



Dave Yost • Auditor of State

**CITY OF ALLIANCE
STARK COUNTY**

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CITY OF ALLIANCE
STARK COUNTY

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass-Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health and the City of Canton Health Department</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	Not Available	10.557	<u>\$97,784</u>
Total U.S. Department of Agriculture			<u>\$97,784</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct</i>			
Community Development Block Grants/Entitlement Grants	Not Available	14.218	<u>563,990</u>
Total U.S. Department of Housing and Urban Development			<u>563,990</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct</i>			
Public Safety Partnership and Community Policing Grants	Not Available	16.710	63,179
<i>Passed Through Ohio Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2013-JG-LLE-5425	16.738	<u>5,418</u>
Total U.S. Department of Justice			<u>68,597</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	95927	20.205	26,800
Highway Planning and Construction	96063	20.205	<u>54,208</u>
Total U.S. Department of Transportation			<u>81,008</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct</i>			
Assistance to Firefighters Grant	Not Available	97.044	1,970
Assistance to Firefighters Grant	EMW-2013-FP-00421	97.044	<u>99,750</u>
Total U.S. Department of Homeland Security			<u>101,720</u>
Total			<u><u>\$913,099</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, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Alliance's (the City's) Federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

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

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The Schedule reports administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

Activity in the CDBG revolving loan fund during 2014 was as follows:

Beginning loans receivable balance as of January 1, 2014	\$2,724
Loans made	0
Loan principal repaid	1,409
Ending loans receivable balance as of December 31, 2014	\$1,315
Cash balance on hand in the revolving loan fund as of December 31, 2014	\$2,321
Administrative costs expended during 2014	\$7,626

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2014, the City estimates \$0 to be uncollectible.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Alliance, Stark County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 10, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Entity's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

July 10, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Alliance's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Alliance's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Alliance complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

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 City of Alliance (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 10, 2015. We conducted our audit to opine on the City's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

July 10, 2015

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**CITY OF ALLIANCE
STARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

Financial Reporting

<i>Finding Number</i>	2014-001
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MATERIAL WEAKNESS

As of December 31, 2014, the City improperly excluded \$228,000 of loans receivable in the Major Revolving Loan Fund. Improper reporting of the loans receivable balance resulted in the financial statements requiring adjustment. The financial statements reflect this adjustment.

The City should implement procedures to help ensure the accurate reporting of loans receivable on their financial statements.

Officials Response summarized below. For a complete copy please visit the Cities web site at www.cityofalliance.com

A \$228,000 loan to Smith Machine Inc., a legally authorized and executed loan by Alliance City Council that is reflected by the City in Fund 238 Revolving Loan Fund. The expense was properly posted in the City's accounting records. The actual expense was also properly recorded in the City's cash records, financial statements, and draft CAFR, prepared by the City's GAAP conversion firm. This loan was not added to the loan receivables in the financial statements or in the draft CAFR. The GAAP convertor is supplied loan source data as to the City's outstanding loan balances by the Stark Development Board (SDB). This loan to Smith Machine did not appear as outstanding on any SDB reporting until April 2015. This discrepancy is somewhat due to an omission of data supplied by this third-party.

The City believes using the benchmark of expenditures to determine materiality is not appropriate as the proper recording of the expense is not at issue. If used to judge, the \$228,000 loan would represent a large percentage of overall fund expenditures. But since the expense is not in question, and due to the nature of the fund having minimal revenue/expenses, it is not a proper benchmark to judge materiality. A more appropriate benchmark, to measure the materiality of the omission of the loan in the financial statements, would be fund balance as this is what was impacted. The \$228,000 loan receivable represents only a small percentage of the overall \$3,315,434 fund balance on a GAAP basis in the UDAG Fund, therefore in the City's opinion, is not material.

AOS Conclusion

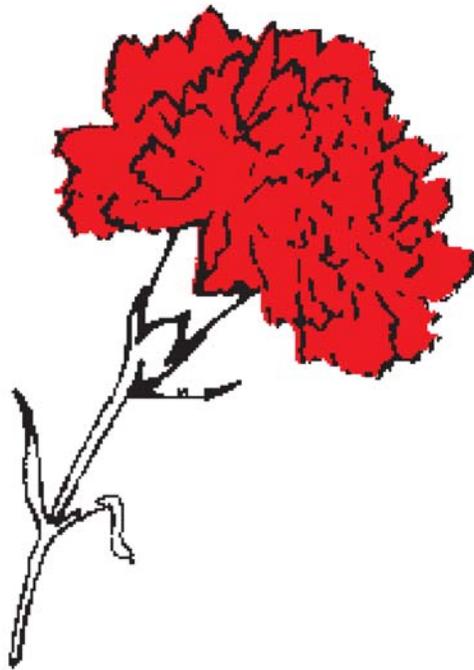
Whether an omission or misstatement is material ultimately depends on its effect on financial statements users' judgments. Audit judgments about materiality reflect our consideration of users' needs as a group. The auditor does not consider the possible effect of misstatements on specific individual users, whose needs may vary widely. In addition, professional judgment is exercised in selecting a benchmark, with consideration of the nature of the opinion unit's programs or services and what is of most interest to financial statement users. With those factors in mind, in our judgment total expenditures/expenses is the appropriate benchmark for governmental funds, which includes the Revolving Loan Fund (UDAG Fund). Auditing standards requires the Auditor of State to give an opinion on each opinion unit. The Revolving Loan Fund is considered a major fund and the \$228,000 omission is above our materiality threshold of \$41,529 for the Revolving Loan Major Fund.

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, 2014

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014

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The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



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Web Page: www.cityofalliance.com

July 10, 2015

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, 2014, and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Alliance (the primary government) and its potential component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Alliance, this includes the departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services. The City has no component units for 2014.

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

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

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

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

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

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

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

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

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, parade, concessions and games, musical events, and arts and crafts.

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

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

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

City Government

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

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

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

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

Financial Matters

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

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

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

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

Financial Outlook

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

Long-Term Financial Planning

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

Financial Information

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

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

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

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

Internal Accounting and Reporting Control

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

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

Awards

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Alliance, Ohio has received a Certificate of Achievement for the last fifteen consecutive years (1999-2013). 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, 2014 have been audited by the Auditor of State, Dave Yost's Office. The Auditor's opinion has been included in this report.

Acknowledgments

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

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

Respectfully Submitted,

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

Kevin G. Knowles
City Auditor

CITY OF ALLIANCE, OHIO

City Officials

December 31, 2014

Mayor	Alan Andreani
President of Council	Steve Okey
Councilman - Ward I	Sheila K. Cherry
Councilman - Ward II	Cindy King
Councilman - Ward III	Lawrence Dordea
Councilman - Ward IV	Donald E. Kline
Council-at-Large	Julia A Jakmides
Council-at-Large	Sue Ryan
Council-at-Large	Roger Rhome
Clerk of Council	Gerald T. Yost
Law Director	Jennifer Arnold
Judge	Andrew Zumbar
Clerk of Court	Mary Anne Carper
Civil Service	Joyce Lamb, Toni Middleton, Renee Young

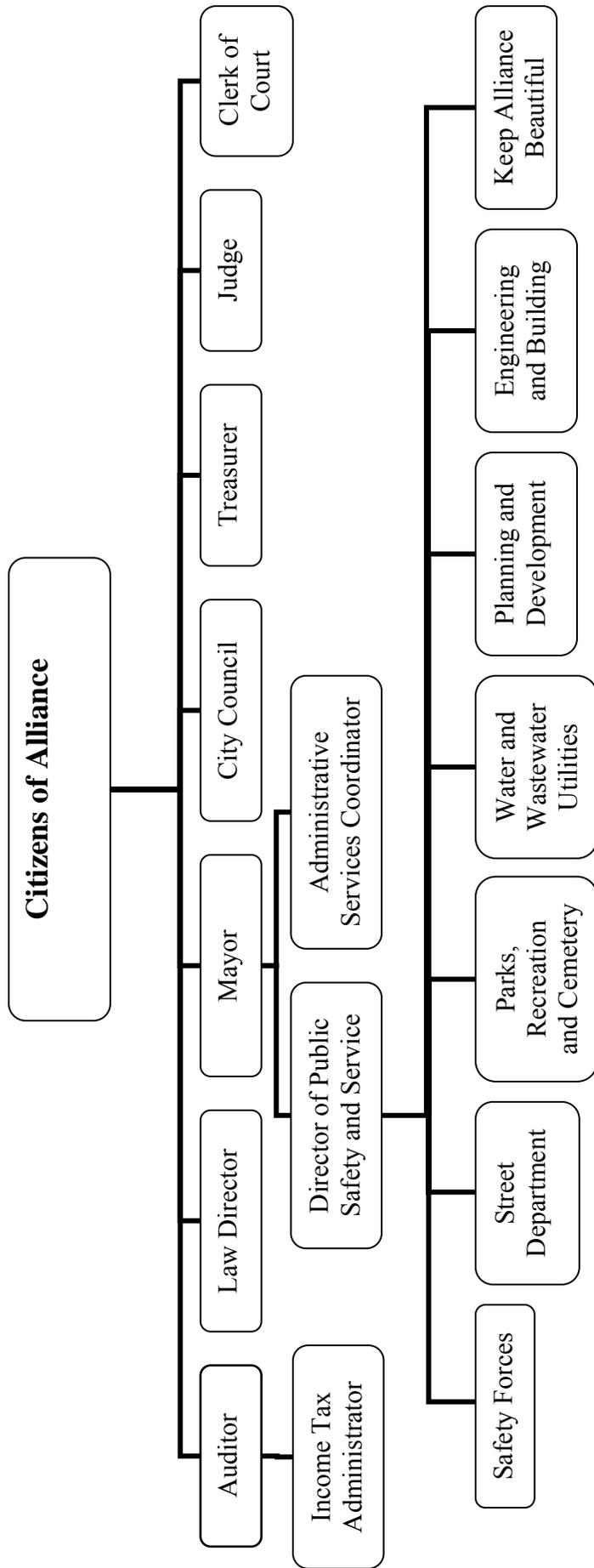
Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

Director of Public Safety and Service	Michael Dreger
Fire Chief	Jason Hunt
Police Chief	Scott Griffith
Director of Parks, Cemetery and Public Lands	Kimberly Cox
Water Plant	Dean Reynolds
Wastewater Plant	Joe Amabeli
Water and Wastewater Distribution	Marcus Benson
Utility Billing and Collection	Lisa Mallard
Health and Human Services	Randy Flint
Keep Alliance Beautiful	Andrea Sapp
Planning and Development	Joe Mazzola
Senior Citizens Center	Helen Miller
Street Department	Kenneth Rhome
Engineering	Curtis Bungard

City of Alliance, Ohio Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Alliance
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Alliance, Stark County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Alliance, Stark County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and the Revolving Loan Special Revenue Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

July 10, 2015

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CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

The management's discussion and analysis of the City of Alliance's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2014. 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 2014 are as follows:

- The total net position of the City increased \$1,065,369. Net position of governmental activities increased \$672,220 or 2.31% from 2013 and net position of business-type activities increased \$393,149 or 1.66% over 2013.
- General revenues accounted for \$12,798,928 or 73.08% of total governmental activities revenue. Program specific revenues accounted for \$4,714,009 or 26.92% of total governmental activities revenue.
- The City had \$17,387,606 in expenses related to governmental activities; \$4,714,009 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$12,673,597 were partially offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,798,928.
- The general fund had revenues of \$12,705,107 in 2014. This represents an increase of \$434,812 from 2013 revenues. The expenditures and other financing uses of the general fund, which totaled \$12,611,919 in 2014, increased \$114,087 from 2013. The net increase in fund balance for the general fund was \$93,188 or 3.32%, from \$2,805,255 in 2013 to \$2,898,443 in 2014.
- The revolving loan major fund had \$382,795 in revenues and \$365,265 in expenditures in 2014. The fund balance for the revolving loan fund increased \$17,530 or 0.53% from \$3,297,904 in 2013 to \$3,315,434 in 2014.
- Net position for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$393,149 from a net position balance of \$23,749,057 in 2013 to a net position balance of \$24,142,206 in 2014.
- The water fund had \$5,027,585 in operating revenues and \$3,932,740 in operating expenses in 2014. The water fund also had non-operating revenues of \$519,976 and non-operating expenses of \$571,387. The net position of the water fund increased \$1,043,434 or 11.82%.
- The sewer fund had \$4,245,435 in operating revenues and \$4,246,958 in operating expenses in 2014. The sewer fund also had non-operating revenues of \$15,518, non-operating expenses of \$132,224 and transfers out of \$546,889. The net position of the sewer fund decreased \$665,118 or 4.57%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

Using this Comprehensive Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows, using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

The statement of net position 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, 2014 (UNAUDITED)

Fund financial statements 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 26.

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund and the revolving loan fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 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 53-57 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has two agency funds to account for segregated cash for the municipal court and monies received from cable franchise fees. The statement of fiduciary assets and liabilities can be found on page 58 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 59-97 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2014 compared to December 31, 2013.

	Net Position					
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>	Business-type Activities <u>2014</u>	Business-type Activities <u>2013</u>	Total <u>2014</u>	Total <u>2013</u>
<u>Assets</u>						
Current and other assets	\$ 15,228,817	\$ 14,379,013	\$ 11,854,361	\$ 13,117,765	\$ 27,083,178	\$ 27,496,778
Capital assets, net	<u>20,443,753</u>	<u>21,021,077</u>	<u>23,352,608</u>	<u>23,926,841</u>	<u>43,796,361</u>	<u>44,947,918</u>
Total assets	<u>35,672,570</u>	<u>35,400,090</u>	<u>35,206,969</u>	<u>37,044,606</u>	<u>70,879,539</u>	<u>72,444,696</u>
Deferred outflows	<u>4,896</u>	<u>6,575</u>	<u>703,930</u>	<u>823,748</u>	<u>708,826</u>	<u>830,323</u>
Total assets and deferred outflows	<u>35,677,466</u>	<u>35,406,665</u>	<u>35,910,899</u>	<u>37,868,354</u>	<u>71,588,365</u>	<u>73,275,019</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	4,116,424	4,592,530	11,365,938	13,657,674	15,482,362	18,250,204
Other liabilities	<u>1,040,435</u>	<u>970,599</u>	<u>402,755</u>	<u>461,623</u>	<u>1,443,190</u>	<u>1,432,222</u>
Total liabilities	<u>5,156,859</u>	<u>5,563,129</u>	<u>11,768,693</u>	<u>14,119,297</u>	<u>16,925,552</u>	<u>19,682,426</u>
Deferred inflows	<u>790,504</u>	<u>785,653</u>	<u>-</u>	<u>-</u>	<u>790,504</u>	<u>785,653</u>
Total liabilities and deferred inflows	<u>5,947,363</u>	<u>6,348,782</u>	<u>11,768,693</u>	<u>14,119,297</u>	<u>17,716,056</u>	<u>20,468,079</u>
<u>Net Position</u>						
Net Invested in capital assets	19,325,774	19,528,061	13,620,315	12,266,157	32,946,089	31,794,218
Restricted	5,924,959	6,786,552	1,071,312	1,725,181	6,996,271	8,511,733
Unrestricted	<u>4,479,370</u>	<u>2,743,270</u>	<u>9,450,579</u>	<u>9,757,719</u>	<u>13,929,949</u>	<u>12,500,989</u>
Total net position	<u>\$ 29,730,103</u>	<u>\$ 29,057,883</u>	<u>\$ 24,142,206</u>	<u>\$ 23,749,057</u>	<u>\$ 53,872,309</u>	<u>\$ 52,806,940</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2014, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$53,872,309. At year-end, net position was \$29,730,103 and \$24,142,206 for the governmental activities and the business-type activities, respectively.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2014, capital assets represented 61.79% of total assets. Capital assets include land, easements and right of ways, construction in progress (CIP), land improvements, buildings, structures and improvements, furniture, fixtures and equipment, vehicles, infrastructure and water and sewer lines. Net investment in capital assets at December 31, 2014 was \$19,325,774 and \$13,620,315 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, 2014, the City is able to report positive balances in all three categories of net position, 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 position, \$5,924,959, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position of \$4,479,370 may be used to meet the government's ongoing obligations to citizens and creditors.

