

**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CITY OF ALLIANCE  
STARK COUNTY

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**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Members of City Council:

We have audited the general purpose financial statements of the City of Alliance, Stark County, Ohio (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 20, 2002, in which we noted the City adopted Governmental Accounting Standards Board Statement No. 33 during the year ended December 31, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 20, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 20, 2002.

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

June 20, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR

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

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

To the Members of City Council:

**Compliance**

We have audited the compliance of the City of Alliance, Stark County, Ohio (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Federal Awards Expenditures**

We have audited the general purpose financial statements of the City as of and for the year ended December 31, 2001, and have issued our report thereon dated June 20, 2002, in which we noted the City adopted Governmental Accounting Standards Board Statement No. 33 during the year ended December 31, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Jim Petro**  
Auditor of State

June 20, 2002



**CITY OF ALLIANCE  
STARK COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Direct</i>			
Community Development Block Grant	N/A	14.218	\$1,342,962
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Direct</i>			
Public Safety Partnership and Community Policing Grants	N/A	16.710	196,477
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed through the Ohio Department on Aging</i>			
Special Programs for the Aging Title III, Part B Grants for Services and Senior Centers	Not Available	93.044	14,094
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed through the Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	Not Available	10.557	<u>102,431</u>
<b>Total</b>			<b><u><u>\$1,655,964</u></u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**CITY OF ALLIANCE  
STARK COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - SUBRECIPIENTS**

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

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

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

The City has established a revolving loan program to provide low-interest loans to businesses to create employment opportunities for persons from low to moderate income households and to rehabilitate homes. The United States Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money was previously recorded as an expenditure on the Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as expenditures on the Schedule.

These loans are collateralized by mortgages on the property owned by recipients. At December 31, 2001, the gross amount of loans outstanding under this program was \$183,072.

**NOTE D - URBAN DEVELOPMENT ACTION GRANTS (UDAG) REVOLVING LOAN PROGRAM**

The City has established a revolving loan program to provide low-interest loans to businesses to create employment opportunities for persons from low to moderate income households and to rehabilitate homes. The United States Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money was previously recorded as an expenditure on the Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as expenditures on the Schedule.

These loans are collateralized by mortgages on the property owned by recipients. At December 31, 2001, the gross amount of loans outstanding under this program was \$1,899,726.

**NOTE E - MATCHING REQUIREMENTS**

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

**CITY OF ALLIANCE  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
DECEMBER 31, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grant (CDBG) – CFDA #14.218
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



**CITY OF ALLIANCE, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2001**

Andrei A. Dordea, CPA  
City Auditor

Prepared by the City Auditor's Office



**City of Alliance, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2001*  
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The City of

# Alliance,

OHIO, 44601

"The Carnation City"

504 East Main Street, Suite 110



CITY AUDITOR

ANDREI A. DORDEA, CPA

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June 20, 2002

Honorable Citizens of Alliance  
and Members of City Council  
Alliance, Ohio 44601

We are pleased to present the Comprehensive Annual Financial Report of the City of Alliance for the year ended December 31, 2001. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The introductory section includes a table of contents, this transmittal letter, a list of City officials, the City's organizational chart, and a copy of the GFOA Certificate of Achievement.
2. The financial section begins with the Report of Independent Accountants, and includes the general purpose financial statements and explanatory notes that provide an overview of the City's financial position and operating results, and the combining financial statements and schedules of the individual funds and account groups that provide detailed information relative to the general purpose financial statements.
3. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

## Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." 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 police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services. The City has no component units for 2001.

The City is associated with certain organizations which are defined as Jointly Governed Organizations. These organizations are presented in the notes to the general purpose financial statements (See Note 17).

These organizations are the Stark County Council of Governments, the Stark County Regional Planning Commission and the Stark Area Regional Transit Authority. The City is also associated with the Alliance Area Development Foundation (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 2000, the Mayor was an elected trustee. The Foundation's goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

## **The City of Alliance**

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

The City is in the Canton Metropolitan Statistical Area (MSA), comprised of the Ohio counties of Carroll and Stark and being the 101st largest of 280 MSAs in the United States (based on the 2000 census).

The City's 2000 population of 23,253 placed it as the third largest City in the County.

The City's area is 7.952 square miles, of which approximately 7.875 square miles are located in Stark County and .077 square miles are located in Mahoning County.

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

Public transportation is provided by Stark Area Regional Transit Authority (SARTA) which offers fixed route and curb to curb service within and between 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 four credit unions.

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

Mt. Union College, a private four-year college with a total enrollment of approximately 2,000 students is located in the City. In addition, within commuting distance are several public and private two-year and four-year colleges and universities, including the University of Akron, Kent State University, Northeastern Ohio College of Medicine located in Rootstown Township, Portage County, Walsh University located in Plain Township, Stark County, Malone College located in the City of Canton and Stark State College located in Jackson Township, Stark County.

The City is served by Alliance Community Hospital (the "Hospital"), a 252-bed total care facility, which includes long-term care facilities. The Hospital has recently formed a joint venture with the Aultman Hospital Group.

Various recreational and cultural facilities are immediately available to City residents. The City operates a park system of 12 parks and parklands encompassing 185 acres with facilities that include tennis courts, baseball diamonds and basketball and volleyball courts. 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 nine days each August. Activities include a festival ball, a parade, concessions and games, musical events, and arts and crafts.

A senior citizens center is located in the City. It offers a multitude of services and social activities for people over sixty and retirees of the community.

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

Water service within the City is provided by the City’s water system and is purchased directly by the consumers. Sewage collection and disposal is handled by the City’s sewage system. The Ohio Edison Company provides electricity and natural gas is provided by Columbia Gas of Ohio, Inc. The local provider of telephone service is Ameritech.

## **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, 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 of expense to be drawn upon for any other purpose, or a voucher to be paid

unless sufficient funds are in the City treasury to the credit of the fund on which the voucher is drawn. The City Treasurer is responsible for receiving, maintaining custody of and disbursing all City funds.

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

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

## **Financial Outlook**

As the national economy has slowed during 2001, so too has the City's. The City's year-end General Fund cash balance (which does not take into account outstanding encumbrances) was \$954,217 which represents a decrease of \$599,192 from the prior year. Municipal income tax revenues included in the General Fund during 2001 decreased 2.48 percent or \$145,824 from the prior year.

Several plans are currently underway to strengthen economic development. The Sawburg Industrial Park was substantially completed during 2001 and will open in 2002 with the ground breaking of a 340,000 square foot facility that will be occupied by a heating and supply company. Formed in 1999, the Alliance Area Development Foundation, a non-profit organization, has been operating with the goal of retaining companies, enhancing company growth, and capturing new business for the Alliance area.

## **Major Initiatives**

During 2001 the City completed or made substantial progress toward several major goals and projects.

The West State Street Widening Project was completed. This project involved the widening of approximately 2.2 linear kilometers of State Street. The City also continued its paving program, with approximately \$237,000 spent for resurfacing in 2001.

Construction of a \$4,000,000 Police facility began in 2001 with completion scheduled for 2003. Funding for this project was provided by the sale of real estate, equipment, buildings and fixtures in January of 1999, known as the Alliance Community Hospital.

Final design engineering on influent screens for the City's Wastewater Treatment Plant commenced during 2001 with construction scheduled to begin during 2002. The project consists of replacing the existing grinder with screening equipment and constructing a building over the screen equipment. Total project costs are estimated at \$325,000. The Ohio Public Works Commission will provide forty-nine percent of the funding with the remaining fifty-one percent provided by the City.

Engineering was completed in 2001 on the Parkway Boulevard Storm Sewer Project, Phase II. Construction is scheduled to begin in 2002. The project consists of replacing 2,415 linear feet of storm sewer pipe and thirty-five catch basins. Total project costs are estimated at \$458,650. The Ohio Public Works Commission will provide thirty-four percent of the funding with the remaining sixty-six percent provided by the City.

The Alliance Area Senior Citizens Center, Inc. is scheduled to begin construction in 2002 on a four-unit residential housing building with two additional four-unit residential housing buildings to follow.

The Alliance City School District is in the process of a \$61,000,000 project to build two new schools and refurbish/renovate four existing schools. The Ohio Schools Facilities Commission will provide eighty-four percent of the funding, while the Alliance City School District will provide the remainder.

The Alliance Community Hospital is scheduled to begin construction in 2002 on a new state-of-the-art 17-20 acre campus and facility at their current location.

## **Financial Information**

***Accounting Policies and Budgetary Control*** The City of Alliance reports on a modified accrual/accrual basis of accounting, which conforms to generally accepted accounting principles (GAAP). Under this system, the governmental fund types and agency funds utilize a modified accrual basis of accounting. On this basis, revenues are recognized when measurable and available; expenditures are recognized when goods and services are received. The proprietary fund types are accounted for on the accrual basis of accounting. This basis recognizes revenues when earned and expenses when incurred.

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

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

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

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

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

the evaluation of costs and benefits should require estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

### General Governmental Revenues and Expenditures

The following summary compares revenues for general governmental functions which include the general, special revenue, debt service and capital projects funds:

	2000 Amount	2001 Amount	Percent of Total	Change	Percent Change
Revenues:					
Property and Other Taxes	\$853,784	\$1,660,276	10.30%	\$806,492	94.46%
Municipal Income Taxes	7,084,383	6,879,010	42.68	(205,373)	(2.90)
Permissive Motor Vehicle License Tax	92,502	97,359	0.60	4,857	5.25
Charges for Services	309,885	362,691	2.25	52,806	17.04
Licenses, Permits and Fees	185,767	191,998	1.19	6,231	3.35
Fines and Foreitures	512,114	459,229	2.85	(52,885)	(10.33)
Intergovernmental	3,527,640	4,371,863	27.13	844,223	23.93
Special Assessments	69,982	68,611	0.43	(1,371)	(1.96)
Interest	756,084	594,581	3.69	(161,503)	(21.36)
Rentals	117,608	291,703	1.81	174,095	148.03
Donations and Contributions	0	712,052	4.42	712,052	100.00
Other	434,791	427,378	2.65	(7,413)	(1.70)
Total Revenues	<u>\$13,944,540</u>	<u>\$16,116,751</u>	<u>100.00%</u>	<u>\$2,172,211</u>	15.58%

Property and Other Taxes increased \$806,492 or 94.46 percent due to the collection of property taxes from a Tax Increment Financing District enacted January 1, 1997.

Charges for services increased \$52,806 or 17.04 percent due to increases in demand for chargeable services provided by service departments.

Licenses, Permits and Fees increased \$6,231 or 3.35 percent due to more permits issued during 2001.

Intergovernmental increased by \$844,223 or 23.93 percent primarily due to capital grants received during 2001.

Interest decreased by \$161,503 or 21.36 percent due to lower interest rates and less monies available to invest in 2001.

Rentals increased by \$174,095 or 148.03 percent due to gas well royalties from new gas wells on or near City properties.

Donations and Contributions of \$712,052 was money received from a developer to be used in the building of West Main Street.

The following summary compares expenditures for general governmental functions which include the general, special revenue, debt service and capital projects funds:



	2000 Amount	2001 Amount	Percent of Total	Change	Percent Change
Expenditures:					
Current:					
General Government	\$2,280,438	\$2,368,265	12.33%	\$87,827	3.85%
Security of Persons and Property	6,491,224	6,516,687	33.92	25,463	0.39
Public Health Services	660,804	725,626	3.78	64,822	9.81
Transportation	937,866	981,208	5.11	43,342	4.62
Community Environment	931,804	1,744,587	9.08	812,783	87.23
Basic Utility Services	55,720	57,856	0.30	2,136	3.83
Leisure Time Activities	537,253	536,122	2.79	(1,131)	(0.21)
Capital Outlay	2,046,704	3,987,455	20.76	1,940,751	94.82
Debt Service:					
Principal Retirement	2,035,494	1,925,730	10.02	(109,764)	(5.39)
Interest and Fiscal Charges	271,992	367,002	1.91	95,010	34.93
Total Expenditures	<u>\$16,249,299</u>	<u>\$19,210,538</u>	<u>100%</u>	<u>\$2,961,239</u>	18.22%

Transportation expenditures increased by \$43,342 or 4.62 percent due to more street repair/maintenance projects undertaken in 2001.

Community environment expenditures increased by \$812,783 or 87.23 percent due to more grant monies being spent and more Urban Development Action Grant loans issued during 2001.

Capital outlay expenditures increased by \$1,940,751 or 94.82 percent due to the construction of West Main Street.

Debt service principal retirement decreased by \$109,764 or 5.39 percent due to less principal paid on notes in 2001. Interest and fiscal charges increased by \$95,010 or 34.93 percent because the City issued new notes and paid interest on said notes in 2001.

**General Fund Balance** - The general fund balance decreased from \$2,870,555 in 2000 to \$2,324,890. This decrease of \$545,665 represents a 19.0 percent decrease over the prior year.

**Financial Highlights - Enterprise Funds** - The enterprise funds operated by the City consist of a water and a sewer fund. Operating revenues in the water fund totaled \$3,784,820 with depreciation expense of \$721,573, a net loss of \$443,558 and deficit retained earnings of \$579,275 at December 31, 2001. The sewer fund had operating revenues of \$3,191,184 with depreciation expense of \$371,529, a net loss of \$51,612 and retained earnings of \$6,035,076 at December 31, 2001.

**Financial Highlights - Internal Service Fund** - The Internal Service Fund is for self-insurance. This fund accounts for the revenues and expenses related to the provision of employee health benefits. During 2001, the retained earnings in the self-funded insurance fund plan increased from a deficit of \$30,662 at December 31, 2000 to \$63,791 at December 31, 2001.

**Financial Highlights - Fiduciary Funds** - The agency funds of the City consist of the Municipal Court and Carnation Cable funds. The agency funds had assets totaling \$131,282 at December 31, 2001.

## Debt Administration

At the end of 2001, the gross indebtedness was \$29,245,596. The overall debt margin within the overall limitation was \$25,304,386. With continued prudent management on the part of Council and the Administration, the City should be able to meet its capital needs in the foreseeable future. The sources of revenue for the bond retirement funds include property taxes and special assessments.

The City continues to have an Aa2 Rating from Moody's Investor's Service. The most recent rating was received in 1998. The City has \$1,300,000 of outstanding general obligation bonds, \$640,000 of outstanding special assessment bonds and \$3,060,000 of outstanding long-term notes at December 31, 2001. The net general bonded debt per capita was \$51.06. All bonds of the City are backed by its full faith and credit.

The City has \$21,919,256 (net of discount and accounting loss) of outstanding refunding revenue bonds, \$50,596 of OPWC loans payable and \$380,000 of outstanding general obligation bonds in the enterprise funds at December 31, 2001.

## **Cash Management**

The City adheres strictly to the regulations set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions and with the State Treasurer's Investment Pool (STAROhio).

A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. The collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

## **Risk Management**

The City carries general insurance through Love Insurance Agency. In 2001, insurance premiums were \$123,213.

The City carries a \$3,000,000/\$5,000,000 comprehensive general liability. The City also carries a \$3,000,000/\$4,000,000 law enforcement liability insurance policy and wrongful acts policy, each with a \$5,000 deductible. Other coverage carried by the City includes automobile, bond, crime, property, inland marine, fire vehicle replacement cost and electronic data processing.

The City pays the Ohio Bureau of Workers' Compensation System (OBWC) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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 of \$50,000 per employee. A third party administrator, Anthem Benefits Administrators, reviews all claims which are then paid by the City. The advantages of the self-insurance arrangement include the City holding the reserves and earning interest on them. Control of the Plan rests with the City.

## **Fixed Assets**

The general fixed assets of the City include all City-owned land and improvements, buildings, equipment and machinery, vehicles and construction in progress used in the performance of general government functions. The general fixed assets exclude fixed assets of the enterprise funds. At December 31, 2001, the general fixed assets of the City totaled \$14,814,765 valued at cost or estimated historical cost.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Alliance for its comprehensive annual financial report for the year ended December 31, 2000.

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 satisfy all program

standards. Such a report must conform to generally accepted accounting principles and satisfy all applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

### **Independent Audit**

The financial records, books of accounts and transactions of the City of Alliance, Ohio, for the year ended December 31, 2001, have been audited by the Auditor of State Jim Petro's Office. The Auditor's opinion has been included in this report.

### **Acknowledgements**

The City would like to express its appreciation to the Local Government Services Division of Auditor of State Jim Petro's office for their assistance with the preparation of this Comprehensive Annual Financial Report.

Further appreciation and gratitude is expressed to my staff and other City and County departments who assisted in the completion of this report.

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

Respectfully submitted,



Andrei A. Dordea, CPA  
City Auditor

**City of Alliance, Ohio**  
*City Officials*  
*December 31, 2001*

Mayor .....	Toni E. Middleton
President of Council .....	John Benincasa
Councilman- Ward I .....	Brant Luther
Councilman- Ward II .....	Phyllis Phillips
Councilman- Ward III .....	James Puckett
Councilman- Ward IV .....	Alexander Zumbar
Council-at-Large .....	Dean Ashbrook
Council-at-Large .....	Michael Ogline
Council-at-Large .....	Mark Roller
Council-at-Large .....	R.Mark Locke
Law Director.....	Andrew Zumbar
Judge.....	Robert G. Lavery
Clerk of Court.....	JoAnne Burr
Civil Service .....	Edward Mathie

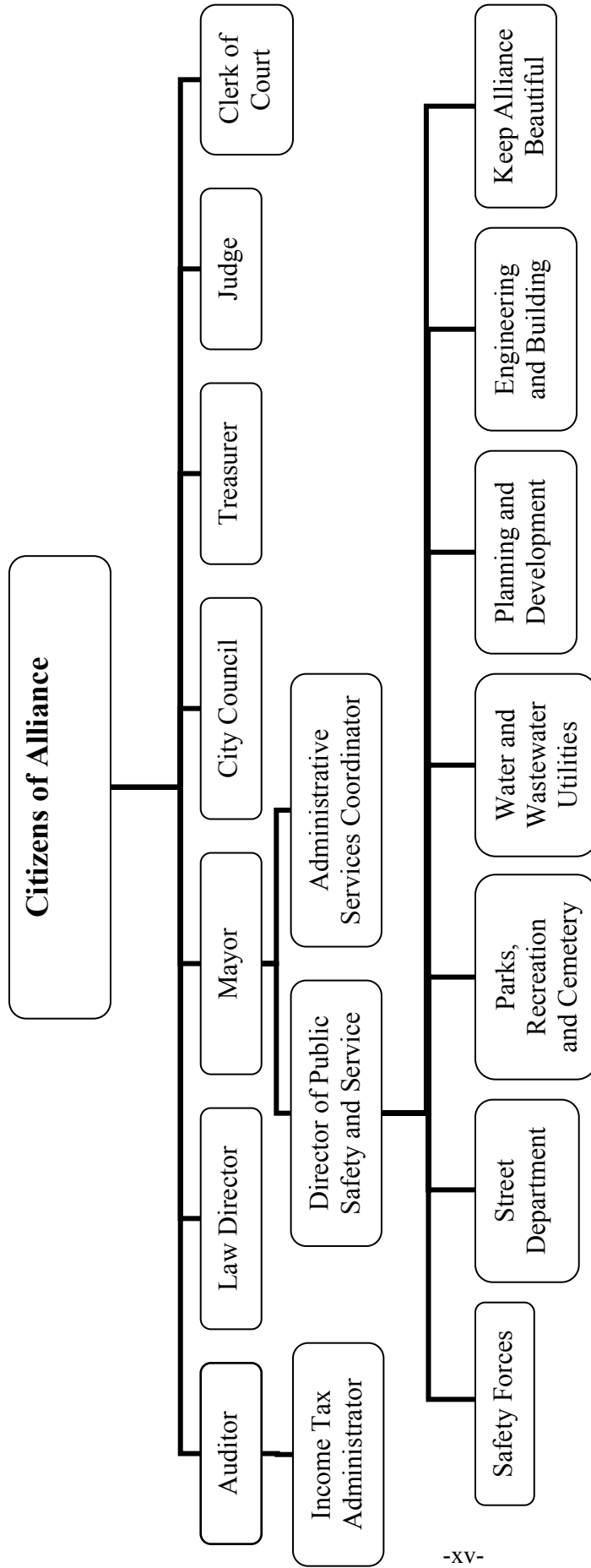
**Finance**

Auditor.....	Andrei Dordea
Treasurer.....	Alex Robertson
Income Tax Administrator .....	Ron Crosser

**Public Safety and Service**

Director of Public Safety and Service .....	John B. Blaser
Fire Chief.....	Jack Weaver
Police Chief .....	Lawrence Dordea
Director of Parks, Cemetery and Public Lands .....	Larry Brown
Director of Recreation .....	Kimberly Cox
Water Plant .....	Dan McGannon
Wastewater Plant.....	Joe Amabeli
Water and Wastewater Distribution .....	Michael Dreger
Utility Billing and Collection .....	James McClarren
Health and Human Services .....	Randy Flint
Keep Alliance Beautiful .....	Mona Henderson
Planning and Development.....	Vince Marion
Senior Citizens Center.....	Dolly Rovder
Street Department.....	Jeff Porter
Engineering .....	Victoria McCauley

