36	\$ 3.20
Wastewater rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 3.99	\$ 3.76	\$ 3.65	\$ 3.48
Total flow of wastewater treatment plant (billions of gallons)	1.46	1.42	1.90	1.93
Average daily flow (millions of gallons per day)	4.00	3.90	5.20	5.30
Tons of dry sludge removed	1,294	730	840	993

**Source:** Various City of Alliance departments.

**Note:** (1) The Alliance Community Hospital ceased its birth center operations in 2016.

	2013	2012	2011	2010	2009	2008
\$	1,470	\$ 3,050	\$ 4,750	\$ 4,520	\$ 3,330	\$ 2,100
\$	-	\$ 975	\$ -	\$ -	\$ -	\$ 880
\$	8,160	\$ 8,110	\$ 17,822	\$ 16,595	\$ 16,790	\$ 16,404
\$	10,962	\$ 15,660	\$ 10,697	\$ 10,382	\$ 11,021	\$ 10,762
\$	32,077	\$ 31,213	\$ 35,985	\$ 38,439	\$ 32,949	\$ 43,664
\$	52,669	\$ 59,008	\$ 69,254	\$ 69,936	\$ 64,095	\$ 73,810
\$	-	\$ -	\$ -	\$ 726,519	\$ 693,414	\$ 680,239
	6,887	7,571	n/a	7,306	8,885	11,371
\$	748,953	\$ 792,115	n/a	\$ 850,514	\$ 832,922	\$ 612,118
	579	601	n/a	647.43	598.67	572.87
	7.75	7.93	n/a	8.86	6.31	5.04
	8,677	8,677	8,677	8,677	8,677	8,677
	8,600	8,600	8,600	8,600	8,600	8,600
	0,077	0,077	0,077	0,077	0,077	0,077
	106,462	106,462	106,462	106,462	106,462	106,462
	79,343	79,343	79,343	79,343	79,343	79,343
	27,119	27,119	27,119	27,119	27,119	27,119
	735	735	735	735	735	735
	3,095	2,635	2,290	2,240	2,327	1,650
	37	-	-	-	-	-
	1,065	1,092	950	945	920	1,080
	378	650	633	518	719	607
	3,785	3,697	4,350	4,235	4,395	3,780
	4,865	3,735	4,980	5,950	5,280	6,912
	748	794	825	1,383	837	1,333
	2,603	2,407	4,229	3,402	2,987	3,511
\$	96,658	\$ 123,530	\$ 218,217	\$ 172,872	\$ 140,713	\$ 125,622
	100	115	86	87	96	96
	54	84	47	102	48	36
	19,055	18,284	17,615	17,349	18,335	18,327
	1,455	-	1,304	1,668	1,052	1,381
	171	376	241	289	765	807
	1,041	1,689	1,597	1,706	1,716	1,285
	1,295	1,025	1,160	1,320	1,040	800
\$	5.65	\$ 5.28	\$ 4.93	\$ 4.93	\$ 4.61	\$ 4.48
\$	9.89	\$ 9.24	\$ 8.63	\$ 8.63	\$ 8.07	\$ 7.83
	9,850	9,889	9,813	9,851	9,819	9,875
\$	5,091,119	\$ 4,900,519	\$ 4,316,764	\$ 4,208,926	\$ 4,057,088	\$ 4,208,863
\$	27,752	\$ 29,638	\$ 36,271	\$ 34,668	\$ 31,726	\$ 14,222
\$	3.20	\$ 3.20	\$ 3.44	\$ 3.44	\$ 3.44	\$ 3.28
\$	3.48	\$ 3.48	\$ 3.89	\$ 3.89	\$ 3.89	\$ 3.71
	1.10	1.10	1.71	1.52	1.33	1.68
	3.00	3.00	4.68	4.00	4.00	4.62
	960	1,111	669	663	663	1,146

