

Mary Taylor, CPA
Auditor of State

CITY OF ALLIANCE
STARK COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

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

We noted certain matters that we reported to the City's management in a separate letter dated June 19, 2009.

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Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
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Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 19, 2009.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 19, 2009



Mary Taylor, CPA

Auditor of State

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

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

To the City Council:

Compliance

We have audited the compliance of City of Alliance, Stark County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Alliance, Stark County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008. In a separate letter to the City's management dated June 19, 2009, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 19, 2009.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio as of and for the year ended December 31, 2008, and have issued our report thereon dated June 19, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Federal Awards Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

June 19, 2009

CITY OF ALLIANCE
STARK COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
Community Development Block Grant	N/A	14.218	\$ 586,807
Community Development Block Grant Revolving Loan Program	N/A	14.218	<u>22,941</u>
Total Community Development Block Grant			609,748
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Area Agency on Aging</i>			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	Not Available	93.044	9,591
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Health</i>			
<i>Passed through the City of Canton Health Department</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	Not Available	10.557	<u>138,173</u>
Total			<u><u>\$ 757,512</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF ALLIANCE
STARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

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

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

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

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money was previously recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, and are included as disbursements on the Schedule. Administrative costs of \$5,049 are not included as disbursement on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2008, the gross amount of loans outstanding under this program was \$38,759.

NOTE D - 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, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

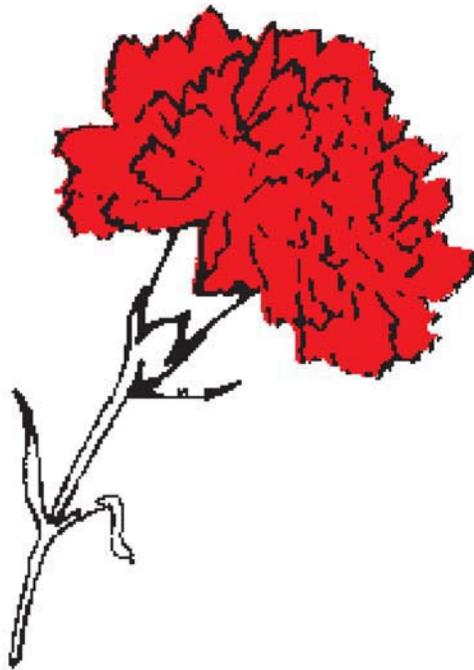
None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

City of Alliance, Ohio

“The Carnation City”



Comprehensive Annual Financial Report

For the Year Ended December 31, 2008

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

KEVIN KNOWLES
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

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INTRODUCTORY SECTION

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CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

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The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



KEVIN KNOWLES

Phone 330-823-5900

Fax 330-829-2243

e-mail: auditor@neo.rr.com

Web Page: www.cityofalliance.com

June 19, 2009

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

Transmittal Letter

The Comprehensive Annual Financial Report (CAFR) of the City of Alliance, Ohio (the "City") is hereby presented. This CAFR represents the official report of the City of Alliance's operations and financial position for the year ended December 31, 2008, and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

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

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*". In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Alliance (the primary government) and its potential component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Alliance, this includes the departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services. The City has no component units for 2008.

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 MSA's in the United States (based on the 2000 census). The City's population of 23,253 placed it as the third largest City in the County. The City's area is 7.952 square miles, of which approximately 7.875 square miles are located in Stark County and .077 square miles are located in Mahoning County.

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

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

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

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

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

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

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

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

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

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

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

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

City Government

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

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

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

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

Financial Matters

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

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

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

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

Financial Outlook

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

Financial Information

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

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

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

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

Internal Accounting and Reporting Control

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

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

Awards

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Alliance, Ohio has received a Certificate of Achievement for the last nine consecutive years (1999-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

Independent Audit

The financial records, books of accounts and transactions of the City of Alliance, Ohio, for the year ended December 31, 2008 have been audited by the Auditor of State Mary Taylor's Office. The Auditor's opinion has been included in this report.

Acknowledgments

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

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

Respectfully Submitted,

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

Kevin G. Knowles
City Auditor

CITY OF ALLIANCE, OHIO

City Officials

December 31, 2008

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

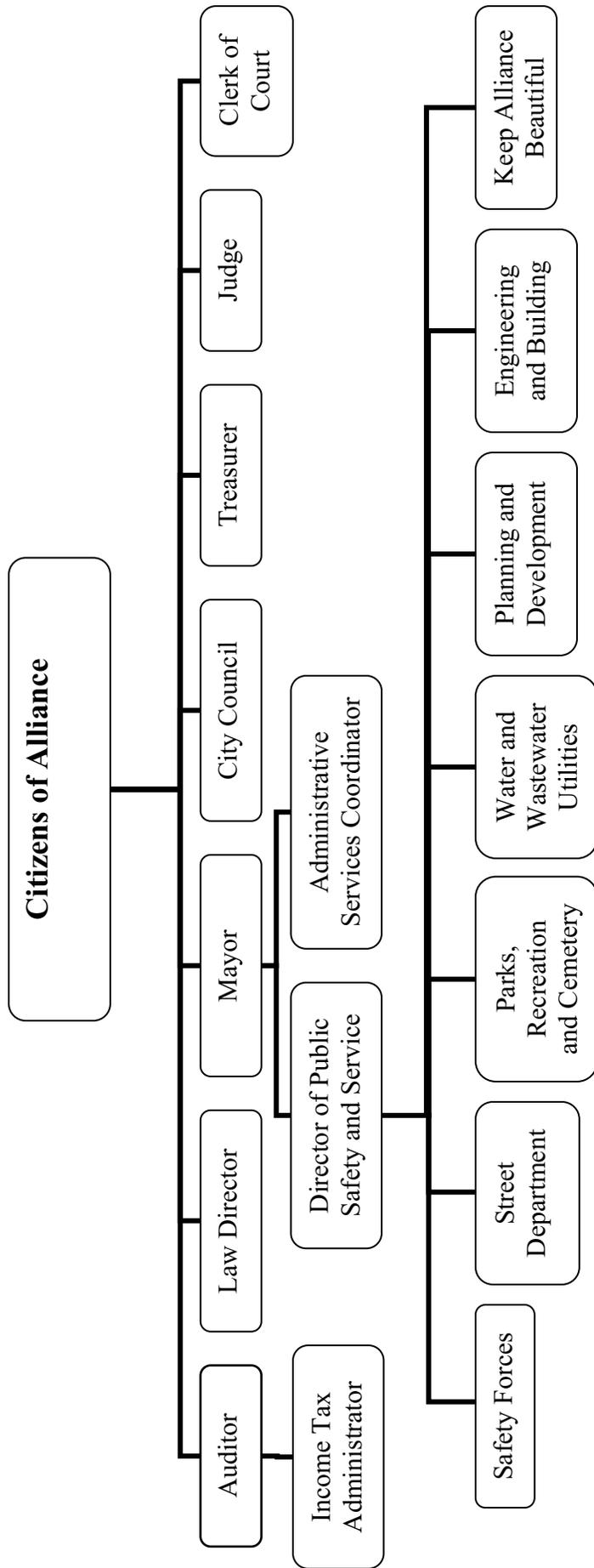
Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

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

City of Alliance, Ohio Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alliance
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director

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FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Revolving Loan Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 19, 2009

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

The management's discussion and analysis of the City of Alliance's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The total net assets of the City increased \$1,683,701. Net assets of governmental activities increased \$284,715 or 0.97% over 2007 and net assets of business-type activities increased \$1,398,986 or 8.73% over 2007.
- General revenues accounted for \$12,284,424 or 75.54% of total governmental activities revenue. Program specific revenues accounted for \$3,977,685 or 24.46% of total governmental activities revenue.
- The City had \$15,977,394 in expenses related to governmental activities; \$3,977,685 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,999,709 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,284,424.
- The general fund had revenues of \$11,076,384 in 2008. This represents a decrease of \$574,415 from 2007 revenues. The expenditures and other financing uses of the general fund, which totaled \$11,494,376 in 2008, increased \$693,110 from 2007. The net decrease in fund balance for the general fund was \$417,992 or 14.47%, from \$2,887,838 in 2007 to \$2,469,846 in 2008.
- The revolving loan major fund had \$115,329 in revenues and \$86,286 in expenditures in 2008. The fund balance for the revolving loan fund increased \$29,043 or 0.77%, from \$3,748,569 in 2007 to \$3,777,612 in 2008.
- The debt service major fund had \$463,700 in revenues and other financing sources and \$485,140 in expenditures in 2008. The fund balance for the debt service fund decreased \$21,440 or 5.29%, from \$405,002 in 2007 to \$383,562 in 2008.
- Net assets for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$1,398,986 from a net asset balance of \$16,029,826 in 2007 to a net asset balance of \$17,428,812 in 2008.
- The water fund had \$4,343,787 in operating revenues and \$3,624,502 in operating expenses in 2008. The water fund also had non-operating revenues of \$395,350 and non-operating expenses of \$422,139. The net assets of the water fund increased \$692,496 or 10.92%.
- The sewer fund had \$4,180,728 in operating revenues and \$3,584,653 in operating expenses in 2008. The sewer fund also had non-operating revenues of \$102,854 and non-operating expenses of \$121,778. The net assets of the sewer fund increased \$577,151 or 6.19%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Using this Comprehensive Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

The statement of net assets and the statement of activities can be found on pages 40-42 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 23.

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund, revolving loan fund, and the debt service fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 43-46 of this report, budgetary comparison for the general fund and the revolving loan fund (a major special revenue fund) can be found on pages 47-52 of this report, and further detail on the City's major and nonmajor governmental funds can be found in Note 2 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and community center operations. The City reports the water and sewer funds as major enterprise funds. These major funds are presented separately in the proprietary fund financial statements. The Robertson Community Center fund is considered a nonmajor fund. The Internal Service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The Internal Service fund is used to account for a self-insurance program for medical and dental benefits. The basic proprietary fund financial statements can be found on pages 53-56 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one agency fund to account for monies received from cable franchise fees. The statement of fiduciary net assets can be found on page 57 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 58-91 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets at December 31, 2008 compared to December 31, 2007:

	Net Assets					
	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2008</u>	Business-Type Activities <u>2007</u>	Total <u>2008</u>	Total <u>2007</u>
<u>Assets</u>						
Current and other assets	\$ 17,030,763	\$ 16,396,787	\$ 11,962,041	\$ 11,596,403	\$ 28,992,804	\$ 27,993,190
Capital assets, net	<u>19,799,197</u>	<u>20,612,128</u>	<u>22,424,836</u>	<u>22,743,093</u>	<u>42,224,033</u>	<u>43,355,221</u>
Total assets	<u>36,829,960</u>	<u>37,008,915</u>	<u>34,386,877</u>	<u>34,339,496</u>	<u>71,216,837</u>	<u>71,348,411</u>
<u>Liabilities</u>						
Long-term liabilities						
outstanding	4,790,328	5,056,421	16,320,059	17,818,662	21,110,387	22,875,083
Other liabilities	<u>2,340,109</u>	<u>2,537,686</u>	<u>638,006</u>	<u>491,008</u>	<u>2,978,115</u>	<u>3,028,694</u>
Total liabilities	<u>7,130,437</u>	<u>7,594,107</u>	<u>16,958,065</u>	<u>18,309,670</u>	<u>24,088,502</u>	<u>25,903,777</u>
<u>Net Assets</u>						
Invested in capital						
assets, net of related debt	17,764,197	18,197,128	6,945,805	5,947,976	24,710,002	24,145,104
Restricted	9,310,729	8,509,610	1,363,352	1,344,925	10,674,081	9,854,535
Unrestricted	<u>2,624,597</u>	<u>2,708,070</u>	<u>9,119,655</u>	<u>8,736,925</u>	<u>11,744,252</u>	<u>11,444,995</u>
Total net assets	<u>\$ 29,699,523</u>	<u>\$ 29,414,808</u>	<u>\$ 17,428,812</u>	<u>\$ 16,029,826</u>	<u>\$ 47,128,335</u>	<u>\$ 45,444,634</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2008, the City's assets exceeded liabilities by \$47,128,335. At year-end, net assets were \$29,699,523 and \$17,428,812 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2008, capital assets represented 59.29% of total assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2008, were \$17,764,197 and \$6,945,805 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2008, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's governmental net assets, \$9,310,729, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$2,624,597 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008

The table below shows the changes in net assets for 2008 and 2007.

	Change in Net Assets					
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 1,546,685	\$ 1,927,812	\$ 8,580,808	\$ 8,446,749	\$ 10,127,493	\$ 10,374,561
Operating grants and contributions	2,104,881	1,689,927	-	-	2,104,881	1,689,927
Capital grants and contributions	326,119	125,478	24,295	29,052	350,414	154,530
Total program revenues	<u>3,977,685</u>	<u>3,743,217</u>	<u>8,605,103</u>	<u>8,475,801</u>	<u>12,582,788</u>	<u>12,219,018</u>
General revenues:						
Property taxes	1,331,701	1,577,482	-	-	1,331,701	1,577,482
Income taxes	8,844,311	8,685,830	349,905	348,248	9,194,216	9,034,078
Unrestricted grants	1,458,034	1,359,491	-	-	1,458,034	1,359,491
Interest	154,923	548,794	124,004	309,454	278,927	858,248
Miscellaneous	495,455	213,713	-	-	495,455	213,713
Total general revenues	<u>12,284,424</u>	<u>12,385,310</u>	<u>473,909</u>	<u>657,702</u>	<u>12,758,333</u>	<u>13,043,012</u>
Total revenues	<u>16,262,109</u>	<u>16,128,527</u>	<u>9,079,012</u>	<u>9,133,503</u>	<u>25,341,121</u>	<u>25,262,030</u>
Expenses:						
General government	3,086,862	3,016,883	-	-	3,086,862	3,016,883
Security of persons and property	8,407,092	7,539,046	-	-	8,407,092	7,539,046
Public health services	965,155	961,261	-	-	965,155	961,261
Transportation	1,787,268	2,285,361	-	-	1,787,268	2,285,361
Community environment	783,718	854,061	-	-	783,718	854,061
Basic utility services	62,750	47,762	-	-	62,750	47,762
Leisure time activities	769,611	693,235	-	-	769,611	693,235
Interest	114,938	120,829	-	-	114,938	120,829
Water	-	-	3,974,057	4,391,750	3,974,057	4,391,750
Sewer	-	-	3,629,692	3,637,428	3,629,692	3,637,428
Nonmajor:						
Robertson Community Center	-	-	76,277	79,192	76,277	79,192
Total expenses	<u>15,977,394</u>	<u>15,518,438</u>	<u>7,680,026</u>	<u>8,108,370</u>	<u>23,657,420</u>	<u>23,626,808</u>
Change in net assets	<u>284,715</u>	<u>610,089</u>	<u>1,398,986</u>	<u>1,025,133</u>	<u>1,683,701</u>	<u>1,635,222</u>
Net assets at beginning year	<u>29,414,808</u>	<u>28,804,719</u>	<u>16,029,826</u>	<u>15,004,693</u>	<u>45,444,634</u>	<u>43,809,412</u>
Net assets at end of year	<u>\$ 29,699,523</u>	<u>\$ 29,414,808</u>	<u>\$ 17,428,812</u>	<u>\$ 16,029,826</u>	<u>\$ 47,128,335</u>	<u>\$ 45,444,634</u>

CITY OF ALLIANCE, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Governmental Activities

Governmental activities net assets increased \$284,715 in 2008.

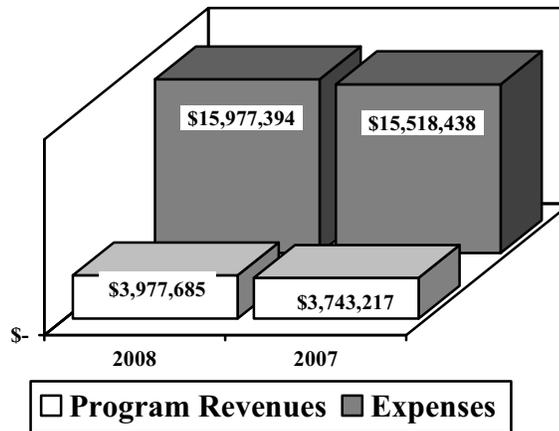
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$8,407,092 of the total expenses of the City. These expenses were partially funded by \$157,747 in direct charges to users of the services. General government expenses totaled \$3,086,862. General government expenses were partially funded by \$948,427 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$2,104,881 in operating grants and contributions and \$326,119 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$1,042,127 subsidized transportation and \$798,218 subsidized community environment. Total capital grants and contributions of \$326,119 subsidized transportation programs.

General revenues totaled \$12,284,424, and amounted to 75.54% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,176,012. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$1,458,034.

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

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF ALLIANCE, OHIO

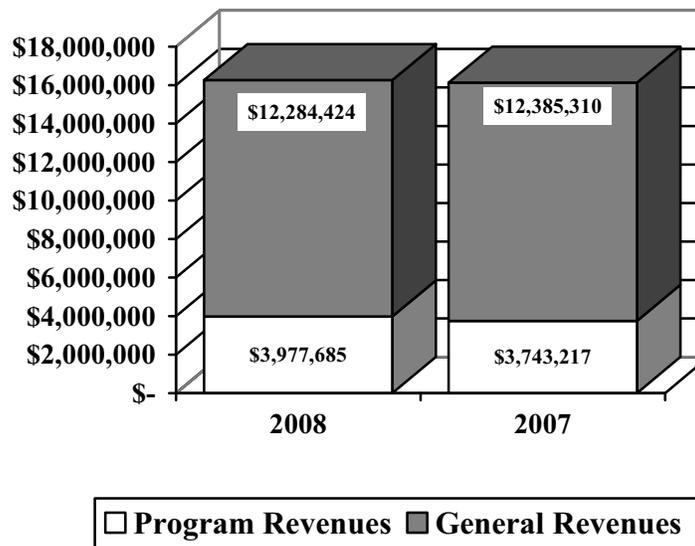
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Program Expenses:				
General government	\$ 3,086,862	\$ 2,121,885	\$ 3,016,883	\$ 1,913,847
Security of persons and property	8,407,092	8,182,463	7,539,046	6,955,035
Public health services	965,155	618,883	961,261	610,079
Transportation	1,787,268	419,022	2,285,361	1,276,589
Community environment	783,718	(222,362)	854,061	219,925
Basic utility services	62,750	62,750	47,762	47,762
Leisure time activities	769,611	738,155	693,235	662,920
Interest	114,938	78,913	120,829	89,064
Total Expenses	\$ 15,977,394	\$ 11,999,709	\$ 15,518,438	\$ 11,775,221

The dependence upon general revenues for governmental activities is apparent, with 75.10% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2008 and 2007.

Governmental Activities – General and Program Revenues



Business-Type Activities

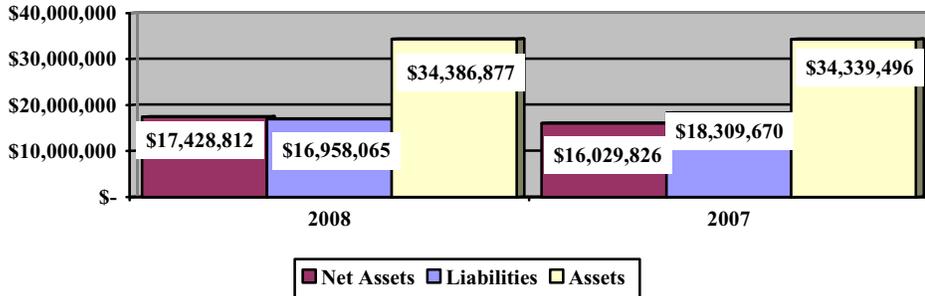
Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$8,605,103, general revenues of \$473,909 and expenses of \$7,680,026 for 2008.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

Net Assets in Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 43) reported a combined fund balance of \$10,708,159 which is \$174,128 higher than last year's total of \$10,534,031. The revolving loan fund balance includes \$1,900,558 reserved for loans receivable. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2008 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/08</u>	<u>Fund Balances</u> <u>12/31/07</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 2,469,846	\$ 2,887,838	\$ (417,992)
Revolving Loan	3,777,612	3,748,569	29,043
Debt Service	383,562	405,002	(21,440)
Other Nonmajor Governmental Funds	<u>4,077,139</u>	<u>3,492,622</u>	<u>584,517</u>
Total	<u>\$ 10,708,159</u>	<u>\$ 10,534,031</u>	<u>\$ 174,128</u>

General Fund

The City's general fund balance decreased \$417,992.

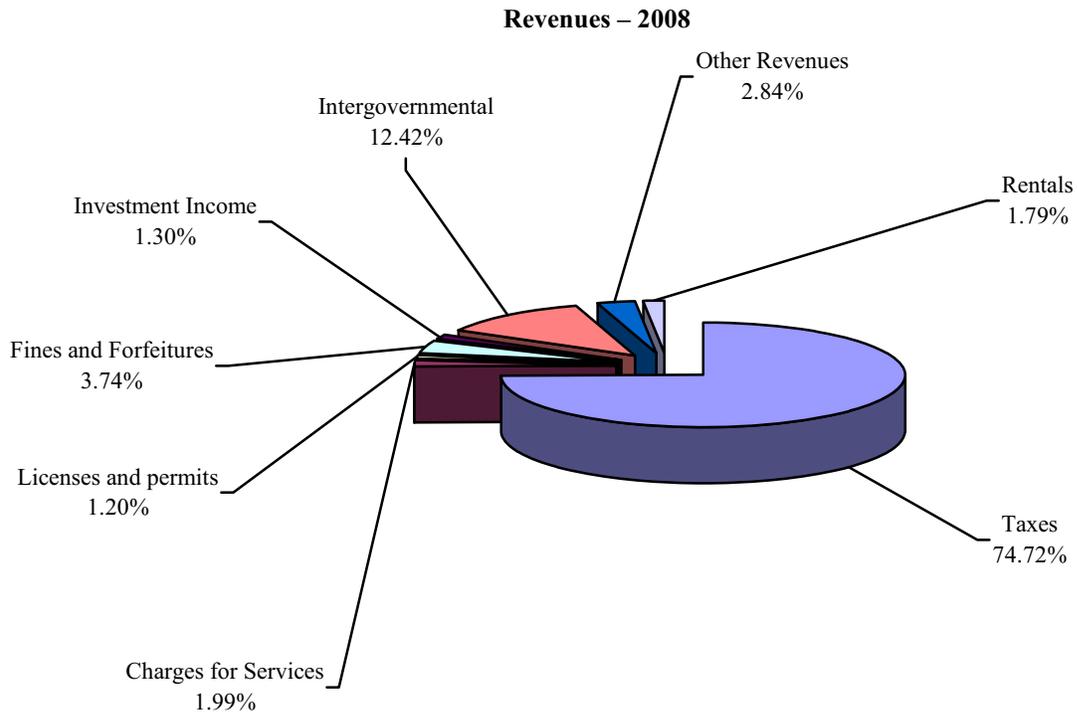
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

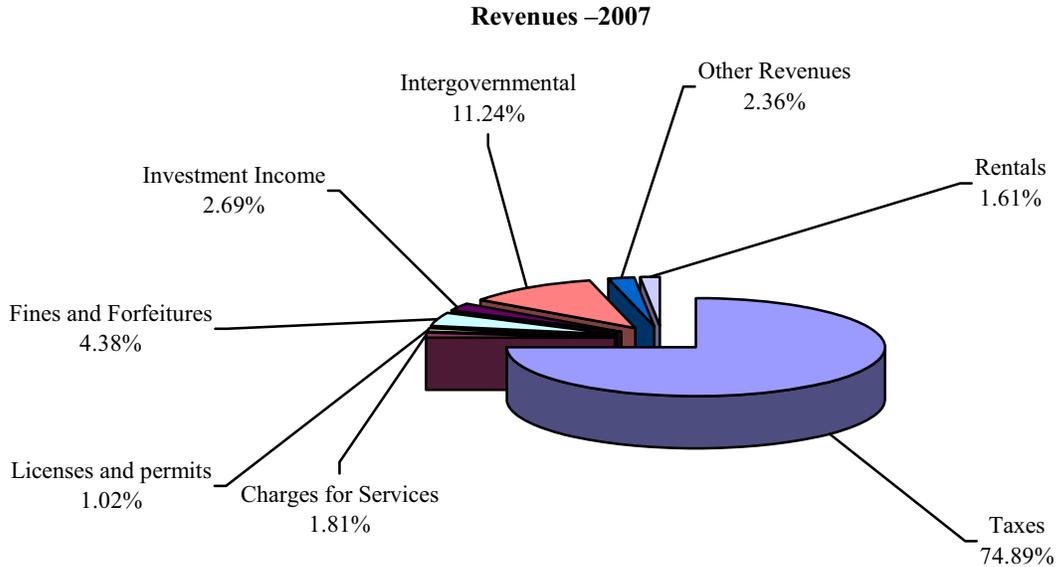
	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 8,276,544	\$ 8,725,877	\$ (449,333)	(5.15) %
Charges for services	219,980	210,692	9,288	4.41 %
Licenses and permits	132,650	118,667	13,983	11.78 %
Fines and forfeitures	414,506	510,218	(95,712)	(18.76) %
Investment income	144,509	313,524	(169,015)	(53.91) %
Intergovernmental	1,376,230	1,309,107	67,123	5.13 %
Rentals	197,934	187,367	10,567	5.64 %
Other	<u>314,031</u>	<u>275,347</u>	<u>38,684</u>	14.05 %
Total	<u>\$ 11,076,384</u>	<u>\$ 11,650,799</u>	<u>\$ (574,415)</u>	(4.93) %

Revenues of the general fund decreased \$574,415 or 4.93%. Tax revenues decreased \$449,333 or 5.15%. This decrease is due to a change in how the City allocates municipal income tax receipts. During 2008, 79% of municipal income tax receipts were allocated to the general fund compared to 86% in 2007. Investment income decreased \$169,015 or 53.91%. This decrease is due mainly decreased interest rates earned on investments during 2008. Fines and forfeitures revenue decreased \$95,712 or 18.76% during 2008. This decrease can be attributed to a decrease in municipal court revenues during 2008. All other revenue remained comparable to 2007.