# City of Alliance, Ohio Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alliance,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

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



*Thomas A. Greve*  
President

*Jeffrey L. Esler*  
Executive Director

## **Financial Section**







STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To the Members of City Council:

We have audited the accompanying general purpose financial statements of the City of Alliance, Stark County, Ohio, (the City) as of and for the year ended December 31, 2001, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Alliance as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3 to the general purpose financial statements, effective January 1, 2001, the City changed its method of accounting for nonexchange transactions as required by Governmental Accounting Standards Board Statement No. 33.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it is fairly presented in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 20, 2002

*General Purpose*  
*Financial Statements*

**City of Alliance, Ohio**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups*  
*December 31, 2001*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$954,217	\$3,451,739	\$112,757	\$5,830,917
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	2,489,365	172,072	0	351,368
Accounts	19,195	0	0	0
Interfund	193,867	0	0	0
Special Assessments	371,283	0	931,626	153,502
Intergovernmental	623,292	658,318	0	14,180
Loans	0	2,082,798	0	0
Materials and Supplies Inventory	61,453	0	0	0
Deferred Charges	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Amount to be Provided from Special Assessments	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$4,712,672</b>	<b>\$6,364,927</b>	<b>\$1,044,383</b>	<b>\$6,349,967</b>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$2,754,798	\$327,124	\$0	\$0	\$0	\$13,431,552
0	0	131,282	0	0	131,282
0	0	0	0	0	3,012,805
951,805	0	0	0	0	971,000
0	0	0	0	0	193,867
0	0	0	0	0	1,456,411
11,403	0	0	0	0	1,307,193
0	0	0	0	0	2,082,798
351,056	0	0	0	0	412,509
290,824	0	0	0	0	290,824
2,089,173	0	0	0	0	2,089,173
2,453,140	0	0	0	0	2,453,140
26,265,064	0	0	14,814,765	0	41,079,829
0	0	0	0	112,757	112,757
0	0	0	0	6,446,885	6,446,885
0	0	0	0	640,000	640,000
<u>\$35,167,263</u>	<u>\$327,124</u>	<u>\$131,282</u>	<u>\$14,814,765</u>	<u>\$7,199,642</u>	<u>\$76,112,025</u>

(continued)

**City of Alliance, Ohio**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups (continued)*  
*December 31, 2001*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$68,525	\$22,503	\$0	\$232,865
Accrued Wages	162,524	19,226	0	0
Compensated Absences Payable	99,318	6,381	0	0
Interfund Payable	0	191,708	0	2,159
Intergovernmental Payable	39,771	46,990	0	0
Deferred Revenue	2,017,644	377,808	931,626	266,737
Undistributed Assets	0	0	0	0
Accrued Interest Payable	0	0	0	1,382
Notes Payable	0	0	0	415,000
OPWC Loan Payable	0	0	0	0
Claims Payable	0	0	0	0
Police and Fireman's Liability	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Revenue Bonds Payable (net of unamortized discount and accounting loss)	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
<i>Total Liabilities</i>	<u>2,387,782</u>	<u>664,616</u>	<u>931,626</u>	<u>918,143</u>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Reserved:				
Replacement and Improvement	0	0	0	0
Operation and Maintenance	0	0	0	0
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	43,908	325,799	0	3,705,523
Reserved for Inventory	61,453	0	0	0
Reserved for Loans Receivable	0	2,082,798	0	0
Unreserved, Undesignated	2,219,529	3,291,714	112,757	1,726,301
<i>Total Fund Equity and Other Credits</i>	<u>2,324,890</u>	<u>5,700,311</u>	<u>112,757</u>	<u>5,431,824</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$4,712,672</u>	<u>\$6,364,927</u>	<u>\$1,044,383</u>	<u>\$6,349,967</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$52,508	\$0	\$0	\$0	\$0	\$376,401
56,116	0	0	0	0	237,866
585,568	0	0	0	1,467,254	2,158,521
0	0	0	0	0	193,867
107,654	0	0	0	303,387	497,802
0	0	0	0	0	3,593,815
0	0	131,282	0	0	131,282
150,874	0	0	0	0	152,256
0	0	0	0	3,060,000	3,475,000
50,596	0	0	0	0	50,596
0	263,333	0	0	0	263,333
0	0	0	0	429,001	429,001
380,000	0	0	0	1,300,000	1,680,000
21,919,256	0	0	0	0	21,919,256
0	0	0	0	640,000	640,000
<u>23,302,572</u>	<u>263,333</u>	<u>131,282</u>	<u>0</u>	<u>7,199,642</u>	<u>35,798,996</u>
0	0	0	14,814,765	0	14,814,765
6,408,890	0	0	0	0	6,408,890
663,886	0	0	0	0	663,886
1,425,619	0	0	0	0	1,425,619
3,366,296	63,791	0	0	0	3,430,087
0	0	0	0	0	4,075,230
0	0	0	0	0	61,453
0	0	0	0	0	2,082,798
0	0	0	0	0	7,350,301
<u>11,864,691</u>	<u>63,791</u>	<u>0</u>	<u>14,814,765</u>	<u>0</u>	<u>40,313,029</u>
<u>\$35,167,263</u>	<u>\$327,124</u>	<u>\$131,282</u>	<u>\$14,814,765</u>	<u>\$7,199,642</u>	<u>\$76,112,025</u>

**City of Alliance, Ohio**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types  
For the Year Ended December 31, 2001*

	Governmental	
	General	Special Revenue
<b>Revenues</b>		
Property and Other Taxes	\$755,917	\$904,359
Municipal Income Taxes	5,723,681	0
Permissive Motor Vehicle License Taxes	0	97,359
Charges for Services	362,691	0
Licenses, Permits and Fees	118,829	73,169
Fines and Forfeitures	390,864	68,365
Intergovernmental	1,333,461	2,458,931
Special Assessments	0	0
Interest	195,225	226,231
Rentals	291,703	0
Donations and Contributions	15	0
Other	253,658	102,428
<i>Total Revenues</i>	<u>9,426,044</u>	<u>3,930,842</u>
<b>Expenditures</b>		
Current:		
General Government	2,287,160	81,105
Security of Persons and Property	5,407,622	1,109,065
Public Health Services	417,403	308,223
Transportation	343,373	637,835
Community Environment	93,049	1,651,538
Basic Utility Services	57,856	0
Leisure Time Activities	536,122	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	5,730
Interest and Fiscal Charges	0	18,416
<i>Total Expenditures</i>	<u>9,142,585</u>	<u>3,811,912</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>283,459</u>	<u>118,930</u>
<b>Other Financing Sources (Uses)</b>		
Proceeds of Notes	0	0
Sale of Fixed Assets	6,000	0
Operating Transfers In	0	845,430
Operating Transfers Out	(845,429)	(293,900)
<i>Total Other Financing Sources (Uses)</i>	<u>(839,429)</u>	<u>551,530</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(555,970)	670,460
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	2,870,555	5,029,851
Increase in Reserve for Inventory	10,305	0
<i>Fund Balances End of Year</i>	<u>\$2,324,890</u>	<u>\$5,700,311</u>

See accompanying notes to the general purpose financial statements



Fund Types		Totals (Memorandum Only)
Debt Service	Capital Projects	
\$0	\$0	\$1,660,276
0	1,155,329	6,879,010
0	0	97,359
0	0	362,691
0	0	191,998
0	0	459,229
0	579,471	4,371,863
14,618	53,993	68,611
0	173,125	594,581
0	0	291,703
0	712,037	712,052
0	71,292	427,378
<u>14,618</u>	<u>2,745,247</u>	<u>16,116,751</u>
0	0	2,368,265
0	0	6,516,687
0	0	725,626
0	0	981,208
0	0	1,744,587
0	0	57,856
0	0	536,122
0	3,987,455	3,987,455
1,920,000	0	1,925,730
328,304	20,282	367,002
<u>2,248,304</u>	<u>4,007,737</u>	<u>19,210,538</u>
<u>(2,233,686)</u>	<u>(1,262,490)</u>	<u>(3,093,787)</u>
1,585,000	1,475,000	3,060,000
0	0	6,000
647,182	4,856,654	6,349,266
0	(4,555,168)	(5,694,497)
<u>2,232,182</u>	<u>1,776,486</u>	<u>3,720,769</u>
(1,504)	513,996	626,982
114,261	4,917,828	12,932,495
0	0	10,305
<u>\$112,757</u>	<u>\$5,431,824</u>	<u>\$13,569,782</u>

**City of Alliance, Ohio**  
*Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types  
 For the Year Ended December 31, 2001*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Property and Other Taxes	\$761,385	\$755,917	(\$5,468)
Municipal Income Taxes	5,780,574	5,799,850	19,276
Permissive Motor Vehicle License Taxes	0	0	0
Charges for Services	156,227	177,245	21,018
Licenses, Permits and Fees	99,625	118,829	19,204
Fines and Forfeitures	434,250	390,864	(43,386)
Intergovernmental	1,524,844	1,652,344	127,500
Special Assessments	0	0	0
Interest	185,000	195,225	10,225
Rentals	112,500	291,703	179,203
Donations and Contributions	0	15	15
Other	10,958	253,658	242,700
<i>Total Revenues</i>	<u>9,065,363</u>	<u>9,635,650</u>	<u>570,287</u>
<b>Expenditures</b>			
Current:			
General Government	2,562,369	2,351,340	211,029
Security of Persons and Property	5,586,765	5,473,409	113,356
Public Health Services	428,082	420,245	7,837
Transportation	368,338	355,948	12,390
Community Environment	106,877	94,887	11,990
Basic Utility Services	62,095	60,848	1,247
Leisure Time Activities	566,550	544,077	22,473
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>9,681,076</u>	<u>9,300,754</u>	<u>380,322</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(615,713)</u>	<u>334,896</u>	<u>950,609</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	0	0	0
Sale of Fixed Assets	0	6,000	6,000
Operating Transfers In	329,567	0	(329,567)
Operating Transfers Out	(886,714)	(845,430)	41,284
<i>Total Other Financing Sources (Uses)</i>	<u>(557,147)</u>	<u>(839,430)</u>	<u>(282,283)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,172,860)</u>	<u>(504,534)</u>	<u>668,326</u>
<i>Fund Balances Beginning of Year</i>	1,472,119	1,472,119	0
<i>Prior Year Encumbrances Appropriated</i>	<u>81,290</u>	<u>81,290</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$380,549</u>	<u>\$1,048,875</u>	<u>\$668,326</u>

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$251,816	\$904,359	\$652,543	\$0	\$0	\$0
0	0	0	0	0	0
100,000	97,264	(2,736)	0	0	0
0	0	0	0	0	0
73,450	73,169	(281)	0	0	0
63,560	67,765	4,205	0	0	0
2,927,291	2,285,572	(641,719)	0	0	0
0	0	0	71,664	69,850	(1,814)
212,410	226,231	13,821	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
304,807	354,445	49,638	0	0	0
<u>3,933,334</u>	<u>4,008,805</u>	<u>75,471</u>	<u>71,664</u>	<u>69,850</u>	<u>(1,814)</u>
106,515	82,143	24,372	0	0	0
1,146,808	1,136,973	9,835	0	0	0
338,558	314,763	23,795	0	0	0
740,426	668,920	71,506	0	0	0
3,563,069	2,479,501	1,083,568	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	3,467,117	3,441,332	25,785
0	0	0	<u>1,428,031</u>	<u>1,360,862</u>	<u>67,169</u>
<u>5,895,376</u>	<u>4,682,300</u>	<u>1,213,076</u>	<u>4,895,148</u>	<u>4,802,194</u>	<u>92,954</u>
<u>(1,962,042)</u>	<u>(673,495)</u>	<u>1,288,547</u>	<u>(4,823,484)</u>	<u>(4,732,344)</u>	<u>91,140</u>
0	0	0	2,000,000	2,000,000	0
0	0	0	0	0	0
1,475,313	845,430	(629,883)	2,834,292	2,730,840	(103,452)
<u>(480,774)</u>	<u>(293,900)</u>	<u>186,874</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>994,539</u>	<u>551,530</u>	<u>(443,009)</u>	<u>4,834,292</u>	<u>4,730,840</u>	<u>(103,452)</u>
(967,503)	(121,965)	845,538	10,808	(1,504)	(12,312)
2,810,860	2,810,860	0	114,261	114,261	0
263,104	263,104	0	0	0	0
<u>\$2,106,461</u>	<u>\$2,951,999</u>	<u>\$845,538</u>	<u>\$125,069</u>	<u>\$112,757</u>	<u>(\$12,312)</u>

(continued)

**City of Alliance, Ohio**  
*Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types (continued)  
 For the Year Ended December 31, 2001*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property and Other Taxes	\$0	\$0	\$0
Municipal Income Taxes	1,212,000	1,171,726	(40,274)
Permissive Motor Vehicle License Taxes	0	0	0
Charges for Services	0	0	0
Licenses, Permits and Fees	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	720,328	565,291	(155,037)
Special Assessments	300	93	(207)
Interest	215,294	173,125	(42,169)
Rentals	0	0	0
Donations and Contributions	80,000	712,037	632,037
Other	69,376	71,292	1,916
<i>Total Revenues</i>	<u>2,297,298</u>	<u>2,693,564</u>	<u>396,266</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health Services	0	0	0
Transportation	0	0	0
Community Environment	0	0	0
Basic Utility Services	0	0	0
Leisure Time Activities	0	0	0
Capital Outlay	8,945,752	7,681,061	1,264,691
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>8,945,752</u>	<u>7,681,061</u>	<u>1,264,691</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,648,454)</u>	<u>(4,987,497)</u>	<u>1,660,957</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	1,970,000	1,475,000	(495,000)
Sale of Fixed Assets	0	0	0
Operating Transfers In	4,936,654	4,856,654	(80,000)
Operating Transfers Out	(4,656,792)	(4,555,168)	101,624
<i>Total Other Financing Sources (Uses)</i>	<u>2,249,862</u>	<u>1,776,486</u>	<u>(473,376)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(4,398,592)</u>	<u>(3,211,011)</u>	<u>1,187,581</u>
<i>Fund Balances Beginning of Year</i>	4,970,441	4,970,441	0
<i>Prior Year Encumbrances Appropriated</i>	<u>152,357</u>	<u>152,357</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$724,206</u>	<u>\$1,911,787</u>	<u>\$1,187,581</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,013,201	\$1,660,276	\$647,075
6,992,574	6,971,576	(20,998)
100,000	97,264	(2,736)
156,227	177,245	21,018
173,075	191,998	18,923
497,810	458,629	(39,181)
5,172,463	4,503,207	(669,256)
71,964	69,943	(2,021)
612,704	594,581	(18,123)
112,500	291,703	179,203
80,000	712,052	632,052
385,141	679,395	294,254
<u>15,367,659</u>	<u>16,407,869</u>	<u>1,040,210</u>
2,668,884	2,433,483	235,401
6,733,573	6,610,382	123,191
766,640	735,008	31,632
1,108,764	1,024,868	83,896
3,669,946	2,574,388	1,095,558
62,095	60,848	1,247
566,550	544,077	22,473
8,945,752	7,681,061	1,264,691
3,467,117	3,441,332	25,785
1,428,031	1,360,862	67,169
<u>29,417,352</u>	<u>26,466,309</u>	<u>2,951,043</u>
<u>(14,049,693)</u>	<u>(10,058,440)</u>	<u>3,991,253</u>
3,970,000	3,475,000	(495,000)
0	6,000	6,000
9,575,826	8,432,924	(1,142,902)
(6,024,280)	(5,694,498)	329,782
<u>7,521,546</u>	<u>6,219,426</u>	<u>(1,302,120)</u>
(6,528,147)	(3,839,014)	2,689,133
9,367,681	9,367,681	0
496,751	496,751	0
<u>\$3,336,285</u>	<u>\$6,025,418</u>	<u>\$2,689,133</u>

**City of Alliance, Ohio**  
*Combined Statement of Revenues, Expenses  
and Changes in Fund Equity  
All Proprietary Fund Types  
For the Year Ended December 31, 2001*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Operating Revenues</b>			
Charges for Services	\$6,894,869	\$1,759,374	\$8,654,243
License and Permits	5,681	0	5,681
Other	75,454	4,841	80,295
<i>Total Operating Revenues</i>	<u>6,976,004</u>	<u>1,764,215</u>	<u>8,740,219</u>
<b>Operating Expenses</b>			
Salaries and Wages	2,419,502	0	2,419,502
Fringe Benefits	838,357	0	838,357
Contractual Services	961,663	1,309	962,972
Claims	0	1,671,473	1,671,473
Materials and Supplies	841,144	0	841,144
Other	2,491	0	2,491
Depreciation	1,093,102	0	1,093,102
<i>Total Operating Expenses</i>	<u>6,156,259</u>	<u>1,672,782</u>	<u>7,829,041</u>
<i>Operating Income</i>	<u>819,745</u>	<u>91,433</u>	<u>911,178</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	272,156	3,020	275,176
Municipal Income Taxes	275,700	0	275,700
Capital Grants	108,791	0	108,791
Interest and Fiscal Charges	(1,316,793)	0	(1,316,793)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(660,146)</u>	<u>3,020</u>	<u>(657,126)</u>
<i>Income Before Operating Transfers</i>	159,599	94,453	254,052
Operating Transfers Out	(654,769)	0	(654,769)
<i>Net Income (Loss)</i>	(495,170)	94,453	(400,717)
<i>Retained Earnings (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>5,950,971</u>	<u>(30,662)</u>	<u>5,920,309</u>
<i>Retained Earnings End of Year</i>	5,455,801	63,791	5,519,592
Contributed Capital Beginning and End of Year	<u>6,408,890</u>	<u>0</u>	<u>6,408,890</u>
<i>Total Fund Equity End of Year</i>	<u>\$11,864,691</u>	<u>\$63,791</u>	<u>\$11,928,482</u>

See accompanying notes to the general purpose financial statements

**City of Alliance, Ohio**  
*Combined Statement of Revenues, Expenses  
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual  
All Proprietary Fund Types  
For the Year Ended December 31, 2001*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal Income Taxes	\$285,000	\$275,700	(\$9,300)
Charges for Services	7,238,640	7,107,613	(131,027)
Licenses, Permits and Fees	9,000	5,681	(3,319)
Capital Grants	266,030	112,298	(153,732)
Interest	204,600	185,218	(19,382)
Proceeds of OPWC Loan	0	51,928	51,928
Other	51,521	74,122	22,601
<i>Total Revenues</i>	<u>8,054,791</u>	<u>7,812,560</u>	<u>(242,231)</u>
<b>Expenses</b>			
Salaries and Wages	2,539,863	2,416,006	123,857
Fringe Benefits	946,440	874,447	71,993
Contractual Services	1,134,918	1,045,816	89,102
Claims	0	0	0
Materials and Supplies	929,578	799,773	129,805
Capital Outlay	1,061,096	349,541	711,555
Other	4,870	3,902	968
<i>Total Expenses</i>	<u>6,616,765</u>	<u>5,489,485</u>	<u>1,127,280</u>
<i>Excess of Revenues Over (Under) Expenses</i>	1,438,026	2,323,075	885,049
Operating Transfers Out	<u>(2,876,529)</u>	<u>(2,738,427)</u>	<u>138,102</u>
<i>Excess of Revenues Over (Under) Expenses and Operating Transfers</i>	(1,438,503)	(415,352)	1,023,151
<i>Fund Equity Beginning of Year</i>	4,801,966	4,801,966	0
Prior Year Encumbrances Appropriated	<u>253,625</u>	<u>253,625</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$3,617,088</u>	<u>\$4,640,239</u>	<u>\$1,023,151</u>

(continued)

**City of Alliance, Ohio**  
*Combined Statement of Revenues, Expenses  
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual  
All Proprietary Fund Types (continued)  
For the Year Ended December 31, 2001*

	Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$0
Charges for Services	1,626,000	1,766,031	140,031
Licenses, Permits and Fees	0	0	0
Capital Grants	0	0	0
Interest	2,800	3,020	220
Proceeds of OPWC Loan	0	0	0
Other	0	4,841	4,841
<i>Total Revenues</i>	<u>1,628,800</u>	<u>1,773,892</u>	<u>145,092</u>
<b>Expenses</b>			
Salaries and Wages	0	0	0
Fringe Benefits	0	0	0
Contractual Services	1,319	1,309	10
Claims	1,797,681	1,617,872	179,809
Materials and Supplies	0	0	0
Capital Outlay	0	0	0
Other	0	0	0
<i>Total Expenses</i>	<u>1,799,000</u>	<u>1,619,181</u>	<u>179,819</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(170,200)	154,711	324,911
Operating Transfers Out	0	0	0
<i>Excess of Revenues Over (Under) Expenses and Operating Transfers</i>	(170,200)	154,711	324,911
<i>Fund Equity Beginning of Year</i>	172,413	172,413	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity End of Year</i>	<u>\$2,213</u>	<u>\$327,124</u>	<u>\$324,911</u>