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CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

The table below shows the changes in net position for 2014 and 2013.

Change in Net Position

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>	Business-type Activities <u>2014</u>	Business-type Activities <u>2013</u>	Total <u>2014</u>	Total <u>2013</u>
Revenues:						
Program revenues:						
Charges for services and sales	\$ 1,886,660	\$ 1,805,488	\$ 9,320,514	\$ 9,640,139	\$ 11,207,174	\$ 11,445,627
Operating grants and contributions	2,283,772	2,176,615	-	-	2,283,772	2,176,615
Capital grants and contributions	<u>543,577</u>	<u>660,617</u>	-	-	<u>543,577</u>	<u>660,617</u>
Total program revenues	<u>4,714,009</u>	<u>4,642,720</u>	<u>9,320,514</u>	<u>9,640,139</u>	<u>14,034,523</u>	<u>14,282,859</u>
General revenues:						
Property taxes	905,285	917,317	-	-	905,285	917,317
Municipal income taxes	10,739,033	10,118,478	420,332	394,602	11,159,365	10,513,080
Unrestricted grants and entitlements	592,068	967,436	-	-	592,068	967,436
Investment earnings	25,442	4,166	115,162	9,165	140,604	13,331
(Loss) on fair market value adjustment	(39,020)	-	-	-	(39,020)	-
Miscellaneous	<u>576,120</u>	<u>246,946</u>	-	-	<u>576,120</u>	<u>246,946</u>
Total general revenues	<u>12,798,928</u>	<u>12,254,343</u>	<u>535,494</u>	<u>403,767</u>	<u>13,334,422</u>	<u>12,658,110</u>
Total revenues	<u>17,512,937</u>	<u>16,897,063</u>	<u>9,856,008</u>	<u>10,043,906</u>	<u>27,368,945</u>	<u>26,940,969</u>
Expenses:						
General government	3,530,481	3,429,427	-	-	3,530,481	3,429,427
Security of persons and property	8,983,758	8,727,248	-	-	8,983,758	8,727,248
Public health and welfare	944,102	961,188	-	-	944,102	961,188
Transportation	1,946,535	1,852,335	-	-	1,946,535	1,852,335
Community environment	1,132,317	1,419,894	-	-	1,132,317	1,419,894
Basic utility services	68,828	72,018	-	-	68,828	72,018
Leisure time activities	741,638	711,074	-	-	741,638	711,074
Interest and fiscal charges	39,947	45,757	-	-	39,947	45,757
Water	-	-	4,490,494	4,518,463	4,490,494	4,518,463
Sewer	-	-	4,364,930	4,186,816	4,364,930	4,186,816
Robertson Community Center	-	-	60,546	55,503	60,546	55,503
Total expenses	<u>17,387,606</u>	<u>17,218,941</u>	<u>8,915,970</u>	<u>8,760,782</u>	<u>26,303,576</u>	<u>25,979,723</u>
Increase (decrease) in net position before transfers	125,331	(321,878)	940,038	1,283,124	1,065,369	961,246
Transfers	<u>546,889</u>	-	<u>(546,889)</u>	-	-	-
Change in net position	<u>672,220</u>	<u>(321,878)</u>	<u>393,149</u>	<u>1,283,124</u>	<u>1,065,369</u>	<u>961,246</u>
Net position at beginning year	<u>29,057,883</u>	<u>29,379,761</u>	<u>23,749,057</u>	<u>22,465,933</u>	<u>52,806,940</u>	<u>51,845,694</u>
Net position at end of year	<u>\$ 29,730,103</u>	<u>\$ 29,057,883</u>	<u>\$ 24,142,206</u>	<u>\$ 23,749,057</u>	<u>\$ 53,872,309</u>	<u>\$ 52,806,940</u>

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Governmental Activities

Governmental activities net position increased \$444,220 in 2014.

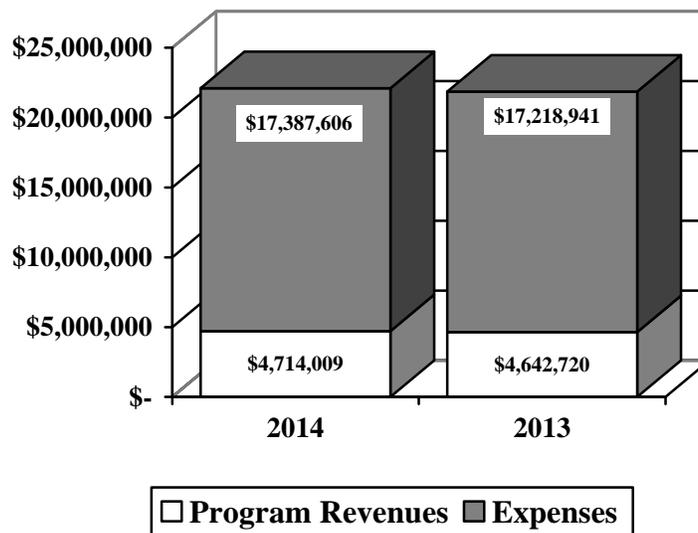
Security of persons and property, which primarily supports the operations of the police and fire departments, accounted for \$8,983,758 of the total expenses of the City. These expenses were partially funded by \$65,939 in direct charges to users of the services. General government expenses totaled \$3,530,481. General government expenses were partially funded by \$1,572,870 in direct charges to users of the services.

The State and federal government and private entities contributed to the City a total of \$2,283,772 in operating grants and contributions and \$543,577 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$975,748 subsidized transportation and \$999,489 subsidized community environment. Of the total capital grants and contributions amount of \$543,577, \$543,314 subsidized transportation.

General revenues totaled \$12,798,928 and amounted to 73.08% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$11,644,318. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and homestead and rollback, totaling \$592,068.

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

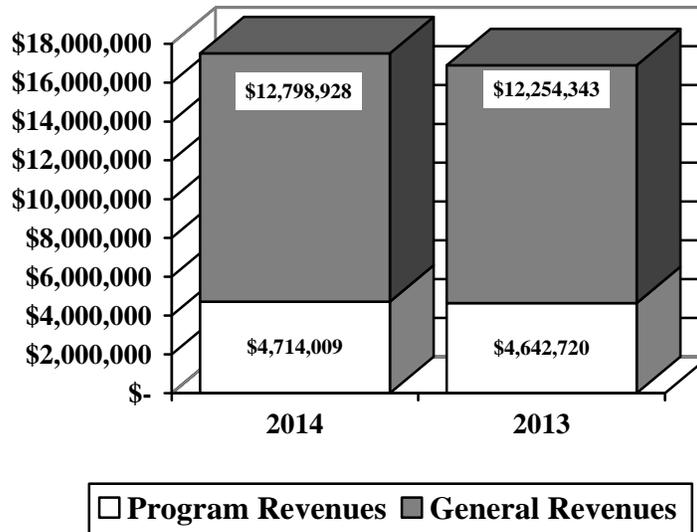
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Program expenses:				
General government	\$ 3,530,481	\$ 1,901,141	\$ 3,429,427	\$ 2,139,491
Security of persons and property	8,983,758	8,798,606	8,727,248	8,077,253
Public health and welfare	944,102	649,123	961,188	650,022
Transportation	1,946,535	427,201	1,852,335	194,246
Community environment	1,132,317	73,219	1,419,894	710,382
Basic utility services	68,828	68,828	72,018	72,018
Leisure time activities	741,638	715,532	711,074	687,052
Interest and fiscal charges	39,947	39,947	45,757	45,757
Total expenses	<u>\$ 17,387,606</u>	<u>\$ 12,673,597</u>	<u>\$ 17,218,941</u>	<u>\$ 12,576,221</u>

The dependence upon general revenues for governmental activities is apparent, with 72.89% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2013 and 2014.

Governmental Activities – General and Program Revenues



Business-Type Activities

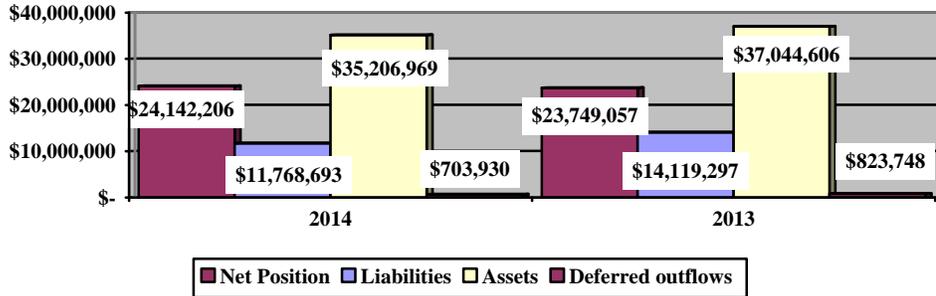
Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$9,320,514, general revenues of \$535,494 and expenses of \$8,915,970 for 2014.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

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

Net Position in Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 43) reported a combined fund balance of \$9,847,746 which is \$532,446 more than last year's total of \$9,315,300. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2014 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/2014</u>	<u>Fund Balances</u> <u>12/31/2013</u>	<u>Increase/</u> <u>(Decrease)</u>
Major funds:			
General	\$ 2,898,443	\$ 2,805,255	\$ 93,188
Revolving loan	3,315,434	3,297,904	17,530
Other nonmajor governmental funds	<u>3,633,869</u>	<u>3,212,141</u>	<u>421,728</u>
Total	<u>\$ 9,847,746</u>	<u>\$ 9,315,300</u>	<u>\$ 532,446</u>

General Fund

The City's general fund balance increased \$93,188.

CITY OF ALLIANCE, OHIO

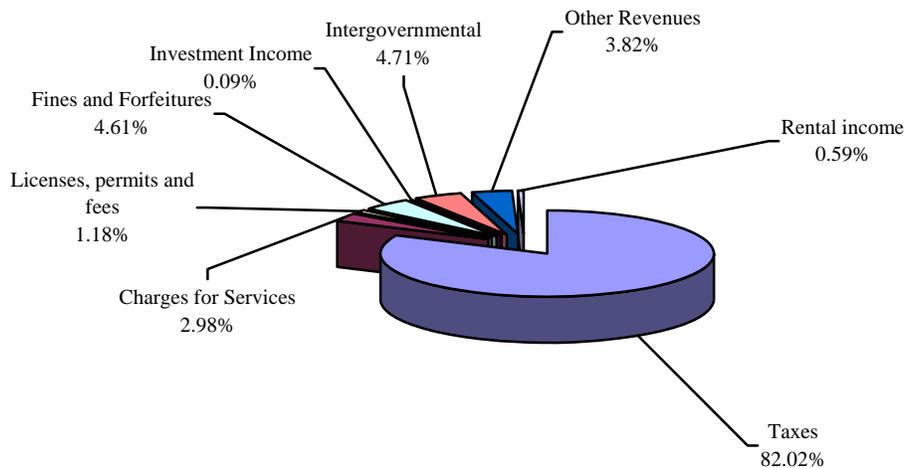
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

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

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Taxes	\$ 10,420,122	\$ 9,990,353	\$ 429,769	4.30 %
Charges for services	378,773	428,359	(49,586)	(11.58) %
Licenses, permits and fees	150,356	152,348	(1,992)	(1.31) %
Fines and forfeitures	585,976	381,990	203,986	53.40 %
Investment income	11,400	4,166	7,234	173.64 %
Intergovernmental	597,890	899,218	(301,328)	(33.51) %
Rental income	74,834	99,211	(24,377)	(24.57) %
Other	<u>485,756</u>	<u>314,650</u>	<u>171,106</u>	54.38 %
Total	<u>\$ 12,705,107</u>	<u>\$ 12,270,295</u>	<u>\$ 434,812</u>	3.54 %

Revenues of the general fund increased \$434,812 or 3.54%. Charges for services revenue decreased \$49,586 or 11.58% due mainly to miscellaneous reimbursement revenues decreasing. The increase of \$203,986 or 53.40% in fines and forfeitures is mainly due to an increase in municipal court fines. The increase of \$7,234 or 173.64% in investment income is due to the City investing in a larger portfolio of investments that offers larger returns throughout the year. The decrease in intergovernmental revenues of \$301,328 or 33.51% is mainly due to a decrease of State levied shared taxes during 2014. The decrease of \$24,377 or 24.57% in rentals is due to a decrease in oil and gas well revenue. Other revenues increased \$171,106 or 54.38% due mainly to an increase of revenues from garage maintenance reimbursements during the year.