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**



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

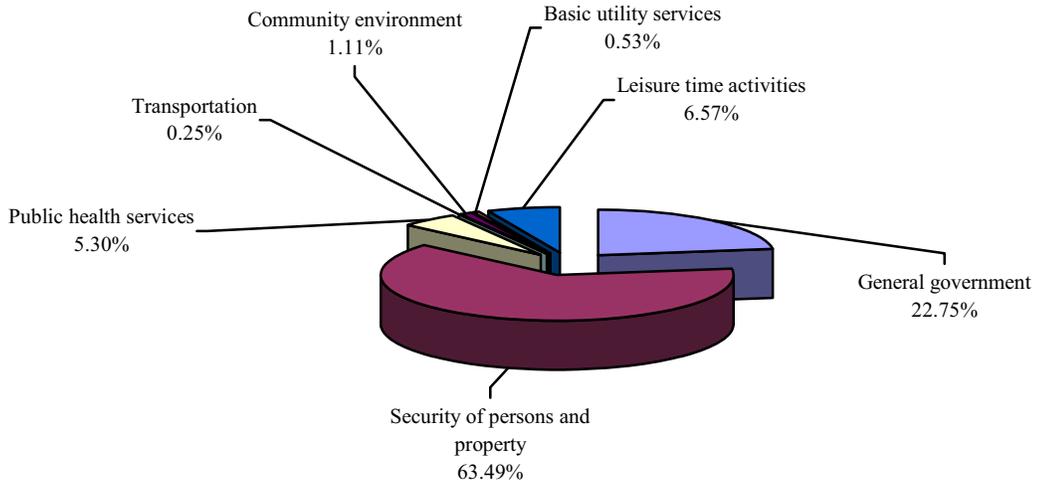
	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 2,449,634	\$ 2,404,709	\$ 44,925	1.87 %
Security of persons and property	6,839,482	6,414,482	425,000	6.63 %
Public health services	570,327	560,805	9,522	1.70 %
Transportation	26,862	24,111	2,751	11.41 %
Community environment	119,034	122,104	(3,070)	(2.51) %
Leisure time activities	707,879	622,482	85,397	13.72 %
Basic utility services	<u>56,634</u>	<u>29,842</u>	<u>26,792</u>	89.78 %
Total	<u>\$ 10,769,852</u>	<u>\$ 10,178,535</u>	<u>\$ 591,317</u>	5.81 %

Expenditures of the general fund increased \$591,317 or 5.81%. The most significant increase was in the area of security of persons and property. Security of persons and property increased \$425,000 or 6.63%. This increase can be attributed to an increase in patrol overtime and salaries due to hiring new staff in fire emergency services and other administrative increases. Leisure time activities increased \$85,397 due mainly to increases in spending in the parks department. All other major expenditures remained comparable to 2007.

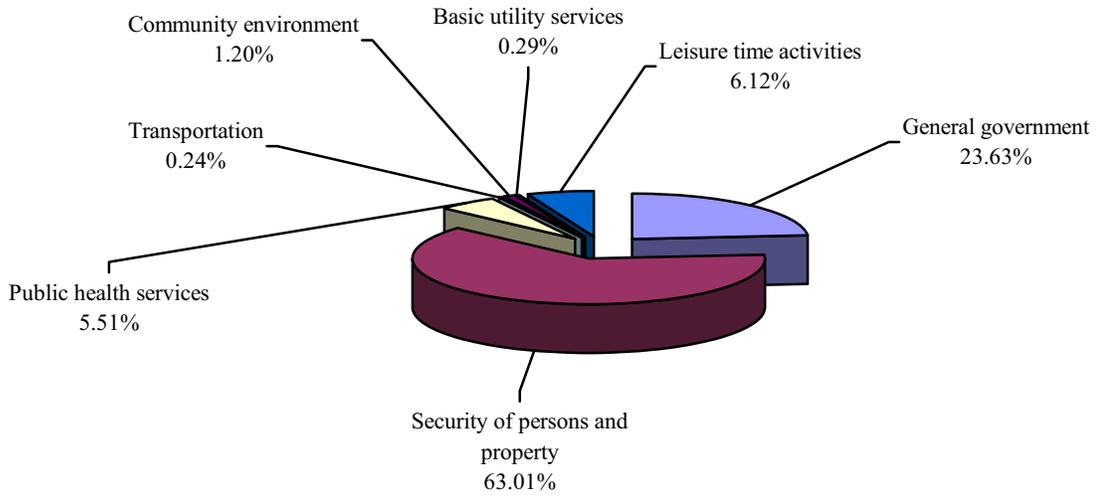
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Expenditures – 2008



Expenditures – 2007



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Revolving Loan Fund

The revolving loan major fund had \$115,329 in revenues and \$86,286 in expenditures in 2008. The fund balance for the revolving loan fund increased \$29,043 or 0.77%, from \$3,748,569 in 2007 to \$3,777,612 in 2008. The increase in fund balance is the result of changes in loan activity in the City. The City reported a \$59,159 charge in 2008 to write off loans for bankruptcies.

Debt Service Fund

The debt service major fund had \$463,700 in revenues and other financing sources and \$485,140 in expenditures in 2008. The fund balance for the debt service fund decreased \$21,440 or 5.29%, from \$405,002 in 2007 to \$383,562 in 2008. This decrease can be attributed to principal and interest expenditures exceeding special assessment revenues and transfers in during 2008.

Budgeting Highlights – General Fund

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$10,977,577 were lower than the final budget amount of \$11,084,676. Actual expenditures and other financing uses of \$11,495,283 were lower than the final budget amount of \$12,114,648. The \$619,365 decrease from final budgeted amounts to actual expenditures and other financing uses is due to decreased spending in the following departments: law director, clerk of courts, income tax, land and building, general administration and fire. Budgeted expenditures and other financing uses were increased \$301,850 from the original to the final budget. Budgeted revenues were increased \$450,972 from the original to the final budget.

Proprietary Funds

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

The City's business-type funds (as presented on the statement of net assets on page 53) reported a combined net assets of \$17,318,980, which is \$1,249,663 above last year's total of \$16,069,317.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008

The schedule below indicates the net assets and the total change in net assets as of December 31, 2008 for all major and nonmajor business-type funds.

	<u>Net Assets</u> <u>12/31/08</u>	<u>Net Assets</u> <u>12/31/07</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
Water	\$ 7,035,236	\$ 6,342,740	\$ 692,496
Sewer	9,895,468	9,318,317	577,151
Nonmajor:			
Robertson Community Center	<u>388,276</u>	<u>408,260</u>	<u>(19,984)</u>
Total	<u>\$ 17,318,980</u>	<u>\$ 16,069,317</u>	<u>\$ 1,249,663</u>

Water

The City's water fund increased \$692,496 or 10.92% during 2008 from net asset balance of \$6,342,740 in 2007 to \$7,035,236 in 2008.

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating Revenues</u>				
Charges for services	\$ 4,315,874	\$ 4,342,694	\$ (26,820)	(0.62) %
Other	<u>27,913</u>	<u>35,017</u>	<u>(7,104)</u>	(20.29) %
Total operating revenues	<u>\$ 4,343,787</u>	<u>\$ 4,377,711</u>	<u>\$ (33,924)</u>	(0.77) %
<u>Operating Expenses</u>				
Salaries and benefits	\$ 1,279,699	\$ 1,303,748	\$ (24,049)	(1.84) %
Fringe benefits	610,358	551,939	58,419	10.58 %
Contractual services	557,693	575,261	(17,568)	(3.05) %
Materials and supplies	609,631	547,403	62,228	11.37 %
Depreciation	563,734	583,807	(20,073)	(3.44) %
Other	<u>3,387</u>	<u>750</u>	<u>2,637</u>	351.60 %
Total operating expenses	<u>\$ 3,624,502</u>	<u>\$ 3,562,908</u>	<u>\$ 61,594</u>	1.73 %
<u>Non-operating revenues (expenses)</u>				
Municipal income tax	\$ 349,905	\$ 348,248	\$ 1,657	0.48 %
Interest and fiscal charges	(422,139)	(809,631)	387,492	47.86 %
Investment income	<u>45,445</u>	<u>140,088</u>	<u>(94,643)</u>	(67.56) %
Total non-operating revenues (expenses)	<u>\$ (26,789)</u>	<u>\$ (321,295)</u>	<u>\$ 294,506</u>	(91.66) %

The most significant expense increases were in the areas of fringe benefits and materials and supplies. These increases were due to increases in contracts paid to employees and the water department increasing its staffing during 2008 and increase spending on materials and supplies. Interest and fiscal charges decreased due to the City refunding the 1998 water revenue bonds during the year. Investment income decreased due to lower interest rates earned on investments.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Sewer

The City's sewer fund increased \$577,151 or 6.19% during 2008 from net asset balance of \$9,318,317 in 2007 to \$9,895,468 in 2008.

	<u>2008</u>	<u>2007</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
	<u>Amount</u>	<u>Amount</u>		
<u>Operating Revenues</u>				
Charges for services	\$ 4,140,060	\$ 3,930,274	\$ 209,786	5.34 %
Licenses and permits	30,218	61,043	(30,825)	(50.50) %
Other	<u>10,450</u>	<u>25,317</u>	<u>(14,867)</u>	(58.72) %
Total operating revenues	<u>\$ 4,180,728</u>	<u>\$ 4,016,634</u>	<u>\$ 164,094</u>	4.09 %
<u>Operating Expenses</u>				
Salaries and benefits	\$ 1,487,515	\$ 1,479,122	\$ 8,393	0.57 %
Fringe benefits	678,940	624,484	54,456	8.72 %
Contractual services	704,446	673,607	30,839	4.58 %
Materials and supplies	315,062	188,135	126,927	67.47 %
Depreciation	395,303	515,829	(120,526)	(23.37) %
Other	<u>3,387</u>	<u>250</u>	<u>3,137</u>	1,254.80 %
Total operating expenses	<u>\$ 3,584,653</u>	<u>\$ 3,481,427</u>	<u>\$ 103,226</u>	2.97 %
<u>Non-operating revenues (expenses)</u>				
Interest and fiscal charges	\$ (120,893)	\$ (135,721)	\$ 14,828	10.93 %
Intergovernmental	24,295	29,052	(4,757)	(16.37) %
Loss on disposal of capital assets	(885)	-	(885)	(100.00) %
Investment income	<u>78,559</u>	<u>169,366</u>	<u>(90,807)</u>	(53.62) %
Total non-operating revenues (expenses)	<u>\$ (18,924)</u>	<u>\$ 62,697</u>	<u>\$ (81,621)</u>	(130.18) %

The most significant increase in revenues was in the area of charges for services. Charges for services increased \$209,786 due to rate increases and better collection on customer billings by the City. The most significant increases in expenses were in the area of fringe benefits and materials and supplies. These increases can be attributed to an increase in contract wages paid by the City to its employees and increases in spending on materials and supplies. The most significant decrease in expenses was in the area of depreciation. Depreciation expense decreased \$120,526 or 23.37% due to certain furniture, fixture and equipment that was fully depreciated at December 31, 2007. Investment income decreased \$90,807 or 53.62% due to a decrease in interest rates earned on investments during the year.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2008, the City had \$42,224,033 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$19,799,197 was reported in governmental activities and \$22,424,836 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosure.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

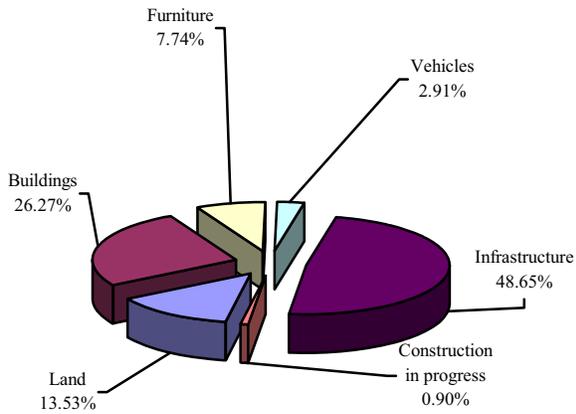
The following table shows December 31, 2008 balances compared to December 31, 2007:

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

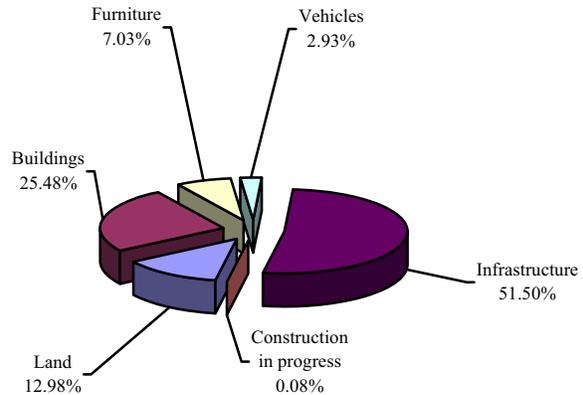
	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-Type Activities <u>2008</u>	Business-Type Activities <u>2007</u>	Total <u>2008</u>	Total <u>2007</u>
Land	\$ 2,678,287	\$ 2,674,588	\$ 869,941	\$ 869,941	\$ 3,548,228	\$ 3,544,529
Buildings, structures and improvements	5,200,917	5,251,411	5,860,198	6,176,671	11,061,115	11,428,082
Furniture, fixtures and equipment	1,533,403	1,449,146	1,417,496	1,132,045	2,950,899	2,581,191
Vehicles	576,360	604,340	-	-	576,360	604,340
Infrastructure	9,632,978	10,615,833	-	-	9,632,978	10,615,833
Land improvements	-	-	503,785	566,071	503,785	566,071
Water and sewer lines	-	-	13,639,581	13,968,745	13,639,581	13,968,745
Construction in progress	<u>177,252</u>	<u>16,810</u>	<u>133,835</u>	<u>29,620</u>	<u>311,087</u>	<u>46,430</u>
Total	<u>\$ 19,799,197</u>	<u>\$ 20,612,128</u>	<u>\$ 22,424,836</u>	<u>\$ 22,743,093</u>	<u>\$ 42,224,033</u>	<u>\$ 43,355,221</u>

The following graphs show the breakdown of governmental capital assets by category at December 31, 2008 and December 31, 2007.

Capital Assets - Governmental Activities 2008



Capital Assets - Governmental Activities 2007



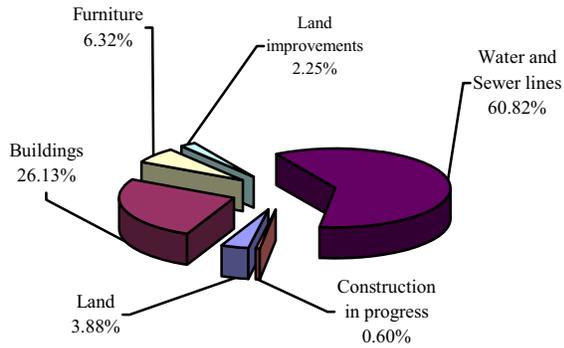
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, right-of-way, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 48.65% of the City's total governmental capital assets.

CITY OF ALLIANCE, OHIO

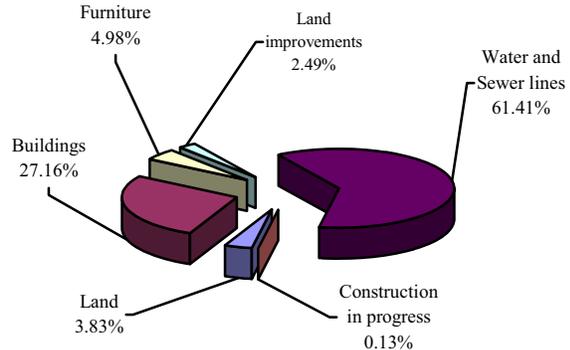
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2008 and December 31, 2007.

Capital Assets - Business-type Activities 2008



Capital Assets - Business-type Activities 2007



The City's largest business-type capital asset category is the sewer and water lines. This item plays a vital role in the income producing ability of the business-type activities. The net book value of the City's water and sewer lines (cost less accumulated depreciation) represents approximately 60.82% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2008 and 2007:

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
General obligation bonds	\$ 1,680,000	\$ 2,015,000
Special assessment bonds	355,000	400,000
Police and fire pension liability	<u>381,312</u>	<u>389,017</u>
Total long-term obligations	<u>\$ 2,416,312</u>	<u>\$ 2,804,017</u>

CITY OF ALLIANCE, OHIO

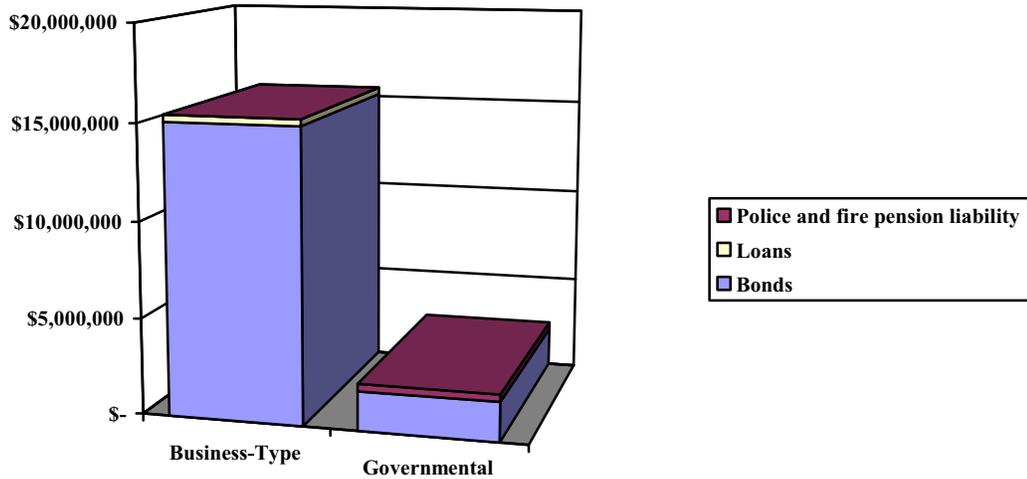
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Business-type Activities <u>2008</u>	Business-type Activities <u>2007</u>
Revenue bonds	\$ 12,950,665	\$ 14,068,282
General obligation bonds	<u>2,173,540</u>	<u>2,597,080</u>
Total bonds	<u>15,124,205</u>	<u>16,665,362</u>
OPWC loans	<u>354,826</u>	<u>376,957</u>
Total loans	<u>354,826</u>	<u>376,957</u>
Total long-term obligations	<u>\$ 15,479,031</u>	<u>\$ 17,042,319</u>

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

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

Long-term obligations



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Economic Condition and Outlook

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

In an effort to address and prevent any further loss of jobs and address sagging general fund revenues, several plans were undertaken to strengthen economic development. The City created a new Industrial Park and created a Tax Increment Financing District to add and upgrade infrastructure to foster development.

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

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

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

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

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

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

- A \$500,000 loan from Master Capital & Water Funds to the General Fund.
- Change in the Reallocation of the Income Tax Split in 2005, 2006 and 2007: to increase the General Fund's share from 79% to 86%.
- Increase the income tax from 1.75% to 2.00% which was adopted by the residents of Alliance in May 2007 and went into effect July 1, 2007.
- The motor vehicle tax was increased \$5.00 per vehicle in January 2006 to support the construction, maintenance and repairs of the City's streets and highways.

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

2008

General Fund Summary

In 2008, general fund expenditures and other financing uses exceeded revenues and other financing sources by \$517,706 on a cash basis. General fund revenues and other financing sources declined by 7.13% or \$842,261 versus 2007 primarily due to the income tax allocation reverting back to its normal 79% share and a decrease in inheritance tax receipts. Increasing medical insurance payments and a three percent (3%) wage increase (excluding elected officials) accounted for almost half the \$1 million increase in City general fund appropriations. Medical insurance payments increased by \$2,000 per employee for 2008, accounting for \$266,559. The three percent (3%) wage increase, as negotiated with the City's thirteen (13) unions accounted for \$230,000. The remaining factors accounted for employee retirement payouts, worker's compensation cost increases, information technology support and higher costs for fuel and electricity and subsidies to the Cemetery and Keep Alliance Beautiful funds.

Annexation of Land

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

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

Thunder Hill Annexation

An annexation of a section of 173.5 acres of land in Lexington Township which was originally approved by Stark County Commissioners in August of 2007 and upheld by the 5th District Court of Appeals, was unanimously approved by Alliance City Council on February 2, 2009 (Ordinance 10-08).

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Annexation of Land

The 5th District Court of Appeals issued a ruling in favor of the City for the annexation of 51 acres of land from Lexington Township. The area is located along North Main Street, between Keiters Crossing and Sawburg Avenue.

Water & Sewer Rate Increases

The City increased water & sewer rates in 2008. The 3% water rate increase was necessary to meet the rate covenant of the Trust Indenture as made by the City for the Series 2008 Water Works System Revenue Refunding Bonds (these bonds were sold to refund and retire the series 1990, series 1991 and 1998 Waterworks bonds) to provide adequate funds to operate and maintain and perform replacements and capital improvements, and to make timely payments on debt service. Since January 1, 2005, users outside the limits of the City are surcharged at 75% of the inside the City rate.

To meet the rate covenant of the Trust Indenture as made by the City for the Sewerage System Revenue Refunding Bonds, and to provide adequate funds to operate, maintain, perform replacements, and capital improvements and to make timely payments on the Debt Service, a 5% sewer rate increase was required. A surcharge of 75% of the debt service portion of the sewer rate is charged to users in areas outside the City as well.

The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements. The rates are scheduled to increase at the same rate in 2009.

Series 2008 Waterworks System Revenue Refunding Bonds

The City's Auditor's office completed the refinancing of the 1998 Waterworks System Revenue Refunding Bonds in September of 2008. The refunding issue will save the City over \$975,385 over the life of the old bond issue, which is approximately a 5% present value savings.

Economic Development

Urban Development Action Grant (UDAG) revolving loan agreements between the City and four area businesses were completed in 2008 to aid in promoting local economic development and job growth within the City.

Ordinance 45-08: A revolving loan of \$27,000 to Aaron M. Hill to facilitate the purchase of a building located on South Liberty Avenue and to aid in expansion of his barber business.

Ordinance 71-08: A loan agreement of \$200,000 to Winkle Industries Inc. and Winkle Magnetics Inc. to facilitate an expansion project which promised to increase productivity as well as lead to the creation of new jobs.

Ordinance 111-08: A loan agreement of \$40,500 to Jupiter Studios / Richard Kindler to help with the purchase and renovation of a building located in downtown Alliance on Main Street. Jupiter Studios goal is to promote a revitalization of the area by proving downtown with a performing arts center, gallery, and recording studio.