See accompanying notes to the general purpose financial statements



Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$285,000	\$275,700	(\$9,300)
8,864,640	8,873,644	9,004
9,000	5,681	(3,319)
266,030	112,298	(153,732)
207,400	188,238	(19,162)
0	51,928	51,928
51,521	78,963	27,442
<u>9,683,591</u>	<u>9,586,452</u>	<u>(97,139)</u>
2,539,863	2,416,006	123,857
946,440	874,447	71,993
1,136,237	1,047,125	89,112
1,797,681	1,617,872	179,809
929,578	799,773	129,805
1,061,096	349,541	711,555
4,870	3,902	968
<u>8,415,765</u>	<u>7,108,666</u>	<u>1,307,099</u>
1,267,826	2,477,786	1,209,960
<u>(2,876,529)</u>	<u>(2,738,427)</u>	<u>138,102</u>
(1,608,703)	(260,641)	1,348,062
4,974,379	4,974,379	0
253,625	253,625	0
<u>\$3,619,301</u>	<u>\$4,967,363</u>	<u>\$1,348,062</u>

**City of Alliance, Ohio**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types*  
*For the Year Ended December 31, 2001*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$7,113,294	\$0	\$7,113,294
Cash Payments from Quasi-External Transactions with Other Funds	0	1,766,031	1,766,031
Cash Payments to Suppliers for Good and Services	(1,806,314)	(1,309)	(1,807,623)
Cash Payments for Claims	0	(1,617,872)	(1,617,872)
Cash Payments for Employee Services and Benefits	(3,283,506)	0	(3,283,506)
Other Revenue	75,454	4,841	80,295
Other Expenses	(2,491)	0	(2,491)
<i>Net Cash Provided by Operating Activities</i>	<u>2,096,437</u>	<u>151,691</u>	<u>2,248,128</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfer Out	(654,769)	0	(654,769)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(193,442)	0	(193,442)
Municipal Income Taxes	275,700	0	275,700
Capital Grants	112,298	0	112,298
Proceeds of Sewer OPWC Loan	51,928	0	51,928
Principal Paid on Sewer OPWC Loan	(1,332)	0	(1,332)
Principal Paid on Sewer General Obligation Bonds	(95,000)	0	(95,000)
Interest Paid on Sewer General Obligation Bonds	(33,963)	0	(33,963)
Principal Paid on Water Revenue Bonds	(640,000)	0	(640,000)
Interest Paid on Water Revenue Bonds	(954,605)	0	(954,605)
Principal Paid on Sewer Revenue Bonds	(335,000)	0	(335,000)
Interest Paid on Sewer Revenue Bonds	(246,263)	0	(246,263)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(2,059,679)</u>	<u>0</u>	<u>(2,059,679)</u>
<b>Cash Flows from Investing Activities</b>			
Interest	272,156	3,020	275,176
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	(345,855)	154,711	(191,144)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>7,642,966</u>	<u>172,413</u>	<u>7,815,379</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$7,297,111</u></u>	<u><u>\$327,124</u></u>	<u><u>\$7,624,235</u></u>

(continued)

**City of Alliance, Ohio**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types (continued)*  
*For the Year Ended December 31, 2001*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$819,745	\$91,433	\$911,178
<b>Adjustments: to Net Cash Provided by Operating Activities</b>			
Depreciation	1,093,102	0	1,093,102
Decrease in Assets:			
Accounts Receivable	212,744	6,657	219,401
Materials and Supplies Inventory	23,930	0	23,930
Increase/(Decrease) in Liabilities:			
Accounts Payable	(36,451)	0	(36,451)
Accrued Wages	3,496	0	3,496
Compensated Absences Payable	(19,404)	0	(19,404)
Intergovernmental Payable	(725)	0	(725)
Claims Payable	0	53,601	53,601
	<u>\$2,096,437</u>	<u>\$151,691</u>	<u>\$2,248,128</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$2,096,437</u>	<u>\$151,691</u>	<u>\$2,248,128</u>

See accompanying notes to the general purpose financial statements

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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**Note 1 - Description of the City and Reporting Entity**

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 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; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or 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. 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 17).

The City is also associated with the Alliance Area Development Foundation (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 2000, the Mayor was an elected trustee. The Foundation's goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

**Note 2 - Summary of Significant Accounting Policies**

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

***A. Basis of Presentation - Fund Accounting***

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
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A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

**Governmental Fund Types** Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

**General Fund** This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** These funds are established to account for the proceeds of specific revenue sources (other than amounts for major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Fund** This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

**Proprietary Fund Types** Proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following are the City's proprietary fund types:

**Enterprise Funds** These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (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 appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Fund** This 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.

**Fiduciary Fund Types** Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City only utilizes the agency fund type.

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

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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**Account Groups** To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

**General Fixed Assets Account Group** This account group accounts for all general fixed assets of the City other than those accounted for in proprietary funds.

**General Long-Term Obligations Account Group** This account group accounts for all unmatured long-term indebtedness of the City that is not a specific liability of proprietary funds.

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

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

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

Nonexchange transactions, in which the City receives value without directly giving equal 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. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7) 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 non-exchange transactions must also be available before it can be recognized.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, interest, state-levied locally shared taxes (including gasoline tax), fines and forfeitures and income tax withheld by employers.

**Deferred Revenue** Deferred revenue arises assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized when they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

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 the governmental funds.

**C. Budgetary Data**

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

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

**Estimated Resources** The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the City Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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***Appropriations*** A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations may not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of Council. During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant affect on the original appropriations. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

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

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

***D. 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 combined balance sheet.

The general fund made an advance to the HUD Grant special revenue fund to eliminate the fund's negative cash balance. This fund has an interfund payable for the amount of the advance received from the general fund and the general fund has an interfund receivable for the same amount on the combined balance sheet. See Note 10.

During 2001 investments were limited to STAROhio and Firststar Bank Cash Management Fund, which is a money market mutual fund.

Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. The mutual fund is reported at fair value which is determined by the fund's December 31, 2001 share price. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2001.



**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
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Investment procedures are restricted by provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2001 amounted to \$195,225 which includes \$163,891 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City central bank account. These depository accounts are presented in the combined balance sheet as “cash and cash equivalents in segregated accounts” since they are not required to be deposited into the City Treasury.

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 combined balance sheet as “restricted assets: cash and cash equivalents with fiscal agents” and represent investments in the Firststar Bank Cash Management Fund.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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.

***E. Interfund Assets and Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Short - term interfund loans are classified as “interfund receivables” and “interfund payables.”

***F. Inventory***

Inventories of governmental funds are stated at cost while the inventory of the proprietary fund is 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 held for consumption. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental fund which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

***G. Restricted Assets***

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

***H. Bond Issuance Costs, Bond Discount and Accounting Loss***

Bond issuance costs for proprietary fund types are reported as deferred charges and amortized over the term of the bonds. The bond discount and the accounting loss resulting from the advance refunding (the difference between the reacquisition price and the net carrying amount of the debt) is also amortized over the life of the refunding bonds. Bonds are reported net of the unamortized loss. All items are amortized using the straight-line method since the results are not significantly different from the effective interest method.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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***I. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds, including the infrastructure fixed assets such as sewer and water lines and drains, are capitalized in the respective funds.

All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The City maintains a capitalization threshold of \$500.

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 fixed assets is also not capitalized. Improvements to fund fixed assets are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of proprietary fund fixed assets is computed using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings	20 - 40 years
Equipment	10 - 40 years
Vehicles	5 years
Water and Sewer Lines	20 - 60 years

Interest is capitalized on enterprise funds assets acquired with tax exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2001, interest costs capitalized on construction projects in the enterprise funds were not material.

***J. Compensated Absences***

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

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
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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.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***K. Fund Equity and Contributed Capital***

Reserves for retained earnings represent those portions of fund equity not available for appropriation or legally segregated for a specific future use. Retained earnings in the enterprise funds have been reserved for replacement and operations which represent monies set aside to satisfy bond indenture requirements. Prior to 2001, contributed capital was recorded in proprietary funds that received capital grants or contributions from developers, customers or other funds. Capital contributions received in 2001 have been recorded as revenues and are reported as increases in retained earnings based on new guidelines established by GASB Statement 33, "Accounting and Reporting for Nonexchange Transactions." Contributed capital also included income taxes for capital improvements in the enterprise funds. Fund balance reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Fund balances are reserved for encumbrances, inventory and loans receivable.

Because the City had not prepared financial statements in accordance with generally accepted accounting principles prior to 1996, the amount of contributed capital prior to December 31, 1995, cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

***L. Interfund Transactions***

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***M. Accrued and Long-Term Obligations***

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds, regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds, notes and the police and fire pension liability are recognized as a liability of the general long-term obligations account group until due.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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Bond anticipation notes that are refinanced prior to the issuance of the financial statements and have a maturity date more than twelve months subsequent to the end of the fiscal year are reported in the general long-term obligations account group.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Under Ohio law, a debt retirement fund may be created and used for the payment of bond anticipation notes. Generally accepted accounting principles require the presentation of short-term note liability in the fund that received the note proceeds, with long-term obligations presented in the general long-term obligations account group. Principal and interest payments on matured general long-term obligations are reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

***N. Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

***O. Total Columns on General Purpose Financial Statements***

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 3 - Changes in Accounting Principles and Restatement of Prior Year's Fund Equity**

***Changes in Accounting Principles*** For fiscal year 2001, the City has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues." The provisions of Statement No. 33 require that capital contributions to proprietary funds be recognized as revenues beginning in 2001.

This change in accounting principle had the following effect on fund balance at December 31, 2000:

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

	General Fund	Special Revenue Funds	Capital Projects Funds
Fund Balances at December 31, 2000	\$2,677,382	\$4,881,870	\$4,883,750
GASB 33 and 36 Application To:			
Understatement of Municipal Income			
Taxes Receivable	720,789	0	155,107
Understatement of Intergovernmental Receivable	425,114	402,125	0
Understatement of Deferred Revenue	(952,730)	(254,144)	(121,029)
Adjusted Fund Balances at December 31, 2000	\$2,870,555	\$5,029,851	\$4,917,828

The change in accounting principle had the following effect on retained earnings at December 31, 2000:

	Enterprise
Retained Earnings at December 31, 2000	\$5,936,061
GASB 33 Adjustments:	
Understatement of Intergovernmental Receivable	14,910
Adjusted Retained Earnings at December 31, 2000	\$5,950,971

**Note 4 - Accountability and Compliance**

**A. Accountability**

At December 31, 2001, the Hospital Sale Capital Capital Projects Fund had a deficit fund balance of \$409,924. The deficit arose from the requirement to report bond anticipation note liabilities in the fund which received the note proceeds. The deficit will be alleviated when the bonds are issued or when the notes are paid.

**B. Compliance**

Contrary to Section 5705.39, Ohio Revised Code, the following fund had appropriations in excess of estimated revenues and carryover balances:

Fund	Estimated Revenues Plus Carryover Balances	Appropriations	Excess
Special Revenue Funds:			
HUD Grant	\$1,819,907	\$2,135,122	\$315,215

Contrary to Section 5705.10, Ohio Revised Code, the HUD Grant special revenue fund had a negative cash fund balance of \$155,602 as of December 31, 2001, indicating that revenue from other funds were used to pay obligations of this fund.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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**Note 5 - Budgetary Basis of Accounting**

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

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - All Proprietary Fund Types are presented on the budgetary basis to provide a relevant comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund types (GAAP).
4. For the proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).
5. The City repays short-term note debt from the debt service fund (budget) as opposed to the fund that received the proceeds (GAAP). Debt service fund resources used to pay both principal and interest have been allocated accordingly.
6. The trustee account set up in accordance with the indenture agreements (GAAP) is not part of the entity for which the appropriated budget is adopted (budget).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis.

**City of Alliance, Ohio**  
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Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$555,970)	\$670,460	(\$1,504)	\$513,996
Revenue Accruals	209,606	77,963	0	2,217
Expenditure Accruals	(97,226)	(526,250)	0	226,906
Proceeds of Notes	0	0	415,000	0
Reclassification for Debt				
Transfers In	0	0	2,083,658	0
Principal Retirement	0	0	(1,521,332)	0
Interest and Fiscal Charges	0	0	(1,032,558)	18,900
Revenue for Debt Payments	0	0	55,232	(53,900)
Encumbrances	(60,944)	(344,138)	0	(3,919,130)
Budget Basis	<u>(\$504,534)</u>	<u>(\$121,965)</u>	<u>(\$1,504)</u>	<u>(\$3,211,011)</u>

Net Income (Loss)/Excess of Revenues  
Over (Under) Expenses and Operating Transfers  
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$495,170)	\$94,453
Revenue Accruals	42,375	6,657
Expense Accruals	52,808	53,601
Proceeds of OPWC Loan	51,928	
Reclassification for Debt		
Revenue for Debt Payments	(1,332)	0
Interest and Fiscal Charges	1,013,658	0
Transfers Out for Debt	(2,083,658)	0
Non-Budgeted Activity	308,111	0
Capital Outlay	(193,442)	0
Depreciation Expense	1,093,102	0
Encumbrances	(203,732)	0
Budget Basis	<u>(\$415,352)</u>	<u>\$154,711</u>

**Note 6 - 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 City Treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two 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 pass book accounts.

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.

Interim monies may be deposited or invested in the following securities:

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

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.



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

**Cash on Hand** At year end, the City had \$5,060 in undeposited cash on hand which is included on the balance sheet of the City as part of “equity in pooled cash and cash equivalents.”

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, “Deposits with Fiscal Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements.”

**Deposits** At year end, the carrying amount of the City's deposits was \$734,556 and the bank balance was \$1,429,226. Of the bank balance:

1. \$385,515 was covered by federal depository insurance; and
2. \$1,043,711 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**Investments** The City’s investments are required to be categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio and money market mutual fund investments are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Carrying Value	Fair Value
STAROhio	\$14,912,391	\$14,912,391
Money Market Mutual Fund	2,453,140	2,453,140
Total Investments	\$17,365,531	\$17,365,531

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 “Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.”

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3, is as follows:

**City of Alliance, Ohio**  
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	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$18,105,147	\$0
Cash on Hand	(5,060)	
Investments of Cash:		
Management Pool:		
Money Market Mutual Fund	(2,453,140)	2,453,140
STAROhio	(14,912,391)	14,912,391
GASB Statement No. 3	\$734,556	\$17,365,531

**Note 7 - Receivables**

Receivables at December 31, 2001, consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues and special assessments. All receivables are deemed collectible in full.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2001 for real and public utility property taxes represents collections of 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) are for 2001 taxes.

2001 real property taxes are levied after October 1, 2001 on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2001 public utility property taxes which became a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2001 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2001, was \$6.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real Property	\$226,858,780
Tangible Personal Property	46,656,282
Public Utility Property	11,881,400
Total	\$285,396,462

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County, including the City of Alliance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimate at December 31, nor are they intended to finance 2001 operations. The receivable is offset by deferred revenue.

***B. Loans Receivable***

The special revenue funds reflect community development loans receivable in the amount of \$2,082,798. The 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 five and six percent. The loans are to be repaid over periods ranging from two months to thirteen years.

***C. Intergovernmental***

A summary of the principal items of intergovernmental receivables follows:

	Amount
<b>General Fund</b>	
Local Government	\$419,061
Estate Tax	158,181
Homestead and Rollback	43,096
Liquor Permit	2,534
Rabies Specimens Prevention Grant	420
<i>Total General Fund</i>	623,292

**City of Alliance, Ohio**  
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	Amount
<b>Special Revenue Funds</b>	
Housing and Urban Development Grant	\$211,842
Gasoline Tax	194,873
Permissive MVL Tax	121,053
COPS Grant	37,425
Women, Infants, and Children Grant	26,998
Ohio Department of Natural Resources Grant	21,516
Solid Waste District Grant	11,833
Aging Grant	10,920
Immobilization Fee	7,429
State Misdemeanant Grant	7,334
Immunization Grant	2,380
Child and Family Health Services Grant	1,625
Welcome Home Grant	1,414
Healthy Start Grant	929
HIV/AIDS State Grant	747
<i>Total Special Revenue Funds</i>	658,318
<b>Capital Projects Funds</b>	
Ohio Rail Development Commission	14,180
<b>Enterprise Funds</b>	
Ohio Public Works Commission Grant	11,403
<i>Total All Funds</i>	\$1,307,193

***D. Income Tax***

The City levies a municipal income tax of 1.75 percent on gross salaries, wages and other personal service compensation earned by residents of the City and on the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit of 100 percent for taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 79 percent to the general fund, 10 percent to the capital improvements capital projects fund, seven percent to the street income tax construction capital projects fund, and four percent to the water enterprise fund.

***E. 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.

**City of Alliance, Ohio**  
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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.

**Note 8 - Fixed Assets**

A summary of the enterprise fund fixed assets at December 31, 2001 follows:

Land	\$2,201,266
Buildings	9,870,051
Equipment	3,291,014
Vehicles	934,777
Water and Sewer Lines	<u>24,245,493</u>
 Total	 40,542,601
 Less: Accumulated Depreciation	 <u>14,277,537</u>
 Net Fixed Assets	 <u><u>\$26,265,064</u></u>

A summary of changes in general fixed assets follows:

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Land and Improvements	\$2,996,552	\$44,358	\$900	\$3,040,010
Buildings	2,133,226	5,108	0	2,138,334
Equipment	3,302,006	261,054	40,205	3,522,855
Vehicles	<u>2,269,472</u>	<u>535,541</u>	<u>41,770</u>	<u>2,763,243</u>
	10,701,256	846,061	82,875	11,464,442
Construction in Progress	<u>135,085</u>	<u>3,215,238</u>	<u>0</u>	<u>3,350,323</u>
	<u><u>\$10,836,341</u></u>	<u><u>\$4,061,299</u></u>	<u><u>\$82,875</u></u>	<u><u>\$14,814,765</u></u>

**Note 9 - 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. 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 for the prior year. During 2001, the City contracted with Love Insurance Company for various types of insurance as follows:

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Type of Coverage	Deductible	Limit - Occurance	Limit - Aggregate
General Liability	None	\$3,000,000	\$5,000,000
Wrongful Acts	\$5,000	3,000,000	4,000,000
Law Enforcement	5,000	3,000,000	4,000,000
Automobile Liability	Various	None	3,000,000
Bond	None	None	50,000
Crime	None	None	10,000
Property	1,000	None	38,255,570
Inland Marine	250	None	1,869,156
Fire Vehicle Replacement Cost	250	None	1,019,000
Electronic Data Processing	250	None	422,072

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 insures that each participant shares equally in the overall performance of the OML. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the OML.

***B. 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 of \$50,000 per employee. A third party administrator, Anthem Benefits Administrators, reviews all claims which are then paid by the City.

The claims liability of \$263,333 reported in the self-insurance fund at December 31, 2001, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board 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
1999	\$245,584	\$1,189,995	\$1,151,354	\$284,225
2000	284,225	1,382,346	1,456,839	209,732
2001	209,732	1,671,473	1,617,872	263,333

**City of Alliance, Ohio**  
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For the Year Ended December 31, 2001

**Note 10 - Interfund Transactions**

Interfund balances at December 31, 2001, consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
<b>General Fund</b>	\$193,867	\$0
<b>Special Revenue Funds</b>		
Motor Vehicle License	0	36,106
HUD Grant	0	155,602
<b>Capital Projects Fund</b>		
High School Property	0	2,159
<i>Total All Funds</i>	\$193,867	\$193,867

**Note 11 - Long-Term Obligations**

Changes in the long-term obligations of the City during 2001 were as follows:

	Outstanding 1/1/01	Additions	(Reductions)	Outstanding 12/31/01
<b>Enterprise Funds' Obligations:</b>				
<b>Revenue Bonds:</b>				
1994 Sewer Refunding 4% - 6%	\$4,310,000	\$0	\$335,000	\$3,975,000
1998 Water Refunding 3.8% - 5.0%	20,075,000	0	640,000	19,435,000
Unamortized Discount	(327,410)	19,259	0	(308,151)
Unamortized Accounting Loss	(1,256,505)	73,912	0	(1,182,593)
Net Water Refunding Bonds	18,491,085	93,171	640,000	17,944,256
<i>Total Revenue Bonds</i>	\$22,801,085	\$93,171	\$975,000	\$21,919,256

(continued)

**City of Alliance, Ohio**  
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	Outstanding 1/1/01	Additions	(Reductions)	Outstanding 12/31/01
<b>General Obligation Bonds:</b>				
1990 General Obligation Bond Sewer 6.45% - 7.15%	\$475,000	\$0	\$95,000	\$380,000
<b>Other Long-Term Obligations:</b>				
OPWC Loan 0.00%	0	51,928	1,332	50,596
<i>Total Enterprise Funds</i>	<u>23,312,977</u>	<u>145,099</u>	<u>1,071,332</u>	<u>22,387,108</u>
<b>General Long-Term Obligations Account Group:</b>				
<b>General Obligation Bonds:</b>				
Various Purpose 6.45% - 7.15%	415,000	0	130,000	285,000
Various Purpose 1998 3.80% - 5.00%	1,070,000	0	55,000	1,015,000
<b>Total General Obligation Bonds</b>	<u>1,485,000</u>	<u>0</u>	<u>185,000</u>	<u>1,300,000</u>
<b>Special Assessment Bonds:</b>				
Various Purpose 1999 4.10% - 6.125%	675,000	0	35,000	640,000
<i>Total Bonds</i>	<u>2,160,000</u>	<u>0</u>	<u>220,000</u>	<u>1,940,000</u>
<b>Long-Term Notes:</b>				
Various Purpose Note 3.62%	0	1,475,000	0	1,475,000
Various Purpose Note 3.62%	1,700,000	1,585,000	1,700,000	1,585,000
<i>Total Long-Term Notes</i>	<u>1,700,000</u>	<u>3,060,000</u>	<u>1,700,000</u>	<u>3,060,000</u>
<b>Other Long-Term Obligations:</b>				
Police and Fire Pension Liability	434,731	0	5,730	429,001
Compensated Absences	1,510,714	61,420	104,880	1,467,254
Intergovernmental Payable	266,285	303,387	266,285	303,387
<i>Total General Long-Term Obligations Account Group</i>	<u>6,071,730</u>	<u>3,424,807</u>	<u>2,296,895</u>	<u>7,199,642</u>
<i>Total</i>	<u>\$29,384,707</u>	<u>\$3,569,906</u>	<u>\$3,368,227</u>	<u>\$29,586,750</u>

Enterprise fund obligations will be paid from user fees in the respective enterprise funds.