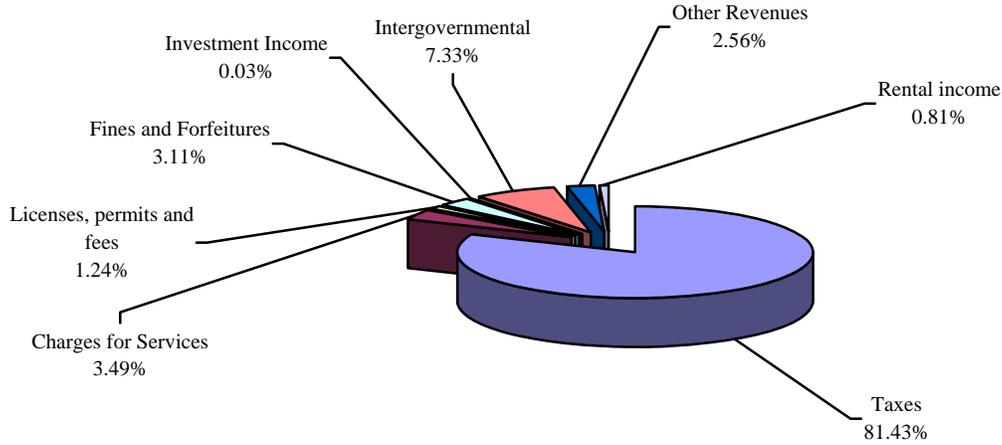
Revenues – 2014



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Revenues –2013



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

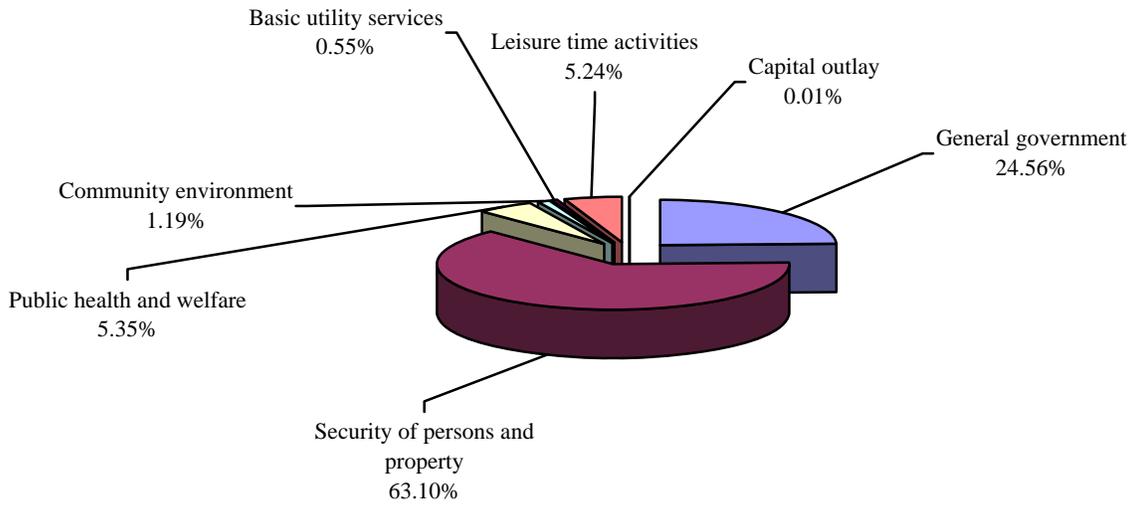
	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Expenditures:				
General government	\$ 2,871,513	\$ 2,793,554	\$ 77,959	2.79 %
Security of persons and property	7,376,103	7,270,009	106,094	1.46 %
Public health and welfare	625,640	642,338	(16,698)	(2.60) %
Community environment	138,646	149,397	(10,751)	(7.20) %
Leisure time activities	613,020	624,023	(11,003)	(1.76) %
Basic utility services	64,775	68,584	(3,809)	(5.55) %
Capital outlay	<u>115</u>	<u>4,357</u>	<u>(4,242)</u>	(97.36) %
Total	<u>\$ 11,689,812</u>	<u>\$ 11,552,262</u>	<u>\$ 137,550</u>	1.19 %

Expenditures of the general fund increased \$137,550 or 1.19%. All major expenditures remained comparable to 2013.

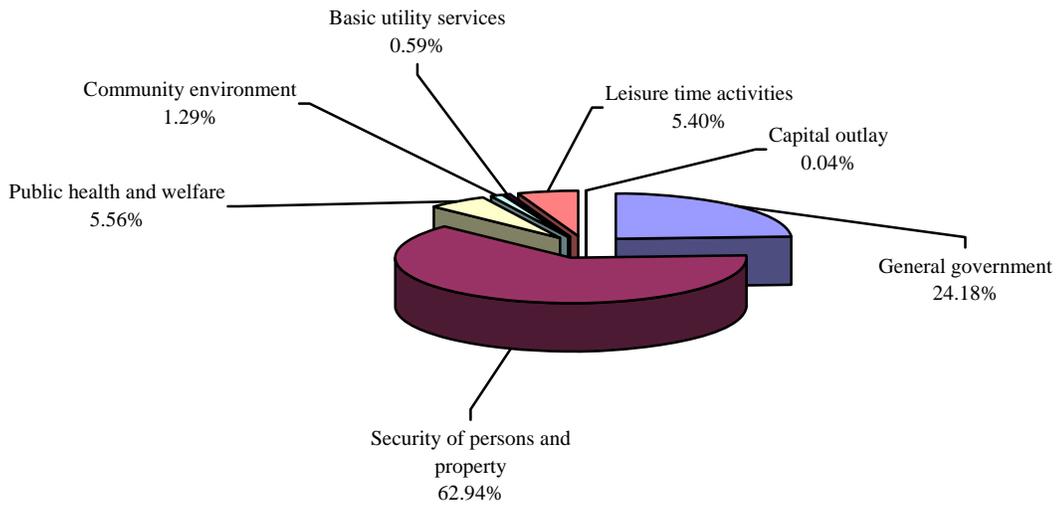
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Expenditures – 2014



Expenditures – 2013



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Revolving Loan Fund

The revolving loan major fund had \$382,795 in revenues and \$365,265 in expenditures in 2014. The fund balance for the revolving loan fund increased \$17,530 or 0.53% from \$3,297,904 in 2013 to \$3,315,434 in 2014.

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, actual revenues and other financing sources of \$11,718,423 were more than the final budget amount of \$11,643,435. Actual expenditures and other financing uses of \$11,796,599 were lower than the final budget amount of \$12,153,009. The decrease of \$356,410 from final budgeted amounts to actual expenditures and other financing uses is due mainly to decreased spending for general government and security of persons and property. Budgeted expenditures and other financing uses were increased \$106,962 from the original to the final budget. Budgeted revenues and other financing sources were increased \$890,520 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 position on page 53-54) reported a combined net position of \$24,119,492, which is \$365,264 more than last year's total of \$23,754,228.

The schedule below indicates the net position and the total change in net position as of December 31, 2014 for all major and nonmajor business-type funds.

	<u>Net Position</u> <u>12/31/14</u>	<u>Net Position</u> <u>12/31/13</u>	<u>Increase/</u> <u>(Decrease)</u>
Major funds:			
Water	\$ 9,873,969	\$ 8,830,535	\$ 1,043,434
Sewer	13,891,413	14,556,531	(665,118)
Nonmajor:			
Robertson Community Center	<u>354,110</u>	<u>367,162</u>	<u>(13,052)</u>
Total	<u>\$ 24,119,492</u>	<u>\$ 23,754,228</u>	<u>\$ 365,264</u>

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Water

The City's water fund increased \$1,043,434 or 11.82% during 2014 from a net position balance of \$8,830,535 in 2013 to \$9,873,969 in 2014.

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 4,966,419	\$ 5,021,621	\$ (55,202)	(1.10) %
Other	<u>61,166</u>	<u>58,774</u>	<u>2,392</u>	4.07 %
Total operating revenues	<u>5,027,585</u>	<u>5,080,395</u>	<u>(52,810)</u>	(1.04) %
<u>Operating expenses</u>				
Salaries and benefits	1,392,887	1,311,371	81,516	6.22 %
Fringe benefits	570,967	521,857	49,110	9.41 %
Contract services	627,800	557,946	69,854	12.52 %
Materials and supplies	814,183	972,132	(157,949)	(16.25) %
Depreciation	526,206	603,289	(77,083)	(12.78) %
Other	<u>697</u>	<u>2,094</u>	<u>(1,397)</u>	(66.71) %
Total operating expenses	<u>3,932,740</u>	<u>3,968,689</u>	<u>(35,949)</u>	(0.91) %
<u>Non-operating revenues</u>				
Municipal income tax	420,332	394,602	25,730	6.52 %
Interest revenue	<u>99,644</u>	<u>2,711</u>	<u>96,933</u>	3,575.54 %
Total non-operating revenues	<u>519,976</u>	<u>397,313</u>	<u>122,663</u>	30.87 %
<u>Non-operating expenses</u>				
Interest and fiscal charges	565,280	505,623	59,657	11.80 %
Loss on disposal of capital assets	<u>6,107</u>	<u>4,800</u>	<u>1,307</u>	27.23 %
Total non-operating expenses	<u>\$ 571,387</u>	<u>\$ 510,423</u>	<u>\$ 60,964</u>	11.94 %

Operating revenues of the water fund decreased \$52,810 or 1.04%. This decrease is the result of a decrease in water consumption during the year. Operating expenses decreased \$35,949 or 0.91% due mainly to a decrease in spending for materials and supplies and depreciation expense.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

Sewer

The City's sewer fund decreased \$665,118 or 4.57% during 2014 from a net position balance of \$14,556,531 in 2013 to \$13,891,413 in 2014.

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 4,043,395	\$ 4,465,724	\$ (422,329)	(9.46) %
Licenses and permits	107,095	6,650	100,445	1,510.45 %
Other	<u>94,945</u>	<u>44,308</u>	<u>50,637</u>	114.28 %
Total operating revenues	<u>4,245,435</u>	<u>4,516,682</u>	<u>(271,247)</u>	(6.01) %
<u>Operating expenses</u>				
Salaries and benefits	1,506,907	1,562,113	(55,206)	(3.53) %
Fringe benefits	584,767	633,627	(48,860)	(7.71) %
Contract services	1,078,773	905,717	173,056	19.11 %
Materials and supplies	481,482	410,062	71,420	17.42 %
Depreciation	584,098	571,184	12,914	2.26 %
Other	<u>10,931</u>	<u>1,840</u>	<u>9,091</u>	494.08 %
Total operating expenses	<u>4,246,958</u>	<u>4,084,543</u>	<u>162,415</u>	3.98 %
<u>Non-operating revenues</u>				
Interest revenue	<u>15,518</u>	<u>6,454</u>	<u>9,064</u>	140.44 %
Total non-operating revenues	<u>15,518</u>	<u>6,454</u>	<u>9,064</u>	140.44 %
<u>Non-operating expenses</u>				
Interest and fiscal charges	126,592	49,963	76,629	153.37 %
Loss on disposal of capital assets	<u>5,632</u>	<u>5,374</u>	<u>258</u>	4.80 %
Total non-operating expenses	<u>\$ 132,224</u>	<u>\$ 55,337</u>	<u>\$ 76,887</u>	138.94 %

Operating revenues of the sewer fund decreased \$271,247 or 6.01%. This decrease can mainly be attributed to a usage decrease from the prior year. Operating expenses increased \$162,415 or 3.98% due mainly to an increase in spending for materials and supplies and contract services. Non-operating revenues increased \$9,064 due to the City receiving more interest in 2014.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2014, the City had \$43,796,361 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, structures and improvements, furniture, fixtures, and equipment, vehicles, infrastructure, water and sewer lines. Of this total, \$20,443,753 was reported in governmental activities and \$23,352,608 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosures.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

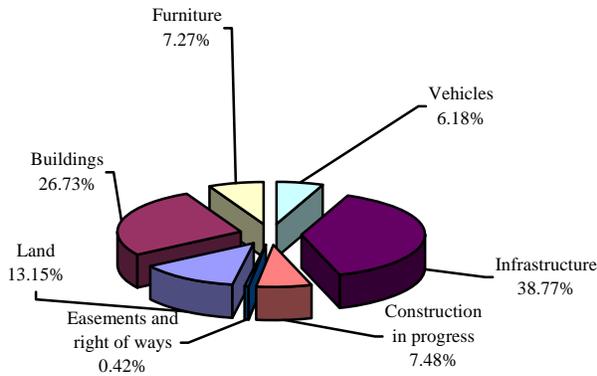
The following table shows December 31, 2014 balances compared to December 31, 2013:

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

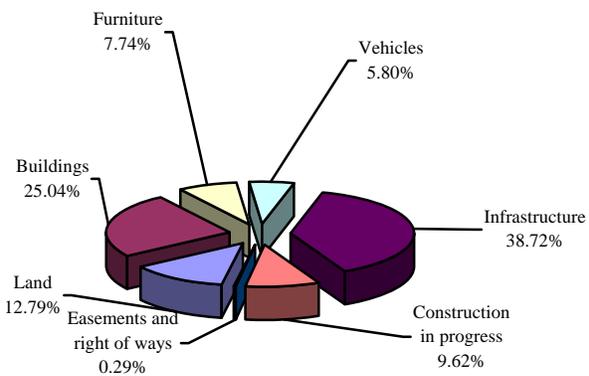
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>	Business-type Activities <u>2014</u>	Business-type Activities <u>2013</u>	Total <u>2014</u>	Total <u>2013</u>
Land	\$ 2,688,987	\$ 2,688,987	\$ 869,941	\$ 869,941	\$ 3,558,928	\$ 3,558,928
Easements and right of ways	85,618	59,938	-	-	85,618	59,938
Buildings, structures and improvements	5,465,064	5,263,717	4,116,815	4,363,186	9,581,879	9,626,903
Furniture, fixtures and equipment	1,486,425	1,628,261	4,627,910	4,681,217	6,114,335	6,309,478
Vehicles	1,262,561	1,218,666	-	-	1,262,561	1,218,666
Infrastructure	7,925,145	8,138,806	-	-	7,925,145	8,138,806
Land improvements	-	-	218,747	267,941	218,747	267,941
Water and sewer lines	-	-	11,191,809	11,644,580	11,191,809	11,644,580
Construction in progress	<u>1,529,953</u>	<u>2,022,702</u>	<u>2,327,386</u>	<u>2,099,976</u>	<u>3,857,339</u>	<u>4,122,678</u>
Total	<u>\$ 20,443,753</u>	<u>\$ 21,021,077</u>	<u>\$ 23,352,608</u>	<u>\$ 23,926,841</u>	<u>\$ 43,796,361</u>	<u>\$ 44,947,918</u>

The following graphs show the breakdown of governmental capital assets by category at December 31, 2014 and December 31, 2013.

**Capital Assets - Governmental
Activities 2014**



**Capital Assets - Governmental
Activities 2013**



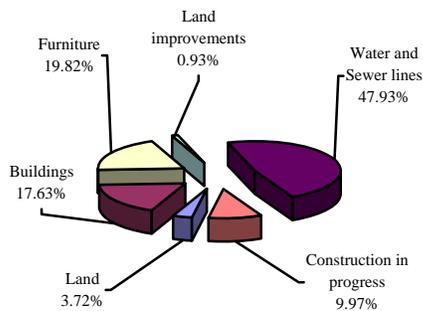
The City's largest governmental capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City; however, the cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 38.77% of the City's total governmental capital assets.