Ordinance 112-08: A loan agreement of \$500,000 (to be completed in 2009) from the City of Alliance to Morgan Engineering Systems Inc. to aid in a planned \$2.5 million dollar expansion and renovation project. An estimated 25 additional jobs are to be created as a result of the project and acquisition of a Buffalo, NY company.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Downtown Special Events Commission

The Downtown Special Events Commission, comprised of City officials and various downtown merchants, was formed in 2008. The volunteer committee raised over \$7,000 of donations and staged numerous events including concerts in an effort to revitalize downtown Alliance.

Waste Water Treatment Plant Clarifier Rehab Project Phase II

Work was completed on the second phase of the wastewater treatment clarifier rehabilitation project. The City received a \$97,092 grant from the Ohio Publics Work Commission (OPWC) to fund a portion of the project.

Waste Water Treatment Plant Raw Influent Screw Lift Pump Replacement Project

The waste water treatment plant raw influent screw lift pump replacement project is scheduled to be completed in 2009. The original pumps were beyond their original life expectancy and became a maintenance concern. The potential failure of any of the three pumps would seriously impact the operations of the plant. The screw lift pumps are being replaced with submerged centrifugal pumps. The City was awarded a \$585,000 zero-percent loan from the Ohio Public Works Commission (OPWC) as well as a grant for \$270,000 to help fund the project.

Johnson Avenue

Engineering for the Johnson Avenue project was completed in 2008. The City will seek funding sources in 2009 to install sidewalks and to upgrade the road between West Ely and Mayfield Street. The area has seen increased traffic from the Northside Elementary School.

Sewer Lines Extended

Due to an Ohio Environmental Protection Agency order, sanitary sewer service was extended to 114 single family homes in Washington Township, which is located just southwest of the City. Several years ago, officials of the Ohio EPA determined that the sewage from the septic tanks in the area was making its way into a small waterway in the area and ordered Stark County and Washington Township to have sanitary sewer lines installed in the area. Stark County installed the sewers and contracted with the City for treatment services.

The expanded area has the potential of handling up to 430 sewer connections. The construction of two lift stations was included in order to move the sewage from Washington Township into the City's existing sanitary sewer system.

New Police Chief Named

Scott C. Griffith was sworn in as Police Chief to replace Lawrence Dordea who retired on December 25, 2007 after a decade as police chief and a thirty year career in law enforcement. Chief Griffith joined the Alliance Police Department in 1993. Assistant Chief Greg Anderson served as acting police chief in the interim.

Knowles Named City Auditor

Kevin G. Knowles was sworn in as City Auditor on July 9, 2008 to replace Alexander A. Zumbar. Knowles had previously served as Deputy Auditor under Zumbar. Alexander Zumbar had served the City for over 11 years and was beginning the first year of his second term as City Auditor.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Current Outlook

Despite the recent growth in the income tax collections and the City's cost cutting efforts, it appears the City will continue to have a difficult budget situation for the near future. This is due to other revenues such as shared support from the State, interest earnings and estate inheritance taxes, continuing to remain stagnant, or declining while operating costs continue to increase due to inflationary pressures, higher utility and gasoline prices, training costs due to new State requirements and rising costs of health care.

The City is facing the loss of revenues as a result of rising unemployment rates in the area and the loss of numerous retail businesses. Unemployment rates in Stark County reached 10.6% in February 2009 according to Ohio Department of Job and Family Services. In April of 2009, Alliance Castings, one of the City's largest employers, announced their plans to temporarily idle the plant which will significantly impact the City's income tax and water fee income.

As a result, it is anticipated that further cost containment efforts and revenue enhancement actions will be necessary through the remainder of 2009 and beyond.

2009 General Fund Budget

\$11,302,005 was appropriated for the 2009 general fund budget. Contract negotiations with the City's remaining 12 unions had yet to be completed and are not factored in to the original appropriations. The City is also contending with an additional pay period in the 2009 calendar year.

Major Initiatives

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

Waste Water Treatment Plant Clarifier Rehab Project Phase III

The third and final phase of the wastewater treatment clarifier rehabilitation project is scheduled to be completed in 2009. The City will receive a grant for \$174,195 from the Ohio Public Works Commission (OPWC) to be applied towards the cost of the \$ 355,500 project. The project will improve the quality of the water leaving the plant.

City of Alliance and Mahoning County Sewage Project

Phase one of a \$2,000,000 project consisting of construction of a sewer system that includes two lift stations by the Mahoning County Sanitary Engineers begins in 2009. Mahoning County will construct the sewer which will ultimately be incorporated into the City's sewer system. The City will contribute \$100,000 worth of in-kind sewer installation as part of an Environmental Protection Agency Consent Decree. The area is bordered by Railroad Street on the north, Norman Avenue on the south, Violet Avenue on the east and Mahoning Avenue on the west.

Neighborhood Stabilization Program

The City will receive \$922,584 from the United States Department of Housing and Urban Development (HUD) for the Neighborhood Stabilization Program. The City will contribute \$742,000 to help fund the Alliance for Children and Families Inc \$3.1 million construction of a 10-family housing campus in an effort to support homeless families and reintroduce them back into the community. \$88,384 of the funding will be for demolition of condemned structures throughout the City.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008

Renovation of Dr. Martin Luther King, Jr. Viaduct

The Stark County Area Transportation Study (SCATS) will help fund the City's renovation of the Dr. Martin Luther King, Jr. Viaduct. SCATS will provide \$600,000 in grant money that along with the City's contribution of Community Development Block Funds of \$300,000 will cover the anticipated expenditure. Improvements include replacing the chain-link fence along the edges of the viaduct, ornamental rails to separate the pedestrian and vehicular traffic, new lighting, improved signage, replacement of parapet walls, painting structural steel and resurfacing the deck.

Parks Department Projects funded by \$250,000 ODNR Grant

The City park system received a grant of \$250,000 from the Ohio Department of Natural Resources (ODNR) to fund a variety of capital improvements to be completed in 2009. The five projects include restrooms, concession stand and storage area in Destination Playground at Rodman Park; the renovation of the playground at Western Electric mini-park; a grass infield installed at Butler-Rodman Park; and paving in Memorial Park.

Centralization of Countywide 911 Call & Dispatch Center

City Council and the Administration continue to examine a potential move to a countywide centralized 911 call & dispatch center. City Council adopted a resolution that supported the Stark Council of Government to complete a feasibility study examining the move to a single centralized center. Stark County Commissioners voted to increase the county sales tax by .25%, in part to fund the four proposed centers. The City will reserve its decision to support or reject the implementation of the regionalized dispatch center until further review of the practicality.

City Applies for Community Oriented Policing Service (COPS) Funding

The City applied for funding potentially available under the American Recovery and Reinvestment Act of 2009 for the Community Oriented Policing Services (or COPS) Hiring Recovery Program (CHRP). The funding would support the cost of adding 6 full time officers to the police force for a period of three years. The City is considering the impact that this program will have on the general fund's resources once the three year grant term has been completed.

City to Seek Homeland Security Grant

The City is applying for a U.S. Department of Homeland Security Grant to secure potential funding to provide for the construction of a new fire station to replace the Mount Union Fire Station and to purchase a new fire truck.

CITY OF ALLIANCE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Request for Information

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

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 8,014,368	\$ 7,658,375	\$ 15,672,743
Receivables (net of allowances for uncollectibles):			
Municipal income taxes.	2,724,791	113,533	2,838,324
Property and other taxes.	1,254,694	-	1,254,694
Accounts	113,134	1,063,084	1,176,218
Special assessments	1,251,891	-	1,251,891
Intergovernmental	1,523,908	-	1,523,908
Loans.	1,939,317	-	1,939,317
Internal balances	(109,832)	109,832	-
Prepayments	21,134	20,882	42,016
Materials and supplies inventory.	32,943	278,218	311,161
Deferred charges.	-	362,045	362,045
Restricted assets:			
Equity in pooled cash and cash equivalents	-	493,477	493,477
Cash and cash equivalents with fiscal agents	264,415	1,862,595	2,127,010
Capital assets:			
Land and construction in progress.	2,855,539	1,003,776	3,859,315
Depreciable capital assets, net	16,943,658	21,421,060	38,364,718
Total capital assets.	<u>19,799,197</u>	<u>22,424,836</u>	<u>42,224,033</u>
Total assets.	<u>36,829,960</u>	<u>34,386,877</u>	<u>71,216,837</u>
Liabilities:			
Accounts payable.	209,149	187,157	396,306
Accrued wages and benefits	380,176	123,129	503,305
Claims payable	109,534	-	109,534
Due to other governments	572,414	136,357	708,771
Accrued interest payable.	12,427	191,363	203,790
Unearned revenue.	1,056,409	-	1,056,409
Long-term liabilities:			
Due within one year	1,114,584	1,593,897	2,708,481
Due in more than one year	3,675,744	14,726,162	18,401,906
Total liabilities	<u>7,130,437</u>	<u>16,958,065</u>	<u>24,088,502</u>
Net assets:			
Invested in capital assets, net of related debt	17,764,197	6,945,805	24,710,002
Restricted for:			
Capital projects.	1,751,872	-	1,751,872
Debt service	915,520	869,875	1,785,395
Transportation projects	325,698	-	325,698
Public health service programs	734,587	-	734,587
Community environment programs.	4,785,006	-	4,785,006
Security programs	448,672	-	448,672
Police and fire pension	58,717	-	58,717
Other purposes	290,657	-	290,657
Replacement and surplus reserve	-	493,477	493,477
Unrestricted.	2,624,597	9,119,655	11,744,252
Total net assets	<u>\$ 29,699,523</u>	<u>\$ 17,428,812</u>	<u>\$ 47,128,335</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 3,086,862	\$ 948,427	\$ 16,550	\$ -
Security of persons and property.	8,407,092	157,747	66,882	-
Public health services	965,155	165,168	181,104	-
Transportation	1,787,268	-	1,042,127	326,119
Community environment.	783,718	207,862	798,218	-
Basic utility services.	62,750	-	-	-
Leisure time activities.	769,611	31,456	-	-
Interest and fiscal charges.	114,938	36,025	-	-
Total governmental activities	15,977,394	1,546,685	2,104,881	326,119
Business-type Activities:				
Water	3,974,057	4,343,787	-	-
Sewer	3,629,692	4,180,728	-	24,295
Robertson Community Center.	76,277	56,293	-	-
Total business-type activities	7,680,026	8,580,808	-	24,295
Total primary government.	\$ 23,657,420	\$ 10,127,493	\$ 2,104,881	\$ 350,414

General Revenues:

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (2,121,885)	\$ -	\$ (2,121,885)
(8,182,463)	-	(8,182,463)
(618,883)	-	(618,883)
(419,022)	-	(419,022)
222,362	-	222,362
(62,750)	-	(62,750)
(738,155)	-	(738,155)
(78,913)	-	(78,913)
<u>(11,999,709)</u>	<u>-</u>	<u>(11,999,709)</u>
-	369,730	369,730
-	575,331	575,331
-	(19,984)	(19,984)
<u>-</u>	<u>925,077</u>	<u>925,077</u>
<u>(11,999,709)</u>	<u>925,077</u>	<u>(11,074,632)</u>
870,555	-	870,555
78,526	-	78,526
78,526	-	78,526
304,094	-	304,094
7,357,213	-	7,357,213
642,440	-	642,440
844,658	-	844,658
-	349,905	349,905
1,458,034	-	1,458,034
154,923	124,004	278,927
495,455	-	495,455
<u>12,284,424</u>	<u>473,909</u>	<u>12,758,333</u>
284,715	1,398,986	1,683,701
<u>29,414,808</u>	<u>16,029,826</u>	<u>45,444,634</u>
<u>\$ 29,699,523</u>	<u>\$ 17,428,812</u>	<u>\$ 47,128,335</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General Fund	Revolving Loan Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents . . .	\$ 1,602,045	\$ 1,878,576	\$ 119,147	\$ 3,584,753	\$ 7,184,521
Receivables (net of allowance for uncollectibles):					
Municipal income taxes.	2,242,276	-	-	482,515	2,724,791
Property and other taxes.	1,049,768	-	-	204,926	1,254,694
Accounts	91,887	-	-	10,932	102,819
Intergovernmental	670,150	-	-	853,758	1,523,908
Special assessments.	667,521	-	542,998	41,372	1,251,891
Loans.	-	1,900,558	-	38,759	1,939,317
Prepayments.	15,756	-	-	5,378	21,134
Materials and supplies inventory	32,943	-	-	-	32,943
Restricted assets:					
Cash and cash equivalents with fiscal agent . .	-	-	264,415	-	264,415
Total assets	\$ 6,372,346	\$ 3,779,134	\$ 926,560	\$ 5,222,393	\$ 16,300,433
Liabilities:					
Accounts payable	\$ 184,408	\$ 1,334	\$ -	\$ 23,407	\$ 209,149
Accrued wages and benefits.	333,409	-	-	46,767	380,176
Intergovernmental payable	525,988	188	-	46,238	572,414
Deferred revenue	1,977,472	-	542,998	853,656	3,374,126
Unearned revenue.	881,223	-	-	175,186	1,056,409
Total liabilities	3,902,500	1,522	542,998	1,145,254	5,592,274
Fund Balances:					
Reserved for encumbrances.	5,335	-	-	109,047	114,382
Reserved for prepayments	15,756	-	-	5,378	21,134
Reserved for loans receivable	-	1,900,558	-	38,759	1,939,317
Reserved for materials and supplies inventory . . .	32,943	-	-	-	32,943
Unreserved, undesignated, reported in:					
General fund.	2,415,812	-	-	-	2,415,812
Special revenue funds.	-	1,877,054	-	2,670,338	4,547,392
Debt service fund	-	-	383,562	-	383,562
Capital projects funds.	-	-	-	1,253,617	1,253,617
Total fund balances	2,469,846	3,777,612	383,562	4,077,139	10,708,159
Total liabilities and fund balances.	\$ 6,372,346	\$ 3,779,134	\$ 926,560	\$ 5,222,393	\$ 16,300,433

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total governmental fund balances \$ 10,708,159

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 19,799,197

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

Municipal income taxes receivable	\$ 963,359
Property and other taxes receivable	179,338
Special assessments receivable	1,251,891
Intergovernmental receivable	<u>979,538</u>

Total 3,374,126

An internal service fund is used by management to charge the costs of the health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets. The net assets of the internal service fund, including internal balances of (\$109,832), are: 620,796

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

Accrued interest payable	(12,427)
General obligation bonds	(1,680,000)
Special assessment bonds	(355,000)
Police and fire pension liability	(381,312)
Compensated absences	<u>(2,374,016)</u>

(4,802,755)

Net assets of governmental activities \$ 29,699,523

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	Revolving Loan Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$ 7,418,346	\$ -	\$ -	\$ 1,500,253	\$ 8,918,599
Property and other taxes	858,198	-	-	458,802	1,317,000
Charges for services	219,980	-	-	-	219,980
Licenses, permits and fees	132,650	-	-	79,315	211,965
Fines and forfeitures	414,506	-	-	292,616	707,122
Intergovernmental	1,376,230	-	-	1,963,412	3,339,642
Special assessments	-	-	67,529	-	67,529
Investment income	144,509	115,329	-	24,420	284,258
Rental income	197,934	-	-	-	197,934
Contributions and donations	225	-	-	8,711	8,936
Other	313,806	-	-	303,537	617,343
Total revenues	<u>11,076,384</u>	<u>115,329</u>	<u>67,529</u>	<u>4,631,066</u>	<u>15,890,308</u>
Expenditures:					
Current:					
General government	2,449,634	-	-	108,096	2,557,730
Security of persons and property	6,839,482	-	-	1,055,289	7,894,771
Public health services	570,327	-	-	346,179	916,506
Transportation	26,862	-	-	1,051,166	1,078,028
Community environment	119,034	86,286	-	540,056	745,376
Leisure time activities	707,879	-	-	-	707,879
Basic utility services	56,634	-	-	-	56,634
Capital outlay	-	-	-	1,249,970	1,249,970
Debt service:					
Principal retirement	-	-	380,000	7,705	387,705
Interest and fiscal charges	-	-	105,140	16,441	121,581
Total expenditures	<u>10,769,852</u>	<u>86,286</u>	<u>485,140</u>	<u>4,374,902</u>	<u>15,716,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>306,532</u>	<u>29,043</u>	<u>(417,611)</u>	<u>256,164</u>	<u>174,128</u>
Other financing sources (uses):					
Transfers in	-	-	396,171	724,524	1,120,695
Transfers out	<u>(724,524)</u>	-	-	<u>(396,171)</u>	<u>(1,120,695)</u>
Total other financing sources (uses)	<u>(724,524)</u>	-	<u>396,171</u>	<u>328,353</u>	-
Net change in fund balances	(417,992)	29,043	(21,440)	584,517	174,128
Fund balances at beginning of year	<u>2,887,838</u>	<u>3,748,569</u>	<u>405,002</u>	<u>3,492,622</u>	<u>10,534,031</u>
Fund balances at end of year	<u>\$ 2,469,846</u>	<u>\$ 3,777,612</u>	<u>\$ 383,562</u>	<u>\$ 4,077,139</u>	<u>\$ 10,708,159</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Net change in fund balances - total governmental funds \$ 174,128

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

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

Capital asset additions	\$ 629,761	
Current year depreciation	(1,474,379)	
Total		(844,618)

The net effect of various miscellaneous transactions involving capital assets is to increase net assets. The City received \$61,399 in capital contributions and recorded (\$29,712) related to disposals. 31,687

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

Municipal income taxes	(74,288)	
Property taxes	14,701	
Special assessments	26,037	
Intergovernmental	333,538	
Total		299,988

Repayments of bond principal and the police and fire pension liability are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets. 387,705

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 6,643

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (163,692)

Internal service funds used by management to charge the costs of health insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance of (\$149,323) is allocated among the governmental activities. 392,874

Change in net assets of governmental activities \$ 284,715

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 7,186,915	\$ 7,436,915	\$ 7,459,290	\$ 22,375
Property and other taxes	1,015,966	858,444	857,262	(1,182)
Charges for services	240,000	240,500	214,374	(26,126)
Licenses, permits and fees	90,975	90,975	132,650	41,675
Fines and forfeitures	485,500	485,500	419,244	(66,256)
Intergovernmental	1,080,311	1,237,833	1,259,538	21,705
Investment income	90,000	290,972	144,509	(146,463)
Rental income.	182,000	182,000	211,099	29,099
Contributions and donations.	1,000	1,000	225	(775)
Other	259,000	258,500	277,349	18,849
Total revenues	10,631,667	11,082,639	10,975,540	(107,099)
Expenditures:				
Current:				
General government:				
Mayor:				
Salaries and wages	79,371	79,035	63,216	15,819
Fringe benefits.	39,711	39,711	30,914	8,797
Contractual services	2,350	2,460	2,389	71
Materials and supplies.	2,000	2,226	2,215	11
Total mayor.	123,432	123,432	98,734	24,698
Senior Center:				
Salaries and wages	34,291	34,116	32,685	1,431
Fringe benefits.	18,122	18,297	18,274	23
Contractual services	200	200	200	-
Materials and supplies.	1,700	1,700	1,613	87
Total senior center.	54,313	54,313	52,772	1,541
Auditor:				
Salaries and wages	82,000	81,280	79,698	1,582
Fringe benefits.	40,697	40,797	39,806	991
Contractual services	25,400	27,000	26,741	259
Materials and supplies.	8,000	7,020	6,873	147
Total auditor.	156,097	156,097	153,118	2,979
Treasurer:				
Salaries and wages	3,754	3,754	3,754	-
Fringe benefits.	773	793	791	2
Materials and supplies.	200	180	100	80
Total treasurer.	4,727	4,727	4,645	82
Law director:				
Salaries and wages	145,025	145,025	137,270	7,755
Fringe benefits.	50,264	50,264	49,763	501
Contractual services	55,158	54,850	3,287	51,563
Materials and supplies.	1,500	1,500	1,290	210
Total law director.	251,947	251,639	191,610	60,029
City council:				
Salaries and wages	30,261	30,261	30,261	-
Fringe benefits.	6,171	6,342	6,295	47
Materials and supplies.	-	20	20	-
Total city council	36,432	36,623	36,576	47