**CITY OF ALLIANCE, OHIO**

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

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>General Government</b>										
Square footage occupied	57,231	57,231	57,321	57,321	57,321	57,321	57,321	57,321	57,321	57,321
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Vehicles	43	43	42	45	45	36	33	31	39	39
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Square footage of building	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351
Vehicles	10	10	10	10	10	11	10	9	9	9
<b>Recreation</b>										
Number of parks	24	24	24	24	24	24	24	24	24	24
Acres of parks	220	220	220	220	220	220	220	220	220	220
<b>Other Public Works</b>										
Streets	107	107	107	107	107	107	107	107	107	107
Traffic lights	39	39	39	39	39	38	38	38	38	38
<b>Wastewater</b>										
Sanitary sewers (miles)	119	119	119	119	119	119	119	119	119	119
Storm sewers (miles)	104	104	104	104	104	104	104	104	104	104
<b>Water Department</b>										
Water lines (miles)	120	120	120	120	120	120	120	120	120	120

**Source:** Various City of Alliance departments.

**CITY OF ALLIANCE, OHIO**

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

Function/Program	2017		2016		2015		2014	2013	2012	2011	2010	2009	2008
	FT	PT	FT	PT	FT	PT							
<b>General Government</b>													
Mayor	4.00	0.00	4.00	0.00	4.00	0.00	4.00	4.00	4.00	4.00	4.00	3.75	3.75
Auditor	4.50	0.00	4.50	0.00	4.50	0.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Law Director	2.00	5.00	2.00	5.00	2.00	5.00	4.00	4.50	3.50	4.50	4.50	4.50	4.50
Council	0.00	9.00	0.00	9.00	0.00	9.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Judge	6.00	2.00	6.00	2.00	5.00	2.00	6.50	5.50	5.50	5.50	5.00	5.00	5.50
Clerk of Courts	7.00	1.00	7.00	1.00	7.00	1.00	7.50	6.50	6.50	6.00	6.50	7.50	7.50
Civil Service	0.00	4.00	0.00	4.00	0.00	4.00	2.00	2.00	2.00	2.00	2.00	1.50	2.00
Engineering	6.00	3.00	6.00	3.00	6.00	1.50	8.00	6.50	6.50	7.00	6.50	6.50	6.50
City Hall Maintenance	1.00	2.00	1.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Income Tax	2.50	1.00	2.50	1.00	3.50	0.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Treasurer	0.00	1.00	0.00	1.00	0.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Senior Center & Agency on Aging	1.00	0.00	1.00	0.00	1.00	0.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
<b>Security of Persons and Property</b>													
Police	37.00	3.00	40.00	3.00	40.00	3.00	41.00	43.00	43.00	43.00	41.00	42.00	41.00
Police - auxiliary/guards	0.00	17.00	0.00	17.00	0.00	20.00	11.00	10.00	11.00	10.00	9.00	9.00	9.00
Police - dispatchers/office/other	12.00	5.00	12.00	5.00	13.00	5.00	14.50	14.00	14.50	14.00	14.00	14.00	14.00
Fire	26.00	0.00	28.00	0.00	28.00	0.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
<b>Public Health Services</b>													
Health	9.00	5.00	9.00	5.00	9.00	2.00	12.50	12.50	13.00	12.50	13.00	13.00	13.00
Cemetery	1.00	7.00	1.00	7.00	1.00	2.00	3.00	3.00	3.50	4.00	3.00	2.00	2.00
<b>Leisure Time Activities</b>													
Parks and recreation	5.00	25.00	5.00	25.00	5.00	4.50	23.00	21.00	21.50	24.50	21.00	21.00	20.00
Litter	0.00	1.00	0.00	1.00	0.00	0.50	0.50	0.50	0.50	1.00	0.00	1.00	1.00
<b>Community Development</b>													
Building (CDBG)	4.00	0.00	4.00	0.00	3.00	0.00	4.00	4.00	4.00	3.00	4.00	5.00	3.75
<b>Transportation</b>													
Street maintenance & repair	11.00	1.00	11.00	1.00	12.00	0.00	12.00	11.00	11.00	13.50	13.00	12.50	12.50
<b>Basic Utility Services</b>													
Sewer	23.00	0.25	23.00	0.25	28.00	0.00	28.50	29.00	29.00	29.00	27.25	26.75	24.25
Water	23.00	0.25	23.00	0.25	23.00	0.00	25.50	25.00	25.50	24.00	24.25	23.25	26.25
Billing and collection	8.00	0.00	8.00	0.00	6.00	0.00	5.50	5.50	5.50	8.00	8.00	8.00	7.50
<b>Total</b>	<b>193.00</b>	<b>92.50</b>	<b>198.00</b>	<b>92.50</b>	<b>202.00</b>	<b>62.50</b>	<b>260.00</b>	<b>254.50</b>	<b>257.00</b>	<b>263.00</b>	<b>253.50</b>	<b>253.75</b>	<b>251.50</b>