CITY OF ALLIANCE, OHIO

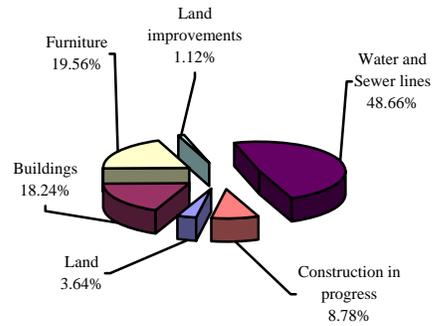
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2014 and December 31, 2013.

**Capital Assets - Business-type Activities
2014**



**Capital Assets - Business-type Activities
2013**



The City's largest business-type capital asset category is the water and sewer 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 47.93% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2014 and 2013:

	Governmental Activities 2014	Governmental Activities 2013
General obligation bonds	\$ 555,000	\$ 1,020,000
Special assessment bonds	-	70,000
Police and fire pension liability	327,620	337,534
SIB loans	167,839	-
OPWC loans	<u>393,333</u>	<u>400,000</u>
Total long-term obligations	<u>\$ 1,443,792</u>	<u>\$ 1,827,534</u>

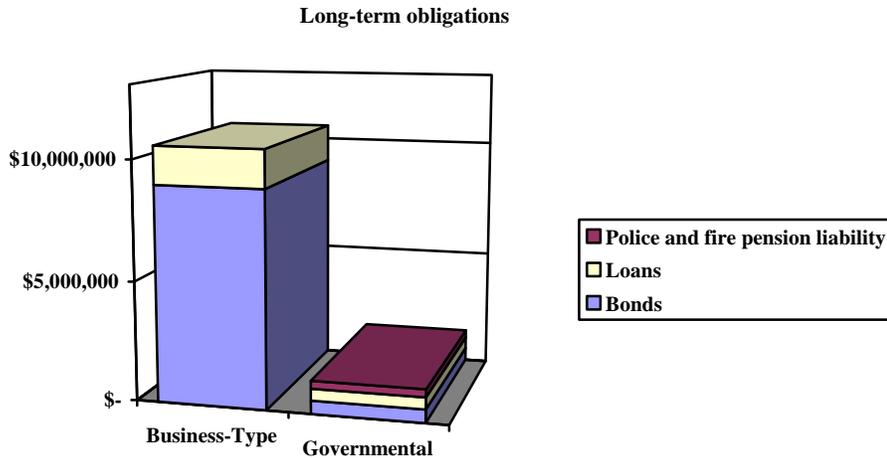
CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

	Business-type Activities <u>2014</u>	Business-type Activities <u>2013</u>
Revenue bonds	\$ 7,923,733	\$ 9,092,028
General obligation bonds	<u>1,080,171</u>	<u>2,197,181</u>
Total bonds	<u>9,003,904</u>	<u>11,289,209</u>
OPWC loans	<u>1,581,084</u>	<u>1,555,078</u>
Total long-term obligations	<u>\$ 10,584,988</u>	<u>\$ 12,844,287</u>

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

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



Economic Condition and Outlook

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

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

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

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

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

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

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

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

Current Outlook

After experiencing losses totaling over a million dollars per year to the general fund balance in 2011 and 2012, the City experienced some stability in 2014. The general fund ending cash balance for 2014 was \$1.20 million, down from 1.25 million in 2013. Stabilization was primarily due to record income tax collections in 2014. The City collected \$10.99 million compared to \$10.30 million in 2013. Unemployment in Stark County was at 4.5% in 2014, down from 6.9% in 2013.

The City of Alliance continues to face financial challenges in part, due to the elimination and decline of various revenue sources, including the State of Ohio Estate Tax, Local Government Funding as well as the phase-out of payments made by the State to local governments for revenues once collected on tangible personal property and certain types of electricity generation. In addition to these cuts, the City received reduced property taxes due to recent county-wide property revaluations.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

The combined effects of these losses along with increased costs, such as employee healthcare, have led to a continual decline of the general fund carryover balance in recent years. The City has been able to survive this deficit spending by relying on a \$3.9 million carryover from 2010, mostly due to an exceptionally large inheritance tax of \$3.47 million received in 2010.

The City is examining new sources of revenue streams as well as analyzing ways to reduce expenditures in light of revenue reductions and increasing operating costs. The Income Tax Department has increased collection efforts pursuing back taxes via civil and criminal court action. The City has also partnered with the Cleveland Income Tax Agency to pursue individuals that have not filed City income tax. The Alliance Municipal Court Clerk has aggressively pursued back fines/costs by the process issuing registration blocks.

City Administration and City Council have studied the conditions and ramifications of fiscal caution, watch and emergency and will work on remedying the City's financial condition. In 2015, Alliance City Council voted to approve reallocating income tax revenues to increase the percentage received in the general fund from 79% to 86% for the third consecutive year. This will reduce allocations normally reserved for master capital and street funds. This action was necessary to pay for 2015 general fund appropriations.

Long-Term Financial Planning

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

Demolition

The City of Alliance completed the demolition of 23 condemned properties in 2014. One structure was demolished utilizing CDBG funds (\$9,950). The other 22 through the Moving Ohio Forward program (\$263,848).

UDAG Loans issued to Alliance Businesses

The City of Alliance issued two Urban Development Action Grant (UDAG) loans to local businesses to promote job retention and growth. \$25,581 to Checkerboard Cheesecake, a business located in the heart of downtown and \$228,000 to Smith Machine, the oldest machine shop in Alliance.

Clark Street Water Tower

The riser pipe at the Clark Street water tower was replaced in 2014 at a cost of \$84,832. The City will also consider metalizing the interior of the tank in the future which will add to its useful life.

FEMA Grant for Smoke Detectors

The City of Alliance Fire Department received a Federal Emergency Management Agency (FEMA) grant of \$99,750 to supply Alliance residents with free smoke detectors. A total of 5,892 detectors were purchased and are being installed by the staff of the Alliance Fire Department. It is estimated that detectors could be installed in approximately 1,200 homes.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

Key Personnel Changes

Former Law Director, Andrew Zumbar, was elected as Judge in November 2013 to assume the duties of Alliance Municipal Court Judge, replacing Judge Robert L. Lavery. Former City Prosecutor, Jennifer Arnold was appointed as Alliance City Law Director in 2014 to fulfill Andrew Zumbar's unexpired term. Michael Dreger was appointed as Safety Service Director in September 2014, replacing the retiring W. John Gross. Joe Mazzola was hired in May 2014 as Planning and Development Director to replace Vince Marion. Cindy King was appointed as 2nd Ward Councilman to replace Phyllis Phillips. Steve Okey was appointed as City Council President to replace the late John Benincasa. Mr. Benincasa had served nearly 20 years as President.

Water - Sewer Rates

The City maintained water and sewer rates at current levels. The City is required to meet the rate covenant of the trust indenture made by the City for the series 2008 water works system revenue refunding bonds (these bonds were sold to refund and retire the series 1990, 1991 and 1998 waterworks bonds) to provide adequate funds to operate and maintain, perform replacements and capital improvements, and to make timely payments on debt service.

Butler Rodman Parking Lot

The parking lot at Butler Rodman Park was paved with funding donated by The John and Roene Klusch Foundation. The total cost of the project was \$178,780.

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.

US 62 Traffic Signal Replacement

The City will be replacing traffic lights and signs on State Route 62 (State Street). The \$168,000 cost will be funded by a grant obtained by City Engineer, Curtis Bungard. The City is set to receive this grant in part due to a prior safety study completed a few years ago.

Sludge Dewatering

The City of Alliance is contracting with the consulting firm, Arcadis, to complete a feasibility study to analyze the construction of a sludge dewatering facility. The facility will dewater the bio solids that are produced as a result of the wastewater treatment process. These recycled bio solids have beneficial use as a fertilizer and dewatering assists in reducing the weight and cost of removing this material.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

Demolition Program

The City of Alliance anticipates demolishing multiple structures in 2015, including commercial structures in the Downtown area. The Moving Ohio Forward Demolition Program which focused on reducing the number of slum and blighted residential structures within the State of Ohio ended in 2014. Additional demolition funding is anticipated from the Community Development Block Grant program, a Federal Housing and Urban Development grant program which provides funding to jurisdictions in order to serve the low-moderate income residents within the City. In addition, the City received notice of a 50% matching grant from the Stark County Land Bank to fund the demolition of 50 N. Linden, a condemned commercial structure in Downtown Alliance.

Iron Horse Trail

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

Contract Negotiations

The City of Alliance expects to wrap up contract negotiations with all 13 of its bargaining units in 2015. The majority of the groups settled for 3 year contracts that began in 2014.

Street Resurfacing

The City of Alliance increased its appropriations to include \$700,000 towards the 2015 resurfacing program. The funding includes a variety of City funds as well as Municipal Road funding obtained through the County. The City will complete major resurfacing as well as micro surfacing repairs as a part of its preventative program.

Retail Expansion in Alliance

Several new retail locations are expected to be completed within the City in 2015. Get-Go, a large, full service gas station will be located in front of the current Giant Eagle Plaza. Hampton Inn, Wendy's and O'Reilly's Auto Parts will be building establishments on State Street north of the same plaza. Starbucks announced that a location on West Street will be completed in 2015. Also, the University of Mount Union is partnering with Dehoff's Development and Alliance Ventures to construct a retail plaza on State Street, south of campus, which will house a Buffalo Wild Wings (BW3's), Orange Leaf Yogurt and other retail establishments.

Maple Beach Park Pavilion

A pavilion will be constructed at Maple Beach Park for a cost not to exceed \$58,000. The facility is expected to host outdoor concerts and meetings. Funding for this project was secured through private donations.

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 POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,463,615	\$ 7,508,420	\$ 14,972,035
Cash with escrow agents.	1,000	-	1,000
Receivables:			
Municipal income taxes	3,156,891	131,537	3,288,428
Property and other taxes.	1,056,606	-	1,056,606
Accounts.	142,520	1,478,006	1,620,526
Special assessments	1,139,888	-	1,139,888
Intergovernmental	958,915	-	958,915
Accrued interest	21,294	-	21,294
Loans	1,251,548	-	1,251,548
Internal balance	(22,714)	22,714	-
Prepayments.	23,432	23,154	46,586
Materials and supplies inventory	35,822	489,183	525,005
Restricted assets:			
Equity in pooled cash and cash equivalents.	-	522,362	522,362
Cash and cash equivalents with fiscal agents	-	1,678,985	1,678,985
Capital assets:			
Non-depreciable capital assets.	4,304,558	3,197,327	7,501,885
Depreciable capital assets, net	16,139,195	20,155,281	36,294,476
Total capital assets, net.	<u>20,443,753</u>	<u>23,352,608</u>	<u>43,796,361</u>
Total assets	<u>35,672,570</u>	<u>35,206,969</u>	<u>70,879,539</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	4,896	703,930	708,826
Total assets and deferred outflows of resources	<u>35,677,466</u>	<u>35,910,899</u>	<u>71,588,365</u>
Liabilities:			
Accounts payable	101,292	105,837	207,129
Contracts payable	11,924	-	11,924
Accrued wages and benefits payable	254,330	83,585	337,915
Claims payable.	274,553	-	274,553
Due to other governments	392,883	117,027	509,910
Accrued interest payable	4,453	96,306	100,759
Cash held for escrow agent.	1,000	-	1,000
Long-term liabilities:			
Due within one year	1,042,620	1,677,183	2,719,803
Due in more than one year	3,073,804	9,688,755	12,762,559
Total liabilities	<u>5,156,859</u>	<u>11,768,693</u>	<u>16,925,552</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	790,504	-	790,504
Total liabilities and deferred inflows of resources	<u>5,947,363</u>	<u>11,768,693</u>	<u>17,716,056</u>
Net position:			
Net investment in capital assets.	19,325,774	13,620,315	32,946,089
Restricted for:			
Debt service	425,849	548,950	974,799
Capital projects	86,105	-	86,105
Transportation projects.	357,951	-	357,951
Public service programs	1,175,610	-	1,175,610
Community development programs	3,329,142	-	3,329,142
Police and fire pension	38,397	-	38,397
Security programs	392,320	-	392,320
Other purposes	119,585	-	119,585
Replacement and surplus reserve.	-	522,362	522,362
Unrestricted	4,479,370	9,450,579	13,929,949
Total net position.	<u>\$ 29,730,103</u>	<u>\$ 24,142,206</u>	<u>\$ 53,872,309</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,530,481	\$ 1,572,870	\$ 56,207	\$ 263
Security of persons and property	8,983,758	65,939	119,213	-
Public health and welfare	944,102	161,864	133,115	-
Transportation	1,946,535	272	975,748	543,314
Community environment	1,132,317	59,609	999,489	-
Basic utility services	68,828	-	-	-
Leisure time activities	741,638	26,106	-	-
Interest and fiscal charges	39,947	-	-	-
Total governmental activities	<u>17,387,606</u>	<u>1,886,660</u>	<u>2,283,772</u>	<u>543,577</u>
Business-type activities:				
Water	4,490,494	5,027,585	-	-
Sewer	4,364,930	4,245,435	-	-
Robertson Community Center	60,546	47,494	-	-
Total business-type activities	<u>8,915,970</u>	<u>9,320,514</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 26,303,576</u>	<u>\$ 11,207,174</u>	<u>\$ 2,283,772</u>	<u>\$ 543,577</u>

General revenues:

Property taxes levied for:
General purposes
Police pension.
Fire pension.
Municipal income taxes levied for:
General purposes
Transportation projects
Capital improvements
Water department
Grants and entitlements not restricted to specific programs
Investment earnings
(Loss) on fair market value adjustment
Miscellaneous
Total general revenues
Transfers.
Change in net position
Net position at beginning of year
Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (1,901,141)	\$ -	\$ (1,901,141)
(8,798,606)	-	(8,798,606)
(649,123)	-	(649,123)
(427,201)	-	(427,201)
(73,219)	-	(73,219)
(68,828)	-	(68,828)
(715,532)	-	(715,532)
(39,947)	-	(39,947)
<u>(12,673,597)</u>	<u>-</u>	<u>(12,673,597)</u>
-	537,091	537,091
-	(119,495)	(119,495)
-	(13,052)	(13,052)
<u>-</u>	<u>404,544</u>	<u>404,544</u>
<u>(12,673,597)</u>	<u>404,544</u>	<u>(12,269,053)</u>
803,217	-	803,217
51,034	-	51,034
51,034	-	51,034
9,688,200	-	9,688,200
420,332	-	420,332
630,501	-	630,501
-	420,332	420,332
592,068	-	592,068
25,442	115,162	140,604
(39,020)	-	(39,020)
576,120	-	576,120
<u>12,798,928</u>	<u>535,494</u>	<u>13,334,422</u>
<u>546,889</u>	<u>(546,889)</u>	<u>-</u>
672,220	393,149	1,065,369
<u>29,057,883</u>	<u>23,749,057</u>	<u>52,806,940</u>
<u>\$ 29,730,103</u>	<u>\$ 24,142,206</u>	<u>\$ 53,872,309</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 1,469,619	\$ 2,066,362	\$ 3,114,623	\$ 6,650,604
Cash with fiscal and escrow agents.	-	-	1,000	1,000
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	2,828,048	-	328,843	3,156,891
Property and other taxes	915,470	-	141,136	1,056,606
Accounts.	123,957	-	18,563	142,520
Intergovernmental	280,050	-	678,865	958,915
Special assessments	1,105,257	-	34,631	1,139,888
Accrued interest	21,294	-	-	21,294
Due from other funds	16,179	-	-	16,179
Loans	-	1,250,233	1,315	1,251,548
Prepayments	17,469	-	5,963	23,432
Materials and supplies inventory	10,717	-	25,105	35,822
Total assets	<u>\$ 6,788,060</u>	<u>\$ 3,316,595</u>	<u>\$ 4,350,044</u>	<u>\$ 14,454,699</u>
Liabilities:				
Accounts payable.	\$ 53,002	\$ 22	\$ 48,268	\$ 101,292
Contracts payable.	-	-	11,924	11,924
Accrued wages and benefits payable	228,587	492	25,251	254,330
Due to other funds	-	-	16,179	16,179
Due to other governments	348,831	647	43,405	392,883
Deposits held and due to others	-	-	1,000	1,000
Total liabilities	<u>630,420</u>	<u>1,161</u>	<u>146,027</u>	<u>777,608</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	654,722	-	135,782	790,504
Income tax revenue not available	1,058,295	-	123,058	1,181,353
Delinquent property tax revenue not available.	232,722	-	5,354	238,076
Accrued interest not available	14,042	-	-	14,042
Special assessments revenue not available.	1,105,257	-	34,631	1,139,888
Intergovernmental revenue not available.	194,159	-	271,323	465,482
Total deferred inflows of resources	<u>3,259,197</u>	<u>-</u>	<u>570,148</u>	<u>3,829,345</u>
Total liabilities and deferred inflows of resources.	<u>3,889,617</u>	<u>1,161</u>	<u>716,175</u>	<u>4,606,953</u>
Fund balances:				
Nonspendable	98,029	-	31,068	129,097
Restricted.	-	3,315,434	2,543,880	5,859,314
Committed	103,593	-	1,057,921	1,161,514
Assigned	1,566,149	-	1,000	1,567,149
Unassigned.	1,130,672	-	-	1,130,672
Total fund balances.	<u>2,898,443</u>	<u>3,315,434</u>	<u>3,633,869</u>	<u>9,847,746</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,788,060</u>	<u>\$ 3,316,595</u>	<u>\$ 4,350,044</u>	<u>\$ 14,454,699</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total governmental fund balances	\$	9,847,746
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,443,753
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Municipal income taxes receivable	\$ 1,181,353	
Property and other taxes receivable	238,076	
Interest receivable	14,042	
Special assessments receivable	1,139,888	
Intergovernmental receivable	465,482	
Total	3,038,841	3,038,841
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. The net position of the internal service fund, including internal balances of (\$22,714).		515,744
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(4,453)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		4,896
Unamortized premiums (discounts) on bond issuances are not recognized in the funds.		(6,703)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
General obligation bonds	(555,000)	
Police and fire pension liability	(327,620)	
Loans payable	(561,172)	
Compensated absences	(2,665,929)	
Total	(4,109,721)	(4,109,721)
Net position of governmental activities	\$	29,730,103

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, 2014

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 9,654,283	\$ -	\$ 1,046,889	\$ 10,701,172
Property and other taxes.	765,839	-	132,138	897,977
Charges for services.	378,773	-	-	378,773
Licenses, permits and fees	150,356	-	75,469	225,825
Fines and forfeitures	585,976	-	265,832	851,808
Intergovernmental.	597,890	340,387	2,198,276	3,136,553
Special assessments	-	-	67,295	67,295
Investment income.	11,400	31,941	1,252	44,593
Rental income	74,834	-	-	74,834
Contributions and donations.	200	-	12,892	13,092
(Loss) on fair market value adjustment.	(39,020)	-	-	(39,020)
Other	524,576	10,467	258,884	793,927
Total revenues	<u>12,705,107</u>	<u>382,795</u>	<u>4,058,927</u>	<u>17,146,829</u>
Expenditures:				
Current:				
General government	2,871,513	-	232,501	3,104,014
Security of persons and property	7,376,103	-	1,241,947	8,618,050
Public health and welfare.	625,640	-	300,437	926,077
Transportation	-	-	897,753	897,753
Community environment	138,646	365,265	625,467	1,129,378
Leisure time activities.	613,020	-	-	613,020
Basic utility services.	64,775	-	-	64,775
Capital outlay	115	-	1,381,914	1,382,029
Debt service:				
Principal retirement.	-	-	551,581	551,581
Interest and fiscal charges	-	-	42,434	42,434
Total expenditures	<u>11,689,812</u>	<u>365,265</u>	<u>5,274,034</u>	<u>17,329,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,015,295</u>	<u>17,530</u>	<u>(1,215,107)</u>	<u>(182,282)</u>
Other financing sources (uses):				
Transfers in	-	-	1,734,266	1,734,266
Transfers (out).	(922,107)	-	(265,270)	(1,187,377)
SIB loan issuance	-	-	167,839	167,839
Total other financing sources (uses)	<u>(922,107)</u>	<u>-</u>	<u>1,636,835</u>	<u>714,728</u>
Net change in fund balances	93,188	17,530	421,728	532,446
Fund balances at beginning of year	<u>2,805,255</u>	<u>3,297,904</u>	<u>3,212,141</u>	<u>9,315,300</u>
Fund balances at end of year	<u>\$ 2,898,443</u>	<u>\$ 3,315,434</u>	<u>\$ 3,633,869</u>	<u>\$ 9,847,746</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, 2014

Net change in fund balances - total governmental funds	\$	532,446
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	\$ 1,189,258	
Current year depreciation	<u>(1,743,253)</u>	
Total		(553,995)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(23,329)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	37,861	
Property taxes	7,308	
Intergovernmental revenues	(35,918)	
Investment income	14,042	
Special assessments	<u>169,035</u>	
Total		192,328
Proceeds of loans are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(167,839)
Repayment of bond principal and police and fire pension liability are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		551,581
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	1,278	
Amortization of deferred amounts on refunding	(1,679)	
Amortization of bond premiums and discounts	<u>2,888</u>	
Total		2,487
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.		
		57,431
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance of (\$22,714) is allocated among the governmental activities.		
		<u>81,110</u>
Change in net position of governmental activities	\$	<u>672,220</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income taxes	\$ 8,145,424	\$ 8,820,000	\$ 8,888,583	\$ 68,583
Property and other taxes	707,243	765,815	765,815	-
Charges for services	325,290	352,229	353,228	999
Licenses, permits and fees	132,135	143,078	150,356	7,278
Fines and forfeitures	510,366	552,633	559,021	6,388
Intergovernmental	569,376	616,530	618,026	1,496
Investment income	3,417	3,700	4,148	448
Rental income	70,649	76,500	86,543	10,043
Contributions and donations	92	100	200	100
Other	271,376	293,850	287,543	(6,307)
Total revenues	<u>10,735,368</u>	<u>11,624,435</u>	<u>11,713,463</u>	<u>89,028</u>
Expenditures:				
Current:				
General government:				
Mayor:				
Salaries and wages	84,000	84,000	83,931	69
Fringe benefits.	29,028	29,028	27,415	1,613
Contractual services	2,121	2,121	2,119	2
Materials and supplies.	1,779	1,779	1,304	475
Total mayor.	<u>116,928</u>	<u>116,928</u>	<u>114,769</u>	<u>2,159</u>
Senior center:				
Salaries and wages	38,121	38,121	35,353	2,768
Fringe benefits.	19,567	19,567	18,795	772
Contractual services	100	100	98	2
Materials and supplies.	600	600	599	1
Total senior center	<u>58,388</u>	<u>58,388</u>	<u>54,845</u>	<u>3,543</u>
Auditor:				
Salaries and wages	101,400	101,400	101,391	9
Fringe benefits.	48,207	48,207	45,595	2,612
Contractual services	15,695	15,695	15,288	407
Materials and supplies.	5,205	5,205	4,726	479
Total auditor.	<u>170,507</u>	<u>170,507</u>	<u>167,000</u>	<u>3,507</u>
Treasurer:				
Salaries and wages	3,811	3,811	3,810	1
Fringe benefits.	727	727	724	3
Materials and supplies.	610	610	610	-
Total treasurer	<u>5,148</u>	<u>5,148</u>	<u>5,144</u>	<u>4</u>
Law director:				
Salaries and wages	163,300	163,300	163,232	68
Fringe benefits.	51,837	51,837	49,557	2,280
Contractual services	3,489	3,489	3,445	44
Materials and supplies.	3,261	3,261	2,587	674
Total law director.	<u>221,887</u>	<u>221,887</u>	<u>218,821</u>	<u>3,066</u>
City council:				
Salaries and wages	30,712	30,712	30,077	635
Fringe benefits.	6,030	6,030	5,679	351
Total city council	<u>36,742</u>	<u>36,742</u>	<u>35,756</u>	<u>986</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Clerk of council:				
Salaries and wages	\$ 8,596	\$ 8,596	\$ 8,579	\$ 17
Fringe benefits.	1,663	1,663	1,572	91
Contractual services	10,300	10,300	9,049	1,251
Materials and supplies.	600	600	623	(23)
Total clerk of council.	<u>21,159</u>	<u>21,159</u>	<u>19,823</u>	<u>1,336</u>
Judge and probation:				
Salaries and wages	223,910	223,910	223,871	39
Fringe benefits.	71,692	71,692	67,271	4,421
Contractual services	15,800	15,800	8,013	7,787
Materials and supplies.	5,000	5,000	4,046	954
Total judge and probation.	<u>316,402</u>	<u>316,402</u>	<u>303,201</u>	<u>13,201</u>
Clerk of courts:				
Salaries and wages	211,193	211,193	211,132	61
Fringe benefits.	117,350	117,350	112,138	5,212
Contractual services	39,900	39,900	28,683	11,217
Materials and supplies.	25,000	25,000	16,435	8,565
Total clerk of courts.	<u>393,443</u>	<u>393,443</u>	<u>368,388</u>	<u>25,055</u>
Civil service:				
Salaries and wages	14,994	14,994	14,994	-
Fringe benefits.	2,812	2,812	2,649	163
Materials and supplies.	5,000	5,000	3,674	1,326
Total civil service.	<u>22,806</u>	<u>22,806</u>	<u>21,317</u>	<u>1,489</u>
Engineering:				
Salaries and wages	81,230	81,230	72,474	8,756
Fringe benefits.	37,284	37,284	30,002	7,282
Contractual services	23,774	23,774	18,508	5,266
Materials and supplies.	4,950	4,950	3,640	1,310
Total engineering.	<u>147,238</u>	<u>147,238</u>	<u>124,624</u>	<u>22,614</u>
County auditor and treasurer:				
Contractual services	<u>23,148</u>	<u>23,148</u>	<u>19,008</u>	<u>4,140</u>
Total county auditor and treasurer.	<u>23,148</u>	<u>23,148</u>	<u>19,008</u>	<u>4,140</u>
State examiner:				
Contractual services	<u>14,074</u>	<u>14,074</u>	<u>14,073</u>	<u>1</u>
Total state examiner	<u>14,074</u>	<u>14,074</u>	<u>14,073</u>	<u>1</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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Land and buildings:				
Salaries and wages	\$ 52,500	\$ 52,500	\$ 50,505	\$ 1,995
Fringe benefits.	21,259	21,259	20,214	1,045
Contractual services	316,298	316,298	291,916	24,382
Materials and supplies.	7,300	7,300	7,284	16
Total land and buildings.	<u>397,357</u>	<u>397,357</u>	<u>369,919</u>	<u>27,438</u>
General administration:				
Salaries and wages	32,175	32,175	31,130	1,045
Fringe benefits.	8,596	8,596	8,158	438
Contractual services	175,418	175,418	148,150	27,268
Materials and supplies.	18,500	18,500	16,647	1,853
Other	600	600	51	549
Total general administration.	<u>235,289</u>	<u>235,289</u>	<u>204,136</u>	<u>31,153</u>
Total general government.	<u>2,180,516</u>	<u>2,180,516</u>	<u>2,040,824</u>	<u>139,692</u>
Security of persons and property:				
Police:				
Salaries and wages	2,909,931	2,931,160	2,919,359	11,801
Fringe benefits.	681,723	681,723	675,503	6,220
Contractual services	198,745	198,745	190,598	8,147
Materials and supplies.	217,932	217,932	194,245	23,687
Total police.	<u>4,008,331</u>	<u>4,029,560</u>	<u>3,979,705</u>	<u>49,855</u>
Fire:				
Salaries and wages	1,922,653	1,922,653	1,901,259	21,394
Fringe benefits.	485,254	485,254	464,205	21,049
Contractual services	133,305	133,305	96,967	36,338
Materials and supplies.	47,793	47,793	34,973	12,820
Total fire	<u>2,589,005</u>	<u>2,589,005</u>	<u>2,497,404</u>	<u>91,601</u>
Fire communications:				
Materials and supplies.	3,800	3,800	3,792	8
Total fire communications.	<u>3,800</u>	<u>3,800</u>	<u>3,792</u>	<u>8</u>
Safety administration:				
Salaries and wages	378,005	378,005	372,862	5,143
Fringe benefits.	175,696	175,696	171,650	4,046
Contractual services	356,465	356,465	352,911	3,554
Total safety administration.	<u>910,166</u>	<u>910,166</u>	<u>897,423</u>	<u>12,743</u>
Prisoner support:				
Contractual services	10,000	10,000	5,268	4,732
Total prisoner support.	<u>10,000</u>	<u>10,000</u>	<u>5,268</u>	<u>4,732</u>
Total security of persons and property	<u>7,521,302</u>	<u>7,542,531</u>	<u>7,383,592</u>	<u>158,939</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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health services:				
Health control and prevention:				
Salaries and wages	\$ 59,267	\$ 59,267	\$ 57,490	\$ 1,777
Fringe benefits.	37,573	37,573	35,157	2,416
Contractual services	34,750	34,750	33,773	977
Materials and supplies.	300	300	193	107
Other	1,075	1,075	1,075	-
Total health control and prevention	<u>132,965</u>	<u>132,965</u>	<u>127,688</u>	<u>5,277</u>
Health administration:				
Salaries and wages	316,466	316,466	314,462	2,004
Fringe benefits.	120,259	120,259	116,037	4,222
Contractual services	10,440	10,440	9,293	1,147
Materials and supplies.	20,100	20,100	17,304	2,796
Other	46,000	46,000	44,496	1,504
Total health administration	<u>513,265</u>	<u>513,265</u>	<u>501,592</u>	<u>11,673</u>
Total public health services	<u>646,230</u>	<u>646,230</u>	<u>629,280</u>	<u>16,950</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>1,500</u>	<u>1,495</u>	<u>5</u>
Total tree care.	<u>1,500</u>	<u>1,500</u>	<u>1,495</u>	<u>5</u>
Zoning and building:				
Salaries and wages	111,600	111,600	109,971	1,629
Fringe benefits.	19,722	19,722	19,100	622
Contractual services	11,326	11,326	6,150	5,176
Materials and supplies.	4,374	4,374	1,685	2,689
Total zoning and building.	<u>147,022</u>	<u>147,022</u>	<u>136,906</u>	<u>10,116</u>
Historical Preservation:				
Materials and supplies.	<u>60</u>	<u>60</u>	<u>48</u>	<u>12</u>
Total historical preservation.	<u>60</u>	<u>60</u>	<u>48</u>	<u>12</u>
Total community environment	<u>150,582</u>	<u>150,582</u>	<u>140,449</u>	<u>10,133</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	45,546	45,546	44,241	1,305
Fringe benefits.	20,608	20,608	19,859	749
Total storm sewer	<u>66,154</u>	<u>66,154</u>	<u>64,100</u>	<u>2,054</u>
Total basic utility services.	<u>66,154</u>	<u>66,154</u>	<u>64,100</u>	<u>2,054</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, 2014