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Clerk of council:				
Salaries and wages	\$ 8,616	\$ 8,616	\$ 7,880	\$ 736
Fringe benefits.	1,683	1,683	1,611	72
Contractual services	13,500	13,181	12,089	1,092
Materials and supplies.	500	648	646	2
Total clerk of council.	<u>24,299</u>	<u>24,128</u>	<u>22,226</u>	<u>1,902</u>
Judge and probation:				
Salaries and wages	168,480	168,480	158,874	9,606
Fringe benefits.	78,013	78,013	76,096	1,917
Contractual services	17,500	17,500	13,374	4,126
Materials and supplies.	4,100	4,100	3,049	1,051
Total judge and probation.	<u>268,093</u>	<u>268,093</u>	<u>251,393</u>	<u>16,700</u>
Clerk of courts:				
Salaries and wages	198,193	193,693	177,766	15,927
Fringe benefits.	124,900	124,900	111,751	13,149
Contractual services	34,100	38,600	36,905	1,695
Materials and supplies.	16,900	16,900	15,859	1,041
Total clerk of courts.	<u>374,093</u>	<u>374,093</u>	<u>342,281</u>	<u>31,812</u>
Civil service:				
Salaries and wages	14,994	14,994	14,968	26
Fringe benefits.	2,818	2,918	2,885	33
Materials and supplies.	13,903	11,900	8,175	3,725
Total civil service.	<u>31,715</u>	<u>29,812</u>	<u>26,028</u>	<u>3,784</u>
Engineering:				
Salaries and wages	63,024	63,024	59,542	3,482
Fringe benefits.	33,855	33,825	29,986	3,839
Contractual services	12,785	12,770	9,970	2,800
Materials and supplies.	3,800	3,800	3,079	721
Other	-	45	45	-
Total engineering.	<u>113,464</u>	<u>113,464</u>	<u>102,622</u>	<u>10,842</u>
County auditor and treasurer:				
Contractual services	30,000	30,000	20,271	9,729
Total county auditor and treasurer.	<u>30,000</u>	<u>30,000</u>	<u>20,271</u>	<u>9,729</u>
State examiner:				
Contractual services	30,000	30,000	13,014	16,986
Total state examiner.	<u>30,000</u>	<u>30,000</u>	<u>13,014</u>	<u>16,986</u>
Maintenance:				
Contractual services	106,846	102,530	94,163	8,367
Materials and supplies.	400	86	86	-
Capital outlay.	10,000	10,000	8,829	1,171
Total maintenance.	<u>117,246</u>	<u>112,616</u>	<u>103,078</u>	<u>9,538</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income tax:				
Salaries and wages	\$ 131,000	\$ 131,000	\$ 123,342	\$ 7,658
Fringe benefits.	64,655	64,055	60,868	3,187
Contractual services	50,000	63,494	42,420	21,074
Materials and supplies.	7,700	7,620	6,549	1,071
Capital outlay.	15,000	15,000	6,498	8,502
Other	545,159	346,008	306,747	39,261
Total income tax.	<u>813,514</u>	<u>627,177</u>	<u>546,424</u>	<u>80,753</u>
Land and buildings:				
Salaries and wages	65,190	65,190	45,716	19,474
Fringe benefits.	23,415	23,415	20,473	2,942
Contractual services	257,000	257,455	228,405	29,050
Total land and buildings.	<u>345,605</u>	<u>346,060</u>	<u>294,594</u>	<u>51,466</u>
General administration:				
Salaries and wages	31,336	31,336	31,298	38
Fringe benefits.	12,097	12,299	11,941	358
Contractual services	154,000	149,561	69,964	79,597
Materials and supplies.	10,154	11,654	9,986	1,668
Other	40,250	40,100	26,726	13,374
Total general administration.	<u>247,837</u>	<u>244,950</u>	<u>149,915</u>	<u>95,035</u>
Total general government.	<u>3,022,814</u>	<u>2,827,224</u>	<u>2,409,301</u>	<u>417,923</u>
Security of persons and property:				
Police:				
Salaries and wages	2,595,629	2,633,129	2,619,546	13,583
Fringe benefits.	720,822	705,105	702,040	3,065
Contractual services	179,037	178,853	173,473	5,380
Materials and supplies.	137,153	163,826	155,392	8,434
Other operating.	-	18	18	-
Total police.	<u>3,632,641</u>	<u>3,680,931</u>	<u>3,650,469</u>	<u>30,462</u>
Fire:				
Salaries and wages	1,767,642	1,767,742	1,730,966	36,776
Fringe benefits.	475,938	476,339	470,056	6,283
Contractual services	107,341	113,409	103,562	9,847
Materials and supplies.	41,250	51,295	48,074	3,221
Total fire.	<u>2,392,171</u>	<u>2,408,785</u>	<u>2,352,658</u>	<u>56,127</u>
Fire communications:				
Materials and supplies.	7,919	7,919	7,919	-
Total fire communications.	<u>7,919</u>	<u>7,919</u>	<u>7,919</u>	<u>-</u>
Safety administration:				
Salaries and wages	364,724	363,959	360,143	3,816
Fringe benefits.	181,899	182,664	181,681	983
Contractual services	325,000	321,680	303,836	17,844
Total safety administration.	<u>871,623</u>	<u>868,303</u>	<u>845,660</u>	<u>22,643</u>
Prisoner support:				
Contractual services	50,000	50,000	30,442	19,558
Total prisoner support.	<u>50,000</u>	<u>50,000</u>	<u>30,442</u>	<u>19,558</u>
Total security of persons and property	<u>6,954,354</u>	<u>7,015,938</u>	<u>6,887,148</u>	<u>128,790</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health services:				
Health control and prevention:				
Salaries and wages	\$ 61,512	\$ 61,512	\$ 56,307	\$ 5,205
Fringe benefits.	36,767	36,857	36,813	44
Contractual services	23,050	30,760	30,028	732
Materials and supplies.	8,100	300	293	7
Other	785	785	785	-
Total health control and prevention	<u>130,214</u>	<u>130,214</u>	<u>124,226</u>	<u>5,988</u>
Health administration:				
Salaries and wages	268,646	268,646	267,597	1,049
Fringe benefits.	111,124	111,164	109,245	1,919
Contractual services	9,460	9,400	9,229	171
Materials and supplies.	16,100	16,100	16,011	89
Other	48,500	48,500	43,150	5,350
Total health administration.	<u>453,830</u>	<u>453,810</u>	<u>445,232</u>	<u>8,578</u>
Total public health services	<u>584,044</u>	<u>584,024</u>	<u>569,458</u>	<u>14,566</u>
Transportation				
Street transportation:				
Materials and supplies.	<u>30,000</u>	<u>30,000</u>	<u>28,559</u>	<u>1,441</u>
Total street transportation.	<u>30,000</u>	<u>30,000</u>	<u>28,559</u>	<u>1,441</u>
Total transportation	<u>30,000</u>	<u>30,000</u>	<u>28,559</u>	<u>1,441</u>
Community environment:				
Planning commission:				
Contractual services	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total planning commission.	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Tree care:				
Contractual services	<u>1,500</u>	<u>1,585</u>	<u>1,585</u>	<u>-</u>
Total tree care.	<u>1,500</u>	<u>1,585</u>	<u>1,585</u>	<u>-</u>
Zoning and building:				
Salaries and wages	107,769	107,769	88,606	19,163
Fringe benefits.	21,345	21,383	16,991	4,392
Contractual services	13,188	12,060	6,622	5,438
Materials and supplies.	3,700	3,250	2,923	327
Total zoning and building.	<u>146,002</u>	<u>144,462</u>	<u>115,142</u>	<u>29,320</u>
Total community environment	<u>149,502</u>	<u>148,047</u>	<u>118,727</u>	<u>29,320</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	39,718	39,718	38,966	752
Fringe benefits.	18,889	18,999	13,171	5,828
Materials and supplies.	550	550	550	-
Total storm sewer	<u>59,157</u>	<u>59,267</u>	<u>52,687</u>	<u>6,580</u>
Total basic utility services.	<u>59,157</u>	<u>59,267</u>	<u>52,687</u>	<u>6,580</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Leisure time activities:				
Parks:				
Salaries and wages	\$ 342,869	\$ 342,869	\$ 342,867	\$ 2
Fringe benefits.	142,374	137,804	128,868	8,936
Contractual services	60,707	60,563	57,447	3,116
Materials and supplies.	20,979	33,467	33,447	20
Other	300	383	379	4
Total parks.	<u>567,229</u>	<u>575,086</u>	<u>563,008</u>	<u>12,078</u>
Recreation:				
Salaries and wages	87,771	87,771	87,729	42
Fringe benefits.	40,341	40,341	39,192	1,149
Contractual services	5,110	4,209	4,209	-
Materials and supplies.	10,003	10,901	10,741	160
Total recreation	<u>143,225</u>	<u>143,222</u>	<u>141,871</u>	<u>1,351</u>
Total leisure time activities.	<u>710,454</u>	<u>718,308</u>	<u>704,879</u>	<u>13,429</u>
Total expenditures	<u>11,510,325</u>	<u>11,382,808</u>	<u>10,770,759</u>	<u>612,049</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(878,658)</u>	<u>(300,169)</u>	<u>204,781</u>	<u>504,950</u>
Other financing sources (uses):				
Transfers out	(302,473)	(731,840)	(724,524)	7,316
Advance in.	2,037	2,037	2,037	-
Total other financing sources (uses).	<u>(300,436)</u>	<u>(729,803)</u>	<u>(722,487)</u>	<u>7,316</u>
Net change in fund balance.	(1,179,094)	(1,029,972)	(517,706)	512,266
Fund balance at beginning of year	<u>2,074,453</u>	<u>2,074,453</u>	<u>2,074,453</u>	<u>-</u>
Prior year encumbrances appropriated	<u>35,191</u>	<u>35,191</u>	<u>35,191</u>	<u>-</u>
Fund balance at end of year	<u>\$ 930,550</u>	<u>\$ 1,079,672</u>	<u>\$ 1,591,938</u>	<u>\$ 512,266</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 200,000	\$ 200,000	\$ 115,329	\$ (84,671)
Other.	250,000	250,000	289,181	39,181
Total revenues.	<u>450,000</u>	<u>450,000</u>	<u>404,510</u>	<u>(45,490)</u>
Expenditures:				
Current				
Community environment:				
Salaries and wages	16,600	16,600	14,638	1,962
Fringe benefits.	2,324	2,612	2,301	311
Contractual services	20,000	28,462	12,533	15,929
Capital outlay.	<u>1,785,000</u>	<u>1,776,250</u>	<u>272,500</u>	<u>1,503,750</u>
Total expenditures	<u>1,823,924</u>	<u>1,823,924</u>	<u>301,972</u>	<u>1,521,952</u>
Net change in fund balance	(1,373,924)	(1,373,924)	102,538	1,476,462
Fund balance at beginning of year	1,771,038	1,771,038	1,771,038	-
Prior year encumbrances appropriated	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 402,114</u>	<u>\$ 402,114</u>	<u>\$ 1,878,576</u>	<u>\$ 1,476,462</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2008

	Business-type Activities -Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 3,398,328	\$ 4,191,472	\$ 68,575	\$ 7,658,375	\$ 829,847
Restricted assets:					
Cash and cash equivalents with fiscal agents	992,720	-	-	992,720	-
Receivables (net of allowance for uncollectibles):					
Accounts	602,874	460,210	-	1,063,084	10,315
Municipal income taxes.	113,533	-	-	113,533	-
Prepayments.	10,294	10,294	294	20,882	-
Materials and supplies inventory	214,702	63,516	-	278,218	-
Deferred charges	297,421	64,624	-	362,045	-
Total current assets	<u>5,629,872</u>	<u>4,790,116</u>	<u>68,869</u>	<u>10,488,857</u>	<u>840,162</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents	493,477	-	-	493,477	-
Cash and cash equivalents with fiscal agents	869,875	-	-	869,875	-
Total restricted assets	<u>1,363,352</u>	<u>-</u>	<u>-</u>	<u>1,363,352</u>	<u>-</u>
Capital assets:					
Land and construction in progress	834,002	169,774	-	1,003,776	-
Depreciable capital assets, net	12,843,842	8,248,557	328,661	21,421,060	-
Total capital assets	<u>13,677,844</u>	<u>8,418,331</u>	<u>328,661</u>	<u>22,424,836</u>	<u>-</u>
Total noncurrent assets	<u>15,041,196</u>	<u>8,418,331</u>	<u>328,661</u>	<u>23,788,188</u>	<u>-</u>
Total assets	<u>20,671,068</u>	<u>13,208,447</u>	<u>397,530</u>	<u>34,277,045</u>	<u>840,162</u>
Liabilities:					
Current liabilities:					
Accounts payable.	102,098	76,353	8,706	187,157	-
Accrued wages and benefits	55,976	67,153	-	123,129	-
Compensated absences	130,485	189,264	-	319,749	-
Due to other governments	62,549	73,260	548	136,357	-
Accrued interest payable.	-	17,120	-	17,120	-
Claims payable.	-	-	-	-	109,534
Payable from restricted assets:					
Revenue bonds payable - current	818,477	-	-	818,477	-
Accrued interest payable	174,243	-	-	174,243	-
General obligation bonds payable - current	-	433,540	-	433,540	-
OPWC loans - current.	-	22,131	-	22,131	-
Total current liabilities	<u>1,343,828</u>	<u>878,821</u>	<u>9,254</u>	<u>2,231,903</u>	<u>109,534</u>
Long-term liabilities:					
Revenue bonds payable	12,132,188	-	-	12,132,188	-
General obligation bonds payable.	-	1,740,000	-	1,740,000	-
OPWC loans.	-	332,695	-	332,695	-
Compensated absences	159,816	361,463	-	521,279	-
Total long-term liabilities	<u>12,292,004</u>	<u>2,434,158</u>	<u>-</u>	<u>14,726,162</u>	<u>-</u>
Total liabilities	<u>13,635,832</u>	<u>3,312,979</u>	<u>9,254</u>	<u>16,958,065</u>	<u>109,534</u>
Net assets:					
Invested in capital assets, net of related debt.	727,179	5,889,965	328,661	6,945,805	-
Restricted for:					
Debt service	869,875	-	-	869,875	-
Replacement and surplus reserve.	493,477	-	-	493,477	-
Unrestricted	<u>4,944,705</u>	<u>4,005,503</u>	<u>59,615</u>	<u>9,009,823</u>	<u>730,628</u>
Total net assets	<u>\$ 7,035,236</u>	<u>\$ 9,895,468</u>	<u>\$ 388,276</u>	<u>17,318,980</u>	<u>\$ 730,628</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				109,832	
Net assets of business-type activities				<u>\$ 17,428,812</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor- Robertson Community Center</u>	<u>Total</u>	
Operating revenues:					
Charges for services	\$ 4,315,874	\$ 4,140,060	\$ 54,377	\$ 8,510,311	\$ 2,391,110
Licenses and permits.	-	30,218	-	30,218	-
Other.	27,913	10,450	1,916	40,279	-
Total operating revenues	<u>4,343,787</u>	<u>4,180,728</u>	<u>56,293</u>	<u>8,580,808</u>	<u>2,391,110</u>
Operating expenses:					
Salaries and benefits.	1,279,699	1,487,515	18,228	2,785,442	-
Fringe benefits.	610,358	678,940	3,364	1,292,662	-
Contractual services	557,693	704,446	38,627	1,300,766	-
Materials and supplies	609,631	315,062	3,050	927,743	-
Depreciation	563,734	395,303	12,933	971,970	-
Claims.	-	-	-	-	1,859,327
Other	3,387	3,387	75	6,849	-
Total operating expenses.	<u>3,624,502</u>	<u>3,584,653</u>	<u>76,277</u>	<u>7,285,432</u>	<u>1,859,327</u>
Operating income (loss).	<u>719,285</u>	<u>596,075</u>	<u>(19,984)</u>	<u>1,295,376</u>	<u>531,783</u>
Nonoperating revenues (expenses):					
Interest revenue.	45,445	78,559	-	124,004	10,414
Intergovernmental.	-	24,295	-	24,295	-
Interest expense and fiscal charges	(422,139)	(120,893)	-	(543,032)	-
Loss on disposal of capital assets	-	(885)	-	(885)	-
Municipal income tax revenue.	349,905	-	-	349,905	-
Total nonoperating revenues (expenses)	<u>(26,789)</u>	<u>(18,924)</u>	<u>-</u>	<u>(45,713)</u>	<u>10,414</u>
Change in net assets.	692,496	577,151	(19,984)	1,249,663	542,197
Net assets at beginning of year.	<u>6,342,740</u>	<u>9,318,317</u>	<u>408,260</u>		<u>188,431</u>
Net assets at end of year.	<u>\$ 7,035,236</u>	<u>\$ 9,895,468</u>	<u>\$ 388,276</u>		<u>\$ 730,628</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				149,323	
Changes in net assets of business-type activities				<u>\$ 1,398,986</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,292,286	\$ 4,238,646	\$ 54,377	\$ 8,585,309	\$ -
Cash received from licenses and permits	-	30,218	-	30,218	-
Cash received from other operations.	33,345	10,450	1,916	45,711	-
Cash received from interfund services provided.	-	-	-	-	2,394,022
Cash payments for salaries and benefits.	(1,271,912)	(1,477,084)	(18,228)	(2,767,224)	-
Cash payments for fringe benefits.	(600,270)	(646,304)	(3,339)	(1,249,913)	-
Cash payments for contractual services	(540,672)	(680,877)	(37,480)	(1,259,029)	-
Cash payments for materials and supplies	(584,543)	(336,819)	(3,050)	(924,412)	-
Cash payments for claims	-	-	-	-	(1,964,054)
Cash payments for other expenses.	(3,387)	(3,387)	(75)	(6,849)	-
Net cash provided by (used in) operating activities	<u>1,324,847</u>	<u>1,134,843</u>	<u>(5,879)</u>	<u>2,453,811</u>	<u>429,968</u>
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	347,635	-	-	347,635	-
Cash received from grants and subsidies	-	53,347	-	53,347	-
Net cash provided by noncapital financing activities	<u>347,635</u>	<u>53,347</u>	<u>-</u>	<u>400,982</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(265,141)	(356,372)	-	(621,513)	-
Payment to refund bond escrow agent	(15,476,043)	-	-	(15,476,043)	-
Proceeds from bonds	14,275,000	-	-	14,275,000	-
Bond issuance costs.	(303,683)	-	-	(303,683)	-
Premiums on bonds	100,577	-	-	100,577	-
Principal retirement on general obligation bonds	-	(435,000)	-	(435,000)	-
Principal retirement on OPWC loans	-	(22,131)	-	(22,131)	-
Interest and fiscal charges.	(192,215)	(90,217)	-	(282,432)	-
Net cash used in capital and related financing activities	<u>(1,861,505)</u>	<u>(903,720)</u>	<u>-</u>	<u>(2,765,225)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received.	45,445	78,559	-	124,004	10,414
Net cash provided by investing activities.	<u>45,445</u>	<u>78,559</u>	<u>-</u>	<u>124,004</u>	<u>10,414</u>
Net increase (decrease) in cash and cash equivalents	(143,578)	363,029	(5,879)	213,572	440,382
Cash and cash equivalents at beginning of year	<u>5,897,978</u>	<u>3,828,443</u>	<u>74,454</u>	<u>9,800,875</u>	<u>389,465</u>
Cash and cash equivalents at end of year.	<u>\$ 5,754,400</u>	<u>\$ 4,191,472</u>	<u>\$ 68,575</u>	<u>\$ 10,014,447</u>	<u>\$ 829,847</u>

- - continued

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor- Robertson Community Center</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 719,285	\$ 596,075	\$ (19,984)	\$ 1,295,376	\$ 531,783
Adjustments:					
Depreciation	563,734	395,303	12,933	971,970	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable.	(18,156)	98,586	-	80,430	2,912
(Increase) decrease in materials and supplies inventory .	23,466	(19,931)	-	3,535	-
Decrease in prepayments	666	667	20	1,353	-
Increase in accounts payable	17,977	19,183	1,127	38,287	-
Increase in accrued wages and benefits	7,787	10,431	-	18,218	-
(Decrease) in claims payable.	-	-	-	-	(104,727)
Increase (decrease) in due to other governments.	(9,905)	(10,163)	25	(20,043)	-
Increase in compensated absences payable	19,993	44,692	-	64,685	-
Net cash provided by (used in) operating activities.	<u>\$ 1,324,847</u>	<u>\$ 1,134,843</u>	<u>\$ (5,879)</u>	<u>\$ 2,453,811</u>	<u>\$ 429,968</u>

Non-cash transactions:

During 2008, the water fund and sewer fund purchased \$21,700 and \$11,385, respectively, in capital assets on account.
 During 2007, the sewer fund recognized an intergovernmental receivable of \$29,052.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 DECEMBER 31, 2008

	Agency
Assets:	
Receivables:	
Accounts	\$ 22,221
Total assets	\$ 22,221
Liabilities:	
Due to others.	\$ 22,221
Total liabilities	\$ 22,221

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1 - DESCRIPTION OF THE CITY

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

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

B. Fund Accounting

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

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

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

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

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

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

D. Basis of Accounting

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2008, are recorded as deferred revenue on the governmental fund financial statements.

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

E. Budgetary Data

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

F. Cash and Cash Equivalents

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

During 2008, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), a repurchase agreement and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2008.

Investment procedures are restricted by provisions of the Ohio Revised Code. Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2008 amounted to \$144,509, which includes \$96,243 assigned from other City funds.

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

G. Interfund Assets and Liabilities

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

H. Inventories

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

I. Restricted Assets

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

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

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

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

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

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

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

L. Capital Assets and Depreciation

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

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

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

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

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

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

M. Compensated Absences

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

N. Fund Balance Reserves

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

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

O. Capitalization of Interest

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

P. Interfund Activity

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

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

Q. Estimates

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

R. Accrued Liabilities and Long-term Obligations

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

S. Net Assets

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2008, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City; however, certain disclosures related to postemployment benefits (see Note 12) have been modified to conform to the new reporting requirements.

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the City.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the City.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

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

Net Change in Fund Balance		Revolving
	General	Loan Fund
	<u> </u>	<u> </u>
Budget Basis	\$ (517,706)	\$ 102,538
Net adjustment for revenues	100,844	(289,181)
Net adjustments for expenditures	(9,200)	215,686
Net adjustment for other sources/uses	(2,037)	-
Adjustments for encumbrances	<u>10,107</u>	<u>-</u>
 GAAP Basis	 <u>\$ (417,992)</u>	 <u>\$ 29,043</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash and Cash Equivalents with Fiscal Agents

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

B. Deposits with Financial Institutions

At December 31, 2008, the carrying amount of all City deposits was \$5,621,643, exclusive of the \$290,631 repurchase agreement included in investments below. As of December 31, 2008, \$5,510,311 of the City’s bank balance of \$5,760,311 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Deposit Insurance Corporation.

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

C. Investments

As of December 31, 2008, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	Investment Maturities <u>6 months or less</u>
U.S. Government money market mutual fund	\$ 2,127,010	\$ 2,127,010
STAR Ohio	10,253,946	10,253,946
Repurchase agreement	<u>290,631</u>	<u>290,631</u>
Total	<u>\$ 12,671,587</u>	<u>\$ 12,671,587</u>

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's \$290,631 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities to the Treasurer or qualified trustee.

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

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
U.S. Government money market mutual fund	\$ 2,127,010	16.79
STAR Ohio	10,253,946	80.92
Repurchase agreement	<u>290,631</u>	<u>2.29</u>
Total	<u>\$ 12,671,587</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,621,643
Investments	<u>12,671,587</u>
Total	<u>\$ 18,293,230</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 8,278,783
Business-type activities	<u>10,014,447</u>
Total	<u>\$ 18,293,230</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 - RECEIVABLES

Receivables at December 31, 2008, consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues and special assessments. All receivables are deemed collectible in full, except for loans receivable which includes an allowance of \$59,159 for bankrupt accounts.

A. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2008-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 - RECEIVABLES - (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Alliance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2008 was \$6.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 183,665,820
Commercial/industrial/mineral	107,469,010
Tangible personal property	9,947,605
Public utility	<u>7,106,996</u>
Total assessed value	<u><u>\$ 308,189,431</u></u>

B. Loans Receivable

Loans receivable represent the principal owed to the City for Community Development Block Grants and Urban Development Action Grants. The loans bear interest at annual rates between two and six percent. The loans are to be repaid over periods ranging from five to fifteen years. Total loans receivable at December 31, 2008 were \$1,939,317.

C. Income Tax

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds in 2008, after income tax department expenditures, are credited to the following funds: 79 percent to the general fund, 10 percent to the capital improvements fund (a nonmajor governmental fund), 7 percent to the street income tax construction fund (a nonmajor governmental fund) and 4 percent to the water fund. On the fund financial statements, total income tax revenue for 2008 was \$8,918,599 in the governmental funds and \$349,905 in the water fund.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 6 - RECEIVABLES - (Continued)

D. Special Assessments

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

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

The City's demolition assessments are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. At December 31, 2008, the total special assessment receivable of \$1,251,891 includes \$1,120,901 in delinquent receivables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

<u>Governmental activities:</u>	<u>Balance</u> 1/1/08	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/08
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,674,588	\$ 3,699	\$ -	\$ 2,678,287
Construction in progress	<u>16,810</u>	<u>184,231</u>	<u>(23,789)</u>	<u>177,252</u>
Total capital assets, not being depreciated	<u>2,691,398</u>	<u>187,930</u>	<u>(23,789)</u>	<u>2,855,539</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	7,034,763	102,810	-	7,137,573
Furniture, fixtures and equipment	3,422,306	329,299	(128,161)	3,623,444
Vehicles	2,876,076	73,640	(78,257)	2,871,459
Infrastructure	<u>24,938,464</u>	<u>21,270</u>	<u>-</u>	<u>24,959,734</u>
Total capital assets, being depreciated	<u>38,271,609</u>	<u>527,019</u>	<u>(206,418)</u>	<u>38,592,210</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(1,783,352)	(153,304)	-	(1,936,656)
Furniture, fixtures and equipment	(1,973,160)	(223,154)	106,273	(2,090,041)
Vehicles	(2,271,736)	(93,796)	70,433	(2,295,099)
Infrastructure	<u>(14,322,631)</u>	<u>(1,004,125)</u>	<u>-</u>	<u>(15,326,756)</u>
Total accumulated depreciation	<u>(20,350,879)</u>	<u>(1,474,379)</u>	<u>176,706</u>	<u>(21,648,552)</u>
Total capital assets being depreciated, net	<u>17,920,730</u>	<u>(947,360)</u>	<u>(29,712)</u>	<u>16,943,658</u>
Governmental activities capital assets, net	<u>\$ 20,612,128</u>	<u>\$ (759,430)</u>	<u>\$ (53,501)</u>	<u>\$ 19,799,197</u>

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

<u>Governmental activities:</u>	
General government	\$ 421,396
Security of persons and property	225,885
Public health services	5,242
Transportation	748,456
Community environment	1,843
Basic utility services	6,652
Leisure time activities	<u>64,905</u>
Total depreciation expense - governmental activities	<u>\$ 1,474,379</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> 1/1/08	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/08
<i>Capital assets, not being depreciated:</i>				
Land	\$ 869,941	\$ -	\$ -	\$ 869,941
Construction in progress	<u>29,620</u>	<u>326,799</u>	<u>(222,584)</u>	<u>133,835</u>
Total capital assets, not being depreciated	<u>899,561</u>	<u>326,799</u>	<u>(222,584)</u>	<u>1,003,776</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,368,735	-	-	1,368,735
Buildings, structures and improvements	10,731,901	5,620	-	10,737,521
Water and sewer lines	25,272,146	153,202	-	25,425,348
Furniture, fixtures and equipment	<u>4,613,045</u>	<u>391,561</u>	<u>(8,875)</u>	<u>4,995,731</u>
Total capital assets, being depreciated	<u>41,985,827</u>	<u>550,383</u>	<u>(8,875)</u>	<u>42,527,335</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(802,664)	(62,286)	-	(864,950)
Buildings, structures and improvements	(4,555,230)	(322,093)	-	(4,877,323)
Water and sewer lines	(11,303,401)	(482,366)	-	(11,785,767)
Furniture, fixtures and equipment	<u>(3,481,000)</u>	<u>(105,225)</u>	<u>7,990</u>	<u>(3,578,235)</u>
Total accumulated depreciation	<u>(20,142,295)</u>	<u>(971,970)</u>	<u>7,990</u>	<u>(21,106,275)</u>
Total capital assets being depreciated, net	<u>21,843,532</u>	<u>(421,587)</u>	<u>(885)</u>	<u>21,421,060</u>
Business-type activities capital assets, net	<u>\$ 22,743,093</u>	<u>\$ (94,788)</u>	<u>\$ (223,469)</u>	<u>\$ 22,424,836</u>

Depreciation expense was charged to the enterprise funds as follows:

<u>Business-type activities:</u>	
Sewer	\$ 395,303
Water	563,734
Nonmajor:	
Robertson Community Center	<u>12,933</u>
Total depreciation expense - business-type activities	<u>\$ 971,970</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8 - RISK MANAGEMENT

A. Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2008, the City contracted with Evans Insurance Company for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Occurrence</u>	<u>Limit - Aggregate</u>
General Liability	None	\$1,000,000	\$3,000,000
Wrongful Acts	\$5,000	1,000,000	1,000,000
Law Enforcement	5,000	1,000,000	1,000,000
Automobile Liability	250-500	1,000,000	1,000,000
Bond	250	None	50,000
Crime - Theft	250	None	10,000
Crime - Forgery/Computer Fraud	250	None	100,000
Property	2,500	None	59,095,091
Inland Marine	1,000	None	2,830,735
Electronic Data Processing	1,000	None	593,816
Excess Liability	10,000	2,000,000	2,000,000

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

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

B. Workers' Compensation

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8 - RISK MANAGEMENT - (Continued)

C. Health Insurance

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

The claims liability of \$109,534 reported in the self-insurance fund at December 31, 2008, is estimated by the third-party administrator and is based on the requirements of GASB Statement No. 10, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*", as amended by GASB Statement No. 30, "*Risk Financing Omnibus*", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last three years follow:

	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Current</u> <u>Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>at End</u> <u>of Year</u>
2006	\$ 199,196	\$ 1,785,630	\$ (1,768,980)	\$ 215,846
2007	215,846	2,123,598	(2,125,183)	214,261
2008	214,261	1,859,327	(1,964,054)	109,534

NOTE 9 - INTERFUND TRANSACTIONS

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

A summary of interfund transfers is as follows:

<u>Transfer to</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Other</u> <u>Governmental</u>	<u>Total</u>
Debt service	\$ -	\$ 396,171	\$ 396,171
Other governmental	724,524	-	724,524
Total	<u>\$ 724,524</u>	<u>\$ 396,171</u>	<u>\$ 1,120,695</u>

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities

Changes in the governmental long-term obligations of the City during 2008 were as follows:

	Balance Outstanding <u>1/1/08</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>12/31/08</u>	Amounts Due Within <u>One Year</u>
<u>Governmental activities</u>					
<u>General Obligation Bonds:</u>					
1998 Various Purpose Bonds	\$ 665,000	\$ -	\$ (55,000)	\$ 610,000	\$ 55,000
2004 Main Street Bonds	340,000	-	(110,000)	230,000	115,000
2004 Fire Truck Bonds	185,000	-	(45,000)	140,000	45,000
2004 West State Street Bonds	415,000	-	(25,000)	390,000	30,000
2004 West Main Street/Freshley Bonds	<u>410,000</u>	<u>-</u>	<u>(100,000)</u>	<u>310,000</u>	<u>100,000</u>
Total General Obligation Bonds	<u>2,015,000</u>	<u>-</u>	<u>(335,000)</u>	<u>1,680,000</u>	<u>345,000</u>
<u>Special Assessment Bonds:</u>					
1999 Various Purpose	<u>400,000</u>	<u>-</u>	<u>(45,000)</u>	<u>355,000</u>	<u>50,000</u>
Total Special Assessment Bonds	<u>400,000</u>	<u>-</u>	<u>(45,000)</u>	<u>355,000</u>	<u>50,000</u>
<u>Other Long-Term Obligation:</u>					
Police and Fire Pension Liability	389,017	-	(7,705)	381,312	8,036
Compensated Absences	<u>2,252,404</u>	<u>1,233,937</u>	<u>(1,112,325)</u>	<u>2,374,016</u>	<u>711,548</u>
Total Governmental Activities	<u>\$ 5,056,421</u>	<u>\$ 1,233,937</u>	<u>\$ (1,500,030)</u>	<u>\$ 4,790,328</u>	<u>\$ 1,114,584</u>

Series 1998 Various Purpose General Obligation Bonds

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

Series 2004 Main Street Downtown Improvements General Obligation Bonds

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

Series 2004 Fire Truck General Obligation Bonds

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 West State Street Improvement General Obligation Bonds

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

Series 2004 West Main Street/Freshley Avenue General Obligation Bonds

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

Series 1999 Special Assessment Bonds

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

Police and Fire Pension Liability

The City was required to begin paying past pension for police and fire pension that were incurred when the State of Ohio established the Statewide system for police and firefighters in 1967. The City is required to make semi-annual payments on May 31 and November 30 of every year. The liability carries an interest rate of 4.21% and matures on November 30, 2036. The police and fire pension liability will be paid from tax revenue in the police pension fund (a nonmajor governmental fund) and the fire pension fund (a nonmajor governmental fund).

Compensated absences

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2008, are as follows:

Year Ending December 31,	<u>1998 Various Purpose</u>		<u>2004 Main Street</u>		<u>2004 Fire Truck</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 55,000	\$ 30,070	\$ 115,000	\$ 7,050	\$ 45,000	\$ 4,450
2010	60,000	27,540	115,000	7,050	45,000	3,100
2011	60,000	24,750	-	-	50,000	1,600
2012	65,000	21,750	-	-	-	-
2013	65,000	18,500	-	-	-	-
2014 - 2017	<u>305,000</u>	<u>39,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 610,000</u>	<u>\$ 161,610</u>	<u>\$ 230,000</u>	<u>\$ 14,100</u>	<u>\$ 140,000</u>	<u>\$ 9,150</u>

Year Ending December 31,	<u>2004 West State Street</u>		<u>2004 West Main Street/Freshly</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 30,000	\$ 14,823	\$ 100,000	\$ 9,970
2010	30,000	13,923	105,000	6,820
2011	30,000	13,023	105,000	3,520
2012	30,000	13,023	-	-
2013	30,000	12,053	-	-
2014 - 2018	175,000	43,890	-	-
2019 - 2020	<u>65,000</u>	<u>5,010</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 390,000</u>	<u>\$ 115,745</u>	<u>\$ 310,000</u>	<u>\$ 20,310</u>

Year Ending December 31,	<u>Special Assessment Bonds</u>		<u>Police and Fire Pension Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 50,000	\$ 21,219	\$ 8,036	\$ 16,110
2010	55,000	18,469	8,379	15,765
2011	55,000	15,169	8,740	15,406
2012	60,000	11,869	9,115	15,031
2013	65,000	8,269	9,506	14,639
2014 - 2018	70,000	4,288	54,014	66,714
2019 - 2023	-	-	66,645	54,084
2024 - 2028	-	-	82,229	38,500
2029 - 2033	-	-	101,457	19,271
2034 - 2036	<u>-</u>	<u>-</u>	<u>33,191</u>	<u>818</u>
Total	<u>\$ 355,000</u>	<u>\$ 79,283</u>	<u>\$ 381,312</u>	<u>\$ 256,338</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

Changes in the enterprise long-term obligations of the City during 2008 were as follows:

	Balance Outstanding 1/1/08	Additions	Reductions	Balance Outstanding 12/31/08	Amounts Due Within One Year
<u>Business-type activities:</u>					
<i>Revenue Bonds:</i>					
1998 Water Refunding	\$ 15,000,000	\$ -	\$ (15,000,000)	\$ -	\$ -
Unamortized Discount	(192,596)	-	192,596	-	-
Unamortized Accounting Loss	(739,122)	-	739,122	-	-
2008 Water Refunding	-	14,275,000	-	14,275,000	930,000
Unamortized Premium	-	100,577	(2,074)	98,503	8,295
Unamortized Accounting Loss	-	(1,452,792)	29,954	(1,422,838)	(119,818)
Total Revenue Bonds	<u>14,068,282</u>	<u>12,922,785</u>	<u>(14,040,402)</u>	<u>12,950,665</u>	<u>818,477</u>
<i>General Obligation Bonds:</i>					
2004 Sewer General Obligation Bond	1,328,000	-	(400,000)	928,000	410,000
2004 Sewer West Beech Creek	1,292,000	-	(35,000)	1,257,000	35,000
Unamortized Discount	(22,920)	-	11,460	(11,460)	(11,460)
Total General Obligation Bonds	<u>2,597,080</u>	<u>-</u>	<u>(423,540)</u>	<u>2,173,540</u>	<u>433,540</u>
<i>Other Long-Term Obligations:</i>					
OPWC Loan - Gaskill (2002)	34,622	-	(2,663)	31,959	2,663
OPWC Loan - Beeson St. (2004)	234,339	-	(13,784)	220,555	13,784
OPWC Loan - WWTP Clarifier (2006)	107,996	-	(5,684)	102,312	5,684
Compensated Absences	776,343	353,043	(288,358)	841,028	319,749
Total Business-type activities	<u>\$ 17,818,662</u>	<u>\$ 13,275,828</u>	<u>\$ (14,774,431)</u>	<u>\$ 16,320,059</u>	<u>\$ 1,593,897</u>

Series 1998 Water Refunding Revenue Bonds

During 1998, the City issued \$21,510,000 in revenue bonds to refund previously issued Series 1991 water revenue bonds. These refunded bonds were defeased by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The assets held in trust as a result of the advance refunding are not included in the financial statements. The 1998 revenue bonds were refunded during 2008 by the Series 2008 revenue bonds.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2008 Water Refunding Bonds

On September 24, 2008, the City issued revenue bonds (Series 2008 Refunding Bonds) to advance refund the callable portion of the Series 1998 revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The balance of the refunded Series 1998 current interest bonds at December 31, 2008, is \$14,145,000.

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

The reacquisition price exceeded the net carrying amount of the old debt by \$1,452,792. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 12 years by \$975,385 and resulted in an economic gain of \$740,100.

The City has pledged future water customer revenues, net of specified operating expenses, to repay the Series 2008 water refunding revenue bonds that were used for the purchase and repair of water lines in the City. The Series 2008 water refunding revenue bonds are payable solely from water customer net revenues and are payable through 2020. Annual principal and interest payments on the bonds are expected to require approximately 50.68% percent of net revenues. The total principal and interest remaining to be paid on the Series 2008 water refunding revenue bonds is \$17,985,671. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,594,300 and \$3,145,614, respectively.

Series 2004 General Obligation Sewer Bonds

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

Series 2004 West Beech Creek Sewer General Obligation Bonds

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

Ohio Public Works Commission (OPWC) Loans

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

Compensated absences

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2008, are as follows:

Year Ending December 31,	2008 Revenue Bonds		2004 Sewer Bonds		2004 West Beech Creek Sewer Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 930,000	\$ 569,421	\$ 410,000	\$ 24,900	\$ 35,000	\$ 55,141
2010	1,030,000	470,862	518,000	12,600	40,000	54,091
2011	1,060,000	439,963	-	-	40,000	52,891
2012	1,095,000	408,162	-	-	40,000	51,611
2013	1,125,000	375,313	-	-	40,000	50,261
2014 - 2018	6,210,000	1,276,350	-	-	235,000	227,371
2019 - 2023	2,825,000	170,600	-	-	280,000	174,039
2024 - 2028	-	-	-	-	350,000	110,401
2029 - 2031	-	-	-	-	197,000	23,356
Total	\$ 14,275,000	\$ 3,710,671	\$ 928,000	\$ 37,500	\$ 1,257,000	\$ 799,162

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		WWTP Clarifier Rehab	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 2,663	\$ -	\$ 13,784	\$ -	\$ 5,684	\$ -
2010	2,663	-	13,784	-	5,684	-
2011	2,663	-	13,784	-	5,684	-
2012	2,663	-	13,784	-	5,684	-
2013	2,663	-	13,784	-	5,684	-
2014 - 2018	13,315	-	68,923	-	28,420	-
2019 - 2023	5,329	-	68,928	-	28,420	-
2024 - 2025	-	-	13,784	-	17,052	-
Total	\$ 31,959	\$ -	\$ 220,555	\$ -	\$ 102,312	\$ -

C. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2008, the City's total debt margin was \$29,503,249 and the unvoted debt margin was \$14,654,083.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. Conduit Debt

The City has issued Industrial Development Revenue Bonds for private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Servicing these debts is the sole obligation of the entities which received the debt proceeds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2008, \$62,210,000 had been issued and \$55,515,000 was still outstanding.

NOTE 11 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The City's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 11 - PENSION PLANS - (Continued)

The City's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 10.40% of covered payroll. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$434,328, \$511,531, and \$525,331, respectively; 91.73% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$274,079 and \$287,060 for the year ended December 31, 2008, \$240,903 and \$249,238 for the year ended December 31, 2007 and \$235,628 and \$238,545, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 72.25% has been contributed for police and firefighters for 2008.

NOTE 12 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$434,328, \$336,492 and \$256,595, respectively; 91.73% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

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

B. Ohio Police and Fire Pension Fund

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

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Funding Policy - The OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code Section 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$145,100 and \$112,328 for the year ended December 31, 2008, \$158,604 and \$118,913 for the year ended December 31, 2007 and \$155,415 and \$113,767 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 72.25% has been contributed for police and firefighters for 2008.

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

If any employee leaves the City for any reason, the City will pay the employee a maximum of 480 hours for the compensatory time accumulated during the prior year of employment. As of December 31, 2008, the total liability for unpaid compensated absences was \$2,374,016 for the governmental activities and \$841,028 for the business-type activities.

B. Life Insurance

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2008.

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, 2008.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Stark County Council of Governments (SCOG) - The City participates in the Stark County Council of Governments (SCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities, villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and oversees accounting and finance related activities. Each participant's control is limited to its membership shares. During 2008, the City of Alliance did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Stark County Regional Planning Commission - The City participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 48 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2008, the City contributed \$2,000 to the Commission, which represents .1% of total contributions. Complete financial statements may be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,603,471	\$ 981,282	\$ 3,584,753
Receivables (net of allowances of uncollectibles):			
Municipal income taxes	-	482,515	482,515
Property and other taxes	204,926	-	204,926
Accounts	10,932	-	10,932
Intergovernmental	603,758	250,000	853,758
Special assessments	-	41,372	41,372
Loans	38,759	-	38,759
Prepayments	5,378	-	5,378
Total assets	<u>\$ 3,467,224</u>	<u>\$ 1,755,169</u>	<u>\$ 5,222,393</u>
Liabilities:			
Accounts payable	\$ 20,110	\$ 3,297	\$ 23,407
Accrued wages and benefits	46,767	-	46,767
Intergovernmental payable	46,238	-	46,238
Deferred revenue	391,689	461,967	853,656
Unearned revenue	175,186	-	175,186
Total liabilities	<u>679,990</u>	<u>465,264</u>	<u>1,145,254</u>
Fund Balances:			
Fund balances:			
Reserved for encumbrances	72,759	36,288	109,047
Reserved for prepayments	5,378	-	5,378
Reserved for loans receivable	38,759	-	38,759
Unreserved, undesignated, reported in:			
Special revenue funds	2,670,338	-	2,670,338
Capital projects funds	-	1,253,617	1,253,617
Total fund balances	<u>2,787,234</u>	<u>1,289,905</u>	<u>4,077,139</u>
Total liabilities and fund equity	<u>\$ 3,467,224</u>	<u>\$ 1,755,169</u>	<u>\$ 5,222,393</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Municipal income taxes	\$ -	\$ 1,500,253	\$ 1,500,253
Property and other taxes	458,802	-	458,802
Licenses and permits	79,315	-	79,315
Fines and forfeitures	292,616	-	292,616
Intergovernmental	1,951,462	11,950	1,963,412
Investment income	24,420	-	24,420
Contributions and donations	8,711	-	8,711
Other	288,537	15,000	303,537
	<hr/>	<hr/>	<hr/>
Total revenues	3,103,863	1,527,203	4,631,066
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	108,096	-	108,096
Security of persons and property	1,055,289	-	1,055,289
Public health services	346,179	-	346,179
Transportation	1,051,166	-	1,051,166
Community environment	540,056	-	540,056
Capital outlay	130,000	1,119,970	1,249,970
Debt service:			
Principal retirement	7,705	-	7,705
Interest and fiscal charges	16,441	-	16,441
	<hr/>	<hr/>	<hr/>
Total expenditures	3,254,932	1,119,970	4,374,902
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(151,069)	407,233	256,164
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	724,524	-	724,524
Transfers out	(345,596)	(50,575)	(396,171)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	378,928	(50,575)	328,353
	<hr/>	<hr/>	<hr/>
Net change in fund balances	227,859	356,658	584,517
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	2,559,375	933,247	3,492,622
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 2,787,234</u>	<u>\$ 1,289,905</u>	<u>\$ 4,077,139</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Street Repair and Maintenance Fund

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

Federal COPS Fast Program Fund

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

State Highway Fund

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

Law Enforcement Block Grant Fund

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

Motor Vehicle License Fund

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

Municipal Court Computerization Fund

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

Health Fund

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

Litter Control Fund

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

State Misdemeanant Grant Fund

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

Federal Aging Grant Fund

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

Cemetery Fund

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

(continued)

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - continued

HUD Grant Fund

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

Community Development Block Grant Fund

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

Fire Pension Fund

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

Police Pension Fund

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

Tax Increment Fund

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

Other

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

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

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
Assets:				
Equity in pooled cash and cash equivalents.	\$ 38,460	\$ 76,634	\$ 3,731	\$ 82,951
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Intergovernmental	378,407	-	30,682	-
Loans	-	-	-	-
Accounts	-	-	-	-
Prepayments	5,252	-	-	-
Total assets	<u>\$ 422,119</u>	<u>\$ 76,634</u>	<u>\$ 34,413</u>	<u>\$ 82,951</u>
Liabilities:				
Accounts payable	\$ 13,524	\$ -	\$ -	\$ 739
Accrued wages and benefits	25,656	-	-	-
Intergovernmental payable	26,963	-	-	-
Deferred revenue	258,642	-	20,971	-
Unearned revenue	-	-	-	-
Total liabilities	<u>324,785</u>	<u>-</u>	<u>20,971</u>	<u>739</u>
Fund Balances:				
Reserved for encumbrances	2,037	-	-	-
Reserved for prepayments.	5,252	-	-	-
Reserved for loans receivable	-	-	-	-
Unreserved:				
Undesignated.	90,045	76,634	13,442	82,212
Total fund balances	<u>97,334</u>	<u>76,634</u>	<u>13,442</u>	<u>82,212</u>
Total liabilities and fund balances.	<u>\$ 422,119</u>	<u>\$ 76,634</u>	<u>\$ 34,413</u>	<u>\$ 82,951</u>

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$ 3,429	\$ 41,178	\$ 105,087	\$ 6,858	\$ 10,568	\$ 2,470
-	-	-	-	-	-
103,282	-	20,893	6,308	-	293
-	-	-	-	-	-
-	5,011	-	-	-	-
-	-	-	-	-	-
<u>\$ 106,711</u>	<u>\$ 46,189</u>	<u>\$ 125,980</u>	<u>\$ 13,166</u>	<u>\$ 10,568</u>	<u>\$ 2,763</u>
\$ -	\$ 384	\$ 126	\$ 41	\$ -	\$ -
-	-	7,122	1,561	-	107
-	172	6,920	1,692	-	340
71,874	-	-	-	-	-
-	-	-	-	-	-
<u>71,874</u>	<u>556</u>	<u>14,168</u>	<u>3,294</u>	<u>-</u>	<u>447</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,837</u>	<u>45,633</u>	<u>111,812</u>	<u>9,872</u>	<u>10,568</u>	<u>2,316</u>
<u>34,837</u>	<u>45,633</u>	<u>111,812</u>	<u>9,872</u>	<u>10,568</u>	<u>2,316</u>
<u>\$ 106,711</u>	<u>\$ 46,189</u>	<u>\$ 125,980</u>	<u>\$ 13,166</u>	<u>\$ 10,568</u>	<u>\$ 2,763</u>

Continued

CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Fire Pension</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 665,677	\$ 131,078	\$ 96,829	\$ 10,001
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	102,463
Intergovernmental	-	53,031	-	5,181
Loans	-	-	38,759	-
Accounts	-	-	-	-
Prepayments	126	-	-	-
Total assets	<u>\$ 665,803</u>	<u>\$ 184,109</u>	<u>\$ 135,588</u>	<u>\$ 117,645</u>
Liabilities:				
Accounts payable	\$ 1,917	\$ 3,265	\$ -	\$ -
Accrued wages and benefits	2,283	10,038	-	-
Intergovernmental payable	3,100	7,051	-	-
Deferred revenue.	-	-	-	20,051
Unearned revenue	-	-	-	87,593
Total liabilities	<u>7,300</u>	<u>20,354</u>	<u>-</u>	<u>107,644</u>
Fund Balances:				
Reserved for encumbrances	-	70,597	-	-
Reserved for prepayments.	126	-	-	-
Reserved for loans receivable	-	-	38,759	-
Unreserved:				
Undesignated.	658,377	93,158	96,829	10,001
Total fund balances	<u>658,503</u>	<u>163,755</u>	<u>135,588</u>	<u>10,001</u>
Total liabilities and fund balances.	<u>\$ 665,803</u>	<u>\$ 184,109</u>	<u>\$ 135,588</u>	<u>\$ 117,645</u>

Police Pension	Tax Increment	Other	Totals
\$ 10,001	\$ 802,594	\$ 515,925	\$ 2,603,471
102,463	-	-	204,926
5,181	-	500	603,758
-	-	-	38,759
-	-	5,921	10,932
-	-	-	5,378
<u>\$ 117,645</u>	<u>\$ 802,594</u>	<u>\$ 522,346</u>	<u>\$ 3,467,224</u>
\$ -	\$ -	\$ 114	\$ 20,110
-	-	-	46,767
-	-	-	46,238
20,051	-	100	391,689
87,593	-	-	175,186
<u>107,644</u>	<u>-</u>	<u>214</u>	<u>679,990</u>
-	-	125	72,759
-	-	-	5,378
-	-	-	38,759
<u>10,001</u>	<u>802,594</u>	<u>522,007</u>	<u>2,670,338</u>
<u>10,001</u>	<u>802,594</u>	<u>522,132</u>	<u>2,787,234</u>
<u>\$ 117,645</u>	<u>\$ 802,594</u>	<u>\$ 522,346</u>	<u>\$ 3,467,224</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-
Fines and forfeitures	-	-	-	84,514
Intergovernmental	772,026	-	62,597	-
Investment income	143	1,471	107	546
Contributions and donations	-	-	-	-
Other	184,795	-	3,000	-
Total revenues.	<u>956,964</u>	<u>1,471</u>	<u>65,704</u>	<u>85,060</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	61,016	-	-	19,210
Public health services	-	-	-	-
Transportation	913,951	-	24,481	-
Community environment	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Total expenditures.	<u>974,967</u>	<u>-</u>	<u>24,481</u>	<u>19,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,003)</u>	<u>1,471</u>	<u>41,223</u>	<u>65,850</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(40,448)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(40,448)</u>	<u>-</u>
Net change in fund balances	(18,003)	1,471	775	65,850
Fund balances at beginning of year	<u>115,337</u>	<u>75,163</u>	<u>12,667</u>	<u>16,362</u>
Fund balances at end of year	<u>\$ 97,334</u>	<u>\$ 76,634</u>	<u>\$ 13,442</u>	<u>\$ 82,212</u>

Motor Vehicle License	Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Federal Aging Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	43,490	-	-	-
-	64,319	-	-	-	-
214,471	-	174,932	25,779	-	8,747
-	-	-	-	-	92
-	-	-	1,500	-	-
-	56	289	73	-	14
<u>214,471</u>	<u>64,375</u>	<u>218,711</u>	<u>27,352</u>	<u>-</u>	<u>8,853</u>
-	41,253	-	-	-	9,816
-	-	8,201	-	-	-
-	-	217,830	-	-	-
-	-	-	-	-	-
-	-	-	56,256	-	-
130,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>130,000</u>	<u>41,253</u>	<u>226,031</u>	<u>56,256</u>	<u>-</u>	<u>9,816</u>
<u>84,471</u>	<u>23,122</u>	<u>(7,320)</u>	<u>(28,904)</u>	<u>-</u>	<u>(963)</u>
-	-	1,994	36,000	-	-
<u>(87,573)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(87,573)</u>	<u>-</u>	<u>1,994</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
(3,102)	23,122	(5,326)	7,096	-	(963)
<u>37,939</u>	<u>22,511</u>	<u>117,138</u>	<u>2,776</u>	<u>10,568</u>	<u>3,279</u>
<u>\$ 34,837</u>	<u>\$ 45,633</u>	<u>\$ 111,812</u>	<u>\$ 9,872</u>	<u>\$ 10,568</u>	<u>\$ 2,316</u>