General obligation bonds will be paid from taxes and special assessment bonds will be repaid from special assessments received in the debt service fund. In the event that the property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments. The police and fire pension liability will be paid from taxes revenue in the Police and Fire special revenue funds. Compensated absences reported in the "compensated absences payable" account will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents pension obligations paid outside the available period and will be paid from the fund from which the person is paid.

Bond anticipation notes that are refinanced prior to the issuance of the financial statements and have a maturity date more than 12 months subsequent to the end of the fiscal year are reported in the general long-term obligations account group and will be paid from the downtown development capital projects fund. This note is backed by the full faith of the City of Alliance. See Note 19.



**City of Alliance, Ohio**  
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For the Year Ended December 31, 2001

In 1998, the City defeased their waterworks revenue bonds and water general obligations bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the bonds.

Accordingly, the trust account assets and the liability for the defeased bonds were not included in the City's financial statements. On December 31, 2001, \$1,642,960 of outstanding refunded waterworks bonds are considered defeased by assets of \$3,765,155 held in the irrevocable trust.

The City's overall legal debt margin was \$25,304,386 at December 31, 2001. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001, are as follows:

<u>General Obligation Bonds</u>				
	General Long-Term Obligations Account Group	Enterprise Funds	Special Assessment Bonds	Sewer Refunding Bonds
2002	\$262,845	\$122,170	\$69,848	\$579,680
2003	265,762	115,378	68,309	582,005
2004	107,547	108,585	71,733	582,765
2005	104,818	101,792	69,894	581,900
2006	87,022	0	73,014	582,300
2007-2011	429,755	0	354,359	2,332,000
2012-2016	430,250	0	219,425	0
2017-2021	84,000	0	0	0
2022-2026	0	0	0	0
2027-2031	0	0	0	0
2032-2035	0	0	0	0
	<u>1,771,999</u>	<u>447,925</u>	<u>926,582</u>	<u>5,240,650</u>
Less Interest	(471,999)	(67,925)	(286,582)	(1,265,650)
Totals	<u>\$1,300,000</u>	<u>\$380,000</u>	<u>\$640,000</u>	<u>\$3,975,000</u>

	Waterworks Improvement Revenue Bonds	OPWC Loan	Police and Fire Pension Liability	Totals
2002	\$1,594,005	\$2,663	\$24,146	\$2,655,357
2003	1,597,072	2,663	24,146	\$2,655,335
2004	1,593,230	2,663	24,146	\$2,490,669
2005	1,592,990	2,663	24,146	\$2,478,203
2006	1,595,740	2,663	24,146	\$2,364,885
2007-2011	7,975,876	13,315	120,728	\$11,226,033
2012-2016	7,977,750	13,315	120,728	\$8,761,468
2017-2021	6,373,750	10,651	120,728	\$6,589,129
2022-2026	0	0	120,728	\$120,728
2027-2031	0	0	120,728	\$120,728
2032-2035	0	0	83,431	\$83,431
	<u>30,300,413</u>	<u>50,596</u>	<u>807,801</u>	<u>39,545,966</u>
Less Interest	(10,865,413)	0	(378,800)	(13,336,369)
Totals	<u>\$19,435,000</u>	<u>\$50,596</u>	<u>\$429,001</u>	<u>\$26,209,597</u>

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
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**Note 12 - Defined Benefit Pension Plans**

***A. Public Employees Retirement System***

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer pension contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. For 2000, PERS instituted a temporary employer rate rollback for state and local governments. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$535,922, \$365,038, and \$495,659, respectively. The full amount has been contributed for 2000 and 1999. 77.26 percent has been contributed for 2001, with the remainder being reported as a liability in the general long-term obligations account group.

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

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12 percent for police and 16.5 percent for firefighters. For 2000, the City contributions were 12.25 percent for police and 16.75 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$252,152 and \$250,255 for the year ended December 31, 2001, \$250,903 and \$249,315 for the year ended December 31, 2000, and \$260,465 and \$247,995 for the year ended December 31, 1999. The full amount has been contributed for 2000 and 1999. 78.46 percent and 78.75 percent, respectively, have been contributed for 2001, with the remainder being reported as a liability in the general long-term obligations account group.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2001, the unfunded liability of the City was \$429,002, payable in semi-annual payment through the year 2035.

This is an accounting liability of the City which will not vary. The liability is reported in the general long-term obligations account group.

**City of Alliance, Ohio**  
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*For the Year Ended December 31, 2001*

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**Note 13 - Postemployment Benefits**

***A. Public Employees Retirement System***

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 411,076. The City's actual contributions for 2001 which were used to fund postemployment benefits were \$249,131. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

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

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000 the percent used to fund healthcare was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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The City's actual contributions for 2001 that were used to fund postemployment benefits were \$157,595 for police and \$113,752 for fire. The OP&F's total health care expense for the year ended December 31, 2000, (the latest information available) was \$106,160,054, which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

**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 worked. Upon retirement or death, employees receive payment for all sick leave hours up to a maximum of 960 hours, or employees hired after April 1, 1985, are entitled to a maximum of 960 hours or one-fourth of all sick leave hours, whichever is less.

If any employee leaves the City for any reason, the City will pay the employee a maximum of 480 hours for the compensatory time accumulated during the prior year of employment. As of December 31, 2001, the total liability for unpaid compensated absences was \$2,158,521.

***B. Life Insurance***

The City provides life insurance and accidental death and dismemberment insurance to its employees through Anthem Life Insurance Company of Indiana.

**Note 15 - 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 is 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, 2001.

***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, 2001.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

**Note 16 - Segment Information for Enterprise Funds**

The City's enterprise funds account for the provision of water and sewer services. The table below reflects in a summarized format, the more significant financial data relating to the enterprise funds of the City as of and for the year ended December 31, 2001:

	Water	Sewer	Totals
Operating Revenues	\$3,784,820	\$3,191,184	\$6,976,004
Depreciation Expense	721,573	371,529	1,093,102
Operating Income	561,811	257,934	819,745
Municipal Income Taxes	275,700	0	275,700
Capital Grants	0	108,791	108,791
Operating Transfers Out	(390,488)	(264,281)	(654,769)
Net Loss	(443,558)	(51,612)	(495,170)
Property, Plant, and Equipment:			
Additions	63,030	130,412	193,442
Net Working Capital	1,665,151	1,188,944	2,854,095
Total Assets	22,827,117	12,340,146	35,167,263
Long-Term Obligations	17,484,068	4,312,713	21,796,781
Total Fund Equity	4,488,723	7,375,968	11,864,691
Encumbrances at December 31, 2001	109,757	93,975	203,732

**Note 17 - 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 2001, the City of Alliance did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

***Stark County Regional Planning Commission*** The City participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 48 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2001, the City contributed \$2,000 to the Commission, which represents .1 percent of total contributions. Complete financial statements may be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

**City of Alliance, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For the Year Ended December 31, 2001*

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***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. Complete financial statements may be obtained from the Stark Area Regional Transit Authority, 1600 Gateway Boulevard, SE, Canton, Ohio.

**Note 18 - Notes Payable**

A summary of the note transactions for the year ended December 31, 2001, follows:

	Outstanding 12/31/00	Issued	Retired	Outstanding 12/31/01
Capital Projects Funds:				
2.55 % Fire Truck Acquisition Note	\$450,000	\$415,000	\$450,000	\$415,000

The bond anticipation notes are backed by the full faith and credit of the City of Alliance, and mature within one year. The note liability is reflected in the fund which received the proceeds.

**Note 19 - Subsequent Event**

On April 18, 2002, the City had \$3,060,000 in various purpose notes mature and come due. \$2,355,000 was refinanced with a 2.75 percent interest rate with a maturity date of April 17, 2003.

*Combining, Individual Fund  
and Account Group  
Statements and Schedules*

**General Fund**

The general fund is used to account for financial resources traditionally associated with general governmental operations which are not required to be accounted for by another fund.

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property and Other Taxes	\$761,385	\$755,917	(\$5,468)
Municipal Income Taxes	5,780,574	5,799,850	19,276
Charges for Services	156,227	177,245	21,018
Licenses, Permits and Fees	99,625	118,829	19,204
Fines and Forfeitures	434,250	390,864	(43,386)
Intergovernmental	1,524,844	1,652,344	127,500
Interest	185,000	195,225	10,225
Rentals	112,500	291,703	179,203
Donations and Contributions	0	15	15
Other	10,958	253,658	242,700
<i>Total Revenues</i>	<u>9,065,363</u>	<u>9,635,650</u>	<u>570,287</u>
<b>Expenditures</b>			
Current:			
General Government:			
Mayor:			
Salaries and Wages	88,545	88,249	296
Fringe Benefits	44,513	44,502	11
Contractual Services	3,793	2,910	883
Materials and Supplies	6,000	5,290	710
Total Mayor	<u>142,851</u>	<u>140,951</u>	<u>1,900</u>
Senior Center:			
Salaries and Wages	45,925	45,924	1
Fringe Benefits	14,772	13,925	847
Contractual Services	273	272	1
Materials and Supplies	787	689	98
Total Senior Center	<u>61,757</u>	<u>60,810</u>	<u>947</u>
Auditor:			
Salaries and Wages	147,564	144,212	3,352
Fringe Benefits	61,142	58,308	2,834
Contractual Services	10,369	8,891	1,478
Materials and Supplies	8,600	7,542	1,058
Total Auditor	<u>\$227,675</u>	<u>\$218,953</u>	<u>\$8,722</u>

(continued)



**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Treasurer:			
Salaries and Wages	\$3,754	\$3,754	\$0
Fringe Benefits	705	643	62
Materials and Supplies	250	175	75
<b>Total Treasurer</b>	<b>4,709</b>	<b>4,572</b>	<b>137</b>
Law Director:			
Salaries and Wages	124,488	118,041	6,447
Fringe Benefits	37,283	34,536	2,747
Contractual Services	2,220	1,726	494
Materials and Supplies	3,387	2,636	751
<b>Total Law Director</b>	<b>167,378</b>	<b>156,939</b>	<b>10,439</b>
City Council:			
Salaries and Wages	36,954	36,952	2
Fringe Benefits	6,898	6,233	665
Contractual Services	228	180	48
Materials and Supplies	14,275	8,708	5,567
<b>Total City Council</b>	<b>58,355</b>	<b>52,073</b>	<b>6,282</b>
Judge and Probation:			
Salaries and Wages	136,422	136,336	86
Fringe Benefits	63,273	62,135	1,138
Contractual Services	6,015	6,006	9
Materials and Supplies	10,500	10,454	46
<b>Total Judge and Probation</b>	<b>216,210</b>	<b>214,931</b>	<b>1,279</b>
Clerk of Courts:			
Salaries and Wages	198,813	169,678	29,135
Fringe Benefits	80,635	80,285	350
Contractual Services	33,600	30,405	3,195
Materials and Supplies	20,938	18,487	2,451
<b>Total Clerk of Courts</b>	<b>333,986</b>	<b>298,855</b>	<b>35,131</b>
Civil Service:			
Salaries and Wages	12,436	12,433	3
Fringe Benefits	2,163	1,951	212
Materials and Supplies	10,591	3,458	7,133
<b>Total Civil Service</b>	<b>\$25,190</b>	<b>\$17,842</b>	<b>\$7,348</b>

(continued)

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Engineering:			
Salaries and Wages	\$82,894	\$82,108	\$786
Fringe Benefits	43,633	42,246	1,387
Contractual Services	10,905	5,005	5,900
Materials and Supplies	6,763	5,744	1,019
<b>Total Engineering</b>	<b>144,195</b>	<b>135,103</b>	<b>9,092</b>
County Auditor and Treasurer:			
Contractual Services	27,450	27,448	2
State Examiner:			
Contractual Services	35,000	34,252	748
Income Tax:			
Salaries and Wages	105,711	104,907	804
Fringe Benefits	40,105	38,194	1,911
Contractual Services	25,578	22,662	2,916
Materials and Supplies	7,900	6,718	1,182
Capital Outlay	2,400	220	2,180
Other	182,500	181,746	754
<b>Total Income Tax</b>	<b>364,194</b>	<b>354,447</b>	<b>9,747</b>
Land and Buildings:			
Salaries and Wages	49,812	49,804	8
Fringe Benefits	22,405	22,062	343
Contractual Services	253,319	246,130	7,189
Materials and Supplies	25,040	16,506	8,534
<b>Total Land and Buildings</b>	<b>350,576</b>	<b>334,502</b>	<b>16,074</b>
General Administration:			
Salaries and Wages	30,072	30,071	1
Fringe Benefits	10,304	9,021	1,283
Contractual Services	272,008	203,195	68,813
Materials and Supplies	14,400	10,580	3,820
Capital Outlay	17,500	14,926	2,574
Other	58,559	31,869	26,690
<b>Total General Administration</b>	<b>402,843</b>	<b>299,662</b>	<b>103,181</b>
<b>Total General Government</b>	<b>\$2,562,369</b>	<b>\$2,351,340</b>	<b>\$211,029</b>

(continued)

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Security of Persons and Property:			
Police:			
Salaries and Wages	\$2,163,284	\$2,143,129	\$20,155
Fringe Benefits	526,044	511,350	14,694
Contractual Services	174,121	162,242	11,879
Materials and Supplies	84,684	78,648	6,036
Total Police	2,948,133	2,895,369	52,764
Fire:			
Salaries and Wages	1,555,799	1,544,311	11,488
Fringe Benefits	367,393	365,294	2,099
Contractual Services	87,114	85,180	1,934
Materials and Supplies	18,194	16,961	1,233
Total Fire	2,028,500	2,011,746	16,754
Fire Communications:			
Materials and Supplies	9,010	8,999	11
Safety Administration:			
Salaries and Wages	285,416	278,131	7,285
Fringe Benefits	119,486	113,029	6,457
Contractual Services	141,810	112,679	29,131
Total Safety Administration	546,712	503,839	42,873
Prisoner Support:			
Contractual Services	54,410	53,456	954
Total Security of Persons and Property	5,586,765	5,473,409	113,356
Public Health Services:			
Health Control and Prevention:			
Salaries and Wages	54,575	54,567	8
Fringe Benefits	26,145	25,393	752
Contractual Services	14,680	13,036	1,644
Materials and Supplies	4,450	4,340	110
Other	650	650	0
Total Health Control and Prevention	\$100,500	\$97,986	\$2,514

(continued)

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Health Administration:			
Salaries and Wages	\$215,625	\$215,621	\$4
Fringe Benefits	76,576	72,076	4,500
Contractual Services	14,075	13,481	594
Materials and Supplies	9,306	9,114	192
Other	12,000	11,967	33
Total Health Administration	327,582	322,259	5,323
Total Public Health Services	428,082	420,245	7,837
Transportation:			
Street Transportation:			
Salaries and Wages	14,000	13,550	450
Fringe Benefits	101,569	101,547	22
Contractual Services	145,790	142,347	3,443
Materials and Supplies	31,979	25,676	6,303
Capital Outlay	75,000	72,828	2,172
Total Transportation	368,338	355,948	12,390
Community Environment:			
Planning Commission:			
Contractual Services	2,000	2,000	0
Zoning and Building:			
Salaries and Wages	51,697	43,021	8,676
Fringe Benefits	11,829	10,044	1,785
Contractual Services	6,478	5,149	1,329
Materials and Supplies	3,147	2,955	192
Total Zoning and Building	73,151	61,169	11,982
Shade Tree:			
Contractual Services	31,726	31,718	8
Total Community Environment	106,877	94,887	11,990
Basic Utility Services:			
Storm Sewer:			
Salaries and Wages	38,300	37,917	383
Fringe Benefits	14,595	13,865	730
Contractual Services	8,500	8,366	134
Materials and Supplies	700	700	0
Total Basic Utility Services	\$62,095	\$60,848	\$1,247

(continued)

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Leisure Time Activities:			
Parks:			
Salaries and Wages	\$260,961	\$257,411	\$3,550
Fringe Benefits	97,620	89,158	8,462
Contractual Services	54,614	51,274	3,340
Materials and Supplies	13,791	13,432	359
Other	200	171	29
Total Parks	<u>427,186</u>	<u>411,446</u>	<u>15,740</u>
Recreation:			
Salaries and Wages	79,770	77,649	2,121
Fringe Benefits	41,868	39,661	2,207
Contractual Services	4,926	3,456	1,470
Materials and Supplies	12,700	11,865	835
Other	100	0	100
Total Recreation	<u>139,364</u>	<u>132,631</u>	<u>6,733</u>
Total Leisure Time Activities	<u>566,550</u>	<u>544,077</u>	<u>22,473</u>
<i>Total Expenditures</i>	<u>9,681,076</u>	<u>9,300,754</u>	<u>380,322</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(615,713)</u>	<u>334,896</u>	<u>950,609</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Fixed Assets	0	6,000	6,000
Operating Transfers In	329,567	0	(329,567)
Operating Transfers Out	<u>(886,714)</u>	<u>(845,430)</u>	<u>41,284</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(557,147)</u>	<u>(839,430)</u>	<u>(282,283)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(1,172,860)	(504,534)	668,326
<i>Fund Balance Beginning of Year</i>	1,472,119	1,472,119	0
Prior Year Encumbrances Appropriated	<u>81,290</u>	<u>81,290</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$380,549</u></u>	<u><u>\$1,048,875</u></u>	<u><u>\$668,326</u></u>

## 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 from convictions related to drug cases used for the education of the community.

***Motor Vehicle License Fund*** - This fund accounts for the City's share of the motor vehicle license tax levied by the City.

***Municipal Court Computerization Fund*** - This fund accounts for court fees and fines used for the purchase and maintenance of computers for the municipal court.

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

***Litter Control Fund*** - This fund accounts for monies received from the State to be used for litter prevention in the City.

***State Misdemeanant Grant Fund*** - This fund accounts for monies received for payment of the Misdemeanant Community Sanctions Coordinator Project Program. Sanctions Coordinator work one on one with individuals to fulfill their obligation to the Court.

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

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

***HUD Grant Fund*** - This fund accounts for revenues received from Federal Government and expenditures prescribed under the Community Development Block 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.

(continued)

## **Special Revenue Funds (continued)**

***Revolving Loan Fund*** - This fund accounts for loans made by the City to local businesses and the subsequent repayment of these loans.

***Taxi Fund*** - This fund accounts for monies received and disbursed for a local door to door transit service. The fund is partially subsidized through grant monies.

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

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

***Tax Increment*** - This fund accounts for monies collected from the City's current Tax Increment Financing District that are used for economic development in the District.