	<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	\$ 295,950	\$ 295,950	\$ 295,680	\$ 270
Fringe benefits.	102,849	102,849	99,866	2,983
Contractual services	63,682	63,682	63,353	329
Materials and supplies.	29,502	29,502	26,797	2,705
Other	210	210	210	-
Total parks.	<u>492,193</u>	<u>492,193</u>	<u>485,906</u>	<u>6,287</u>
Recreation:				
Salaries and wages	84,447	84,447	84,051	396
Fringe benefits.	28,095	28,095	26,814	1,281
Contractual services	4,120	4,120	4,108	12
Materials and supplies.	11,218	11,218	11,132	86
Total recreation	<u>127,880</u>	<u>127,880</u>	<u>126,105</u>	<u>1,775</u>
Total leisure time activities.	<u>620,073</u>	<u>620,073</u>	<u>612,011</u>	<u>8,062</u>
Total expenditures	<u>11,184,857</u>	<u>11,206,086</u>	<u>10,870,256</u>	<u>335,830</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(449,489)</u>	<u>418,349</u>	<u>843,207</u>	<u>424,858</u>
Other financing sources (uses):				
Transfers in.	17,547	19,000	4,960	(14,040)
Transfers out	<u>(861,190)</u>	<u>(946,923)</u>	<u>(926,343)</u>	<u>20,580</u>
Total other financing sources (uses).	<u>(843,643)</u>	<u>(927,923)</u>	<u>(921,383)</u>	<u>6,540</u>
Net change in fund balance.	(1,293,132)	(509,574)	(78,176)	431,398
Fund balance at beginning of year.	1,231,243	1,231,243	1,231,243	-
Prior year encumbrances appropriated	<u>17,836</u>	<u>17,836</u>	<u>17,836</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ (44,053)</u>	<u>\$ 739,505</u>	<u>\$ 1,170,903</u>	<u>\$ 431,398</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 31,941	\$ 31,941
Intergovernmental	-	-	340,387	340,387
Other	250,000	672,000	418,012	(253,988)
Total revenues	<u>250,000</u>	<u>672,000</u>	<u>790,340</u>	<u>118,340</u>
Expenditures:				
Current				
Community environment:				
Salaries and wages	19,000	19,000	16,151	2,849
Fringe benefits	7,379	7,379	2,689	4,690
Contractual services	370,714	400,714	297,324	103,390
Capital outlay	1,934,134	1,934,134	301,134	1,633,000
Total expenditures	<u>2,331,227</u>	<u>2,361,227</u>	<u>617,298</u>	<u>1,743,929</u>
Net change in fund balance	(2,081,227)	(1,689,227)	173,042	1,862,269
Fund balance at beginning of year	1,700,903	1,700,903	1,700,903	-
Prior year encumbrances appropriated	192,417	192,417	192,417	-
Fund balance (deficit) at end of year	<u>\$ (187,907)</u>	<u>\$ 204,093</u>	<u>\$ 2,066,362</u>	<u>\$ 1,862,269</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2014

	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 . . .	\$ 2,468,580	\$ 4,946,323	\$ 93,517	\$ 7,508,420	\$ 813,011
Restricted assets:					
Cash and cash equivalents with fiscal agents .	1,130,035	-	-	1,130,035	-
Receivables (net of allowance for uncollectibles):					
Accounts.	870,225	607,781	-	1,478,006	-
Municipal income taxes	131,537	-	-	131,537	-
Prepayments	11,414	11,414	326	23,154	-
Materials and supplies inventory	439,434	49,749	-	489,183	-
Total current assets	<u>5,051,225</u>	<u>5,615,267</u>	<u>93,843</u>	<u>10,760,335</u>	<u>813,011</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents. . .	522,362	-	-	522,362	-
Cash and cash equivalents with fiscal agents . .	548,950	-	-	548,950	-
Total restricted assets.	<u>1,071,312</u>	<u>-</u>	<u>-</u>	<u>1,071,312</u>	<u>-</u>
Capital assets:					
Non-depreciable capital assets.	3,070,736	126,591	-	3,197,327	-
Depreciable capital assets, net	10,622,836	9,270,428	262,017	20,155,281	-
Total capital assets, net.	<u>13,693,572</u>	<u>9,397,019</u>	<u>262,017</u>	<u>23,352,608</u>	<u>-</u>
Total noncurrent assets	<u>14,764,884</u>	<u>9,397,019</u>	<u>262,017</u>	<u>24,423,920</u>	<u>-</u>
Total assets	<u>19,816,109</u>	<u>15,012,286</u>	<u>355,860</u>	<u>35,184,255</u>	<u>813,011</u>
Deferred outflows of resources:					
Unamortized deferred charges on debt refunding	703,930	-	-	703,930	-
Total deferred outflows of resources	<u>703,930</u>	<u>-</u>	<u>-</u>	<u>703,930</u>	<u>-</u>
Total assets and deferred outflows of resources .	<u>\$ 20,520,039</u>	<u>\$ 15,012,286</u>	<u>\$ 355,860</u>	<u>\$ 35,888,185</u>	<u>\$ 813,011</u>

- Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Robertson Community Center	Total	
Liabilities:					
Current liabilities:					
Accounts payable	\$ 30,839	\$ 74,671	\$ 327	\$ 105,837	\$ -
Accrued wages and benefits payable	41,107	42,478	-	83,585	-
Compensated absences	187,661	183,232	-	370,893	-
Due to other governments	56,430	59,174	1,423	117,027	-
Accrued interest payable	4,642	10,106	-	14,748	-
Claims payable	-	-	-	-	274,553
Payable from restricted assets:					
Revenue bonds payable - current	1,208,295	-	-	1,208,295	-
Accrued interest payable	81,558	-	-	81,558	-
General obligation bonds payable - current	55,010	-	-	55,010	-
OPWC loans payable - current	-	42,985	-	42,985	-
Total current liabilities	<u>1,665,542</u>	<u>412,646</u>	<u>1,750</u>	<u>2,079,938</u>	<u>274,553</u>
Long-term liabilities:					
Revenue bonds payable	6,715,438	-	-	6,715,438	-
General obligation bonds payable	1,025,161	-	-	1,025,161	-
OPWC loans payable	1,035,829	502,270	-	1,538,099	-
Compensated absences payable	204,100	205,957	-	410,057	-
Total long-term liabilities	<u>8,980,528</u>	<u>708,227</u>	<u>-</u>	<u>9,688,755</u>	<u>-</u>
Total liabilities	<u>10,646,070</u>	<u>1,120,873</u>	<u>1,750</u>	<u>11,768,693</u>	<u>274,553</u>
Net position:					
Net investment in capital assets	4,506,534	8,851,764	262,017	13,620,315	-
Restricted for:					
Debt service	548,950	-	-	548,950	-
Replacement and surplus reserve	522,362	-	-	522,362	-
Unrestricted	<u>4,296,123</u>	<u>5,039,649</u>	<u>92,093</u>	<u>9,427,865</u>	<u>538,458</u>
Total net position	<u>\$ 9,873,969</u>	<u>\$ 13,891,413</u>	<u>\$ 354,110</u>	24,119,492	<u>\$ 538,458</u>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				<u>22,714</u>	
Net position of business-type activities				<u>\$ 24,142,206</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Roberston Community Center	Total	
Operating revenues:					
Charges for services	\$ 4,966,419	\$ 4,043,395	\$ -	\$ 9,009,814	\$ 2,342,116
Licenses and permits.	-	107,095	-	107,095	-
Other	61,166	94,945	47,494	203,605	-
Total operating revenues.	5,027,585	4,245,435	47,494	9,320,514	2,342,116
Operating expenses:					
Salaries and benefits	1,392,887	1,506,907	14,392	2,914,186	-
Fringe benefits	570,967	584,767	1,474	1,157,208	-
Contract services.	627,800	1,078,773	18,693	1,725,266	-
Materials and supplies	814,183	481,482	11,686	1,307,351	-
Depreciation.	526,206	584,098	14,301	1,124,605	-
Claims.	-	-	-	-	2,233,121
Other	697	10,931	-	11,628	-
Total operating expenses.	3,932,740	4,246,958	60,546	8,240,244	2,233,121
Operating income (loss)	1,094,845	(1,523)	(13,052)	1,080,270	108,995
Nonoperating revenues (expenses):					
Interest revenue	99,644	15,518	-	115,162	-
Interest expense and fiscal charges	(565,280)	(126,592)	-	(691,872)	-
Loss on disposal of capital assets.	(6,107)	(5,632)	-	(11,739)	-
Municipal income tax revenue	420,332	-	-	420,332	-
Total nonoperating revenues (expenses)	(51,411)	(116,706)	-	(168,117)	-
Income (loss) before transfers	1,043,434	(118,229)	(13,052)	912,153	108,995
Transfer out	-	(546,889)	-	(546,889)	-
Change in net position	1,043,434	(665,118)	(13,052)	365,264	108,995
Net position at beginning of year.	8,830,535	14,556,531	367,162		429,463
Net position at end of year	\$ 9,873,969	\$ 13,891,413	\$ 354,110		\$ 538,458
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				27,885	
Change in net position of business-type activities.				\$ 393,149	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	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	\$ 4,962,801	\$ 4,002,367	\$ -	\$ 8,965,168	\$ -
Cash received from licenses and permits.	-	107,095	-	107,095	-
Cash received from other operations	59,873	92,100	47,494	199,467	-
Cash received from interfund services provided	-	-	-	-	2,342,116
Cash payments for salaries and benefits	(1,385,499)	(1,507,225)	(14,392)	(2,907,116)	-
Cash payments for fringe benefits	(567,680)	(617,687)	(2,554)	(1,187,921)	-
Cash payments for contractual services	(641,034)	(1,123,086)	(18,799)	(1,782,919)	-
Cash payments for materials and supplies	(775,941)	(481,062)	(11,686)	(1,268,689)	-
Cash payments for claims	-	-	-	-	(2,242,450)
Cash payments for other expenses	(697)	(667)	-	(1,364)	-
Net cash provided by operating activities.	<u>1,651,823</u>	<u>471,835</u>	<u>63</u>	<u>2,123,721</u>	<u>99,666</u>
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	413,422	-	-	413,422	-
Cash used for transfers out	-	(546,889)	-	(546,889)	-
Net provided by (used for) noncapital financing activities.	<u>413,422</u>	<u>(546,889)</u>	<u>-</u>	<u>(133,467)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(559,819)	(2,292)	-	(562,111)	-
Principal retirement on revenue bonds	(1,160,000)	-	-	(1,160,000)	-
Proceeds from OPWC loans	68,991	-	-	68,991	-
Principal retirement on general obligation bonds	(55,000)	(1,062,000)	-	(1,117,000)	-
Principal retirement on OPWC loans	-	(42,985)	-	(42,985)	-
Interest and fiscal charges	(367,567)	(116,486)	-	(484,053)	-
Net cash used for capital and related financing activities	<u>(2,073,395)</u>	<u>(1,223,763)</u>	<u>-</u>	<u>(3,297,158)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received	2,650	5,067	-	7,717	-
Net cash provided by investing activities	<u>2,650</u>	<u>5,067</u>	<u>-</u>	<u>7,717</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(5,500)	(1,293,750)	63	(1,299,187)	99,666
Cash and cash equivalents at beginning of year	<u>4,675,427</u>	<u>6,240,073</u>	<u>93,454</u>	<u>11,008,954</u>	<u>713,345</u>
Cash and cash equivalents at end of year	<u>\$ 4,669,927</u>	<u>\$ 4,946,323</u>	<u>\$ 93,517</u>	<u>\$ 9,709,767</u>	<u>\$ 813,011</u>

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CITY OF ALLIANCE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor- Robertson Community Center	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,094,845	\$ (1,523)	\$ (13,052)	\$ 1,080,270	\$ 108,995
Adjustments:					
Depreciation	526,206	584,098	14,301	1,124,605	-
Changes in assets and liabilities:					
(Increase) in accounts receivable	(4,911)	(33,609)	-	(38,520)	-
Decrease in materials and supplies inventory	31,635	3,552	-	35,187	-
Decrease in prepayments.	1,156	1,156	33	2,345	-
(Decrease) in accounts payable.	(7,775)	(48,580)	(147)	(56,502)	-
Increase (decrease) in accrued wages and benefits	7,388	(318)	-	7,070	-
Increase (decrease) in intergovernmental payable	3,773	(998)	(1,072)	1,703	-
(Decrease) in compensated absences payable	(494)	(31,943)	-	(32,437)	-
(Decrease) in claims payable	-	-	-	-	(9,329)
Net cash provided by operating activities	<u>\$ 1,651,823</u>	<u>\$ 471,835</u>	<u>\$ 63</u>	<u>\$ 2,123,721</u>	<u>\$ 99,666</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2014**

	<u>Agency</u>
Assets:	
Cash and cash equivalents in segregated accounts	\$ 21,343
Receivables:	
Accounts	<u>20,838</u>
Total assets	<u>\$ 42,181</u>
Liabilities:	
Due to others	<u>\$ 42,181</u>
Total liabilities	<u>\$ 42,181</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1 - DESCRIPTION OF THE CITY

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

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

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

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

The City is also associated with the Alliance Area Development Foundation (the "Foundation"). The Foundation is a not-for-profit corporation. The board of trustees consists of contributing trustees and elected trustees. The contributing trustees select the elected trustees. In 2014, the Mayor was an Ex-Officio non-voting member. The Foundation's goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

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

B. Fund Accounting

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

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

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

D. Basis of Accounting

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources. Income taxes and special assessments not received within the available period, grants and entitlements received before the grant's timing requirements are met, and delinquent property taxes due at December 31, 2014 are recorded as deferred inflows of resources on the governmental fund financial statements.