Continued

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Cemetery</u>	<u>HUD Grant</u>	<u>Community Development Block Grant</u>	<u>Fire Pension</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ 77,354
License and permits	35,825	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	644,371	-	17,932
Investment income	12,627	-	2,844	-
Contributions and donations	-	-	-	-
Other	36,307	5,628	35,227	107
Total revenues.	<u>84,759</u>	<u>649,999</u>	<u>38,071</u>	<u>95,393</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	362,408
Public health services	128,349	-	-	-
Transportation	-	-	-	-
Community environment	-	471,181	4,424	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	4,373
Interest and fiscal charges.	-	-	-	9,331
Total expenditures.	<u>128,349</u>	<u>471,181</u>	<u>4,424</u>	<u>376,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,590)</u>	<u>178,818</u>	<u>33,647</u>	<u>(280,719)</u>
Other financing sources (uses):				
Transfers in	68,000	-	-	278,588
Transfers out	-	(105,105)	-	-
Total other financing sources (uses).	<u>68,000</u>	<u>(105,105)</u>	<u>-</u>	<u>278,588</u>
Net change in fund balances	24,410	73,713	33,647	(2,131)
Fund balances at beginning of year	<u>634,093</u>	<u>90,042</u>	<u>101,941</u>	<u>12,132</u>
Fund balances at end of year	<u>\$ 658,503</u>	<u>\$ 163,755</u>	<u>\$ 135,588</u>	<u>\$ 10,001</u>

Police Pension	Tax Increment	Other	Totals
\$ 77,354	\$ 304,094	\$ -	\$ 458,802
-	-	-	79,315
-	-	143,783	292,616
17,932	-	12,675	1,951,462
-	-	6,590	24,420
-	-	7,211	8,711
107	-	22,934	288,537
<u>95,393</u>	<u>304,094</u>	<u>193,193</u>	<u>3,103,863</u>
-	-	57,027	108,096
427,048	-	177,406	1,055,289
-	-	-	346,179
-	112,734	-	1,051,166
-	-	8,195	540,056
-	-	-	130,000
3,332	-	-	7,705
7,110	-	-	16,441
<u>437,490</u>	<u>112,734</u>	<u>242,628</u>	<u>3,254,932</u>
<u>(342,097)</u>	<u>191,360</u>	<u>(49,435)</u>	<u>(151,069)</u>
339,942	-	-	724,524
-	(112,470)	-	(345,596)
<u>339,942</u>	<u>(112,470)</u>	<u>-</u>	<u>378,928</u>
(2,155)	78,890	(49,435)	227,859
12,156	723,704	571,567	2,559,375
<u>\$ 10,001</u>	<u>\$ 802,594</u>	<u>\$ 522,132</u>	<u>\$ 2,787,234</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET REPAIR AND MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 841,500	\$ 781,561	\$ (59,939)
Investment income.	500	143	(357)
Other.	3,600	184,795	181,195
Total revenues.	<u>845,600</u>	<u>966,499</u>	<u>120,899</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	36,907	36,503	404
Fringe benefits.	18,016	18,009	7
Contractual services.	12,418	6,390	6,028
Total security of persons and property.	<u>67,341</u>	<u>60,902</u>	<u>6,439</u>
Transportation:			
Street transportation:			
Salaries and wages.	502,474	499,846	2,628
Fringe benefits.	235,573	232,683	2,890
Contractual services.	94,950	85,493	9,457
Materials and supplies.	96,300	93,591	2,709
Total transportation.	<u>929,297</u>	<u>911,613</u>	<u>17,684</u>
Total expenditures.	<u>996,638</u>	<u>972,515</u>	<u>24,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,038)</u>	<u>(6,016)</u>	<u>145,022</u>
Other financing sources:			
Transfers in.	150,000	-	(150,000)
Total other financing sources.	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balance.	(1,038)	(6,016)	(4,978)
Fund balance at beginning of year	40,939	40,939	-
Prior year encumbrances appropriated	1,500	1,500	-
Fund balance at end of year.	<u>\$ 41,401</u>	<u>\$ 36,423</u>	<u>\$ (4,978)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL COPS FAST PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income.	\$ 5,000	\$ 1,471	\$ (3,529)
Total revenues.	<u>5,000</u>	<u>1,471</u>	<u>(3,529)</u>
Net change in fund balance.	5,000	1,471	(3,529)
Fund balance at beginning of year	<u>75,163</u>	<u>75,163</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 80,163</u>	<u>\$ 76,634</u>	<u>\$ (3,529)</u>

CITY OF ALLIANCE, OHIO

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

STATE HIGHWAY FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 70,000	\$ 63,370	\$ (6,630)
Investment income.	500	107	(393)
Other.	-	3,000	3,000
Total revenues.	<u>70,500</u>	<u>66,477</u>	<u>(4,023)</u>
Expenditures:			
Current:			
Transportation:			
Street repair and maintenance:			
Capital outlay.	<u>30,000</u>	<u>24,481</u>	<u>5,519</u>
Total expenditures	<u>30,000</u>	<u>24,481</u>	<u>5,519</u>
Excess of revenues over expenditures.	<u>40,500</u>	<u>41,996</u>	<u>1,496</u>
Other financing uses:			
Transfers out.	<u>(41,000)</u>	<u>(40,448)</u>	<u>552</u>
Total other financing uses	<u>(41,000)</u>	<u>(40,448)</u>	<u>552</u>
Net change in fund balance.	(500)	1,548	2,048
Fund balance at beginning of year	<u>2,183</u>	<u>2,183</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,683</u>	<u>\$ 3,731</u>	<u>\$ 2,048</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 80,000	\$ 84,514	\$ 4,514
Investment income.	2,000	546	(1,454)
Total revenues.	<u>82,000</u>	<u>85,060</u>	<u>3,060</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	<u>62,347</u>	<u>20,490</u>	<u>41,857</u>
Total expenditures	<u>62,347</u>	<u>20,490</u>	<u>41,857</u>
Net change in fund balance.	19,653	64,570	44,917
Fund balance at beginning of year	17,034	17,034	-
Prior year encumbrances appropriated . .	<u>1,347</u>	<u>1,347</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 38,034</u></u>	<u><u>\$ 82,951</u></u>	<u><u>\$ 44,917</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE LICENSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 212,500	\$ 212,884	\$ 384
Total revenues.	<u>212,500</u>	<u>212,884</u>	<u>384</u>
Expenditures:			
Transportation			
Capital outlay	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>82,500</u>	<u>82,884</u>	<u>384</u>
Other financing uses:			
Transfers out.	<u>(88,000)</u>	<u>(87,573)</u>	<u>427</u>
Total other financing uses.	<u>(88,000)</u>	<u>(87,573)</u>	<u>427</u>
Net change in fund balance.	(5,500)	(4,689)	811
Fund balance at beginning of year	<u>8,118</u>	<u>8,118</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,618</u>	<u>\$ 3,429</u>	<u>\$ 811</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 68,000	\$ 64,633	\$ (3,367)
Other.	50	56	6
Total revenues.	<u>68,050</u>	<u>64,689</u>	<u>(3,361)</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Salaries and wages.	30,000	18,025	11,975
Fringe benefits.	5,511	3,863	1,648
Contractual services.	16,500	5,801	10,699
Materials and supplies.	16,200	8,444	7,756
Capital outlay.	10,000	5,841	4,159
Total expenditures	<u>78,211</u>	<u>41,974</u>	<u>36,237</u>
Net change in fund balance.	(10,161)	22,715	32,876
Fund balance at beginning of year	<u>18,463</u>	<u>18,463</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,302</u>	<u>\$ 41,178</u>	<u>\$ 32,876</u>

CITY OF ALLIANCE, OHIO

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

HEALTH FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fees.	\$ 42,000	\$ 43,490	\$ 1,490
Intergovernmental	188,000	181,223	(6,777)
Other.	-	289	289
Total revenues.	<u>230,000</u>	<u>225,002</u>	<u>(4,998)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Salaries and wages.	21,168	7,851	13,317
Fringe benefits.	610	416	194
Total security of persons and property.	<u>21,778</u>	<u>8,267</u>	<u>13,511</u>
Public health services:			
Salaries and wages.	143,174	138,686	4,488
Fringe benefits.	63,026	61,131	1,895
Contractual services.	5,050	2,845	2,205
Materials and supplies.	11,300	10,278	1,022
Capital outlay.	600	-	600
Other.	5,000	4,874	126
Total public health services	<u>228,150</u>	<u>217,814</u>	<u>10,336</u>
Total expenditures	<u>249,928</u>	<u>226,081</u>	<u>23,847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,928)</u>	<u>(1,079)</u>	<u>18,849</u>
Other financing sources (uses):			
Transfers in.	11,000	1,994	(9,006)
Transfers out.	(8,728)	-	8,728
Advance out.	(2,037)	(2,037)	-
Total other financing sources (uses)	<u>235</u>	<u>(43)</u>	<u>(278)</u>
Net change in fund balance.	(19,693)	(1,122)	18,571
Fund balance at beginning of year	<u>106,209</u>	<u>106,209</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 86,516</u>	<u>\$ 105,087</u>	<u>\$ 18,571</u>

CITY OF ALLIANCE, OHIO

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

LITTER CONTROL FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 31,720	\$ 25,988	\$ (5,732)
Contributions and donations.	2,500	1,500	(1,000)
Other.	-	73	73
Total revenues.	<u>34,220</u>	<u>27,561</u>	<u>(6,659)</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages.	33,897	32,682	1,215
Fringe benefits.	18,895	18,890	5
Contractual services.	3,185	3,086	99
Materials and supplies.	2,217	2,173	44
Total expenditures	<u>58,194</u>	<u>56,831</u>	<u>1,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,974)</u>	<u>(29,270)</u>	<u>(5,296)</u>
Other financing sources:			
Transfers in.	29,150	36,000	6,850
Total other financing sources.	<u>29,150</u>	<u>36,000</u>	<u>6,850</u>
Net change in fund balance.	5,176	6,730	1,554
Fund balance at beginning of year	<u>128</u>	<u>128</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,304</u>	<u>\$ 6,858</u>	<u>\$ 1,554</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE MISDEMEANANT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

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

CITY OF ALLIANCE, OHIO

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

FEDERAL AGING GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 11,000	\$ 9,328	\$ (1,672)
Investment income.	-	92	92
Other.	-	14	14
Total revenues.	<u>11,000</u>	<u>9,434</u>	<u>(1,566)</u>
Expenditures:			
Current:			
General government:			
Aging:			
Salaries and wages.	8,700	6,713	1,987
Fringe benefits.	2,232	1,623	609
Contractual services.	686	666	20
Materials and supplies.	650	589	61
Total expenditures	<u>12,268</u>	<u>9,591</u>	<u>2,677</u>
Net change in fund balance.	(1,268)	(157)	1,111
Fund balance at beginning of year	<u>2,627</u>	<u>2,627</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,359</u>	<u>\$ 2,470</u>	<u>\$ 1,111</u>

CITY OF ALLIANCE, OHIO

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

CEMETERY FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses, permits and fees.	\$ 33,000	\$ 35,825	\$ 2,825
Investment income.	(2,000)	12,627	14,627
Other.	25,000	36,307	11,307
Total revenues.	<u>56,000</u>	<u>84,759</u>	<u>28,759</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages.	73,795	73,787	8
Fringe benefits.	25,217	24,887	330
Contractual services.	21,616	20,878	738
Materials and supplies.	8,918	8,192	726
Total expenditures	<u>129,546</u>	<u>127,744</u>	<u>1,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,546)</u>	<u>(42,985)</u>	<u>30,561</u>
Other financing sources:			
Transfers in.	62,500	68,000	5,500
Total other financing sources.	<u>62,500</u>	<u>68,000</u>	<u>5,500</u>
Net change in fund balance.	(11,046)	25,015	36,061
Fund balance at beginning of year	639,946	639,946	-
Prior year encumbrances appropriated	716	716	-
Fund balance at end of year.	<u>\$ 629,616</u>	<u>\$ 665,677</u>	<u>\$ 36,061</u>

CITY OF ALLIANCE, OHIO

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

HUD GRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,508,726	\$ 591,340	\$ (917,386)
Other.	11,650	5,628	(6,022)
Total revenues.	<u>1,520,376</u>	<u>596,968</u>	<u>(923,408)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages.	218,707	113,230	105,477
Fringe benefits.	150,436	76,825	73,611
Contractual services.	379,730	159,602	220,128
Materials and supplies.	27,469	7,676	19,793
Capital outlay.	584,961	117,453	467,508
Other.	173,240	78,495	94,745
Total expenditures	<u>1,534,543</u>	<u>553,281</u>	<u>981,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,167)</u>	<u>43,687</u>	<u>57,854</u>
Other financing uses:			
Transfers out.	<u>(106,106)</u>	<u>(105,105)</u>	<u>1,001</u>
Total other financing uses.	<u>(106,106)</u>	<u>(105,105)</u>	<u>1,001</u>
Net change in fund balance.	(120,273)	(61,418)	58,855
Fund balance at beginning of year	64,810	64,810	-
Prior year encumbrances appropriated	<u>56,107</u>	<u>56,107</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 644</u>	<u>\$ 59,499</u>	<u>\$ 58,855</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income.	\$ 4,500	\$ 2,844	\$ (1,656)
Other.	35,000	49,573	14,573
Total revenues.	<u>39,500</u>	<u>52,417</u>	<u>12,917</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Materials and supplies.	5,100	5,049	51
Capital outlay.	<u>56,900</u>	<u>22,941</u>	<u>33,959</u>
Total expenditures	<u>62,000</u>	<u>27,990</u>	<u>34,010</u>
Net change in fund balance.	(22,500)	24,427	46,927
Fund balance at beginning of year	<u>72,402</u>	<u>72,402</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 49,902</u>	<u>\$ 96,829</u>	<u>\$ 46,927</u>

CITY OF ALLIANCE, OHIO

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

FIRE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other taxes.	\$ 77,195	\$ 77,354	\$ 159
Intergovernmental.	14,989	17,932	2,943
Other.	735	107	(628)
Total revenues.	<u>92,919</u>	<u>95,393</u>	<u>2,474</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	392,000	374,827	17,173
Contractual services.	3,000	1,309	1,691
Total expenditures	<u>395,000</u>	<u>376,136</u>	<u>18,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(302,081)</u>	<u>(280,743)</u>	<u>21,338</u>
Other financing sources:			
Transfers in.	300,000	278,588	(21,412)
Total other financing sources.	<u>300,000</u>	<u>278,588</u>	<u>(21,412)</u>
Net change in fund balance.	(2,081)	(2,155)	(74)
Fund balance at beginning of year	<u>12,156</u>	<u>12,156</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,075</u>	<u>\$ 10,001</u>	<u>\$ (74)</u>

CITY OF ALLIANCE, OHIO

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

POLICE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other taxes.	\$ 77,195	\$ 77,354	\$ 159
Intergovernmental.	14,989	17,932	2,943
Other.	735	107	(628)
Total revenues.	<u>92,919</u>	<u>95,393</u>	<u>2,474</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	436,181	436,181	-
Contractual services.	3,000	1,309	1,691
Total expenditures	<u>439,181</u>	<u>437,490</u>	<u>1,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(346,262)</u>	<u>(342,097)</u>	<u>4,165</u>
Other financing sources:			
Transfers in.	339,942	339,942	-
Total other financing sources.	<u>339,942</u>	<u>339,942</u>	<u>-</u>
Net change in fund balance.	(6,320)	(2,155)	4,165
Fund balance at beginning of year	<u>12,156</u>	<u>12,156</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ 5,836</u>	<u>\$ 10,001</u>	<u>\$ 4,165</u>

CITY OF ALLIANCE, OHIO

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

TAX INCREMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 304,000	\$ 304,094	\$ 94
Total revenues.	<u>304,000</u>	<u>304,094</u>	<u>94</u>
Expenditures:			
Current:			
Transportation:			
Tax increment:			
Contractual services.	10,000	3,720	6,280
Other.	<u>166,135</u>	<u>166,135</u>	<u>-</u>
Total expenditures	<u>176,135</u>	<u>169,855</u>	<u>6,280</u>
Excess of revenues over expenditures.	<u>127,865</u>	<u>134,239</u>	<u>6,374</u>
Other financing uses:			
Transfers out.	<u>(115,000)</u>	<u>(112,470)</u>	<u>2,530</u>
Total other financing uses	<u>(115,000)</u>	<u>(112,470)</u>	<u>2,530</u>
Net change in fund balance.	12,865	21,769	8,904
Fund balance at beginning of year	<u>780,825</u>	<u>780,825</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 793,690</u>	<u>\$ 802,594</u>	<u>\$ 8,904</u>

CITY OF ALLIANCE, OHIO

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

L.E. PROFESSIONAL TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 5,000	\$ 3,880	\$ (1,120)
Total revenues.	<u>5,000</u>	<u>3,880</u>	<u>(1,120)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Contractual services.	5,000	3,663	1,337
Total expenditures	<u>5,000</u>	<u>3,663</u>	<u>1,337</u>
Net change in fund balance.	-	217	217
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ 217</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL EQUITABLE SHARING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 397,955	\$ 448,761	\$ 50,806
Investment income.	15,000	6,590	(8,410)
Other.	-	112	112
Total revenues.	<u>412,955</u>	<u>455,463</u>	<u>42,508</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies.	<u>304,300</u>	<u>173,743</u>	<u>130,557</u>
Total expenditures	<u>304,300</u>	<u>173,743</u>	<u>130,557</u>
Net change in fund balance.	108,655	281,720	173,065
Fund balance at beginning of year	<u>8,106</u>	<u>8,106</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 116,761</u>	<u>\$ 289,826</u>	<u>\$ 173,065</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVER ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 11,000	\$ 11,178	\$ 178
Total revenues.	<u>11,000</u>	<u>11,178</u>	<u>178</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	<u>13,000</u>	<u>2,550</u>	<u>10,450</u>
Total expenditures	<u>13,000</u>	<u>2,550</u>	<u>10,450</u>
Net change in fund balance.	(2,000)	8,628	10,628
Fund balance at beginning of year	<u>13,162</u>	<u>13,162</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 11,162</u></u>	<u><u>\$ 21,790</u></u>	<u><u>\$ 10,628</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 9,200	\$ 9,219	\$ 19
Total revenues.	<u>9,200</u>	<u>9,219</u>	<u>19</u>
Expenditures:			
Current:			
General government:			
Judicial:			
Materials and supplies.	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	(5,800)	(5,781)	19
Fund balance at beginning of year	<u>25,905</u>	<u>25,905</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 20,105</u></u>	<u><u>\$ 20,124</u></u>	<u><u>\$ 19</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 15,000	\$ 14,336	\$ (664)
Total revenues.	<u>15,000</u>	<u>14,336</u>	<u>(664)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	5,000	-	5,000
Materials and supplies.	10,500	7,051	3,449
Capital outlay.	<u>15,000</u>	<u>11,726</u>	<u>3,274</u>
Total expenditures	<u>30,500</u>	<u>18,777</u>	<u>11,723</u>
Net change in fund balance.	(15,500)	(4,441)	11,059
Fund balance at beginning of year	<u>15,956</u>	<u>15,956</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 456</u>	<u>\$ 11,515</u>	<u>\$ 11,059</u>

CITY OF ALLIANCE, OHIO

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

E-CITE FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 1,700	\$ 667	\$ (1,033)
Total revenues.	<u>1,700</u>	<u>667</u>	<u>(1,033)</u>
 Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	<u>2,800</u>	<u>1,007</u>	<u>1,793</u>
Total expenditures	<u>2,800</u>	<u>1,007</u>	<u>1,793</u>
 Net change in fund balance.	(1,100)	(340)	760
 Fund balance at beginning of year	<u>1,183</u>	<u>1,183</u>	<u>-</u>
 Fund balance at end of year.	<u>\$ 83</u>	<u>\$ 843</u>	<u>\$ 760</u>

CITY OF ALLIANCE, OHIO

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

HOME ADMINISTRATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 11,995	\$ 8,395	\$ (3,600)
Total revenues.	<u>11,995</u>	<u>8,395</u>	<u>(3,600)</u>
Expenditures:			
Current:			
Community environment:			
Salaries and wages.	7,098	7,098	-
Fringe benefits.	1,330	1,272	58
Total expenditures	<u>8,428</u>	<u>8,370</u>	<u>58</u>
Net change in fund balance.	3,567	25	(3,542)
Fund balance at beginning of year	<u>32</u>	<u>32</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,599</u>	<u>\$ 57</u>	<u>\$ (3,542)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCENTIVE REVIEW FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 1,000	\$ 1,000	\$ -
Total revenues.	<u>1,000</u>	<u>1,000</u>	<u>-</u>
 Excess of revenues over expenditures	 <u>1,000</u>	 <u>1,000</u>	 <u>-</u>
 Other financing uses:			
Transfers out.	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Total other financing uses	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
 Net change in fund balance.	 -	 1,000	 1,000
 Fund balance at beginning of year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ -</u>	 <u>\$ 1,000</u>	 <u>\$ 1,000</u>

CITY OF ALLIANCE, OHIO

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

LAND USE STUDY FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community environment:			
Contractual services.	\$ 4,144	\$ -	\$ 4,144
Total expenditures	<u>4,144</u>	<u>-</u>	<u>4,144</u>
Net change in fund balance.	(4,144)	-	4,144
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated . .	<u>4,144</u>	<u>4,144</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 4,144</u></u>	<u><u>\$ 4,144</u></u>

CITY OF ALLIANCE, OHIO

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

COURT ADR FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 17,000	\$ 18,210	\$ 1,210
Total revenues.	<u>17,000</u>	<u>18,210</u>	<u>1,210</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	2,000	150	1,850
Materials and supplies.	15,000	14,310	690
Total expenditures	<u>17,000</u>	<u>14,460</u>	<u>2,540</u>
Net change in fund balance.	-	3,750	3,750
Fund balance at beginning of year	<u>10,378</u>	<u>10,378</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,378</u>	<u>\$ 14,128</u>	<u>\$ 3,750</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT HISTORICAL GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 500	\$ -	\$ (500)
Total revenues.	<u>500</u>	<u>-</u>	<u>(500)</u>
 Net change in fund balance.	 500	 -	 (500)
 Fund balance at beginning of year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ 500</u>	 <u>\$ -</u>	 <u>\$ (500)</u>

CITY OF ALLIANCE, OHIO

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

COURT SECURITY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT SECURITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 35,000	\$ 34,453	\$ (547)
Total revenues.	<u>35,000</u>	<u>34,453</u>	<u>(547)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	6,500	3,198	3,302
Capital outlay.	70,000	2,550	67,450
Total expenditures	<u>76,500</u>	<u>5,748</u>	<u>70,752</u>
Net change in fund balance.	(41,500)	28,705	70,205
Fund balance at beginning of year	<u>76,589</u>	<u>76,589</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 35,089</u>	<u>\$ 105,294</u>	<u>\$ 70,205</u>

CITY OF ALLIANCE, OHIO

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

COURT IMMOBILIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 6,000	\$ 5,600	\$ (400)
Total revenues.	<u>6,000</u>	<u>5,600</u>	<u>(400)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies.	<u>15,816</u>	<u>2,483</u>	<u>13,333</u>
Total expenditures	<u>15,816</u>	<u>2,483</u>	<u>13,333</u>
Net change in fund balance.	(9,816)	3,117	12,933
Fund balance at beginning of year	15,114	15,114	-
Prior year encumbrances appropriated	<u>816</u>	<u>816</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,114</u>	<u>\$ 19,047</u>	<u>\$ 12,933</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKING LOT MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 2,000	\$ 2,141	\$ 141
Total revenues.	<u>2,000</u>	<u>2,141</u>	<u>141</u>
Expenditures:			
Current:			
Transportation:			
Contractual services.	17,500	-	17,500
Total expenditures	<u>17,500</u>	<u>-</u>	<u>17,500</u>
Net change in fund balance.	(15,500)	2,141	17,641
Fund balance at beginning of year	<u>16,489</u>	<u>16,489</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 989</u>	<u>\$ 18,630</u>	<u>\$ 17,641</u>

CITY OF ALLIANCE, OHIO

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

LAND REUTILIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community environment:			
Contractual services.	\$ 2,800	\$ -	\$ 2,800
Materials and supplies.	500	-	500
Total expenditures	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Net change in fund balance.	(3,300)	-	3,300
Fund balance at beginning of year	<u>3,383</u>	<u>3,383</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 83</u>	<u>\$ 3,383</u>	<u>\$ 3,300</u>