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

*Indigent Driver Alcohol Treatment Fund  
Enforcement and Education Fund  
Municipal Court Legal Research Fund  
Court ADR Fund  
Court Security Grant Fund  
Court Immobilization Fund  
Parking Lot Maintenance Fund*

**City of Alliance, Ohio**  
*Combining Balance Sheet*  
*All Special Revenue Funds*  
*December 31, 2001*

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$100,739	\$76,295	\$83,478	\$113,679
Receivables:				
Taxes	0	0	0	0
Intergovernmental	241,914	37,425	19,618	0
Loans	0	0	0	0
<i>Total Assets</i>	<i>\$342,653</i>	<i>\$113,720</i>	<i>\$103,096</i>	<i>\$113,679</i>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	11,481	0	0	0
Compensated Absences Payable	3,360	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	3,208	0	0	0
Deferred Revenue	169,769	0	13,768	0
<i>Total Liabilities</i>	<i>187,818</i>	<i>0</i>	<i>13,768</i>	<i>0</i>
<b>Fund Equity</b>				
Fund Balances (Deficit):				
Reserved for Encumbrances	3,309	0	5,000	0
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated	151,526	113,720	84,328	113,679
<i>Total Fund Equity</i>	<i>154,835</i>	<i>113,720</i>	<i>89,328</i>	<i>113,679</i>
<i>Total Liabilities and Fund Equity</i>	<i>\$342,653</i>	<i>\$113,720</i>	<i>\$103,096</i>	<i>\$113,679</i>



<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Federal Aging Grant</u>
\$103,856	\$11,638	\$40,676	\$22,684	\$3,741	\$10,593
0	0	0	0	0	0
54,393	0	34,093	33,350	7,334	10,920
0	0	0	0	0	0
<u>\$158,249</u>	<u>\$11,638</u>	<u>\$74,769</u>	<u>\$56,034</u>	<u>\$11,075</u>	<u>\$21,513</u>
\$0	\$1,590	\$0	\$7,318	\$0	\$0
0	0	2,531	655	0	280
0	0	1,314	519	0	0
36,106	0	0	0	0	0
39,810	0	649	170	0	74
0	0	0	0	7,334	8,736
<u>75,916</u>	<u>1,590</u>	<u>4,494</u>	<u>8,662</u>	<u>7,334</u>	<u>9,090</u>
0	0	0	2,795	0	332
0	0	0	0	0	0
82,333	10,048	70,275	44,577	3,741	12,091
<u>82,333</u>	<u>10,048</u>	<u>70,275</u>	<u>47,372</u>	<u>3,741</u>	<u>12,423</u>
<u>\$158,249</u>	<u>\$11,638</u>	<u>\$74,769</u>	<u>\$56,034</u>	<u>\$11,075</u>	<u>\$21,513</u>

(continued)

**City of Alliance, Ohio**  
*Combining Balance Sheet*  
*All Special Revenue Funds (continued)*  
*December 31, 2001*

	Cemetery	HUD Grant	Community Development Block Grant	Revolving Loan
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$493,283	\$0	\$303,247	\$1,612,391
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	211,842	0	0
Loans	0	0	183,072	1,899,726
<i>Total Assets</i>	<u>\$493,283</u>	<u>\$211,842</u>	<u>\$486,319</u>	<u>\$3,512,117</u>
<b>Liabilities</b>				
Accounts Payable	\$1,118	\$12,477	\$0	\$0
Accrued Wages	0	4,279	0	0
Compensated Absences Payable	45	1,143	0	0
Interfund Payable	0	155,602	0	0
Intergovernmental Payable	454	2,243	62	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>1,617</u>	<u>175,744</u>	<u>62</u>	<u>0</u>
<b>Fund Equity</b>				
Fund Balances (Deficit):				
Reserved for Encumbrances	400	309,984	1,959	0
Reserved for Loans Receivable	0	0	183,072	1,899,726
Unreserved, Undesignated	491,266	(273,886)	301,226	1,612,391
<i>Total Fund Equity</i>	<u>491,666</u>	<u>36,098</u>	<u>486,257</u>	<u>3,512,117</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$493,283</u>	<u>\$211,842</u>	<u>\$486,319</u>	<u>\$3,512,117</u>

<u>Taxi</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Tax Increment</u>	<u>Other</u>	<u>Totals</u>
\$459	\$5,001	\$5,003	\$392,425	\$72,551	\$3,451,739
0	86,036	86,036	0	0	172,072
0	0	0	0	7,429	658,318
0	0	0	0	0	2,082,798
<u>\$459</u>	<u>\$91,037</u>	<u>\$91,039</u>	<u>\$392,425</u>	<u>\$79,980</u>	<u>\$6,364,927</u>
\$0	\$0	\$0	\$0	\$0	\$22,503
0	0	0	0	0	19,226
0	0	0	0	0	6,381
0	0	0	0	0	191,708
0	0	0	0	320	46,990
0	86,036	86,036	0	6,129	377,808
0	86,036	86,036	0	6,449	664,616
0	0	0	0	2,020	325,799
0	0	0	0	0	2,082,798
459	5,001	5,003	392,425	71,511	3,291,714
459	5,001	5,003	392,425	73,531	5,700,311
<u>\$459</u>	<u>\$91,037</u>	<u>\$91,039</u>	<u>\$392,425</u>	<u>\$79,980</u>	<u>\$6,364,927</u>

**City of Alliance, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Year Ended December 31, 2001*

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Permissive Motor Vehicle License Tax	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	545,573	177,970	44,237	81,781
Interest	7,696	4,055	4,441	3,263
Other	8,889	805	0	25,105
<i>Total Revenues</i>	<u>562,158</u>	<u>182,830</u>	<u>48,678</u>	<u>110,149</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property	47,594	336,145	0	16,068
Public Health Services	0	0	0	0
Transportation	545,508	0	19,527	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>593,102</u>	<u>336,145</u>	<u>19,527</u>	<u>16,068</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(30,944)</u>	<u>(153,315)</u>	<u>29,151</u>	<u>94,081</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0	139,679	0	0
Operating Transfers Out	0	0	(54,318)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>139,679</u>	<u>(54,318)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(30,944)</u>	<u>(13,636)</u>	<u>(25,167)</u>	<u>94,081</u>
<i>Fund Balances Beginning of Year</i>	<u>185,779</u>	<u>127,356</u>	<u>114,495</u>	<u>19,598</u>
<i>Fund Balances End of Year</i>	<u><u>\$154,835</u></u>	<u><u>\$113,720</u></u>	<u><u>\$89,328</u></u>	<u><u>\$113,679</u></u>

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$0	\$0	\$0	\$0	\$0	\$0
97,359	0	0	0	0	0
0	0	38,958	0	0	0
0	28,723	0	0	0	0
0	0	151,446	60,158	14,819	13,104
0	0	0	0	0	452
0	0	2,077	1,114	0	129
97,359	28,723	192,481	61,272	14,819	13,685
0	32,287	0	0	11,140	13,976
0	0	0	0	0	0
0	0	176,469	0	0	0
0	0	0	0	0	0
0	0	0	80,697	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	32,287	176,469	80,697	11,140	13,976
97,359	(3,564)	16,012	(19,425)	3,679	(291)
0	0	0	27,722	0	0
(85,728)	0	0	0	0	0
(85,728)	0	0	27,722	0	0
11,631	(3,564)	16,012	8,297	3,679	(291)
70,702	13,612	54,263	39,075	62	12,714
\$82,333	\$10,048	\$70,275	\$47,372	\$3,741	\$12,423

(continued)

**City of Alliance, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds (continued)  
For the Year Ended December 31, 2001*

	Cemetery	HUD Grant	Community Development Block Grant	Revolving Loan
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Permissive Motor Vehicle License Tax	0	0	0	0
Licenses, Permits and Fees	31,833	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	18,757	1,332,382	0	0
Interest	652	0	18,341	187,331
Other	37,932	13,365	354	250
<i>Total Revenues</i>	<u>89,174</u>	<u>1,345,747</u>	<u>18,695</u>	<u>187,581</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health Services	131,754	0	0	0
Transportation	0	0	0	0
Community Environment	0	1,201,643	2,245	6,503
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>131,754</u>	<u>1,201,643</u>	<u>2,245</u>	<u>6,503</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(42,580)</u>	<u>144,104</u>	<u>16,450</u>	<u>181,078</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	44,606	0	0	0
Operating Transfers Out	0	(143,750)	0	(10,104)
<i>Total Other Financing Sources (Uses)</i>	<u>44,606</u>	<u>(143,750)</u>	<u>0</u>	<u>(10,104)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	2,026	354	16,450	170,974
<i>Fund Balances Beginning of Year</i>	<u>489,640</u>	<u>35,744</u>	<u>469,807</u>	<u>3,341,143</u>
<i>Fund Balances End of Year</i>	<u>\$491,666</u>	<u>\$36,098</u>	<u>\$486,257</u>	<u>\$3,512,117</u>

Taxi	Fire Pension	Police Pension	Tax Increment	Other	Totals
\$0	\$75,742	\$75,742	\$752,875	\$0	\$904,359
0	0	0	0	0	97,359
0	0	0	0	2,378	73,169
0	0	0	0	39,642	68,365
0	9,352	9,352	0	0	2,458,931
0	0	0	0	0	226,231
0	0	12,408	0	0	102,428
0	85,094	97,502	752,875	42,020	3,930,842
0	0	0	0	23,702	81,105
0	328,273	380,985	0	0	1,109,065
0	0	0	0	0	308,223
72,800	0	0	0	0	637,835
0	0	0	360,450	0	1,651,538
0	3,252	2,478	0	0	5,730
0	10,452	7,964	0	0	18,416
72,800	341,977	391,427	360,450	23,702	3,811,912
(72,800)	(256,883)	(293,925)	392,425	18,318	118,930
72,800	261,790	298,833	0	0	845,430
0	0	0	0	0	(293,900)
72,800	261,790	298,833	0	0	551,530
0	4,907	4,908	392,425	18,318	670,460
459	94	95	0	55,213	5,029,851
\$459	\$5,001	\$5,003	\$392,425	\$73,531	\$5,700,311

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Repair and Maintenance Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$573,000	\$550,864	(\$22,136)
Interest	5,000	7,696	2,696
Other	1,900	8,889	6,989
<i>Total Revenues</i>	<u>579,900</u>	<u>567,449</u>	<u>(12,451)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Street Security:			
Salaries and Wages	28,812	27,684	1,128
Fringe Benefits	13,077	11,937	1,140
Contractual Services	11,952	11,635	317
Materials and Supplies	200	100	100
Total Security of Persons and Property	<u>54,041</u>	<u>51,356</u>	<u>2,685</u>
Transportation:			
Street Transportation:			
Salaries and Wages	490,268	468,089	22,179
Fringe Benefits	94,657	84,707	9,950
Contractual Services	14,111	11,194	2,917
Materials and Supplies	3,405	3,403	2
Total Transportation	<u>602,441</u>	<u>567,393</u>	<u>35,048</u>
<i>Total Expenditures</i>	<u>656,482</u>	<u>618,749</u>	<u>37,733</u>
<i>Excess of Revenues Under Expenditures</i>	(76,582)	(51,300)	25,282
<i>Fund Balance Beginning of Year</i>	140,440	140,440	0
Prior Year Encumbrances Appropriated	<u>8,290</u>	<u>8,290</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$72,148</u>	<u>\$97,430</u>	<u>\$25,282</u>



**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal COPS Fast Program Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$196,474	\$196,474	\$0
Interest	1,000	4,055	3,055
Other	0	805	805
<i>Total Revenues</i>	<u>197,474</u>	<u>201,334</u>	<u>3,860</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police:			
Salaries and Wages	265,221	265,221	0
Fringe Benefits	70,932	70,924	8
<i>Total Expenditures</i>	<u>336,153</u>	<u>336,145</u>	<u>8</u>
<i>Excess of Revenues Under Expenditures</i>	(138,679)	(134,811)	3,868
<b>Other Financing Sources</b>			
Operating Transfers In	139,679	139,679	0
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	1,000	4,868	3,868
<i>Fund Balance Beginning of Year</i>	<u>71,427</u>	<u>71,427</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$72,427</u></u>	<u><u>\$76,295</u></u>	<u><u>\$3,868</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$46,500	\$44,665	(\$1,835)
Interest	<u>5,000</u>	<u>4,441</u>	<u>(559)</u>
<i>Total Revenues</i>	<u>51,500</u>	<u>49,106</u>	<u>(2,394)</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Street Repair and Maintenance:			
Contractual Services	1,486	1,486	0
Capital Outlay	<u>57,849</u>	<u>23,041</u>	<u>34,808</u>
<i>Total Expenditures</i>	<u>59,335</u>	<u>24,527</u>	<u>34,808</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,835)	24,579	32,414
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(54,318)</u>	<u>(54,318)</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(62,153)	(29,739)	32,414
<i>Fund Balance Beginning of Year</i>	103,882	103,882	0
Prior Year Encumbrances Appropriated	<u>4,335</u>	<u>4,335</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$46,064</u></u>	<u><u>\$78,478</u></u>	<u><u>\$32,414</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Block Grant Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$11,063	\$81,781	\$70,718
Interest	0	3,263	3,263
Other	<u>15,000</u>	<u>25,105</u>	<u>10,105</u>
<i>Total Revenues</i>	26,063	110,149	84,086
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police:			
Materials and Supplies	<u>23,208</u>	<u>16,068</u>	<u>7,140</u>
<i>Excess of Revenues Over Expenditures</i>	2,855	94,081	91,226
<i>Fund Balance Beginning of Year</i>	19,390	19,390	0
Prior Year Encumbrances Appropriated	<u>208</u>	<u>208</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,453</u></u>	<u><u>\$113,679</u></u>	<u><u>\$91,226</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle License Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Permissive Motor Vehicle License Tax	\$100,000	\$97,264	(\$2,736)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	100,000	97,264	(2,736)
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(85,728)</u>	<u>(85,728)</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures and Other Financing Uses</i>	14,272	11,536	(2,736)
<i>Fund Balance Beginning of Year</i>	<u>92,320</u>	<u>92,320</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$106,592</u></u>	<u><u>\$103,856</u></u>	<u><u>(\$2,736)</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Computerization Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Fines and Forfeitures	\$30,000	\$28,723	(\$1,277)
<b>Expenditures</b>			
Current:			
General Government:			
Clerk of Courts:			
Contractual Services	10,300	9,675	625
Materials and Supplies	21,800	14,500	7,300
Capital Outlay	10,000	7,000	3,000
<i>Total Expenditures</i>	42,100	31,175	10,925
<i>Excess of Revenues Under Expenditures</i>	(12,100)	(2,452)	9,648
<i>Fund Balance Beginning of Year</i>	11,290	11,290	0
Prior Year Encumbrances Appropriated	2,800	2,800	0
<i>Fund Balance End of Year</i>	\$1,990	\$11,638	\$9,648

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Health Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Licenses, Permits and Fees	\$38,000	\$38,958	\$958
Intergovernmental	158,321	146,233	(12,088)
Other	0	2,077	2,077
<i>Total Revenues</i>	<u>196,321</u>	<u>187,268</u>	<u>(9,053)</u>
<b>Expenditures</b>			
Current:			
Public Health Services:			
Consolidated Health Funds:			
Salaries and Wages	117,463	114,385	3,078
Fringe Benefits	44,873	41,997	2,876
Contractual Services	6,100	1,799	4,301
Materials and Supplies	9,605	1,527	8,078
Capital Outlay	3,400	2,154	1,246
Other	18,692	16,539	2,153
<i>Total Expenditures</i>	<u>200,133</u>	<u>178,401</u>	<u>21,732</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,812)	8,867	12,679
<i>Fund Balance Beginning of Year</i>	<u>31,809</u>	<u>31,809</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$27,997</u></u>	<u><u>\$40,676</u></u>	<u><u>\$12,679</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Litter Control Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$68,126	\$50,132	(\$17,994)
Other	598	1,114	516
<i>Total Revenues</i>	<u>68,724</u>	<u>51,246</u>	<u>(17,478)</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
Litter Control:			
Salaries and Wages	29,021	27,609	1,412
Fringe Benefits	13,274	12,950	324
Contractual Services	24,522	15,892	8,630
Materials and Supplies	37,391	33,922	3,469
Capital Outlay	598	0	598
<i>Total Expenditures</i>	<u>104,806</u>	<u>90,373</u>	<u>14,433</u>
<i>Excess of Revenues Under Expenditures</i>	(36,082)	(39,127)	(3,045)
<b>Other Financing Sources</b>			
Operating Transfers In	<u>27,722</u>	<u>27,722</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(8,360)	(11,405)	(3,045)
<i>Fund Balance Beginning of Year</i>	15,616	15,616	0
Prior Year Encumbrances Appropriated	<u>8,360</u>	<u>8,360</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,616</u></u>	<u><u>\$12,571</u></u>	<u><u>(\$3,045)</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Misdemeanant Grant Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$16,968	\$14,819	(\$2,149)
<b>Expenditures</b>			
Current:			
General Government:			
Judge:			
Contractual Services	<u>14,968</u>	<u>11,140</u>	<u>3,828</u>
<i>Excess of Revenues Over Expenditures</i>	2,000	3,679	1,679
<i>Fund Balance Beginning of Year</i>	<u>62</u>	<u>62</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,062</u></u>	<u><u>\$3,741</u></u>	<u><u>\$1,679</u></u>



**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Aging Grant Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$15,000	\$13,104	(\$1,896)
Interest	300	452	152
Other	0	129	129
<i>Total Revenues</i>	<u>15,300</u>	<u>13,685</u>	<u>(1,615)</u>
<b>Expenditures</b>			
Current:			
General Government:			
Aging:			
Salaries and Wages	11,181	11,174	7
Fringe Benefits	2,852	2,651	201
Contractual Services	614	344	270
Materials and Supplies	700	257	443
<i>Total Expenditures</i>	<u>15,347</u>	<u>14,426</u>	<u>921</u>
<i>Excess of Revenues Under Expenditures</i>	(47)	(741)	(694)
<i>Fund Balance Beginning of Year</i>	10,732	10,732	0
Prior Year Encumbrances Appropriated	<u>270</u>	<u>270</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,955</u></u>	<u><u>\$10,261</u></u>	<u><u>(\$694)</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Licenses, Permits and Fees	\$33,000	\$31,833	(\$1,167)
Intergovernmental	25,000	18,757	(6,243)
Interest	1,100	652	(448)
Other	39,255	37,932	(1,323)
<i>Total Revenues</i>	<u>98,355</u>	<u>89,174</u>	<u>(9,181)</u>
<b>Expenditures</b>			
Current:			
Public Health Services:			
Cemetery:			
Salaries and Wages	80,164	79,333	831
Fringe Benefits	20,772	22,164	(1,392)
Contractual Services	32,989	31,650	1,339
Materials and Supplies	4,500	3,215	1,285
<i>Total Expenditures</i>	<u>138,425</u>	<u>136,362</u>	<u>2,063</u>
<i>Excess of Revenues Under Expenditures</i>	(40,070)	(47,188)	(7,118)
<b>Other Financing Sources</b>			
Operating Transfers In	44,606	44,606	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	4,536	(2,582)	(7,118)
<i>Fund Balance Beginning of Year</i>	495,463	495,463	0
Prior Year Encumbrances Appropriated	<u>2</u>	<u>2</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$500,001</u></u>	<u><u>\$492,883</u></u>	<u><u>(\$7,118)</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*HUD Grant Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$1,798,135	\$1,150,039	(\$648,096)
Other	<u>0</u>	<u>13,365</u>	<u>13,365</u>
<i>Total Revenues</i>	<u>1,798,135</u>	<u>1,163,404</u>	<u>(634,731)</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
CDBG:			
Salaries and Wages	327,747	155,022	172,725
Fringe Benefits	99,112	55,996	43,116
Contractual Services	517,902	427,481	90,421
Materials and Supplies	28,355	8,490	19,865
Capital Outlay	<u>871,761</u>	<u>871,044</u>	<u>717</u>
<i>Total Expenditures</i>	<u>1,844,877</u>	<u>1,518,033</u>	<u>326,844</u>
<i>Excess of Revenues Under Expenditures</i>	(46,742)	(354,629)	(307,887)
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(290,245)</u>	<u>(143,750)</u>	<u>146,495</u>
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(336,987)	(498,379)	(161,392)
<i>Fund Balance (Deficit) Beginning of Year</i>	(212,517)	(212,517)	0
Prior Year Encumbrances Appropriated	<u>234,289</u>	<u>234,289</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$315,215)</u></u>	<u><u>(\$476,607)</u></u>	<u><u>(\$161,392)</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest	\$22,025	\$18,341	(\$3,684)
Other	<u>40,700</u>	<u>34,999</u>	<u>(5,701)</u>
<i>Total Revenues</i>	<u>62,725</u>	<u>53,340</u>	<u>(9,385)</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
CDBG:			
Capital Outlay	<u>103,037</u>	<u>4,142</u>	<u>98,895</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(40,312)	49,198	89,510
<i>Fund Balance Beginning of Year</i>	<u>252,090</u>	<u>252,090</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$211,778</u></u>	<u><u>\$301,288</u></u>	<u><u>\$89,510</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Revolving Loan Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest	\$177,985	\$187,331	\$9,346
Other	<u>194,946</u>	<u>217,622</u>	<u>22,676</u>
<i>Total Revenues</i>	<u>372,931</u>	<u>404,953</u>	<u>32,022</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
Revolving Loan:			
Contractual Services	1,505	1,503	2
Capital Outlay	<u>849,995</u>	<u>505,000</u>	<u>344,995</u>
<i>Total Expenditures</i>	<u>851,500</u>	<u>506,503</u>	<u>344,997</u>
<i>Excess of Revenues Under Expenditures</i>	(478,569)	(101,550)	377,019
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(10,104)</u>	<u>(10,104)</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(488,673)	(111,654)	377,019
<i>Fund Balance Beginning of Year</i>	<u>1,724,045</u>	<u>1,724,045</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,235,372</u></u>	<u><u>\$1,612,391</u></u>	<u><u>\$377,019</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Taxi Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Transportation:			
Taxi:			
Contractual Services	<u>78,650</u>	<u>77,000</u>	<u>1,650</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(78,650)	(77,000)	1,650
<b>Other Financing Sources</b>			
Operating Transfers In	<u>77,349</u>	<u>72,800</u>	<u>(4,549)</u>
<i>Excess of Revenues and Other Financing</i>			
<i>Sources Under Expenditures</i>	(1,301)	(4,200)	(2,899)
<i>Fund Balance Beginning of Year</i>	109	109	0
Prior Year Encumbrances Appropriated	<u>4,550</u>	<u>4,550</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,358</u></u>	<u><u>\$459</u></u>	<u><u>(\$2,899)</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property and Other Taxes	\$76,694	\$75,742	(\$952)
Intergovernmental	9,352	9,352	0
<i>Total Revenues</i>	86,046	85,094	(952)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Fire:			
Fringe Benefits	341,977	341,977	0
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(255,931)	(256,883)	(952)
<b>Other Financing Sources</b>			
Operating Transfers In	261,800	261,790	(10)
<i>Excess of Revenues and Other Financing</i> <i>Sources Over Expenditures</i>	5,869	4,907	(962)
<i>Fund Balance Beginning of Year</i>	94	94	0
<i>Fund Balance End of Year</i>	\$5,963	\$5,001	(\$962)