**Source:** City Payroll Department W-2 Audit Listing.

**Note:** In 2015, the City began accounting for full-time employees (FT) and part-time employees (PT) separately.

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**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

*SUPPLEMENTAL REPORT*

FOR THE YEAR ENDED  
DECEMBER 31, 2017

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

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**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program / Cluster Title	Pass Through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through City of Canton Health Department</i>				
Special Supplemental Nutrition for Women, Infants and Children (WIC)	76-2-0011-WA1017	10.557	\$ -	\$ 115,687
<b>Total U.S. Department of Agriculture</b>			-	115,687
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Direct:</i>				
<b>CDBG - Entitlement Grants Cluster:</b>				
Community Development Block Grants/Entitlement Grants	N/A	14.218	67,842	474,670
<b>Total CDBG - Entitlement Grants Cluster</b>			67,842	474,670
<b>Total U.S. Department of Housing and Urban Development</b>			67,842	474,670
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Direct:</i>				
Bulletproof Vest Partnership Program - 2016	N/A	16.607	-	450
<i>Passed Through Ohio Office of Criminal Justice Services</i>				
Edward Byrne Memorial Justice Assistance Grant Program	2016-JG-LIE-5963	16.738	-	7,444
<b>Total U.S. Department of Justice</b>			-	7,894
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through Ohio Department of Transportation</i>				
<b>Highway Planning and Construction Cluster:</b>				
Highway Planning and Construction	PID 99484	20.205	-	305,627
<b>Total Highway Planning and Construction Cluster</b>			-	305,627
<b>Total U.S. Department of Transportation and Highway Planning and Construction Cluster</b>			-	305,627
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through City of Canton Health Department</i>				
Immunization Cooperative Agreements	76-2-0012-IM1017	93.268	-	10,013
HIV Prevention Activities - Health Department Based	76-2-0012-HP1017	93.940	-	10,590
<b>Total U.S. Department of Health and Human Services</b>			-	20,603
<b>Total</b>			<b>\$ 67,842</b>	<b>\$ 924,481</b>

*The accompanying notes are an integral part of this schedule.*

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Alliance (the "City") under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - SUBRECIPIENTS**

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

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

**NOTE D - MATCHING REQUIREMENTS**

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



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Mayor and Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, 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, 2017, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements and have issued our report thereon dated June 21, 2018.

***Internal Control Over Financial Reporting***

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

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

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

Members of Council and Mayor  
City of Alliance

***Compliance and Other Matters***

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

***Purpose of this Report***

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.  
June 21, 2018



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance with Requirements Applicable to  
The Major Federal Program and on Internal Control Over Compliance and the  
Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance***

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

To the Mayor and Members of Council:

***Report on Compliance for the Major Federal Program***

We have audited the City of Alliance's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Alliance's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Alliance's major federal program.

***Management's Responsibility***

The City of Alliance's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the City of Alliance's compliance for the City of Alliance's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the City of Alliance complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

Members of Council and Mayor  
City of Alliance

***Report on Internal Control Over Compliance***

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

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements. We issued our unmodified report thereon dated June 21, 2018. We conducted our audit to opine on the City of Alliance's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
June 21, 2018



**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2017**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Highway Planning and Construction Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS</b>
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None

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# Dave Yost • Auditor of State

**CITY OF ALLIANCE**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 18, 2018**