CITY OF ALLIANCE, OHIO

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

PARK RESOURCE FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 1,200	\$ 795	\$ (405)
Total revenues.	<u>1,200</u>	<u>795</u>	<u>(405)</u>
Expenditures:			
Current:			
Public health services:			
Capital outlay.	1,200	-	1,200
Total expenditures	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Net change in fund balance.	-	795	795
Fund balance at beginning of year	<u>208</u>	<u>208</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 208</u>	<u>\$ 1,003</u>	<u>\$ 795</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN SPECIAL EVENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Contributions and donations	\$ 10,000	\$ 7,051	\$ (2,949)
Total revenues.	<u>10,000</u>	<u>7,051</u>	<u>(2,949)</u>
Expenditures:			
Current:			
General Government:			
General Administration:			
Contractual services.	5,000	1,375	3,625
Materials and supplies.	1,500	993	507
Capital outlay.	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>7,500</u>	<u>2,368</u>	<u>5,132</u>
Net change in fund balance.	2,500	4,683	2,183
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,500</u>	<u>\$ 4,683</u>	<u>\$ 2,183</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION - GOVERNMENTAL FUNDS

Debt Service Fund

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

CITY OF ALLIANCE, OHIO

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

DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessments	\$ 70,000	\$ 67,529	\$ (2,471)
Total revenues	<u>70,000</u>	<u>67,529</u>	<u>(2,471)</u>
Expenditures:			
Debt service:			
Principal retirement:			
Bond	1,806,132	1,783,936	22,196
Interest and fiscal charges:			
Bond	<u>1,070,000</u>	<u>999,962</u>	<u>70,038</u>
Total expenditures	<u>2,876,132</u>	<u>2,783,898</u>	<u>92,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,806,132)</u>	<u>(2,716,369)</u>	<u>89,763</u>
Other financing sources:			
Transfers in	<u>2,711,000</u>	<u>2,715,249</u>	<u>4,249</u>
Total other financing sources	<u>2,711,000</u>	<u>2,715,249</u>	<u>4,249</u>
Net change in fund balance	(95,132)	(1,120)	94,012
Fund balance at beginning of year	<u>120,267</u>	<u>120,267</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,135</u>	<u>\$ 119,147</u>	<u>\$ 94,012</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

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

Street Income Tax Construction Fund

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

Capital Improvements Fund

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

Downtown Development Fund

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

Communication Equipment Fund

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

Jail Construction Fund

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

West State Street Fund

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

Street Improvement Fund

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

Municipal Road Fund

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

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2008

	<u>Street Income Tax Construction</u>	<u>Capital Improvements</u>	<u>Street Improvement</u>	<u>Downtown Development</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 559,129	\$ 327,349	\$ 44,143	\$ 34,307
Receivables (net of allowances of uncollectibles):				
Municipal income taxes	198,683	283,832	-	-
Special assessments	41,372	-	-	-
Intergovernmental	-	250,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets.	<u>\$ 799,184</u>	<u>\$ 861,181</u>	<u>\$ 44,143</u>	<u>\$ 34,307</u>
Liabilities:				
Accounts payable	\$ 1,839	\$ 1,458	\$ -	\$ -
Deferred revenue.	111,617	350,350	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>113,456</u>	<u>351,808</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	22,368	9,520	4,400	-
Unreserved:				
Undesignated	663,360	499,853	39,743	34,307
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>685,728</u>	<u>509,373</u>	<u>44,143</u>	<u>34,307</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund equity.	<u>\$ 799,184</u>	<u>\$ 861,181</u>	<u>\$ 44,143</u>	<u>\$ 34,307</u>

<u>Communication Equipment</u>	<u>Jail Construction</u>	<u>West State Street</u>	<u>Total</u>
\$ 207	\$ 32	\$ 16,115	\$ 981,282
-	-	-	482,515
-	-	-	41,372
-	-	-	250,000
<u>\$ 207</u>	<u>\$ 32</u>	<u>\$ 16,115</u>	<u>\$ 1,755,169</u>
\$ -	\$ -	\$ -	\$ 3,297
-	-	-	461,967
-	-	-	465,264
-	-	-	36,288
207	32	16,115	1,253,617
<u>207</u>	<u>32</u>	<u>16,115</u>	<u>1,289,905</u>
<u>\$ 207</u>	<u>\$ 32</u>	<u>\$ 16,115</u>	<u>\$ 1,755,169</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Street Income Tax Construction	Capital Improvements	Street Improvement
Revenues:			
Municipal income taxes	\$ 617,752	\$ 882,501	\$ -
Intergovernmental	-	11,950	-
Other	-	15,000	-
	<u>617,752</u>	<u>909,451</u>	<u>-</u>
Expenditures:			
Capital outlay	<u>223,217</u>	<u>782,403</u>	<u>114,350</u>
Total expenditures	<u>223,217</u>	<u>782,403</u>	<u>114,350</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>394,535</u>	<u>127,048</u>	<u>(114,350)</u>
Other financing uses:			
Transfers out	<u>-</u>	<u>(50,575)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(50,575)</u>	<u>-</u>
Net change in fund balances	394,535	76,473	(114,350)
Fund balances at beginning of year.	<u>291,193</u>	<u>432,900</u>	<u>158,493</u>
Fund balances at end of year	<u>\$ 685,728</u>	<u>\$ 509,373</u>	<u>\$ 44,143</u>

<u>Downtown Development</u>	<u>Communication Equipment</u>	<u>Jail Construction</u>	<u>West State Street</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,500,253
-	-	-	-	11,950
-	-	-	-	15,000
-	-	-	-	1,527,203
-	-	-	-	1,119,970
-	-	-	-	1,119,970
-	-	-	-	407,233
-	-	-	-	(50,575)
-	-	-	-	(50,575)
-	-	-	-	356,658
34,307	207	32	16,115	933,247
<u>\$ 34,307</u>	<u>\$ 207</u>	<u>\$ 32</u>	<u>\$ 16,115</u>	<u>\$ 1,289,905</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET INCOME TAX CONSTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes.	\$ 620,000	\$ 608,362	\$ (11,638)
Total revenues.	<u>620,000</u>	<u>608,362</u>	<u>(11,638)</u>
Expenditures:			
Capital outlay:			
Street income tax:			
Capital outlay	<u>597,019</u>	<u>244,910</u>	<u>352,109</u>
Total expenditures	<u>597,019</u>	<u>244,910</u>	<u>352,109</u>
Excess of revenues over expenditures	<u>22,981</u>	<u>363,452</u>	<u>340,471</u>
Other financing uses:			
Transfers out.	<u>(53,000)</u>	<u>-</u>	<u>53,000</u>
Total other financing uses.	<u>(53,000)</u>	<u>-</u>	<u>53,000</u>
Net change in fund balance.	(30,019)	363,452	393,471
Fund balance at beginning of year	167,126	167,126	-
Prior year encumbrances appropriated	<u>5,019</u>	<u>5,019</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 142,126</u>	<u>\$ 535,597</u>	<u>\$ 393,471</u>

CITY OF ALLIANCE, OHIO

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

MUNICIPAL ROAD FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 100,000	\$ -	\$ (100,000)
Total revenues.	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Expenditures:			
Capital outlay:			
Capital outlay.	100,000	-	100,000
Total expenditures	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes.	\$ 886,000	\$ 869,088	\$ (16,912)
Intergovernmental	(281,772)	51,878	333,650
Other.	-	15,000	15,000
Total revenues.	<u>604,228</u>	<u>935,966</u>	<u>331,738</u>
Expenditures:			
Capital outlay:			
Capital improvements:			
Capital outlay.	<u>1,035,060</u>	<u>800,095</u>	<u>234,965</u>
Total expenditures	<u>1,035,060</u>	<u>800,095</u>	<u>234,965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(430,832)</u>	<u>135,871</u>	<u>566,703</u>
Other financing sources (uses):			
Transfers in.	300,000	-	(300,000)
Transfers out.	(66,500)	(50,575)	15,925
Total other financing sources (uses).	<u>233,500</u>	<u>(50,575)</u>	<u>(284,075)</u>
Net change in fund balance.	(197,332)	85,296	282,628
Fund balance at beginning of year	173,995	173,995	-
Prior year encumbrances appropriated	<u>57,889</u>	<u>57,889</u>	-
Fund balance at end of year.	<u>\$ 34,552</u>	<u>\$ 317,180</u>	<u>\$ 282,628</u>

CITY OF ALLIANCE, OHIO

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

STREET IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Capital outlay:			
Street improvement:			
Capital outlay	\$ 158,000	\$ 118,750	\$ 39,250
Total expenditures	<u>158,000</u>	<u>118,750</u>	<u>39,250</u>
Net change in fund balance.	(158,000)	(118,750)	39,250
Fund balance at beginning of year	<u>158,493</u>	<u>158,493</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 493</u>	<u>\$ 39,743</u>	<u>\$ 39,250</u>

CITY OF ALLIANCE, OHIO

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

DOWNTOWN DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNICATION EQUIPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 207	\$ 207	\$ -
Fund balance at end of year.	<u>\$ 207</u>	<u>\$ 207</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

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

JAIL CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 32	\$ 32	\$ -
Fund balance at end of year.	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

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

WEST STATE STREET FUND

FOR THE YEAR ENDED DECEMBER 31, 2008

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

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS

Enterprise Funds

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

Water Fund

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

Sewer Fund

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

Robertson Community Center Fund

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 4,342,000	\$ 4,292,286	\$ (49,714)
Other.	28,000	33,345	5,345
Total operating revenues	<u>4,370,000</u>	<u>4,325,631</u>	<u>(44,369)</u>
Operating expenses:			
Salaries and wages.	1,379,318	1,271,912	107,406
Fringe benefits.	624,642	600,270	24,372
Contractual services.	690,899	560,887	130,012
Materials and supplies.	521,893	500,828	21,065
Capital outlay.	529,348	420,559	108,789
Other.	5,971	3,387	2,584
Total operating expenses	<u>3,752,071</u>	<u>3,357,843</u>	<u>394,228</u>
Operating income	<u>617,929</u>	<u>967,788</u>	<u>349,859</u>
Nonoperating revenues:			
Proceeds of bonds.	-	7,791	7,791
Municipal income taxes.	355,000	347,635	(7,365)
Investment income.	168,000	45,445	(122,555)
Total nonoperating revenues	<u>523,000</u>	<u>400,871</u>	<u>(122,129)</u>
Income before transfers	<u>1,140,929</u>	<u>1,368,659</u>	<u>227,730</u>
Transfers in.	190,000	-	(190,000)
Transfers out.	<u>(2,072,000)</u>	<u>(1,771,730)</u>	<u>300,270</u>
Net income (loss)	(741,071)	(403,071)	338,000
Fund equity beginning of year.	4,111,377	4,111,377	-
Prior year encumbrances appropriated . .	<u>91,581</u>	<u>91,581</u>	<u>-</u>
Fund equity end of year.	<u>\$ 3,461,887</u>	<u>\$ 3,799,887</u>	<u>\$ 338,000</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 3,795,000	\$ 4,238,646	\$ 443,646
Licenses, permits, and fees.	60,000	30,218	(29,782)
Intergovernmental.	968,680	53,347	(915,333)
Other.	-	10,450	10,450
Total operating revenues	<u>4,823,680</u>	<u>4,332,661</u>	<u>(491,019)</u>
Operating expenses:			
Salaries and wages.	1,529,446	1,477,083	52,363
Fringe benefits.	653,136	646,304	6,832
Contractual services.	2,608,160	684,305	1,923,855
Materials and supplies.	208,304	125,273	83,031
Capital outlay.	1,801,084	1,532,364	268,720
Other.	3,471	3,387	84
Total operating expenses	<u>6,803,601</u>	<u>4,468,716</u>	<u>2,334,885</u>
Operating income (loss)	<u>(1,979,921)</u>	<u>(136,055)</u>	<u>1,843,866</u>
Nonoperating revenues:			
Investment income.	194,001	78,559	(115,442)
Total nonoperating revenues.	<u>194,001</u>	<u>78,559</u>	<u>(115,442)</u>
Income (loss) before transfers	<u>(1,785,920)</u>	<u>(57,496)</u>	<u>1,728,424</u>
Transfers in.	600,000	-	(600,000)
Transfers out.	<u>(1,841,000)</u>	<u>(547,348)</u>	<u>1,293,652</u>
Net income (loss)	<u>(3,026,920)</u>	<u>(604,844)</u>	<u>2,422,076</u>
Fund equity beginning of year.	3,716,783	3,716,783	-
Prior year encumbrances appropriated . .	<u>111,619</u>	<u>111,619</u>	<u>-</u>
Fund equity end of year.	<u>\$ 801,482</u>	<u>\$ 3,223,558</u>	<u>\$ 2,422,076</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROBERTSON COMMUNITY CENTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 54,100	\$ 54,377	\$ 277
Other.	1,900	1,916	16
Total operating revenues	<u>56,000</u>	<u>56,293</u>	<u>293</u>
Operating expenses:			
Salaries and wages.	18,240	18,228	12
Fringe benefits.	3,344	3,339	5
Contractual services.	38,395	37,480	915
Capital outlay.	4,000	3,050	950
Other.	75	75	-
Total operating expenses.	<u>64,054</u>	<u>62,172</u>	<u>1,882</u>
Net income (loss)	(8,054)	(5,879)	2,175
Fund equity beginning of year.	<u>74,454</u>	<u>74,454</u>	<u>-</u>
Fund equity end of year.	<u>\$ 66,400</u>	<u>\$ 68,575</u>	<u>\$ 2,175</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Internal Service Fund

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services.	\$ 2,392,500	\$ 2,394,022	\$ 1,522
Total operating revenues	<u>2,392,500</u>	<u>2,394,022</u>	<u>1,522</u>
Operating expenses:			
Claims.	<u>2,567,000</u>	<u>1,964,054</u>	<u>602,946</u>
Total operating expenses.	<u>2,567,000</u>	<u>1,964,054</u>	<u>602,946</u>
Operating income (loss)	<u>(174,500)</u>	<u>429,968</u>	<u>604,468</u>
Nonoperating revenues:			
Investment income.	<u>21,000</u>	<u>10,414</u>	<u>(10,586)</u>
Total nonoperating revenues.	<u>21,000</u>	<u>10,414</u>	<u>(10,586)</u>
Net income (loss)	(153,500)	440,382	593,882
Fund equity at beginning of year	<u>389,465</u>	<u>389,465</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 235,965</u>	<u>\$ 829,847</u>	<u>\$ 593,882</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Agency Fund

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

Carnation Cable Channel Fund

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

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Balance</u> <u>1/1/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2008</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 72,716	\$ 72,716	\$ -
Receivables (net of allowances of uncollectibles):				
Accounts	-	22,221	-	22,221
Total assets.	<u>\$ -</u>	<u>\$ 94,937</u>	<u>\$ 72,716</u>	<u>\$ 22,221</u>
Liabilities:				
Due to others	\$ -	\$ 94,937	\$ 72,716	\$ 22,221
Total liabilities	<u>\$ -</u>	<u>\$ 94,937</u>	<u>\$ 72,716</u>	<u>\$ 22,221</u>

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STATISTICAL SECTION

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CITY OF ALLIANCE, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	162-171
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	172
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	173-178
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	179-180
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	181-185

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 17,764,197	\$ 18,197,128	\$ 18,707,921	\$ 19,015,248
Restricted for:				
Capital projects	1,751,872	1,155,599	1,115,068	1,457,599
Debt service	915,520	960,434	1,139,016	128,199
Special revenue	-	-	5,780,614	5,961,372
Transporation projects	325,698	960,327	-	-
Public health service programs	734,587	726,240	-	-
Community environment programs	4,785,006	3,850,510	-	-
Security programs	448,672	-	-	-
Police and fire pension	58,717	59,516	-	-
Other purposes	290,657	796,984	-	-
Unrestricted	<u>2,624,597</u>	<u>2,708,070</u>	<u>2,062,100</u>	<u>1,084,862</u>
Total governmental activities net assets	<u>\$ 29,699,523</u>	<u>\$ 29,414,808</u>	<u>\$ 28,804,719</u>	<u>\$ 27,647,280</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 6,945,805	\$ 5,947,976	\$ 6,893,121	\$ 6,435,656
Restricted:				
Debt service	869,875	838,787	1,583,849	1,533,905
Replacement and surplus reserve	493,477	506,138	724,445	846,888
Unrestricted	<u>9,119,655</u>	<u>8,736,925</u>	<u>5,803,278</u>	<u>5,009,687</u>
Total business-type activities net assets	<u>\$ 17,428,812</u>	<u>\$ 16,029,826</u>	<u>\$ 15,004,693</u>	<u>\$ 13,826,136</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 24,710,002	\$ 24,145,104	\$ 25,601,042	\$ 25,450,904
Restricted for:				
Capital projects	1,751,872	1,155,599	1,115,068	1,457,599
Debt service	1,785,395	1,799,221	2,722,865	1,662,104
Special revenue	-	-	5,780,614	5,961,372
Replacement and surplus reserve	493,477	506,138	724,445	846,888
Transporation projects	325,698	960,327	-	-
Public health service programs	734,587	726,240	-	-
Community environment programs	4,785,006	3,850,510	-	-
Security programs	448,672	-	-	-
Police and fire pension	58,717	59,516	-	-
Other purposes	290,657	796,984	-	-
Unrestricted	<u>11,744,252</u>	<u>11,444,995</u>	<u>7,865,378</u>	<u>6,094,549</u>
Total primary government net assets	<u>\$ 47,128,335</u>	<u>\$ 45,444,634</u>	<u>\$ 43,809,412</u>	<u>\$ 41,473,416</u>

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

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

<u>2004</u>	<u>2003</u>
\$ 9,184,300	\$ 8,614,889
1,822,941	1,369,346
128,809	-
5,912,729	5,814,454
-	-
-	-
-	-
-	-
-	-
751,439	2,143,124
<u>\$ 17,800,218</u>	<u>\$ 17,941,813</u>
\$ 6,159,014	\$ 5,097,337
1,495,291	2,324,516
904,389	-
4,564,432	5,446,828
<u>\$ 13,123,126</u>	<u>\$ 12,868,681</u>
\$ 15,343,314	\$ 13,712,226
1,822,941	1,369,346
1,624,100	2,324,516
5,912,729	5,814,454
904,389	-
-	-
-	-
-	-
-	-
-	-
-	-
5,315,871	7,589,952
<u>\$ 30,923,344</u>	<u>\$ 30,810,494</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 948,427	\$ 1,091,967	\$ 1,029,473	\$ 1,007,370
Security of persons and property	157,747	506,379	93,262	-
Public health services	165,168	173,292	162,627	150,203
Transportation	-	-	-	-
Community environment	207,862	94,094	110,248	128,596
Leisure time activities	31,456	30,315	35,154	59,195
Interest and fiscal charges	36,025	31,765	-	-
Subtotal - charges for services	<u>1,546,685</u>	<u>1,927,812</u>	<u>1,430,764</u>	<u>1,345,364</u>
Operating grants and contributions				
General government	16,550	11,069	94,223	77,760
Security of persons and property	66,882	77,632	-	-
Public health services	181,104	177,890	187,919	178,869
Transportation	1,042,127	883,294	-	-
Community environment	798,218	540,042	945,837	940,819
Subtotal - operating grants and contributions	<u>2,104,881</u>	<u>1,689,927</u>	<u>1,227,979</u>	<u>1,197,448</u>
Capital grants and contributions				
Transportation	326,119	125,478	69,653	-
Community environment	-	-	-	100,000
Leisure time activities	-	-	-	-
Subtotal - capital grants and contributions	<u>326,119</u>	<u>125,478</u>	<u>69,653</u>	<u>100,000</u>
Total governmental activities program revenues	<u>3,977,685</u>	<u>3,743,217</u>	<u>2,728,396</u>	<u>2,642,812</u>
Business-type activities:				
Charges for services:				
Water	4,343,787	4,377,711	4,420,598	4,119,622
Sewer	4,180,728	4,016,634	3,686,640	3,252,855
Nonmajor	56,293	52,404	51,582	44,464
Capital grants and contributions	24,295	29,052	-	-
Total business-type activities program revenues	<u>8,605,103</u>	<u>8,475,801</u>	<u>8,158,820</u>	<u>7,416,941</u>
Total primary government	<u>\$ 12,582,788</u>	<u>\$ 12,219,018</u>	<u>\$ 10,887,216</u>	<u>\$ 10,059,753</u>
Expenses:				
Governmental Activities				
General government	\$ 3,086,862	\$ 3,016,883	\$ 4,043,160	\$ 3,055,599
Security of persons and property	8,407,092	7,539,046	6,917,630	7,437,917
Public health services	965,155	961,261	852,080	812,097
Transportation	1,787,268	2,285,361	1,124,564	2,003,429
Community environment	783,718	854,061	1,440,811	819,843
Basic utility services	62,750	47,762	113,162	66,864
Leisure time activities	769,611	693,235	650,091	667,520
Interest and fiscal charges	114,938	120,829	129,179	150,982
Total governmental activities expenses	<u>15,977,394</u>	<u>15,518,438</u>	<u>15,270,677</u>	<u>15,014,251</u>

<u>2004</u>	<u>2003</u>
\$ 879,558	\$ 936,325
-	-
151,688	139,243
-	50
123,380	152,257
20,125	20,128
-	-
<u>1,174,751</u>	<u>1,248,003</u>
-	44,448
15,939	47,413
168,865	213,500
-	-
440,217	-
<u>625,021</u>	<u>305,361</u>
-	-
356,235	-
-	46,887
<u>356,235</u>	<u>46,887</u>
<u>2,156,007</u>	<u>1,600,251</u>
3,917,644	3,917,191
3,351,600	3,341,118
-	-
410,572	170,307
<u>7,679,816</u>	<u>7,428,616</u>
<u>\$ 9,835,823</u>	<u>\$ 9,028,867</u>
\$ 2,953,410	\$ 2,138,370
6,908,599	7,095,318
877,649	718,678
1,078,691	1,036,841
1,146,965	943,633
62,048	70,332
647,592	598,089
155,793	175,161
<u>13,830,747</u>	<u>12,776,422</u>

-- Continued

CITY OF ALLIANCE, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Business-type activities:				
Water	\$ 3,974,057	\$ 4,391,750	\$ 4,151,267	\$ 4,099,091
Sewer	3,629,692	3,637,428	3,439,175	3,216,935
Nonmajor	<u>76,277</u>	<u>79,192</u>	<u>57,972</u>	<u>76,859</u>
Total business-type activities expenses	<u>7,680,026</u>	<u>8,108,370</u>	<u>7,648,414</u>	<u>7,392,885</u>
Total primary government	<u>\$ 23,657,420</u>	<u>\$ 23,626,808</u>	<u>\$ 22,919,091</u>	<u>\$ 22,407,136</u>
Net (Expense) Revenue				
Governmental activities	(11,999,709)	(11,775,221)	(12,542,281)	(12,371,439)
Business-type activities	<u>925,077</u>	<u>367,431</u>	<u>510,406</u>	<u>24,056</u>
Total primary government net expense	<u>\$ (11,074,632)</u>	<u>\$ (11,407,790)</u>	<u>\$ (12,031,875)</u>	<u>\$ (12,347,383)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Municipal income taxes	\$ 8,844,311	\$ 8,685,830	\$ 8,344,521	\$ 7,626,396
Property and other local taxes	1,331,701	1,577,482	1,503,423	1,523,469
Grants and entitlements not restricted to specific programs	1,458,034	1,359,491	3,118,133	1,998,723
Investment earnings	154,923	548,794	326,744	266,974
Miscellaneous	495,455	213,713	372,327	680,693
Transfers	<u>-</u>	<u>-</u>	<u>34,572</u>	<u>(59,725)</u>
Total governmental activities	<u>12,284,424</u>	<u>12,385,310</u>	<u>13,699,720</u>	<u>12,036,530</u>
Business-type activities				
Municipal income taxes	349,905	348,248	307,661	383,794
Unrestricted grants and contributions	-	-	-	414,108
Investment earnings	124,004	309,454	395,062	228,161
Transfers	<u>-</u>	<u>-</u>	<u>(34,572)</u>	<u>59,725</u>
Total business-type activities	<u>473,909</u>	<u>657,702</u>	<u>668,151</u>	<u>1,085,788</u>
Total primary government	<u>\$ 12,758,333</u>	<u>\$ 13,043,012</u>	<u>\$ 14,367,871</u>	<u>\$ 13,122,318</u>
Change in Net Assets				
Governmental activities	\$ 284,715	\$ 610,089	\$ 1,157,439	\$ (334,909)
Business-type activities	<u>1,398,986</u>	<u>1,025,133</u>	<u>1,178,557</u>	<u>1,109,844</u>
Total primary government	<u>\$ 1,683,701</u>	<u>\$ 1,635,222</u>	<u>\$ 2,335,996</u>	<u>\$ 774,935</u>