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property and Other Taxes	\$76,694	\$75,742	(\$952)
Intergovernmental	9,352	9,352	0
Other	<u>12,408</u>	<u>12,408</u>	<u>0</u>
<i>Total Revenues</i>	98,454	97,502	(952)
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police:			
Fringe Benefits	<u>391,429</u>	<u>391,427</u>	<u>2</u>
<i>Excess of Revenues Under Expenditures</i>	(292,975)	(293,925)	(950)
<b>Other Financing Sources</b>			
Operating Transfers In	<u>292,984</u>	<u>298,833</u>	<u>5,849</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	9	4,908	4,899
<i>Fund Balance Beginning of Year</i>	<u>95</u>	<u>95</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$104</u></u>	<u><u>\$5,003</u></u>	<u><u>\$4,899</u></u>



**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tax Increment Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property and Other Taxes	<u>\$98,428</u>	<u>\$752,875</u>	<u>\$654,447</u>
<b>Expenditures</b>			
Current:			
Community Environment:			
Tax Increment:			
Contractual Services	19,555	0	19,555
Capital Outlay	278,294	0	278,294
Other	<u>361,000</u>	<u>360,450</u>	<u>550</u>
<i>Total Expenditures</i>	<u>658,849</u>	<u>360,450</u>	<u>298,399</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(560,421)</u>	<u>392,425</u>	<u>952,846</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	631,173	0	(631,173)
Operating Transfers Out	<u>(40,379)</u>	<u>0</u>	<u>40,379</u>
<i>Total Other Financing Sources (Uses)</i>	<u>590,794</u>	<u>0</u>	<u>(590,794)</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	30,373	392,425	362,052
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,373</u></u>	<u><u>\$392,425</u></u>	<u><u>\$362,052</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Driver Alcohol Treatment Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines and Forfeitures	\$7,700	\$8,787	\$1,087
<b>Expenditures</b>			
Current:			
General Government:			
Clerk of Courts:			
Materials and Supplies	<u>4,500</u>	<u>1,000</u>	<u>3,500</u>
<i>Excess of Revenues Over Expenditures</i>	3,200	7,787	4,587
<i>Fund Balance Beginning of Year</i>	<u>24,089</u>	<u>24,089</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$27,289</u></u>	<u><u>\$31,876</u></u>	<u><u>\$4,587</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines and Forfeitures	\$1,900	\$3,128	\$1,228
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	1,900	3,128	1,228
<i>Fund Balance Beginning of Year</i>	<u>5,744</u>	<u>5,744</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,644</u></u>	<u><u>\$8,872</u></u>	<u><u>\$1,228</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Legal Research Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines and Forfeitures	<u>\$7,300</u>	<u>\$6,967</u>	<u>(\$333)</u>
<b>Expenditures</b>			
Current:			
General Government:			
Municipal Court:			
Materials and Supplies	8,100	6,745	1,355
Capital Outlay	<u>7,500</u>	<u>6,700</u>	<u>800</u>
<i>Total Expenditures</i>	<u>15,600</u>	<u>13,445</u>	<u>2,155</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(8,300)	(6,478)	1,822
<i>Fund Balance Beginning of Year</i>	<u>11,020</u>	<u>11,020</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,720</u></u>	<u><u>\$4,542</u></u>	<u><u>\$1,822</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court ADR Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines and Forfeitures	\$11,660	\$12,660	\$1,000
<b>Expenditures</b>			
Current:			
General Government:			
Municipal Court:			
Contractual Services	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	1,660	2,660	1,000
<i>Fund Balance Beginning of Year</i>	<u>2,690</u>	<u>2,690</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,350</u></u>	<u><u>\$5,350</u></u>	<u><u>\$1,000</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Security Grant Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
General Government:			
Municipal Court:			
Capital Outlay	<u>2,000</u>	<u>627</u>	<u>1,373</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(2,000)	(627)	1,373
<i>Fund Balance Beginning of Year</i>	<u>2,042</u>	<u>2,042</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$42</u></u>	<u><u>\$1,415</u></u>	<u><u>\$1,373</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Immobilization Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines and Forfeitures	\$5,000	\$7,500	\$2,500
<b>Expenditures</b>			
Current:			
General Government:			
Municipal Court:			
Materials and Supplies	<u>2,000</u>	<u>330</u>	<u>1,670</u>
<i>Excess of Revenues Over Expenditures</i>	3,000	7,170	4,170
<i>Fund Balance Beginning of Year</i>	<u>6,456</u>	<u>6,456</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,456</u></u>	<u><u>\$13,626</u></u>	<u><u>\$4,170</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Parking Lot Maintenance Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Licenses, Permits and Fees	\$2,450	\$2,378	(\$72)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	2,450	2,378	(72)
<i>Fund Balance Beginning of Year</i>	<u>2,472</u>	<u>2,472</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,922</u></u>	<u><u>\$4,850</u></u>	<u><u>(\$72)</u></u>



**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property and Other Taxes	\$251,816	\$904,359	\$652,543
Permissive Motor Vehicle License Tax	100,000	97,264	(2,736)
Licenses, Permits and Fees	73,450	73,169	(281)
Fines and Forfeitures	63,560	67,765	4,205
Intergovernmental	2,927,291	2,285,572	(641,719)
Interest	212,410	226,231	13,821
Other	304,807	354,445	49,638
<i>Total Revenues</i>	<u>3,933,334</u>	<u>4,008,805</u>	<u>75,471</u>
<b>Expenditures</b>			
Current:			
General Government:			
Municipal Court Computerization Fund	42,100	31,175	10,925
State Misdemeanor Grant Fund	14,968	11,140	3,828
Federal Aging Grant Fund	15,347	14,426	921
Indigent Driver Alcohol Treatment Fund	4,500	1,000	3,500
Municipal Court Legal Research Fund	15,600	13,445	2,155
Court ADR Fund	10,000	10,000	0
Court Security Grant Fund	2,000	627	1,373
Court Immobilization Fund	2,000	330	1,670
<i>Total General Government</i>	<u>106,515</u>	<u>82,143</u>	<u>24,372</u>
Security of Persons and Property:			
Street Repair and Maintenance Fund	54,041	51,356	2,685
Federal COPS Fast Program Fund	336,153	336,145	8
Law Enforcement Block Grant Fund	23,208	16,068	7,140
Fire Pension Fund	341,977	341,977	0
Police Pension Fund	391,429	391,427	2
<i>Total Security of Persons and Property</i>	<u>1,146,808</u>	<u>1,136,973</u>	<u>9,835</u>
Public Health Services:			
Health Fund	200,133	178,401	21,732
Cemetery Fund	138,425	136,362	2,063
<i>Total Public Health Services</i>	<u>\$338,558</u>	<u>\$314,763</u>	<u>\$23,795</u>

(continued)

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Transportation:			
Street Repair and Maintenance Fund	\$602,441	\$567,393	\$35,048
State Highway Fund	59,335	24,527	34,808
Taxi Fund	78,650	77,000	1,650
<b>Total Transportation</b>	<b>740,426</b>	<b>668,920</b>	<b>71,506</b>
Community Environment:			
Litter Control Fund	104,806	90,373	14,433
HUD Grant Fund	1,844,877	1,518,033	326,844
Community Development Block Grant Fund	103,037	4,142	98,895
Revolving Loan Fund	851,500	506,503	344,997
Tax Increment Fund	658,849	360,450	298,399
<b>Total Community Environment</b>	<b>3,563,069</b>	<b>2,479,501</b>	<b>1,083,568</b>
<i>Total Expenditures</i>	<i>5,895,376</i>	<i>4,682,300</i>	<i>1,213,076</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(1,962,042)</i>	<i>(673,495)</i>	<i>1,288,547</i>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	1,475,313	845,430	(629,883)
Operating Transfers Out	(480,774)	(293,900)	186,874
<b>Total Other Financing Sources (Uses)</b>	<b>994,539</b>	<b>551,530</b>	<b>(443,009)</b>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<i>(967,503)</i>	<i>(121,965)</i>	<i>845,538</i>
<i>Fund Balances Beginning of Year</i>	<i>2,810,860</i>	<i>2,810,860</i>	<i>0</i>
Prior Year Encumbrances Appropriated	263,104	263,104	0
<b>Fund Balances End of Year</b>	<b>\$2,106,461</b>	<b>\$2,951,999</b>	<b>\$845,538</b>

### **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. Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented.

## Capital Projects Funds

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

***Street Income Tax Construction Fund*** - This fund accounts for income tax monies used for improvements to various City roads.

***Capital Improvements Fund*** - This fund accounts for income tax monies received for the purpose of acquisition of capital assets.

***Swimming Pool Fund*** - This fund was set up in 1971 to account for monies accumulated for the purpose of constructing a municipal community swimming pool.

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

***Communication Equipment Fund*** - This fund accounts for monies received for the purpose of purchasing communication equipment for the City.

***Jail Construction Fund*** - This fund accounts for monies received for the purpose of improvements and construction at the City jail.

***West State Street Fund*** - This fund accounts for monies received for the purpose of widening West State Street from Western Avenue to Freshley Avenue.

***Hospital Sale Capital Fund*** - This fund accounts for the monies received from the sale of real property, equipment and buildings to the Alliance Citizens Health Association. (Alliance Community Hospital).

***Street Improvement Fund*** - This fund accounts for the monies received for the purpose of improving City streets.

***Other*** - Smaller Capital Projects maintained by the City. These funds are as follows:

*Airport Construction Fund*  
*Crossroads Street Construction Fund*  
*High School Property Fund*

**City of Alliance, Ohio**  
*Combining Balance Sheet*  
*All Capital Projects Funds*  
*December 31, 2001*

	Street Income Tax Construction	Capital Improvements	Swimming Pool
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$277,654	\$540,562	\$59,725
Receivables:			
Taxes	144,678	206,690	0
Special Assessments	153,502	0	0
Intergovernmental	0	14,180	0
<i>Total Assets</i>	\$575,834	\$761,432	\$59,725
 <b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Interfund Payable	0	0	0
Deferred Revenue	200,129	66,608	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	200,129	66,608	0
 <b>Fund Equity</b>			
Fund Balances (Deficit):			
Reserved for Encumbrances	15,000	91,847	0
Unreserved, Undesignated	360,705	602,977	59,725
<i>Total Fund Equity</i>	375,705	694,824	59,725
<i>Total Liabilities and Fund Equity</i>	\$575,834	\$761,432	\$59,725

(continued)

**City of Alliance, Ohio**  
*Combining Balance Sheet*  
*All Capital Projects Funds (continued)*  
*December 31, 2001*

	<u>Downtown Development</u>	<u>Communication Equipment</u>	<u>Jail Construction</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$40,954	\$1,616	\$4,110,061
Receivables:			
Taxes	0	0	0
Special Assessments	0	0	0
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$40,954</u>	<u>\$1,616</u>	<u>\$4,110,061</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$50,351
Interfund Payable	0	0	0
Deferred Revenue	0	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>50,351</u>
<b>Fund Equity</b>			
Fund Balances (Deficit):			
Reserved for Encumbrances	21,252	0	3,240,998
Unreserved, Undesignated	19,702	1,616	818,712
<i>Total Fund Equity</i>	<u>40,954</u>	<u>1,616</u>	<u>4,059,710</u>
 <i>Total Liabilities and Fund Equity</i>	 <u>\$40,954</u>	 <u>\$1,616</u>	 <u>\$4,110,061</u>

<u>West State Street</u>	<u>Hospital Sale Capital</u>	<u>Street Improvement</u>	<u>Other</u>	<u>Totals</u>
\$20,096	\$6,458	\$754,182	\$19,609	\$5,830,917
0	0	0	0	351,368
0	0	0	0	153,502
0	0	0	0	14,180
<u>\$20,096</u>	<u>\$6,458</u>	<u>\$754,182</u>	<u>\$19,609</u>	<u>\$6,349,967</u>
\$0	\$0	\$182,514	\$0	\$232,865
0	0	0	2,159	2,159
0	0	0	0	266,737
0	1,382	0	0	1,382
0	415,000	0	0	415,000
<u>0</u>	<u>416,382</u>	<u>182,514</u>	<u>2,159</u>	<u>918,143</u>
0	0	336,426	0	3,705,523
<u>20,096</u>	<u>(409,924)</u>	<u>235,242</u>	<u>17,450</u>	<u>1,726,301</u>
<u>20,096</u>	<u>(409,924)</u>	<u>571,668</u>	<u>17,450</u>	<u>5,431,824</u>
<u>\$20,096</u>	<u>\$6,458</u>	<u>\$754,182</u>	<u>\$19,609</u>	<u>\$6,349,967</u>

**City of Alliance, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds  
For the Year Ended December 31, 2001*

	Street Income Tax Construction	Capital Improvements	Swimming Pool
<b>Revenues</b>			
Municipal Income Taxes	\$475,720	\$679,609	\$0
Intergovernmental	0	14,180	0
Special Assessments	93	0	0
Interest	0	0	0
Donations and Contributions	0	0	0
Other	0	1,924	5,000
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	475,813	695,713	5,000
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Capital Outlay	223,208	482,846	0
Debt Service:			
Interest and Fiscal Charges	0	0	0
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	223,208	482,846	0
	<hr/>	<hr/>	<hr/>
<i>Excess of Revenues Over (Under) Expenditures</i>	252,605	212,867	5,000
	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(159,673)	(56,555)	0
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(159,673)	(56,555)	0
	<hr/>	<hr/>	<hr/>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	92,932	156,312	5,000
	<hr/>	<hr/>	<hr/>
<i>Fund Balances Beginning of Year</i>	282,773	538,512	54,725
	<hr/>	<hr/>	<hr/>
<i>Fund Balances (Deficit) End of Year</i>	\$375,705	\$694,824	\$59,725
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



<u>Downtown Development</u>	<u>Communication Equipment</u>	<u>Jail Construction</u>	<u>West State Street</u>	<u>Hospital Sale Capital</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	53,900
0	0	65,384	0	107,741
0	0	0	0	0
0	0	0	0	42,000
<u>0</u>	<u>0</u>	<u>65,384</u>	<u>0</u>	<u>203,641</u>
5,513	0	519,036	0	39,538
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,282</u>
<u>5,513</u>	<u>0</u>	<u>519,036</u>	<u>0</u>	<u>59,820</u>
<u>(5,513)</u>	<u>0</u>	<u>(453,652)</u>	<u>0</u>	<u>143,821</u>
0	0	0	0	0
0	0	4,320,000	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,320,000)</u>
<u>0</u>	<u>0</u>	<u>4,320,000</u>	<u>0</u>	<u>(4,320,000)</u>
(5,513)	0	3,866,348	0	(4,176,179)
<u>46,467</u>	<u>1,616</u>	<u>193,362</u>	<u>20,096</u>	<u>3,766,255</u>
<u>\$40,954</u>	<u>\$1,616</u>	<u>\$4,059,710</u>	<u>\$20,096</u>	<u>(\$409,924)</u>

(continued)

**City of Alliance, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds (continued)  
For the Year Ended December 31, 2001*

	Street Improvement	Other	Totals
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$1,155,329
Intergovernmental	565,291	0	579,471
Special Assessments	0	0	53,993
Interest	0	0	173,125
Donations and Contributions	712,037	0	712,037
Other	0	22,368	71,292
<i>Total Revenues</i>	<u>1,277,328</u>	<u>22,368</u>	<u>2,745,247</u>
<b>Expenditures</b>			
Capital Outlay	2,717,314	0	3,987,455
Debt Service:			
Interest and Fiscal Charges	0	0	20,282
<i>Total Expenditures</i>	<u>2,717,314</u>	<u>0</u>	<u>4,007,737</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,439,986)</u>	<u>22,368</u>	<u>(1,262,490)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	1,475,000	0	1,475,000
Operating Transfers In	536,654	0	4,856,654
Operating Transfers Out	0	(18,940)	(4,555,168)
<i>Total Other Financing Sources (Uses)</i>	<u>2,011,654</u>	<u>(18,940)</u>	<u>1,776,486</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	571,668	3,428	513,996
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>14,022</u>	<u>4,917,828</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$571,668</u></u>	<u><u>\$17,450</u></u>	<u><u>\$5,431,824</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Income Tax Construction Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal Income Taxes	\$499,000	\$482,475	(\$16,525)
Special Assessments	300	93	(207)
	<u>499,300</u>	<u>482,568</u>	<u>(16,732)</u>
<i>Total Revenues</i>	499,300	482,568	(16,732)
<b>Expenditures</b>			
Capital Outlay:			
Street Income Tax:			
Capital Outlay	285,000	238,208	46,792
	<u>285,000</u>	<u>238,208</u>	<u>46,792</u>
<i>Excess of Revenues Over Expenditures</i>	214,300	244,360	30,060
<b>Other Financing Uses</b>			
Operating Transfers Out	(214,673)	(159,673)	55,000
	<u>(214,673)</u>	<u>(159,673)</u>	<u>55,000</u>
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	(373)	84,687	85,060
<i>Fund Balance Beginning of Year</i>	<u>177,967</u>	<u>177,967</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$177,594</u></u>	<u><u>\$262,654</u></u>	<u><u>\$85,060</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Municipal Income Taxes	\$713,000	\$689,251	(\$23,749)
Other	0	1,924	1,924
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Revenues</i>	713,000	691,175	(21,825)
<b>Expenditures</b>			
Capital Outlay:			
Capital Improvements:			
Capital Outlay	701,496	574,693	126,803
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Excess of Revenues Over Expenditures</i>	11,504	116,482	104,978
<b>Other Financing Uses</b>			
Operating Transfers Out	(86,555)	(56,555)	30,000
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	(75,051)	59,927	134,978
<i>Fund Balance Beginning of Year</i>	322,642	322,642	0
Prior Year Encumbrances Appropriated	66,146	66,146	0
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Fund Balance End of Year</i>	<u>\$313,737</u>	<u>\$448,715</u>	<u>\$134,978</u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Swimming Pool Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Other	\$5,000	\$5,000	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	5,000	5,000	0
<i>Fund Balance Beginning of Year</i>	<u>54,725</u>	<u>54,725</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$59,725</u></u>	<u><u>\$59,725</u></u>	<u><u>\$0</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Downtown Development Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Donations and Contributions	\$80,000	\$0	(\$80,000)
<b>Expenditures</b>			
Capital Outlay:			
Community Development:			
Capital Outlay	<u>27,805</u>	<u>26,756</u>	<u>1,049</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	52,195	(26,756)	(78,951)
<i>Fund Balance Beginning of Year</i>	18,653	18,653	0
Prior Year Encumbrances Appropriated	<u>27,805</u>	<u>27,805</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$98,653</u></u>	<u><u>\$19,702</u></u>	<u><u>(\$78,951)</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Communication Equipment Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay:			
General Administration Safety:			
Capital Outlay	<u>1,616</u>	<u>0</u>	<u>1,616</u>
<i>Excess of Revenues Under Expenditures</i>	(1,616)	0	1,616
<i>Fund Balance Beginning of Year</i>	<u>1,616</u>	<u>1,616</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1,616</u></u>	<u><u>\$1,616</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Jail Construction Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Interest	\$45,553	\$65,384	\$19,831
<b>Expenditures</b>			
Capital Outlay:			
Police:			
Capital Outlay	<u>4,600,711</u>	<u>3,748,126</u>	<u>852,585</u>
<i>Excess of Revenues Under Expenditures</i>	(4,555,158)	(3,682,742)	872,416
<b>Other Financing Sources</b>			
Operating Transfers In	<u>4,400,000</u>	<u>4,320,000</u>	<u>(80,000)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(155,158)	637,258	792,416
<i>Fund Balance Beginning of Year</i>	146,159	146,159	0
Prior Year Encumbrances Appropriated	<u>54,553</u>	<u>54,553</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$45,554</u></u>	<u><u>\$837,970</u></u>	<u><u>\$792,416</u></u>