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

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, 2014

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 appropriation ordinance are subject to amendment throughout the year with the legal restriction that the appropriations cannot exceed estimated resources, as certified. All funds, except for agency funds, are required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds with salaries and wages appropriated separately by department. Although the legal level of budgetary control is at the fund level, the City has chosen to show information at the object level of detail. Budgetary modifications at the fund level may only be made by resolution of the City Council.

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

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

F. Cash and Cash Equivalents

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

During 2014, investments were limited to federal agency securities, a U.S. Government money market account, commercial paper accounts, the State Treasury Asset Reserve of Ohio (STAR Ohio) and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Investments are reported at fair value which is based on quoted market prices.

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, 2014.

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 2014 amounted to \$11,400, which includes \$9,431 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, 2014**

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

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

G. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

H. Inventories

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

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

I. Restricted Assets

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

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

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

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

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

On the governmental-wide financial statements and proprietary fund financial statements, bond premiums are recognized in the current period. The reconciliation between the bond's face value and the amount reported on the statement of net position is presented in Note 10.A and 10.B.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2014 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

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

L. Capital Assets and Depreciation

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

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

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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

M. Compensated Absences

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

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

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

N. Fund Balance

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

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

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

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

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

O. Capitalization of Interest

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

P. Interfund Activity

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

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

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

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, loans and long-term notes that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

S. Net Position

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

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. In 2014, there were no contributions of capital.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2014, the City has implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the City.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the City.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Compliance

Contrary to Ohio Rev. Code, the major revolving loan funds original appropriations exceeded estimated resources.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	<u>General fund</u>	<u>Revolving loan fund</u>
Budget basis	\$ (78,176)	\$ 173,042
Net adjustment for revenue accruals	107,913	(407,545)
Net adjustment for expenditure accruals	1,892	252,033
Net adjustments for other financing sources and uses	(723)	-
Funds budgeted elsewhere	35,501	-
Adjustments for encumbrances	<u>26,781</u>	<u>-</u>
GAAP basis	<u>\$ 93,188</u>	<u>\$ 17,530</u>

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Cash and Cash Equivalents with Fiscal Agents

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

B. Cash and Cash Equivalents in Segregated Accounts

At year end, the City had \$21,343 in cash held in segregated accounts for Municipal Court operations. This amount is included in deposits with financial institutions below.

C. Deposits with Financial Institutions

At December 31, 2014, the carrying amount of all City deposits was \$2,610,772. As of December 31, 2014, \$2,147,018 of the City’s bank balance of \$3,106,616 was exposed to custodial risk as discussed below, while \$959,598 was covered by the FDIC.

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2014, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>6 months or less</u>	<u>Investment Maturities</u>			
			<u>7 to 12 months</u>	<u>13 - 18 months</u>	<u>19 - 24 months</u>	<u>Greater than 24 months</u>
Commercial paper	\$ 1,799,238	\$ 1,799,238	\$ -	\$ -	\$ -	\$ -
FFCB	2,862,326	-	-	1,496,384	-	1,365,942
FHLB	1,766,678	-	-	-	623,694	1,142,984
FNMA	4,021,111	-	-	-	568,501	3,452,610
FHLMC	1,493,825	-	-	-	-	1,493,825
U.S. Government money market funds	1,692,885	1,692,885	-	-	-	-
STAR Ohio	948,890	948,890	-	-	-	-
Total	\$ 14,584,953	\$ 4,441,013	\$ -	\$ 1,496,384	\$ 1,192,195	\$ 7,455,361

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Commerical paper	\$ 1,799,238	12.34
FFCB	2,862,326	19.63
FHLB	1,766,678	12.11
FNMA	4,021,111	27.57
FHLMC	1,493,825	10.24
U.S. Government money market funds	1,692,885	11.61
STAR Ohio	<u>948,890</u>	<u>6.50</u>
Total	<u>\$ 14,584,953</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,610,772
Investments	<u>14,584,953</u>
Total	<u>\$ 17,195,725</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 7,464,615
Business-type activities	9,709,767
Agency	<u>21,343</u>
Total	<u>\$ 17,195,725</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2014 consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues, accrued interest and special assessments. All receivables are deemed collectible in full, except for loans receivable which includes an allowance of \$487,978 for bankrupt accounts.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 6 - RECEIVABLES - (Continued)

A. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Alliance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2014 and for which there is an enforceable legal claim. In the governmental funds, the current portion of the receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2014 was \$6.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 157,848,730
Commercial/industrial/mineral	96,729,600
Public utility	<u>9,943,060</u>
Total assessed value	<u><u>\$ 264,521,390</u></u>

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 6 - RECEIVABLES - (Continued)

B. Loans Receivable

Loans receivable represent the principal owed to the City for community development block grants and urban development action grants. The loans bear interest at annual rates between two and six percent. The loans are to be repaid over periods ranging from five to fifteen years. Total loans receivable at December 31, 2014 were \$1,251,548.

C. Income Taxes

Employers within the City are required to withhold income taxes on employee compensation and remit the taxes to the City either monthly or quarterly, as required. Corporations are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds in 2014, after income tax department expenditures, are to be credited to the following funds at the following percentages: 86 percent to the general fund, 6 percent to the capital improvements fund (a nonmajor governmental fund), 4 percent to the street income tax construction fund (a nonmajor governmental fund) and 4 percent to the water fund. On the fund financial statements, total income taxes receivable for 2014 was \$3,156,891 in the governmental funds and \$131,537 in the water fund.

D. Special Assessments

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

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

The City's demolition assessments are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. At December 31, 2014, the total special assessments receivable was \$1,139,888, all of which were delinquent receivables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 7 - CAPITAL ASSETS

Capital asset activity for 2014 is as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>1/1/14</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/14</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,688,987	\$ -	\$ -	\$ 2,688,987
Easements and right of ways	59,938	25,680	-	85,618
Construction in progress	<u>2,022,702</u>	<u>608,814</u>	<u>(1,101,563)</u>	<u>1,529,953</u>
Total capital assets, not being depreciated	<u>4,771,627</u>	<u>634,494</u>	<u>(1,101,563)</u>	<u>4,304,558</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	8,065,607	420,902	-	8,486,509
Furniture, fixtures and equipment	4,584,616	38,862	(36,204)	4,587,274
Vehicles	3,669,380	185,973	(156,404)	3,698,949
Infrastructure	<u>31,133,236</u>	<u>1,010,590</u>	<u>-</u>	<u>32,143,826</u>
Total capital assets, being depreciated	<u>47,452,839</u>	<u>1,656,327</u>	<u>(192,608)</u>	<u>48,916,558</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(2,801,890)	(219,555)	-	(3,021,445)
Furniture, fixtures and equipment	(2,956,355)	(177,077)	32,583	(3,100,849)
Vehicles	(2,450,714)	(122,370)	136,696	(2,436,388)
Infrastructure	<u>(22,994,430)</u>	<u>(1,224,251)</u>	<u>-</u>	<u>(24,218,681)</u>
Total accumulated depreciation	<u>(31,203,389)</u>	<u>(1,743,253)</u>	<u>169,279</u>	<u>(32,777,363)</u>
Total capital assets being depreciated, net	<u>16,249,450</u>	<u>(86,926)</u>	<u>(23,329)</u>	<u>16,139,195</u>
Governmental activities capital assets, net	<u>\$ 21,021,077</u>	<u>\$ 547,568</u>	<u>\$ (1,124,892)</u>	<u>\$ 20,443,753</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 367,601
Security of persons and property	212,615
Public health services	3,518
Transportation	1,042,436
Community environment	5,656
Basic utility services	1,499
Leisure time activities	<u>109,928</u>
Total depreciation expense - governmental activities	<u>\$ 1,743,253</u>

	Balance			Balance
<u>Business-type activities:</u>	1/1/14	Additions	Disposals	12/31/14
<i>Capital assets, not being depreciated:</i>				
Land	\$ 869,941	\$ -	\$ -	\$ 869,941
Construction in progress	<u>2,099,976</u>	<u>281,817</u>	<u>(54,407)</u>	<u>2,327,386</u>
Total capital assets, not being depreciated	<u>2,969,917</u>	<u>281,817</u>	<u>(54,407)</u>	<u>3,197,327</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,482,896	-	-	1,482,896
Buildings, structures and improvements	10,868,092	-	-	10,868,092
Water and sewer lines	25,859,168	54,407	-	25,913,575
Furniture, fixtures and equipment	<u>8,847,167</u>	<u>280,294</u>	<u>(117,397)</u>	<u>9,010,064</u>
Total capital assets, being depreciated	<u>47,057,323</u>	<u>334,701</u>	<u>(117,397)</u>	<u>47,274,627</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,214,955)	(49,194)	-	(1,264,149)
Buildings, structures and improvements	(6,504,906)	(246,371)	-	(6,751,277)
Water and sewer lines	(14,214,588)	(507,178)	-	(14,721,766)
Furniture, fixtures and equipment	<u>(4,165,950)</u>	<u>(321,862)</u>	<u>105,658</u>	<u>(4,382,154)</u>
Total accumulated depreciation	<u>(26,100,399)</u>	<u>(1,124,605)</u>	<u>105,658</u>	<u>(27,119,346)</u>
Total capital assets being depreciated, net	<u>20,956,924</u>	<u>(789,904)</u>	<u>(11,739)</u>	<u>20,155,281</u>
Business-type activities capital assets, net	<u>\$ 23,926,841</u>	<u>\$ (508,087)</u>	<u>\$ (66,146)</u>	<u>\$ 23,352,608</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type activities:

Sewer	\$ 584,098
Water	526,206
Nonmajor:	
Robertson Community Center	14,301
Total depreciation expense - business-type activities	<u>\$ 1,124,605</u>

NOTE 8 - RISK MANAGEMENT

A. Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2014, the City contracted with Ohio Municipal Joint Self-Insurance Pool for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Occurrence</u>	<u>Limit - Aggregate</u>
General Liability	None	\$1,000,000	\$ 3,000,000
Wrongful Acts	\$ 5,000	1,000,000	1,000,000
Law Enforcement	5,000	1,000,000	1,000,000
Automobile Liability	250-500	1,000,000	1,000,000
Bond	250	None	50,000
Crime - Theft	250	None	10,000
Crime - Forgery/Computer Fraud	250	None	100,000
Property	2,500	None	68,939,643
Inland Marine	1,000	None	2,804,886
Electronic Data Processing	1,000	None	593,816
Excess Liability	10,000	2,000,000	2,000,000

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 8 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

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

C. Health Insurance

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

The claims liability of \$274,553 reported in the self-insurance fund at December 31, 2014, is estimated by the third-party administrator and is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2012	\$ 259,170	\$ 2,297,145	\$ (2,323,843)	\$ 232,472
2013	232,472	2,691,812	(2,640,402)	283,882
2014	283,882	2,233,121	(2,242,450)	274,553

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 9 - INTERFUND TRANSACTIONS

A. Interfund Transfers

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

A summary of interfund transfers is as follows:

<u>Transfer to</u>	Transfers From			
	<u>General</u>	<u>Other Governmental</u>	<u>Business-Type Activity - Sewer</u>	<u>Total</u>
Debt service	\$ -	\$ 255,583	\$ 546,889	\$ 802,472
Other governmental	<u>922,107</u>	<u>9,687</u>	-	<u>931,794</u>
Total	<u>\$ 922,107</u>	<u>\$ 265,270</u>	<u>\$ 546,889</u>	<u>\$ 1,734,266</u>

Transfers from business type activities to the general fund for \$546,889 were for an unexpected balance of a capital fund. Transfers between governmental funds are eliminated on the government-wide financial statements.

B. Due To/From

Interfund balances at December 31, 2014 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental fund	<u>\$ 16,179</u>

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities

Changes in the governmental long-term obligations of the City during 2014 were as follows:

	Balance Outstanding 1/1/14	Additions	Reductions	Balance Outstanding 12/31/14	Amounts Due Within One Year
<u>Governmental activities</u>					
<i>General obligation bonds:</i>					
2004 West State Street bonds	\$ 240,000	\$ -	\$ (240,000)	\$ -	\$ -
2012 various purpose refunding bonds	310,000	-	(75,000)	235,000	80,000
2012 various purpose fire truck bonds	290,000	-	(90,000)	200,000	95,000
2012 various purpose radio equipment bonds	180,000	-	(60,000)	120,000	60,000
Total General obligation bonds	<u>1,020,000</u>	<u>-</u>	<u>(465,000)</u>	<u>555,000</u>	<u>235,000</u>
<i>Special assessment bonds:</i>					
1999 various purpose	70,000	-	(70,000)	-	-
Total special assessment bonds	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>	<u>-</u>	<u>-</u>
<i>OPWC loans:</i>					
MLK bridge rehabilitation	400,000	-	(6,667)	393,333	13,333
Total OPWC loans	<u>400,000</u>	<u>-</u>	<u>(6,667)</u>	<u>393,333</u>	<u>13,333</u>
<i>SIB loans:</i>					
MLK bridge project	-	167,839	-	167,839	-
Total SIB loans	<u>-</u>	<u>167,839</u>	<u>-</u>	<u>167,839</u>	<u>-</u>
<i>Other long-term obligations:</i>					
Police and fire pension liability	337,534	-	(9,914)	327,620	10,340
Compensated absences	2,755,405	1,245,144	(1,334,620)	2,665,929	783,947
Total governmental activities	<u>\$ 4,582,939</u>	<u>\$ 1,412,983</u>	<u>\$ (1,886,201)</u>	4,109,721	<u>\$ 1,042,620</u>
				Add: Unamortized premium on bond issue:	<u>6,703</u>
				Total reported on statement of net position:	<u>\$ 4,116,424</u>

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 West State Street Improvement General Obligation Bonds

During 2004, the City issued general obligation bonds in the amount of \$490,000 for West State Street Improvements. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rates vary from 2.50% to 4.20%. The bonds mature on October 15, 2020. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). This bond was paid in full in 2014.