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

<u>2004</u>	<u>2003</u>
\$ 4,210,253	\$ 4,377,606
3,322,084	3,132,644
-	-
7,532,337	7,510,250
<u>\$ 21,363,084</u>	<u>\$ 20,286,672</u>
(11,674,740)	(11,176,171)
147,479	(81,634)
<u>\$ (11,527,261)</u>	<u>\$ (11,257,805)</u>
\$ 7,537,702	\$ 6,706,398
1,370,645	1,493,119
1,951,422	2,879,685
151,771	117,106
506,605	627,687
15,000	-
11,533,145	11,823,995
69,164	268,840
-	-
52,802	41,794
(15,000)	-
106,966	310,634
<u>\$ 11,640,111</u>	<u>\$ 12,134,629</u>
\$ (141,595)	\$ 647,824
254,445	229,000
<u>\$ 112,850</u>	<u>\$ 876,824</u>

CITY OF ALLIANCE, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund				
Reserved	\$ 54,034	\$ 60,413	\$ 78,177	\$ 6,271
Unreserved	<u>2,415,812</u>	<u>2,827,425</u>	<u>1,960,128</u>	<u>1,623,549</u>
Total general fund	<u>\$ 2,469,846</u>	<u>\$ 2,887,838</u>	<u>\$ 2,038,305</u>	<u>\$ 1,629,820</u>
All Other Governmental Funds				
Reserved	\$ 2,053,742	\$ 2,122,823	\$ 2,008,866	\$ 2,666,144
Unreserved, reported in:				
Special revenue funds	2,670,338	2,468,519	2,046,513	1,887,440
Debt service fund	383,562	405,002	530,268	128,199
Capital projects funds	1,253,617	879,040	877,141	1,179,745
Revolving loan fund	<u>1,877,054</u>	<u>1,770,809</u>	<u>1,850,228</u>	<u>1,503,868</u>
Total all other governmental funds	<u>\$ 8,238,313</u>	<u>\$ 7,646,193</u>	<u>\$ 7,313,016</u>	<u>\$ 7,365,396</u>
Total governmental funds	<u>\$ 10,708,159</u>	<u>\$ 10,534,031</u>	<u>\$ 9,351,321</u>	<u>\$ 8,995,216</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 7,277	\$ 57,758	\$ 21,077	\$ 105,361	\$ 117,831	\$ 138,650
<u>1,449,575</u>	<u>1,559,008</u>	<u>2,282,794</u>	<u>2,219,529</u>	<u>2,559,551</u>	<u>2,942,219</u>
<u>\$ 1,456,852</u>	<u>\$ 1,616,766</u>	<u>\$ 2,303,871</u>	<u>\$ 2,324,890</u>	<u>\$ 2,677,382</u>	<u>\$ 3,080,869</u>
\$ 2,558,410	\$ 3,150,503	\$ 3,916,229	\$ 6,114,120	\$ 2,197,972	\$ 2,123,313
1,772,658	1,744,308	1,981,973	3,291,714	2,802,710	2,502,078
128,809	(2,001,533)	110,194	112,757	114,261	124,078
1,500,142	851,257	1,337,740	1,726,301	4,764,938	5,264,332
<u>1,354,590</u>	<u>1,217,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,314,609</u>	<u>\$ 4,961,938</u>	<u>\$ 7,346,136</u>	<u>\$ 11,244,892</u>	<u>\$ 9,879,881</u>	<u>\$ 10,013,801</u>
<u>\$ 8,771,461</u>	<u>\$ 6,578,704</u>	<u>\$ 9,650,007</u>	<u>\$ 13,569,782</u>	<u>\$ 12,557,263</u>	<u>\$ 13,094,670</u>

CITY OF ALLIANCE, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues				
Municipal income taxes	\$ 8,918,599	\$ 8,680,502	\$ 8,024,521	\$ 7,626,396
Property and other taxes	1,317,000	1,654,590	1,369,882	1,523,469
Charges for services	219,980	210,692	286,675	319,431
Licenses permits and fees	211,965	189,557	198,136	214,178
Fines and forfeitures	707,122	1,133,003	752,202	673,263
Intergovernmental	3,339,642	3,328,039	4,088,770	3,305,958
Special assessments	67,529	66,011	69,653	69,284
Investment income	284,258	528,586	326,744	266,974
Rental income	197,934	187,367	197,651	187,794
Contributions and donations	8,936	21,875	-	-
Other	617,343	386,814	368,427	611,409
Total revenues	<u>15,890,308</u>	<u>16,387,036</u>	<u>15,682,661</u>	<u>14,798,156</u>
Expenditures				
Current:				
General government	2,557,730	2,539,655	3,004,114	2,696,600
Security of persons and property	7,894,771	7,367,104	7,120,972	6,884,123
Public health services	916,506	897,770	847,880	814,061
Transportation	1,078,028	1,426,146	779,409	806,465
Community environment	745,376	805,669	1,437,792	866,213
Leisure time activities	707,879	622,482	591,116	565,882
Basic utility services	56,634	29,842	103,710	57,412
Capital outlay	1,249,970	1,007,670	1,218,871	1,052,146
Debt service:				
Principal retirement	387,705	382,388	372,083	376,792
Interest and fiscal charges	121,581	125,600	129,181	150,982
Total expenditures	<u>15,716,180</u>	<u>15,204,326</u>	<u>15,605,128</u>	<u>14,270,676</u>
Excess (deficiency) of revenues over (under) expenditures	174,128	1,182,710	77,533	527,480
Other Financing Sources (Uses)				
General obligation bonds issued	-	-	-	-
Notes issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	1,120,695	1,066,863	1,353,119	1,368,001
Transfers (out)	<u>(1,120,695)</u>	<u>(1,066,863)</u>	<u>(1,318,547)</u>	<u>(1,427,726)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>34,572</u>	<u>(59,725)</u>
Net change in fund balances	<u>\$ 174,128</u>	<u>\$ 1,182,710</u>	<u>\$ 112,105</u>	<u>\$ 467,755</u>
Capital expenditures	\$ 629,761	\$ 1,091,851	\$ 1,257,438	\$ 1,052,146
Debt service as a percentage of noncapital expenditures	3.38%	3.60%	3.49%	3.99%

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$	7,401,163	\$ 6,830,817	6,856,339	6,879,010	6,891,942	7,442,488
	1,370,645	1,493,119	1,141,175	1,660,276	853,784	856,878
	231,861	351,965	415,438	362,691	309,885	189,297
	219,095	251,699	251,498	191,998	185,767	203,395
	528,808	456,481	542,705	459,229	512,114	502,007
	3,049,565	3,343,052	3,296,042	4,469,222	3,437,351	3,855,980
	66,491	72,263	79,360	68,611	69,982	6,040
	165,781	117,106	297,877	594,581	756,084	606,982
	195,600	187,858	162,531	291,703	-	1,960
	-	-	-	712,052	-	3,500
	425,483	535,305	427,644	427,378	552,399	489,211
	<u>13,654,492</u>	<u>13,639,665</u>	<u>13,470,609</u>	<u>16,116,751</u>	<u>13,569,308</u>	<u>14,157,738</u>
	2,639,368	2,238,952	2,246,009	2,368,265	2,280,438	2,233,295
	6,464,712	6,571,883	6,370,849	6,516,687	6,491,224	6,162,525
	772,536	743,463	717,809	725,626	660,804	628,658
	952,269	944,347	837,684	981,208	937,866	1,086,631
	1,110,544	959,165	1,099,535	1,744,587	931,804	1,317,988
	544,468	580,700	514,393	536,122	537,253	503,413
	54,497	54,340	55,996	57,856	55,720	50,222
	844,885	1,865,747	4,353,288	3,987,455	2,046,704	2,553,198
	111,512	2,846,232	2,590,976	1,925,730	2,035,494	2,297,268
	146,952	178,561	257,018	367,002	271,992	206,558
	<u>13,641,743</u>	<u>16,983,390</u>	<u>19,043,557</u>	<u>19,210,538</u>	<u>16,249,299</u>	<u>17,039,756</u>
	12,749	(3,343,725)	(5,572,948)	(3,093,787)	(2,679,991)	(2,882,018)
	2,165,000	-	-	3,060,000	-	700,000
	-	240,000	2,355,000	-	1,700,000	1,830,000
	-	-	-	6,000	1,083	4,176,835
	1,260,384	1,735,416	1,719,622	6,349,266	1,638,204	2,335,750
	(1,245,384)	(1,735,416)	(1,716,449)	(5,694,497)	(1,657,341)	(2,395,750)
	<u>2,180,000</u>	<u>240,000</u>	<u>2,358,173</u>	<u>3,720,769</u>	<u>1,681,946</u>	<u>6,646,835</u>
\$	<u>2,192,749</u>	<u>\$ (3,103,725)</u>	<u>\$ (3,214,775)</u>	<u>\$ 626,982</u>	<u>\$ (998,045)</u>	<u>\$ 3,764,817</u>
\$	844,885	\$ 1,865,747	\$ 4,353,288	\$ 3,987,455	\$ 2,046,704	\$ 2,553,198
	2.02%	20.01%	19.39%	15.06%	16.25%	17.28%

CITY OF ALLIANCE, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

Tax Year (1)	Individual		Total Individual	Business	Total	Tax Rate (2)
	Withholding	Non-withholding				
2008	\$ 7,209,183	\$ 1,304,703	\$ 8,513,886	\$ 770,489	\$ 9,284,375	2.00%
2007	6,511,369	1,063,413	7,574,782	1,094,809	8,669,591	1.75% & 2.00%
2006	6,270,100	1,039,854	7,309,954	935,107	8,245,061	1.75%
2005	6,295,748	1,032,284	7,328,032	544,566	7,872,598	1.75%
2004	5,707,689	1,019,523	6,727,212	474,838	7,202,050	1.75%
2003	5,570,847	981,191	6,552,038	464,191	7,016,229	1.75%
2002	5,647,196	1,002,435	6,649,631	454,223	7,103,854	1.75%
2001	5,663,197	967,259	6,630,456	626,707	7,257,163	1.75%
2000	5,825,110	953,533	6,778,643	476,367	7,255,010	1.75%
1999	5,897,420	916,478	6,813,898	977,755	7,791,653	1.75%

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

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

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

CITY OF ALLIANCE, OHIO

**INCOME TAX WITHHOLDINGS BY SECTOR
LAST FIVE YEARS**

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

Source: City of Alliance Income Tax Department

Note: Information prior to 2004 was not available.

CITY OF ALLIANCE, OHIO

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

Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	General Obligation Bonds	Revenue Bonds	OPWC Loans			
2008	\$ 1,680,000	\$ 355,000	\$ 2,185,000	\$ 14,275,000	\$ 354,826	\$ 18,849,826	5.34%	\$ 811
2007	2,015,000	400,000	2,620,000	15,000,000	376,957	20,411,957	5.78%	878
2006	2,345,000	445,000	3,040,000	15,820,000	399,088	22,049,088	6.25%	948
2005	2,665,000	490,000	3,460,000	16,605,000	301,855	23,521,855	6.66%	1,012
2004	2,995,000	530,000	3,960,000	17,355,000	318,302	25,158,302	7.13%	1,082
2003	895,000	570,000	190,000	21,330,000	45,272	23,030,272	6.52%	990

Note: Population and personal income data are presented on page 179.

CITY OF ALLIANCE, OHIO

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2008	23,253	\$ 308,189,431	\$ 3,865,000	1.25%	\$ 166.22
2007	23,253	322,569,984	4,635,000	1.44%	199.33
2006	23,253	290,531,674	5,385,000	1.85%	231.58
2005	23,253	290,572,913	6,125,000	2.11%	263.41
2004	23,253	282,876,811	6,955,000	2.46%	299.10
2003	23,253	264,876,811	1,085,000	0.41%	46.66

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

(2) County Auditor

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

CITY OF ALLIANCE, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2008

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Alliance			
General obligation bonds	\$ 1,680,000	100.00%	\$ 1,680,000
Special assessment bonds	355,000	100.00%	355,000
Police and fire pension	381,312	100.00%	381,312
	<u>2,416,312</u>		<u>2,416,312</u>
Overlapping debt:			
Alliance City Schools	8,238,970	90.59%	7,463,683
	<u>8,238,970</u>		<u>7,463,683</u>
Total direct and overlapping debt	<u>\$ 10,655,282</u>		<u>\$ 9,879,995</u>

Source: County Auditor

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

CITY OF ALLIANCE, OHIO

**LEGAL DEBT MARGIN INFORMATION
LAST SIX YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total Assessed Property Value	<u>\$ 296,983,320</u>	<u>\$ 296,403,070</u>	<u>\$ 290,531,674</u>	<u>\$ 290,572,913</u>
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	<u>31,183,249</u>	<u>31,122,322</u>	<u>30,505,826</u>	<u>30,510,156</u>
Debt Outstanding				
General obligation bonds	1,680,000	2,015,000	2,345,000	2,665,000
Special assessment bonds	355,000	400,000	445,000	490,000
Enterprise general obligation bonds	2,185,000	2,620,000	3,040,000	3,460,000
OPWC loans	354,826	376,957	399,088	301,855
Revenue bonds	14,275,000	15,000,000	15,820,000	16,605,000
Notes	-	-	-	-
Total gross indebtedness	<u>18,849,826</u>	<u>20,411,957</u>	<u>22,049,088</u>	<u>23,521,855</u>
Less:				
Special assessment bonds	355,000	400,000	445,000	490,000
Enterprise general obligation bonds	2,185,000	2,620,000	3,040,000	3,460,000
OPWC loans	354,826	376,957	399,088	301,855
Revenue bonds	<u>14,275,000</u>	<u>15,000,000</u>	<u>15,820,000</u>	<u>16,605,000</u>
Total net debt applicable to debt limit	<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 29,503,249</u>	<u>\$ 29,107,322</u>	<u>\$ 28,160,826</u>	<u>\$ 27,845,156</u>
Legal debt margin as a percentage of the debt limit	94.61%	93.53%	92.31%	91.27%
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	<u>16,334,083</u>	<u>16,302,169</u>	<u>15,979,242</u>	<u>15,981,510</u>
Total gross indebtedness	18,849,826	20,411,957	22,049,088	23,521,855
Less:				
Special assessment bonds	355,000	400,000	445,000	490,000
Enterprise general obligation bonds	2,185,000	2,620,000	3,040,000	3,460,000
OPWC loans	354,826	376,957	399,088	301,855
Revenue bonds	<u>14,275,000</u>	<u>15,000,000</u>	<u>15,820,000</u>	<u>16,605,000</u>
Net debt within 5 1/2 % limitations	<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 14,654,083</u>	<u>\$ 14,287,169</u>	<u>\$ 13,634,242</u>	<u>\$ 13,316,510</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	89.71%	87.64%	85.32%	83.32%

Source: City financial records.

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

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

<u>2004</u>	<u>2003</u>
<u>\$ 282,876,811</u>	<u>\$ 264,876,811</u>
<u>29,702,065</u>	<u>27,812,065</u>
2,995,000	895,000
530,000	570,000
3,960,000	190,000
318,302	45,272
17,355,000	21,330,000
-	2,495,000
<u>25,158,302</u>	<u>25,525,272</u>
530,000	570,000
3,960,000	190,000
318,302	45,272
<u>17,355,000</u>	<u>21,330,000</u>
<u>2,995,000</u>	<u>3,390,000</u>
<u>\$ 26,707,065</u>	<u>\$ 24,422,065</u>
89.92%	87.81%
<u>15,558,225</u>	<u>14,568,225</u>
25,158,302	25,525,272
530,000	570,000
3,960,000	190,000
318,302	45,272
<u>17,355,000</u>	<u>21,330,000</u>
<u>2,995,000</u>	<u>3,390,000</u>
<u>\$ 12,563,225</u>	<u>\$ 11,178,225</u>
80.75%	76.73%

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

Year	Operating Revenues	Direct Operating Expenses (1)	Cash and cash equivalents with fiscal agent	Net Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2008	\$ 4,343,787	\$ 3,060,768	\$ 1,862,595	\$ 3,145,614	\$ 855,000	\$ 739,300	1.97
2007	4,377,711	2,979,101	1,695,061	3,093,671	820,000	776,200	1.94
2006	4,420,598	2,685,625	1,680,873	3,415,846	785,000	773,099	2.19
2005	4,119,622	2,566,530	1,635,339	3,188,431	750,000	838,958	2.01
2004	3,917,644	2,463,697	1,600,706	3,054,653	720,000	873,230	1.92
2003	3,917,191	2,583,677	1,597,589	2,931,103	695,000	902,762	1.83
2002	4,091,878	2,028,142	1,624,484	3,688,220	665,000	929,005	2.31
2001	3,784,820	2,501,436	1,680,576	2,963,960	640,000	954,605	1.86
2000	3,968,292	2,504,951	1,837,764	3,301,105	615,000	979,205	2.07
1999	4,117,212	2,211,054	1,933,563	3,839,721	590,000	1,017,893	2.39

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Stark County Unemployment Rate</u>
2008	23,253	\$ 353,000,000	\$ 15,181	\$ 30,078	34.0	8.0%
2007	23,253	353,000,000	15,181	30,078	34.0	5.9%
2006	23,253	353,000,000	15,181	30,078	34.0	5.3%
2005	23,253	353,000,000	15,181	30,078	34.0	5.6%
2004	23,253	353,000,000	15,181	30,078	34.0	6.3%
2003	23,253	353,000,000	15,181	30,078	34.0	7.0%

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

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

Note: Information prior to 2003 was unavailable.

CITY OF ALLIANCE, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2008			
Employer	Employees	Rank	Percentage of Total City Employment
Mount Union College	1,774	1	14.54%
Alliance Community Hospital	1,077	2	8.83%
Alliance City Schools	741	3	6.07%
Coastal Pet	672	4	5.51%
Alliance Castings	614	5	5.03%
WalMart	432	6	3.54%
Alliance Tubular	382	7	3.13%
City of Alliance	252	8	2.07%
Terry's Tire Town	152	9	1.25%
Robertson Heating	121	10	0.99%
Total	6,217		50.96%
Total City Employment	12,200		
December 31, 1999			
Employer	Employees (1)	Rank	Percentage of Total
American Steel Foundries	N/A	1	N/A
Alliance Tubular	N/A	2	N/A
Alliance Community Hospital	N/A	3	N/A
Alliance City Schools	N/A	4	N/A
Mount Union College	N/A	5	N/A
Coastal Pet	N/A	6	N/A
Reunion (Alliance Machine)	N/A	7	N/A
City of Alliance	N/A	8	N/A
GMI (Genie)	N/A	9	N/A
Mobile Consultants	N/A	10	N/A
Total	-		0.00%

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

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

CITY OF ALLIANCE, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST THREE YEARS

Function/Program	2008	2007	2006
General Government			
Council and clerk			
Number of ordinances passed	95	97	116
Number of Resolutions passed	18	32	27
Number of planning commission docket items	26	30	34
Zoning board of appeals docket items	32	23	37
Finance Department			
Number of checks/vouchers issued	4,212	3,857	3,632
Number of payroll checks issued	3,823	4,154	4,458
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 338,202	\$ 758,752	\$ 621,555
Number of receipts issued	1,427	1,278	1,294
Number of journal entries issued	442	516	362
Number of budget adjustments issued	12	15	11
Agency ratings - Moody's Financial Services	Aaa	Aaa	Aaa
Health insurance costs	\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
General fund receipts (budgetary-basis)	\$ 10,977,577	\$ 11,819,838	\$ 9,820,070
General fund expenditures (budgetary-basis)	\$ 11,495,283	\$ 10,626,337	\$ 9,911,961
General fund cash balances	\$ 1,602,045	\$ 2,109,644	\$ 471,014
Income Tax Department			
Number of individual returns	8,770	8,392	8,372
Number of business returns	1,279	1,230	1,224
Number of business withholding accounts	4,470	4,702	4,683
Annual number of corporate withholding forms processed	3,288	n/a	n/a
Annual number of estimated payment forms processed	3,364	2,905	3,612
Annual number of reconciliation of withholding processed	3,651	3,651	2,898
Engineer Contracted Services			
Dollar amount of construction overseen by Engineer	\$ -	\$ 462,751	\$ 800,391
Private Construction Overseen/Inspected	\$ 740,300	n/a	n/a
Engineering Design Contracts	\$ 209,948	n/a	n/a
Municipal Court			
Number of civil cases filed	2,473	2,438	2,203
Number of criminal cases filed	1,894	1,815	1,592
Number of traffic cases filed	2,603	3,013	3,864
Total cases filed	6,970	7,266	7,659
Number of civil cases disposed	2,524	2,375	2,075
Number of criminal cases disposed	1,952	1,721	1,535
Number of traffic cases disposed	2,651	3,032	3,823
Total cases disposed	7,127	7,128	7,433
Vital Statistics			
Certificates filed	778	893	746
Number of births	432	522	438
Number of deaths	346	371	308
Certificates issued	4,402	5,324	4,715
Burial permits issued	333	303	434
Civil Service			
Number of police entry tests administered	-	1	1
Number of fire entry test administered	-	1	-
Number of police promotional tests administered	1	-	3
Number of fire promotional tests administered	-	4	-
Number of hires of police officers from certified lists	-	-	6
Number of hires of fire/medics from certified lists	-	2	-
Number of promotions from police certified lists	1	-	5
Number of promotions from fire certified lists	-	4	-

CITY OF ALLIANCE, OHIO

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

Function/Program	2008	2007	2006
Building Department Indicators			
Construction permits issued	333	352	410
Estimated value of construction	\$ 29,005,371	\$ 14,782,277	\$ 19,463,377
Number of permits issued	909	880	936
Amount of revenue generated from permits	\$ 88,359	\$ 75,508	\$ 85,131
Number of contract registrations issued	133	135	148
Security of Persons & Property			
Police			
Total calls for services	44,302	49,742	59,394
Number of traffic citations issued	2,034	2,283	2,594
Number of parking citations issued	286	316	383
Number of criminal arrests	3,733	2,364	2,471
Number of accident reports completed	647	699	680
Felony offenses (F1-F5)	565	456	533
Misdemeanor offenses (M1-MM)	1,652	1,908	1,354
Police dept. auxiliary hours worked	1,200	2,045	912
DUI arrests	130	110	117
Prisoners	1,744	1,890	1,682
Motor vehicle accidents	1,040	1,326	1,275
Property damage accidents	892	1,181	513
Fatalities from motor vehicle accidents	1	4	2
Gasoline costs of fleet	\$ 114,869	\$ 85,139	\$ 77,146
Community diversion program - community service hours	249	339	890
Fire			
EMS/Rescue calls	1,925	1,759	459
Other EMS calls (assist ambulance, stand-by)	n/a	107	247
Structure fires	36	42	43
Fires other than structure	69	80	100
Other fire calls (electrical, smoke/odor, hazardous mat.)	699	549	542
Total calls for services	2,729	2,537	1,391
Fire with loss	64	58	61
Fires with losses exceeding \$10 K	8	10	9
Fire losses	\$ 388,255	\$ 484,155	\$ 660,420
Fire safety inspections	223	775	982
Number of times mutual aid given to fire and EMS	3	3	8
Number of times mutual aid received for fire and EMS	7	3	5
Fire Department receipts from fees & permits	\$ 813	\$ 125	\$ 1,330
Fire department total receipts	\$ 13,905	\$ 5,026	\$ 11,902
Public Health and Welfare			
Number of health inspections	1,531	1,562	1,551
Cemetery burials	62	63	75
Cemetery cremations	19	23	25
Cemetery sale of lots	78	60	37
Cemetery receipts	\$ 71,373	\$ 69,088	\$ 48,607

CITY OF ALLIANCE, OHIO

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

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

Note: Information prior to 2006 is not available

CITY OF ALLIANCE, OHIO

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

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

Note: Information prior to 2006 was unavailable.

CITY OF ALLIANCE, OHIO

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

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

Source: City Payroll Department W2 Audit Listing

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

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

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Mary Taylor, CPA
Auditor of State

CITY OF ALLIANCE

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2009**