**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*West State Street Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Capital Outlay:			
Street Transportation:			
Capital Outlay	<u>20,095</u>	<u>0</u>	<u>20,095</u>
<i>Excess of Revenues Under Expenditures</i>	(20,095)	0	20,095
<i>Fund Balance Beginning of Year</i>	16,251	16,251	0
Prior Year Encumbrances Appropriated	<u>3,845</u>	<u>3,845</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1</u></u>	<u><u>\$20,096</u></u>	<u><u>\$20,095</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Hospital Sale Capital Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest	\$107,741	\$107,741	\$0
Other	<u>42,000</u>	<u>42,000</u>	<u>0</u>
<i>Total Revenues</i>	149,741	149,741	0
<b>Expenditures</b>			
Capital Outlay:			
Street Transportation:			
Capital Outlay	<u>40,000</u>	<u>39,538</u>	<u>462</u>
<i>Excess of Revenues Over Expenditures</i>	109,741	110,203	462
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(4,323,254)</u>	<u>(4,320,000)</u>	<u>3,254</u>
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(4,213,513)	(4,209,797)	3,716
<i>Fund Balance Beginning of Year</i>	<u>4,216,255</u>	<u>4,216,255</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,742</u></u>	<u><u>\$6,458</u></u>	<u><u>\$3,716</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Improvement Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$720,328	\$565,291	(\$155,037)
Interest	62,000	0	(62,000)
Donations and Contributions	0	712,037	712,037
<i>Total Revenues</i>	782,328	1,277,328	495,000
<b>Expenditures</b>			
Capital Outlay:			
Street Improvement:			
Capital Outlay	3,269,029	3,053,740	215,289
<i>Excess of Revenues Under Expenditures</i>	(2,486,701)	(1,776,412)	710,289
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	1,970,000	1,475,000	(495,000)
Operating Transfers In	536,654	536,654	0
Operating Transfers Out	(2,880)	0	2,880
<i>Total Other Financing Sources (Uses)</i>	2,503,774	2,011,654	(492,120)
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	17,073	235,242	218,169
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$17,073	\$235,242	\$218,169

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Airport Construction Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>612</u>	<u>612</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$612</u></u>	<u><u>\$612</u></u>	<u><u>\$0</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Crossroads Street Construction Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Other	\$8	\$0	(\$8)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	8	0	(8)
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(10,490)</u>	<u>0</u>	<u>10,490</u>
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(10,482)	0	10,482
<i>Fund Balance Beginning of Year</i>	10,490	10,490	0
Prior Year Encumbrances Appropriated	<u>8</u>	<u>8</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16</u></u>	<u><u>\$10,498</u></u>	<u><u>\$10,482</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*High School Property Fund*  
*For the Year Ended December 31, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Other	\$22,368	\$22,368	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	22,368	22,368	0
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(18,940)</u>	<u>(18,940)</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures and Other Financing Uses</i>	3,428	3,428	0
<i>Fund Balance Beginning of Year</i>	<u>5,071</u>	<u>5,071</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,499</u></u>	<u><u>\$8,499</u></u>	<u><u>\$0</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Capital Projects Funds*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal Income Taxes	\$1,212,000	\$1,171,726	(\$40,274)
Intergovernmental	720,328	565,291	(155,037)
Special Assessments	300	93	(207)
Interest	215,294	173,125	(42,169)
Donations and Contributions	80,000	712,037	632,037
Other	69,376	71,292	1,916
<i>Total Revenues</i>	<u>2,297,298</u>	<u>2,693,564</u>	<u>396,266</u>
<b>Expenditures</b>			
Capital Outlay:			
Street Income Tax Construction Fund	285,000	238,208	46,792
Capital Improvements Fund	701,496	574,693	126,803
Downtown Development Fund	27,805	26,756	1,049
Communication Equipment Fund	1,616	0	1,616
Jail Construction Fund	4,600,711	3,748,126	852,585
West State Street Fund	20,095	0	20,095
Hospital Sale Capital Fund	40,000	39,538	462
Street Improvement Fund	3,269,029	3,053,740	215,289
<i>Total Expenditures</i>	<u>8,945,752</u>	<u>7,681,061</u>	<u>1,264,691</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,648,454)</u>	<u>(4,987,497)</u>	<u>1,660,957</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	1,970,000	1,475,000	(495,000)
Operating Transfers In	4,936,654	4,856,654	(80,000)
Operating Transfers Out	(4,656,792)	(4,555,168)	101,624
<i>Total Other Financing Sources (Uses)</i>	<u>2,249,862</u>	<u>1,776,486</u>	<u>(473,376)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(4,398,592)	(3,211,011)	1,187,581
<i>Fund Balances Beginning of Year</i>	4,970,441	4,970,441	0
Prior Year Encumbrances Appropriated	<u>152,357</u>	<u>152,357</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$724,206</u></u>	<u><u>\$1,911,787</u></u>	<u><u>\$1,187,581</u></u>

## **Enterprise Funds**

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

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

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



**City of Alliance, Ohio**  
*Combining Balance Sheet*  
*All Enterprise Funds*  
*December 31, 2001*

	Water	Sewer	Totals
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,384,200	\$1,370,598	\$2,754,798
Accounts Receivables	526,908	424,897	951,805
Intergovernmental Receivable	0	11,403	11,403
Materials and Supplies Inventory	317,545	33,511	351,056
Deferred Charges	290,824	0	290,824
<i>Total Current Assets</i>	2,519,477	1,840,409	4,359,886
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,347,659	741,514	2,089,173
Cash and Cash Equivalents with Fiscal Agents	1,680,576	772,564	2,453,140
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	17,279,405	8,985,659	26,265,064
<i>Total Assets</i>	<u>\$22,827,117</u>	<u>\$12,340,146</u>	<u>\$35,167,263</u>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	\$13,064	\$39,444	\$52,508
Accrued Wages	22,118	33,998	56,116
Compensated Absences Payable	9,159	19,480	28,639
Intergovernmental Payable	43,491	64,163	107,654
Accrued Interest Payable	101,494	49,380	150,874
Current Portion of General Obligation Bonds Payable	0	95,000	95,000
Current Portion of Revenue Bonds Payable	665,000	350,000	1,015,000
<i>Total Current Liabilities</i>	854,326	651,465	1,505,791
Long-Term Liabilities:			
Compensated Absences Payable	204,812	352,117	556,929
OPWC Loan Payable	0	50,596	50,596
General Obligation Bonds Payable (net of Current Portion)	0	285,000	285,000
Revenue Bonds Payable (net of Current Portion)	17,279,256	3,625,000	20,904,256
<i>Total Long-Term Liabilities</i>	17,484,068	4,312,713	21,796,781
<i>Total Liabilities</i>	18,338,394	4,964,178	23,302,572
<b>Fund Equity</b>			
Contributed Capital	5,067,998	1,340,892	6,408,890
Retained Earnings (Deficit):			
Reserved:			
Replacement and Improvement	315,820	348,066	663,886
Operation and Maintenance	1,031,839	393,780	1,425,619
Unreserved	(1,926,934)	5,293,230	3,366,296
<i>Total Fund Equity</i>	4,488,723	7,375,968	11,864,691
<i>Total Liabilities and Fund Equity</i>	<u>\$22,827,117</u>	<u>\$12,340,146</u>	<u>\$35,167,263</u>

**City of Alliance, Ohio**  
*Combining Statement of Revenues, Expenses  
and Changes in Fund Equity  
All Enterprise Funds  
For the Year Ended December 31, 2001*

	Water	Sewer	Totals
<b>Operating Revenues</b>			
Charges for Services	\$3,715,949	\$3,178,920	\$6,894,869
Licenses and Permits	0	5,681	5,681
Other	68,871	6,583	75,454
<i>Total Operating Revenues</i>	<u>3,784,820</u>	<u>3,191,184</u>	<u>6,976,004</u>
<b>Operating Expenses</b>			
Salaries and Wages	1,170,944	1,248,558	2,419,502
Fringe Benefits	346,133	492,224	838,357
Contractual Services	448,000	513,663	961,663
Materials and Supplies	534,384	306,760	841,144
Other	1,975	516	2,491
Depreciation	721,573	371,529	1,093,102
<i>Total Operating Expenses</i>	<u>3,223,009</u>	<u>2,933,250</u>	<u>6,156,259</u>
<i>Operating Income</i>	<u>561,811</u>	<u>257,934</u>	<u>819,745</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	154,986	117,170	272,156
Municipal Income Taxes	275,700	0	275,700
Capital Grants	0	108,791	108,791
Interest and Fiscal Charges	(1,045,567)	(271,226)	(1,316,793)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(614,881)</u>	<u>(45,265)</u>	<u>(660,146)</u>
<i>Income (Loss) Before Operating Transfers</i>	(53,070)	212,669	159,599
Operating Transfers Out	(390,488)	(264,281)	(654,769)
<i>Net Loss</i>	(443,558)	(51,612)	(495,170)
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(135,717)</u>	<u>6,086,688</u>	<u>5,950,971</u>
<i>Retained Earnings (Deficit) End of Year</i>	(579,275)	6,035,076	5,455,801
Contributed Capital Beginning and End of Year	5,067,998	1,340,892	6,408,890
<i>Total Fund Equity End of Year</i>	<u>\$4,488,723</u>	<u>\$7,375,968</u>	<u>\$11,864,691</u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal Income Taxes	\$285,000	\$275,700	(\$9,300)
Charges for Services	3,978,640	3,821,339	(157,301)
Interest	102,000	91,001	(10,999)
Other	35,000	68,871	33,871
<i>Total Revenues</i>	<u>4,400,640</u>	<u>4,256,911</u>	<u>(143,729)</u>
<b>Expenses</b>			
Salaries and Wages	1,210,937	1,168,868	42,069
Fringe Benefits	455,724	427,555	28,169
Contractual Services	531,845	497,462	34,383
Materials and Supplies	627,565	516,830	110,735
Capital Outlay	460,636	152,833	307,803
Other	3,870	3,386	484
<i>Total Expenses</i>	<u>3,290,577</u>	<u>2,766,934</u>	<u>523,643</u>
<i>Excess of Revenues Over Expenses</i>	1,110,063	1,489,977	379,914
Operating Transfers Out	<u>(1,852,984)</u>	<u>(1,763,920)</u>	<u>89,064</u>
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(742,921)	(273,943)	468,978
<i>Fund Equity Beginning of Year</i>	2,759,425	2,759,425	0
Prior Year Encumbrances Appropriated	<u>136,620</u>	<u>136,620</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,153,124</u></u>	<u><u>\$2,622,102</u></u>	<u><u>\$468,978</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for Services	\$3,260,000	\$3,286,274	\$26,274
Licenses, Permits and Fees	9,000	5,681	(3,319)
Capital Grants	266,030	112,298	(153,732)
Interest	102,600	94,217	(8,383)
Proceeds of OPWC Loan	0	51,928	51,928
Other	16,521	5,251	(11,270)
<i>Total Revenues</i>	<u>3,654,151</u>	<u>3,555,649</u>	<u>(98,502)</u>
<b>Expenses</b>			
Salaries and Wages	1,328,926	1,247,138	81,788
Fringe Benefits	490,716	446,892	43,824
Contractual Services	603,073	548,354	54,719
Materials and Supplies	302,013	282,943	19,070
Capital Outlay	600,460	196,708	403,752
Other	1,000	516	484
<i>Total Expenses</i>	<u>3,326,188</u>	<u>2,722,551</u>	<u>603,637</u>
<i>Excess of Revenues Over Expenses</i>	327,963	833,098	505,135
Operating Transfers Out	<u>(1,023,545)</u>	<u>(974,507)</u>	<u>49,038</u>
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(695,582)	(141,409)	554,173
<i>Fund Equity Beginning of Year</i>	2,042,541	2,042,541	0
Prior Year Encumbrances Appropriated	<u>117,005</u>	<u>117,005</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,463,964</u></u>	<u><u>\$2,018,137</u></u>	<u><u>\$554,173</u></u>

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Enterprise Funds*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal Income Taxes	\$285,000	\$275,700	(\$9,300)
Charges for Services	7,238,640	7,107,613	(131,027)
Licenses, Permits and Fees	9,000	5,681	(3,319)
Capital Grants	266,030	112,298	(153,732)
Interest	204,600	185,218	(19,382)
Proceeds of OPWC Loan	0	51,928	51,928
Other	51,521	74,122	22,601
<i>Total Revenues</i>	<u>8,054,791</u>	<u>7,812,560</u>	<u>(242,231)</u>
<b>Expenses</b>			
Salaries and Wages:			
Water Fund	1,210,937	1,168,868	42,069
Sewer Fund	1,328,926	1,247,138	81,788
Total Salaries and Wages	<u>2,539,863</u>	<u>2,416,006</u>	<u>123,857</u>
Fringe Benefits:			
Water Fund	455,724	427,555	28,169
Sewer Fund	490,716	446,892	43,824
Total Fringe Benefits	<u>946,440</u>	<u>874,447</u>	<u>71,993</u>
Contractual Services:			
Water Fund	531,845	497,462	34,383
Sewer Fund	603,073	548,354	54,719
Total Contractual Services	<u>1,134,918</u>	<u>1,045,816</u>	<u>89,102</u>
Materials and Supplies:			
Water Fund	627,565	516,830	110,735
Sewer Fund	302,013	282,943	19,070
Total Materials and Supplies	<u>929,578</u>	<u>799,773</u>	<u>129,805</u>
Capital Outlay:			
Water Fund	460,636	152,833	307,803
Sewer Fund	600,460	196,708	403,752
Total Capital Outlay	<u>\$1,061,096</u>	<u>\$349,541</u>	<u>\$711,555</u>

(continued)

**City of Alliance, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Enterprise Funds (continued)*  
*For the Year Ended December 31, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other:			
Water Fund	\$3,870	\$3,386	\$484
Sewer Fund	1,000	516	484
Total Other	4,870	3,902	968
<i>Total Expenses</i>	6,616,765	5,489,485	1,127,280
<i>Excess of Revenues Over Expenses</i>	1,438,026	2,323,075	885,049
Operating Transfers Out	(2,876,529)	(2,738,427)	138,102
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(1,438,503)	(415,352)	1,023,151
<i>Fund Equity Beginning of Year</i>	4,801,966	4,801,966	0
Prior Year Encumbrances Appropriated	253,625	253,625	0
<i>Fund Equity End of Year</i>	\$3,617,088	\$4,640,239	\$1,023,151

**City of Alliance, Ohio**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds*  
*For the Year Ended December 31, 2001*

	Water	Sewer	Totals
<b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$3,821,339	\$3,291,955	\$7,113,294
Cash Payments to Suppliers for Good and Services	(1,002,576)	(803,738)	(1,806,314)
Cash Payments for Employee Services and Benefits	(1,589,596)	(1,693,910)	(3,283,506)
Other Revenue	68,871	6,583	75,454
Other Expenses	(1,975)	(516)	(2,491)
<i>Net Cash Provided by Operating Activities</i>	<u>1,296,063</u>	<u>800,374</u>	<u>2,096,437</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfer Out	<u>(390,488)</u>	<u>(264,281)</u>	<u>(654,769)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(63,030)	(130,412)	(193,442)
Municipal Income Taxes	275,700	0	275,700
Capital Grants	0	112,298	112,298
Proceeds of OPWC Loan	0	51,928	51,928
Principal Paid on Sewer OPWC Loan	0	(1,332)	(1,332)
Principal Paid on Sewer General Obligation Bonds	0	(95,000)	(95,000)
Interest Paid on Sewer General Obligation Bonds	0	(33,963)	(33,963)
Principal Paid on Water Revenue Bonds	(640,000)	0	(640,000)
Interest Paid on Water Revenue Bonds	(954,605)	0	(954,605)
Principal Paid on Sewer Revenue Bonds	0	(335,000)	(335,000)
Interest Paid on Sewer Revenue Bonds	0	(246,263)	(246,263)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(1,381,935)</u>	<u>(677,744)</u>	<u>(2,059,679)</u>
<b>Cash Flows from Investing Activities</b>			
Interest	<u>154,986</u>	<u>117,170</u>	<u>272,156</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	(321,374)	(24,481)	(345,855)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,733,809</u>	<u>2,909,157</u>	<u>7,642,966</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$4,412,435</u></u>	<u><u>\$2,884,676</u></u>	<u><u>\$7,297,111</u></u> (continued)

**City of Alliance, Ohio**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds (continued)*  
*For the Year Ended December 31, 2001*

	Water	Sewer	Totals
<b>Reconciliation of Operating Income to</b>			
<b>Net Cash Provided by Operating Activities</b>			
Operating Income	\$561,811	\$257,934	\$819,745
Depreciation	721,573	371,529	1,093,102
(Increase)/Decrease in Assets:			
Accounts Receivable	105,390	107,354	212,744
Materials and Supplies Inventory	14,051	9,879	23,930
Increase/(Decrease) in Liabilities:			
Accounts Payable	(32,966)	(3,485)	(36,451)
Accrued Wages	2,076	1,420	3,496
Compensated Absences Payable	(63,955)	44,551	(19,404)
Intergovernmental Payable	(11,917)	11,192	(725)
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,296,063</u>	<u>\$800,374</u>	<u>\$2,096,437</u>



### **Internal Service Fund**

The internal service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. Specifically the Insurance fund accounts for a medical benefit self-insurance program for employees of the City. Since there is only one internal service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented.

## **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the City's fiduciary fund types:

### **Agency Funds**

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

***Municipal Court Fund*** - This fund accounts for bank accounts used by the municipal court.

***Carnation Cable Fund*** - This fund accounts for monies received from cable franchise fees prescribed by City Ordinance for local cable access.

**City of Alliance, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Year Ended December 31, 2001*

	Beginning Balance 01/01/01	Additions	Deductions	Ending Balance 12/31/01
<b><i>Municipal Court</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$78,110	\$1,503,038	\$1,449,866	\$131,282
<b>Liabilities</b>				
Undistributed Assets	\$78,110	\$1,503,038	\$1,449,866	\$131,282
<b><i>Carnation Cable</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$49,000	\$49,000	\$0
<b>Liabilities</b>				
Undistributed Assets	\$0	\$49,000	\$49,000	\$0
<b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$49,000	\$49,000	\$0
Cash and Cash Equivalents in Segregated Accounts	78,110	1,503,038	1,449,866	131,282
<b><i>Total Assets</i></b>	<b>\$78,110</b>	<b>\$1,552,038</b>	<b>\$1,498,866</b>	<b>\$131,282</b>
<b>Liabilities</b>				
Undistributed Assets	\$78,110	\$1,552,038	\$1,498,866	\$131,282

### **General Fixed Assets Account Group**

The general fixed assets group is used to account for all land and improvements, buildings, equipment and machinery, and vehicles not used in the operations of proprietary funds.

**City of Alliance, Ohio**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Year Ended December 31, 2001*

<u>Function</u>	<u>General Fixed Assets 1/1/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets 12/31/01</u>
General Government	\$5,150,222	\$58,924	\$37,968	\$5,171,178
Security of Persons and Property	2,925,452	562,512	41,770	3,446,194
Public Health Services	169,195	11,612	0	180,807
Leisure Time Activities	745,409	71,351	3,137	813,623
Community Environment	68,753	0	0	68,753
Basic Utility	93,059	5,153	0	98,212
Transportation	<u>1,549,166</u>	<u>136,509</u>	<u>0</u>	<u>1,685,675</u>
<i>Total</i>	10,701,256	846,061	82,875	11,464,442
Construction in Progress	<u>135,085</u>	<u>3,215,238</u>	<u>0</u>	<u>3,350,323</u>
<i>Total General Fixed Assets</i>	<u><u>\$10,836,341</u></u>	<u><u>\$4,061,299</u></u>	<u><u>\$82,875</u></u>	<u><u>\$14,814,765</u></u>

**City of Alliance, Ohio**  
*Schedule of General Fixed Assets*  
*By Function and Type*  
*December 31, 2001*

Function	Total	Land and Improvements	Buildings	Equipment and Machinery	Vehicles
General Government	\$5,171,178	\$2,680,083	\$1,854,511	\$550,882	\$85,702
Security of Persons and Property	3,446,194	53,271	38,981	1,393,960	1,959,982
Public Health Services	180,807	61,360	34,554	84,893	0
Leisure Time Activities	813,623	125,747	113,196	365,178	209,502
Community Environment	68,753	36,648	10,781	21,324	0
Basic Utility	98,212	0	0	98,212	0
Transportation	1,685,675	82,901	86,311	1,008,406	508,057
<i>Total</i>	11,464,442	3,040,010	2,138,334	3,522,855	2,763,243
Construction in Progress	3,350,323	0	3,350,323	0	0
<i>Total General Fixed Assets</i>	<u>\$14,814,765</u>	<u>\$3,040,010</u>	<u>\$5,488,657</u>	<u>\$3,522,855</u>	<u>\$2,763,243</u>

**City of Alliance, Ohio**  
*Schedule of General Fixed Assets*  
*By Source*  
*December 31, 2001*

**General Fixed Assets**

Land and Improvements	\$3,040,010
Buildings	2,138,334
Equipment and Machinery	3,522,855
Vehicles	2,763,243
Construction in Progress	3,350,323
	<hr/>
<i>Total General Fixed Assets</i>	<u><u>\$14,814,765</u></u>

**Investment in General Fixed Assets from**

General Governmental Revenues	\$13,789,753
Confiscation	21,463
Donations	867,600
Grants	135,949
	<hr/>
<i>Total General Fixed Assets</i>	<u><u>\$14,814,765</u></u>

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## **Statistical Section**



**City of Alliance, Ohio**  
*General Fund Expenditures by Function*  
*Last Ten Years*

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
General Government	\$2,287,160	\$2,204,701	\$2,153,411	\$1,947,283	\$1,981,236	\$1,776,027	\$1,374,729	\$1,290,295	\$1,206,387	\$1,200,401
Security of Persons and Property	5,407,622	5,350,452	5,293,124	4,871,021	4,546,571	4,489,627	4,178,110	4,067,978	4,025,351	3,801,000
Public Health Services	417,403	372,827	334,104	325,500	324,364	287,153	294,872	289,454	381,470	439,025
Transportation	343,373	317,313	274,218	154,225	281,260	278,114	218,596	250,331	240,486	239,732
Community Environment	93,049	81,846	74,637	70,412	64,580	76,084	74,125	88,223	78,902	70,185
Basic Utility Services	57,856	55,720	50,222	42,045	36,641	33,710	34,939	33,246	33,419	0
Leisure Time Activities	536,122	537,253	503,413	468,233	442,598	415,225	369,617	363,696	354,075	347,188
Capital Outlay	0	0	0	0	0	0	1,500	0	0	0
Debt Service	0	0	0	2,646	3,897	3,897	0	0	0	0
<b>Total</b>	<b>\$9,142,585</b>	<b>\$8,920,112</b>	<b>\$8,683,129</b>	<b>\$7,881,365</b>	<b>\$7,681,147</b>	<b>\$7,359,837</b>	<b>\$6,546,488</b>	<b>\$6,383,223</b>	<b>\$6,320,090</b>	<b>\$6,097,531</b>

Source: City financial records

(1) 1996 - 2001 are reported on a GAAP basis; all other on a Cash basis.

**City of Alliance, Ohio**  
*General Fund Revenues by Source*  
*Last Ten Years*

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
Property and Other Taxes	\$755,917	\$723,922	\$726,080	\$717,986	\$600,209	\$608,917	\$589,162	\$579,956	\$572,545	\$602,235
Municipal Income Taxes (2)	5,723,681	5,711,142	6,160,316	5,890,573	5,240,798	5,007,100	0	0	0	0
Charges for Services	362,691	309,885	189,297	102,862	193,172	287,354	0	53,655	179,046	189,184
Licenses, Permits and Fees	118,829	119,047	146,591	109,243	107,265	124,296	315,999	339,696	359,186	323,586
Fines and Forfeitures (3)	390,864	462,359	452,978	403,061	307,879	338,592	0	0	0	0
Intergovernmental	1,333,461	1,390,205	1,552,126	1,770,962	1,968,925	1,443,921	1,379,200	1,109,141	1,054,891	1,267,620
Special Assessments	0	0	5,318	0	0	0	0	0	0	0
Interest	195,225	246,661	223,248	184,306	197,303	164,577	0	0	0	0
Rentals	291,703	0	1,960	51,206	98,611	50,650	0	0	0	0
Donations	15	0	2,500	0	0	100	0	0	0	0
Other	253,658	425,793	314,780	479,427	76,868	88,778	360,223	522,568	185,822	197,371
<b>Totals</b>	<b>\$9,426,044</b>	<b>\$9,389,014</b>	<b>\$9,775,194</b>	<b>\$9,709,626</b>	<b>\$8,791,030</b>	<b>\$8,114,285</b>	<b>\$2,644,584</b>	<b>\$2,605,016</b>	<b>\$2,351,490</b>	<b>\$2,579,996</b>

Source: City Financial Records

- (1) 1996 - 2001 are reported on a GAAP basis; all other on a Cash basis.
- (2) Prior to 1996 does not include Municipal Income Tax. They were part of operating transfers in.
- (3) Prior to 1996 Fines and Forfeitures was not separate, the City reported Fines with Licenses, Permits and Fees and Forfeitures were part of other.

**City of Alliance, Ohio**  
*Real Property and Public Utility Tax Levies and Collections*  
*Last Ten Years*

Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Collections To Tax Levy	Delinquent Collection	Total Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (1)
2001	\$865,241	\$117,856	\$983,097	\$816,483	94.36%	\$46,916	\$863,399	99.79%	\$116,380
2000	728,374	103,853	832,227	698,425	95.89	24,345	722,770	99.23	87,614
1999	730,893	93,753	824,646	707,075	96.74	28,188	735,263	100.60	103,853
1998	722,697	94,117	816,814	694,723	96.13	21,767	716,490	99.14	93,753
1997	586,621	72,957	659,578	569,071	97.01	17,794	586,865	100.04	94,117
1996	585,811	71,830	657,641	568,449	97.04	13,995	582,444	99.43	72,957
1995	581,392	77,340	658,732	569,032	97.87	17,029	586,061	100.80	71,830
1994	570,062	73,486	643,548	557,215	97.75	16,072	573,287	100.57	77,340
1993	560,695	75,845	636,540	550,836	98.24	18,034	568,870	101.46	73,486
1992	557,273	77,442	634,715	543,926	97.60	22,716	566,642	101.68	75,845

Source: Stark County, Ohio; County Auditor

(1) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

**City of Alliance, Ohio**  
*Personal Property Tax Levies And Collections*  
*Last Ten Years*

Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Collections To Tax Levy	Delinquent Collection	Total Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (1)
2001	\$154,746	\$30,242	\$184,988	\$152,897	98.81%	\$11,096	\$163,993	105.98%	\$31,359
2000	159,684	32,286	191,970	148,647	93.09	9,199	157,846	98.85	30,242
1999	153,185	32,192	185,377	143,143	93.44	1,729	144,872	94.57	32,286
1998	140,065	40,201	180,266	138,941	99.20	6,566	145,507	103.89	32,192
1997	135,396	35,811	171,207	132,716	98.02	5,519	138,235	102.10	40,201
1996	134,171	16,777	150,948	132,928	99.07	5,204	138,132	102.95	35,811
1995	124,576	15,657	140,233	123,895	99.45	3,926	127,821	102.60	16,777
1994	120,953	14,350	135,303	119,745	99.00	2,978	122,723	101.46	15,657
1993	121,647	14,163	135,810	118,320	97.27	6,081	124,401	102.26	14,350
1992	146,826	13,281	160,107	142,760	97.23	12,538	155,298	105.77	14,163

Source: Stark County, Ohio; County Auditor

(1) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

**City of Alliance, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Year (1)	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value	
2001	\$226,858,780	\$648,167,943	\$11,881,400	\$13,501,591	\$46,656,282	\$186,625,128	\$285,396,462	\$848,294,662	33.64%
2000	189,244,740	540,699,257	12,297,450	13,974,375	47,248,917	188,995,668	248,791,107	743,669,300	33.45
1999	188,647,670	538,993,343	13,664,980	15,528,386	45,873,190	183,492,760	248,185,840	738,014,489	33.63
1998	184,426,770	526,933,629	14,185,590	16,119,989	41,473,908	165,895,632	240,086,268	708,949,250	33.87
1997	146,125,620	417,501,771	14,162,410	16,093,648	39,507,805	158,031,220	199,795,835	591,626,639	33.77
1996	144,821,400	413,775,429	14,829,220	16,851,386	38,626,528	154,506,112	198,277,148	585,132,927	33.89
1995	142,813,080	408,037,371	14,768,480	16,782,364	35,207,943	140,831,772	192,789,503	565,651,507	34.08
1994	140,674,860	401,928,171	14,608,750	16,600,852	33,648,097	134,592,388	188,931,707	553,121,411	34.16
1993	138,231,920	394,948,343	14,362,290	16,320,784	33,709,777	134,839,108	186,303,987	546,108,235	34.11
1992	137,559,700	393,027,714	14,068,960	15,987,455	39,840,339	159,361,356	191,468,999	568,376,525	33.69

Source: Stark County, Ohio; County Auditor

(1) The year represents collection year.  
(2) This amount is calculated based on the following percentages:  
Real property is assessed at thirty-five percent of actual value.  
Public utility is assessed at eighty-eight percent of actual value.  
Tangible personal is assessed at twenty-five percent of actual value.

**City of Alliance, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

Year	City of Alliance			Stark County	Alliance City School District	Marlington Local School District	County Parks	Total Direct and Overlapping Governments
	District 1	District 2	Total City					
2001	\$4.00	\$2.00	\$6.00	\$9.60	\$54.40	\$48.40	\$0.50	\$118.90
2000	4.00	2.00	6.00	9.60	54.60	48.40	0.50	119.10
1999	4.00	2.00	6.00	9.60	50.40	48.90	0.50	115.40
1998	4.00	2.00	6.00	9.60	50.40	48.90	0.50	115.40
1997	4.00	2.00	6.00	9.60	50.70	48.90	0.50	115.70
1996	4.00	2.00	6.00	9.60	50.70	48.90	0.20	115.40
1995	4.00	2.00	6.00	10.10	50.70	48.90	0.20	115.90
1994	4.00	2.00	6.00	8.20	50.70	48.90	0.20	114.00
1993	4.00	2.00	6.00	9.20	50.80	48.90	0.20	115.10
1992	4.00	2.00	6.00	9.20	50.80	48.90	0.20	115.10

Source: Stark County, Ohio; County Auditor



**City of Alliance**  
*Special Assessment Levies and Collections (1)*  
*Last Ten Years*

Year	Current Assessments Levied	Current Assessments Collected	Percentage of Current Assessments Collected to Levy	Delinquent Assessments Collected	Percentage of Delinquent Assessments Collected to Current Levy	Total Assessments Collected	Percentage of Total Collections to Current Levy	Accumulative Delinquency
2001	\$132,447	\$33,147	25.03%	\$35,464	26.78%	\$68,611	51.80%	\$638,452
2000	116,241	43,135	37.11	26,847	23.10	69,982	60.20	571,913
1999	32,236	8,207	25.46	14,972	46.44	23,179	71.90	566,835
1998	14,504	3,733	25.74	8,181	56.41	11,914	82.14	558,107
1997	3,656	3,650	99.84	2,445	66.88	6,095	166.71	513,468
1996	2,883	426	14.78	3,601	124.90	4,027	139.68	477,937
1995	4,948	3,184	64.35	7,902	159.70	11,086	224.05	454,999
1994	2,328	1,464	62.89	2,261	97.12	3,725	160.01	434,435
1993	7,542	3,750	49.72	500	6.63	4,250	56.35	418,511
1992	12,771	4,480	35.08	8,404	65.81	12,884	100.88	374,569

Source: Stark County, Ohio; County Auditor

(1) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs. The assessments include service assessments and delinquent water and sewer assessments.

**City of Alliance, Ohio**  
*Ratio of Net General Bonded Debt to Assessed  
Value and Net Bonded Debt Per Capita  
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2001	23,253	\$1,187,243	\$285,396,462	0.42%	\$51.06
2000	23,253	1,399,980	248,791,107	0.56	60.21
1999	23,376	1,535,922	248,185,840	0.62	65.71
1998	23,376	1,700,922	240,086,268	0.71	72.76
1997	23,376	630,819	199,795,835	0.32	26.99
1996	23,376	733,005	198,277,148	0.37	31.36
1995	23,376	798,032	192,789,503	0.41	34.14
1994	23,376	88,032	188,931,707	0.05	3.77
1993	23,376	909,560	186,303,987	0.49	38.91
1992	23,376	984,559	191,468,999	0.51	42.12

Source: Stark County, Ohio; County Auditor

(1) Population figures are from the Census Bureau.

**City of Alliance, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2001*

Assessed Value		\$285,396,462
Legal Debt Margin:		
Debt Limitation - 10.5 percent of Assessed Value		29,966,629
Debt Applicable to Limitation:		
General Obligation Bonds	\$1,300,000	
Special Assessment Bonds	640,000	
Enterprise General Obligation Bonds	380,000	
OPWC Loan	50,596	
Revenue Bonds	23,400,000	
Notes	<u>3,475,000</u>	
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>29,245,596</u>	
Less: Debt Outside Limitations:		
Special Assessment Bonds	640,000	
Enterprise General Obligation Bonds	380,000	
OPWC Loan	50,596	
Revenue Bonds	<u>23,400,000</u>	
Total Debt Outside Limitations	<u>24,470,596</u>	
Total Debt Applicable to Limitation - Within 10.5% Limitations	4,775,000	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>112,757</u>	
Net Debt Within 10.5% Limitation		<u>4,662,243</u>
Overall Debt Margin Within 10.5% Limitation		<u>\$25,304,386</u>
*****		
Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$15,696,805
Gross Indebtedness Authorized by Council	<u>\$29,245,596</u>	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	<u>24,470,596</u>	
Debt Within 5.5% Limitation	4,775,000	
Less Amount Available in Debt Service Fund	<u>112,757</u>	
Net Debt Within 5.5% Limitation		<u>4,662,243</u>
Unvoted Debt Margin Within 5.5% Limitation		<u>\$11,034,562</u>

Source: City Financial Records

**City of Alliance, Ohio**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2001*

	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of Alliance</u>
Direct:			
City of Alliance	\$1,300,000	100.00%	\$1,300,000
Overlapping:			
Alliance City Schools	<u>12,274,990</u>	94.31	<u>11,576,543</u>
Total	<u><u>\$13,574,990</u></u>		<u><u>\$12,876,543</u></u>

Source: Stark County, Ohio; County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

**City of Alliance, Ohio**  
*Revenue Bond Coverage (4)*

Water							
Year (3)	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirement (2)			Coverage
				Principal	Interest	Total	
2001	\$3,784,820	\$2,501,436	\$1,283,384	\$640,000	\$954,605	\$1,594,605	0.80
2000	3,968,292	2,504,951	1,463,341	615,000	979,205	1,594,205	0.92
1999	4,117,212	2,211,054	1,906,158	590,000	1,017,893	1,607,893	1.19
1998	3,719,118	2,160,627	1,558,491	230,000	911,582	1,141,582	1.37
1997	4,165,780	2,147,368	2,018,412	370,000	923,163	1,293,163	1.56
1996	4,276,833	2,133,031	2,143,802	330,000	941,643	1,271,643	1.69
1995	4,109,604	2,028,258	2,081,346	200,000	952,443	1,152,443	1.81
1994	3,590,407	1,689,506	1,900,901	175,000	961,543	1,136,543	1.67
1993	3,165,370	1,677,861	1,487,509	100,000	966,543	1,066,543	1.39
1992	2,806,319	1,537,803	1,268,516	0	1,084,675	1,084,675	1.17

Sewer							
Year (3)	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirement (2)			Coverage
				Principal	Interest	Total	
2001	\$3,191,184	\$2,561,721	\$629,463	\$335,000	\$246,263	\$581,263	1.08
2000	3,403,412	2,285,810	1,117,602	320,000	261,623	581,623	1.92
1999	3,278,269	2,264,167	1,014,102	305,000	259,976	564,976	1.79
1998	2,731,436	1,756,040	975,396	295,000	288,632	583,632	1.67
1997	2,722,849	1,949,139	773,710	280,000	300,533	580,533	1.33
1996	3,047,533	1,996,073	1,051,460	270,000	311,333	581,333	1.81
1995	3,140,605	1,775,861	1,364,744	260,000	320,693	580,693	2.35
1994	3,016,014	1,645,980	1,370,034	0	160,346	160,346	8.54

(1) Total Operating Expenses exclusive of depreciation

(2) Includes principal and interest of bonds only

(3) 1996 - 2001 are reported on a GAAP basis, all other years are on a Cash basis

(4) Prior to 1994, the Sewer enterprise fund did not have any revenue bonds.

**City of Alliance, Ohio**  
*Ratio of Annual Debt Service Expenditures For  
 General Bonded Debt to Total General Fund Expenditures  
 Last Ten Years*

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To Total General Fund Expenditures
2001	\$185,000	\$78,340	\$263,340	\$9,142,585	2.88%
2000	175,000	89,821	264,821	8,920,112	2.97
1999	165,000	99,590	264,590	8,683,129	3.05
1998	135,000	77,791	212,791	7,881,365	2.70
1997	100,000	59,305	159,305	7,681,147	2.07
1996	95,000	65,433	160,433	7,359,837	2.18
1995	90,000	71,147	161,147	6,546,488	2.46
1994	85,000	76,460	161,460	6,383,223	2.53
1993	75,000	81,110	156,110	6,320,090	2.47
1992	70,000	85,380	155,380	6,097,531	2.55

Source: City financial records

**City of Alliance, Ohio**  
*Property Value, Construction and Bank Deposits*  
*Last Ten Years*

Year	Property Value (1)	New Construction		
		Permits	Dollar Value of Permits	Bank Deposits (in thousands)(2,3)
2001	\$226,858,780	235	\$16,732,635	\$1,029,891
2000	189,244,740	30	4,811,432	1,021,596
1999	188,647,670	96	11,786,981	916,844
1998	184,426,770	35	17,976,000	843,638
1997	146,125,620	38	7,949,695	1,623,273
1996	144,821,400	25	4,304,900	1,570,223
1995	142,813,080	41	9,750,800	1,614,744
1994	140,674,860	42	5,966,200	872,577
1993	138,231,920	54	9,807,500	803,704
1992	137,559,700	28	3,165,500	797,601

Sources: Stark County, Ohio; County Auditor  
City building permits reports  
Federal Reserve Bank of Cleveland

- (1) Represents total real property assessed value for the City.
- (2) Increase in 1995 is due to Citizens National Bank becoming a single Charter.
- (3) Decrease in 1998 is due to Citizens National Bank's headquarters relocating.

**City of Alliance, Ohio**  
*Principal Taxpayers - Real Property*  
*December 31, 2001*

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>
Alliance Ventures, Incorporated	\$6,717,070	2.96%
WM Alliance LLC	5,759,180	2.54
Alliance Health Network Partners	4,517,640	1.99
James G Stout	2,982,050	1.32
Carnation Mall LLC	2,299,510	1.01
Grisez Brothers Properties LP	1,939,050	0.86
SDA General Partnership	1,446,450	0.64
Camalak Properties, Incorporated	1,078,650	0.48
Alliance Health Care Company	1,027,820	0.45
College Plaza Realty, Incorporated	1,009,310	0.44
Amsted Industries, Incorporated	<u>930,710</u>	<u>0.41</u>
Totals	<u><u>\$29,707,440</u></u>	<u><u>13.10%</u></u>
Total City Assessed Valuation	<u><u>\$226,858,780</u></u>	

Source: Stark County, Ohio; County Auditor



**City of Alliance, Ohio**  
*Principal Taxpayers - Tangible Personal Property*  
*December 31, 2001*

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>
Alliance Tubular Products Company	\$6,229,780	13.35%
Amsted Industries, Incorporated	4,057,480	8.70
Coastal Pet Products, Incorporated	2,269,440	4.87
Wal Mart Stores East, Incorporated	1,843,820	3.95
Stars of Cleveland, Incorporated	1,517,030	3.25
Lowes Home Center, Incorporated	1,493,470	3.20
Robertson Heating Supply Company of Ohio	1,478,080	3.17
Patriot Forge of America, Incorporated	1,291,950	2.77
Reunion Industries, Incorporated	1,121,714	2.41
AJ Oster Foils, Incorporated	1,121,630	2.40
Rubbermaid, Incorporated	1,051,360	2.25
Wally Armour Chrysler Plymouth Dodge	1,050,700	2.25
Totals	<u>\$24,526,454</u>	<u>52.57%</u>
Total City Assessed Valuation	<u>\$46,656,282</u>	

Source: Stark County, Ohio; County Auditor

**City of Alliance, Ohio**  
*Principal Taxpayers - Public Utility Property*  
*December 31, 2001*

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>
Ohio Edison	\$4,583,670	38.58%
Columbia Gas of Ohio, Incorporated	3,181,580	26.78
Ohio Bell Telephone	2,993,370	25.19
Norfolk Southern Combined Rail Road Subsidiaries	918,370	7.73
GTE Mobilnet of Ohio LP	115,420	0.97
New Par	37,040	0.31
Ameritech Wireless Communications	24,620	0.21
Level Three Communications LLC	24,060	0.20
Columbia Gas Transmission	1,720	0.01
<i>Totals</i>	<u>\$11,879,850</u>	<u>99.98%</u>
Assessed Valuation	<u>\$11,881,400</u>	

Source: Stark County, Ohio; County Auditor

**City of Alliance, Ohio**  
*Demographic Statistics*

Last Five Census		2000 Census Information	
Year	Population		
2000	23,253	Sex:	
		Male	10,851
		Female	12,402
1990	23,376	Median Age	34.0
1980	24,315	Total Households	8,908
1970	26,547	Persons Per Household	2.4
1960	28,362	Median Income	\$21,031
		Median Dollar Value of Housing Units	\$40,000

Source: U.S. Bureau of the Census

**City of Alliance, Ohio**

*Miscellaneous Statistics*

*December 31, 2001*

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Date of Incorporation	1854
Form of Government	Statutory
Area	7.952 square miles
Miles of Streets	107
Number of Traffic Lights	34
Fire Protection:	
Number of Stations	2
Number of Firefighters and Officers:	
Part-Time	0
Full-Time	35
Police Protection:	
Number of Stations	1
Number of Police Officers	
Part-Time	14
Full-Time	48
Recreation and Culture:	
Number of Parks	12
Area	185 acres
Number of Libraries	2
Volumes	151,000
Employees:	
Non-Exempt (Full Time)	134
Non-Exempt (Part Time)	14
Exempt (Full Time)	25
Exempt (Part Time)	31

Source: City Records



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**CITY OF ALLIANCE**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 13, 2002**