Series 2012 Various Purpose Improvement and Refunding Bonds

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

The refunding issue is comprised of only serial bonds in the amount of \$455,000. The interest rate on the serial bonds ranges from 1.0% to 2.0%. The bonds were issued for a five year period, with a final stated maturity of December 1, 2017. The bonds are retired through the debt service fund with funds transferred from the motor vehicle license fund.

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

The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded general obligation bonds at December 31, 2014 is \$235,000.

The fire truck and equipment bond issue is comprised of only serial bonds in the amount of \$475,000. The interest rate on the serial bonds ranges from 1.0% to 1.5%. The bonds were issued for a four year period, with a final stated maturity of December 1, 2016. The bonds are retired through the debt service fund with funds transferred from the capital improvements fund.

The communications systems acquisition and improvement bond issue is comprised of only serial bonds in the amount of \$300,000. The interest rate on the serial bonds ranges from 1.0% to 1.5%. The bonds were issued for a four year period, with a final stated maturity of December 1, 2016. The bonds are retired through the debt service fund with funds transferred from the capital improvements fund.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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 carried interest rates that varied from 4.60% to 6.125%. The special assessment bonds matured on November 15, 2014. Special assessment bonds were being repaid from special assessments receipted in the debt service fund (a nonmajor governmental fund). In the event that the property owners failed to make their special assessment payments, the City was responsible for providing the resources to meet the annual principal and interest payments. Principal and interest payments were made from the debt service fund (a nonmajor governmental fund).

Police and Fire Pension Liability

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

Ohio Public Works Commission (OPWC) Loans

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

State Infrastructure Bank (SIB) Loan

The City has entered into SIB Loan agreements to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These loans bear a 3.00% interest rate and mature in 2023. Principal and interest payments will be made from the capital improvements fund (a nonmajor governmental fund). At December 31, 2014, no principal or interest payments have been made.

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).

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2014 are as follows:

Year Ending December 31,	<u>2012 Various Purpose Refunding</u>		<u>2012 Fire Truck and Equipment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 80,000	\$ 3,525	\$ 95,000	\$ 3,000
2016	80,000	2,325	105,000	1,575
2017	75,000	1,500	-	-
Total	<u>\$ 235,000</u>	<u>\$ 7,350</u>	<u>\$ 200,000</u>	<u>\$ 4,575</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	2012 Various Purpose Radio Equipment		2014 SIB Loan - MLK Project	
	Principal	Interest	Principal	Interest
2015	\$ 60,000	\$ 1,800	\$ -	\$ -
2016	60,000	900	18,860	566
2017	-	-	19,430	583
2018	-	-	20,017	601
2019	-	-	20,622	619
2020 - 2024	-	-	88,910	2,666
Total	<u>\$ 120,000</u>	<u>\$ 2,700</u>	<u>\$ 167,839</u>	<u>\$ 5,035</u>

Year Ending December 31,	Police and Fire Pension Liability		OPWC Loan - MLK Bridge	
	Principal	Interest	Principal	Interest
2015	\$ 10,340	\$ 13,806	\$ 13,333	\$ -
2016	10,784	13,362	13,333	-
2017	11,247	12,899	13,333	-
2018	11,729	12,416	13,333	-
2019	12,233	11,913	13,333	-
2020 - 2024	69,505	51,223	66,667	-
2025 - 2029	85,758	34,970	66,667	-
2030 - 2034	105,811	14,916	66,667	-
2035 - 2039	10,213	217	66,667	-
2040 - 2044	-	-	60,000	-
Total	<u>\$ 327,620</u>	<u>\$ 165,722</u>	<u>\$ 393,333</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

Changes in the enterprise long-term obligations of the City during 2014 were as follows:

	Balance Outstanding 1/1/14	Additions	Reductions	Balance Outstanding 12/31/14	Amounts Due Within One Year
<u>Business-type activities:</u>					
<i>Revenue bonds:</i>					
2008 water refunding	\$ 9,035,000	\$ -	\$ (1,160,000)	\$ 7,875,000	\$ 1,200,000
Unamortized premium	57,028	-	(8,295)	48,733	8,295
Total revenue bonds	<u>9,092,028</u>	<u>-</u>	<u>(1,168,295)</u>	<u>7,923,733</u>	<u>1,208,295</u>
<i>General obligation bonds:</i>					
2012 water works improvement bonds	1,135,000	-	(55,000)	1,080,000	55,000
Unamortized premium	181	-	(10)	171	10
2004 sewer west beech creek	1,062,000	-	(1,062,000)	-	-
Total general obligation bonds	<u>2,197,181</u>	<u>-</u>	<u>(1,117,010)</u>	<u>1,080,171</u>	<u>55,010</u>
<i>OPWC loans:</i>					
OPWC loan - Gaskill (2002)	18,644	-	(2,663)	15,981	2,663
OPWC loan - Beeson St. (2004)	151,631	-	(13,785)	137,846	13,785
OPWC loan - WWTP clarifier (2006)	73,892	-	(5,684)	68,208	5,684
OPWC loan - raw influent pump replacement (2009)	344,073	-	(20,853)	323,220	20,853
OPWC loan - Water UV Light Oxidation (2013)	966,838	68,991	-	1,035,829	-
Total OPWC loans	<u>1,555,078</u>	<u>68,991</u>	<u>(42,985)</u>	<u>1,581,084</u>	<u>42,985</u>
<i>Other long-term obligations:</i>					
Compensated absences	813,387	358,170	(390,607)	780,950	370,893
Total business-type activities	<u>\$ 13,657,674</u>	<u>\$ 427,161</u>	<u>\$ (2,718,897)</u>	<u>\$ 11,365,938</u>	<u>\$ 1,677,183</u>

Series 2008 Water Refunding Bonds

On September 24, 2008, the City issued revenue bonds (series 2008 refunding bonds) to advance refund the callable portion of the series 1998 revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded series 1998 current interest bonds at December 31, 2014 is \$8,090,000.

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

The City has pledged future water customer revenues, net of specified operating expenses, to repay the series 2008 water refunding revenue bonds that were used for the purchase and repair of water lines in the City. The series 2008 water refunding revenue bonds are payable solely from water customer net revenues and are payable through 2020. Annual principal and interest payments on the bonds are expected to require approximately 51.21% percent of net revenues. The total principal and interest remaining to be paid on the series 2008 water refunding revenue bonds is \$8,983,200. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,498,750 and \$3,300,036, respectively.

Series 2012 Various Purpose Improvement and Refunding Bonds

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

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

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 West Beech Creek Sewer General Obligation Bonds

During 2004, the City issued \$1,397,000 in general obligation bonds for the 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. These bonds were completely retired in 2014.

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. At December 31, 2014, an amortization schedule was not available for the Water UV Light Oxidation loan.

At December 31, 2014, \$146,221 of the OPWC loans were unspent.

Compensated absences

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

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2014 are as follows:

Year Ending December 31,	<u>2008 Water Refunding</u>		<u>2012 Water Works Improvement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,200,000	\$ 299,600	\$ 55,000	\$ 15,375
2016	1,240,000	257,600	55,000	14,550
2017	1,280,000	214,200	55,000	18,300
2018	1,330,000	166,200	55,000	17,200
2019	1,385,000	113,000	55,000	16,100
2020 - 2024	1,440,000	57,600	305,000	74,275
2025 - 2029	-	-	345,000	45,088
2030 - 2031	-	-	155,000	2,600
Total	<u>\$ 7,875,000</u>	<u>\$ 1,108,200</u>	<u>\$ 1,080,000</u>	<u>\$ 203,488</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifer	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,663	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2016	2,663	-	13,785	-	5,684	-
2017	2,663	-	13,785	-	5,684	-
2018	2,663	-	13,785	-	5,684	-
2019	2,663	-	13,785	-	5,684	-
2020 - 2024	2,666	-	68,921	-	28,420	-
2025 - 2027	-	-	-	-	11,368	-
Total	\$ 15,981	\$ -	\$ 137,846	\$ -	\$ 68,208	\$ -

Year Ending December 31,	OPWC - Raw Influent Pump Replacement	
	Principal	Interest
2015	\$ 20,853	\$ -
2016	20,853	-
2017	20,853	-
2018	20,853	-
2019	20,853	-
2020 - 2024	104,265	-
2025 - 2029	104,265	-
2030	10,425	-
Total	\$ 323,220	\$ -

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, 2014, the City's total debt margin was \$27,219,746 and the unvoted debt margin was \$13,993,676.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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's interest. Servicing these debts is the sole obligation of the entities which received the debt proceeds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2014, \$62,210,000 had been issued and \$46,665,000 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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, 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 2014, member and employer contribution rates were consistent across all three plans. The 2014 member contribution rates were 10.00% for members. The City's contribution rate for 2014 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan and Combined Plan for 2014 was 12.00%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$725,441, \$775,451, and \$608,952, respectively; 91.08% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the Member-Directed Plan for 2014 were \$31,113 made by the City and \$22,224 made by the plan members.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 11 - PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

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

Funding Policy - From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.50% of their annual covered salary. Throughout 2014, the City was required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute.

For 2014, the portion of the City's contributions to fund pension obligations was 19.00% for police officers and 23.50% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$495,384 and \$402,497 for the year ended December 31, 2014, \$397,100 and \$341,347 for the year ended December 31, 2013, and \$294,093 and \$287,740, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 90.94% has been contributed for police and 91.95% has been contributed for firefighters for 2014. The remaining 2014 pension liability has been reported as due to other governments on the basic financial statements.

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 Other Postretirement Employee Benefits (OPEB) benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, 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, 2014**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2014 was 2.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$120,949, \$59,624, and \$246,997, respectively; 91.08% has been contributed for 2014 and 100% has been contributed for 2013 and 2012. The remaining 2014 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

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

B. Ohio Police and Fire Pension Fund

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

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F, which were allocated to fund post-employment healthcare benefits for police officers and firefighters, were \$13,036 and \$8,564 for the year ended December 31, 2014, \$85,960 and \$61,940 for the year ended December 31, 2013, and \$155,697 and \$112,594, for the year ended December 31, 2012. 100% has been contributed for 2013 and 2012. 90.94% has been contributed for police and 91.95% has been contributed for firefighters for 2014. The remaining 2014 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

If any employee leaves the City for any reason, the City will pay the employee a maximum of 480 hours for the compensatory time. As of December 31, 2014, the total liability for unpaid compensated absences was \$2,665,929 for the governmental activities and \$780,950 for the business-type activities.

B. Life Insurance

The City provides life insurance and accidental death and dismemberment insurance to its employees through 5Star 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, 2014.

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, 2014.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 2014, the City did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Stark County Regional Planning Commission - The City participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 85 member Board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the Board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2014, the City contributed \$6,667 to the Commission, which represents .1% of total contributions. Complete financial statements may be obtained from the Stark County Regional Planning Commission, 201 3rd Street NE, Suite 201, Canton, Ohio 44702.

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

NOTE 16 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 25,403
Other governmental	<u>214,997</u>
Total	<u>\$ 240,400</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 17 - FUND BALANCE

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

Fund balance	General	Revolving Loan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 10,717	\$ -	\$ 25,105	\$ 35,822
Prepays	17,469	-	5,963	23,432
Unclaimed monies	<u>69,843</u>	<u>-</u>	<u>-</u>	<u>69,843</u>
Total nonspendable	<u>98,029</u>	<u>-</u>	<u>31,068</u>	<u>129,097</u>
Restricted:				
Judicial operations	-	-	566,701	566,701
Security programs	-	-	386,842	386,842
Public health service programs	-	-	794,689	794,689
Transportation projects	-	-	288,581	288,581
Community environment programs	-	2,065,201	23,039	2,088,240
Special events	-	-	1,618	1,618
Long-term loans	-	1,250,233	-	1,250,233
Debt service	-	-	396,305	396,305
Capital projects	<u>-</u>	<u>-</u>	<u>86,105</u>	<u>86,105</u>
Total restricted	<u>-</u>	<u>3,315,434</u>	<u>2,543,880</u>	<u>5,859,314</u>
Committed:				
Legislative and executive operations	103,593	-	-	103,593
Community environment programs	-	-	4,144	4,144
Leisure time activities programs	-	-	4,700	4,700
Transportation	-	-	10,859	10,859
Capital projects	<u>-</u>	<u>-</u>	<u>1,038,218</u>	<u>1,038,218</u>
Total committed	<u>103,593</u>	<u>-</u>	<u>1,057,921</u>	<u>1,161,514</u>
Assigned:				
Legislative and executive operations	14,846	-	-	14,846
Security programs	1,361	-	-	1,361
Community environment programs	855	-	1,000	1,855
Public health service programs	500	-	-	500
Subsequent year appropriations	<u>1,548,587</u>	<u>-</u>	<u>-</u>	<u>1,548,587</u>
Total assigned	<u>1,566,149</u>	<u>-</u>	<u>1,000</u>	<u>1,567,149</u>
Unassigned	<u>1,130,672</u>	<u>-</u>	<u>-</u>	<u>1,130,672</u>
Total fund balances	<u>\$ 2,898,443</u>	<u>\$ 3,315,434</u>	<u>\$ 3,633,869</u>	<u>\$ 9,847,746</u>

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,972,442	\$ 396,305	\$ 745,876	\$ 3,114,623
Cash with fiscal and escrow agent	-	-	1,000	1,000
Receivables (net of allowances for uncollectibles):				
Municipal income taxes.	-	-	328,843	328,843
Property and other taxes	141,136	-	-	141,136
Accounts.	15,595	-	2,968	18,563
Special assessments	-	32,808	1,823	34,631
Intergovernmental.	495,273	-	183,592	678,865
Loans	1,315	-	-	1,315
Prepayments	5,963	-	-	5,963
Materials and supplies inventory.	25,105	-	-	25,105
Total assets	<u>\$ 2,656,829</u>	<u>\$ 429,113</u>	<u>\$ 1,264,102</u>	<u>\$ 4,350,044</u>
Liabilities:				
Accounts payable	\$ 46,294	\$ -	\$ 1,974	\$ 48,268
Contracts payable	-	-	11,924	11,924
Accrued wages and benefits	25,251	-	-	25,251
Due to other funds.	16,179	-	-	16,179
Due to other governments	43,405	-	-	43,405
Deposits held and due to others	-	-	1,000	1,000
Total liabilities.	<u>131,129</u>	<u>-</u>	<u>14,898</u>	<u>146,027</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	135,782	-	-	135,782
Delinquent property tax revenue not available	5,354	-	-	5,354
Special assessments revenue not available.	-	32,808	1,823	34,631
Income tax revenue not available	-	-	123,058	123,058
Intergovernmental revenue not available	271,323	-	-	271,323
Total deferred inflows of resources	<u>412,459</u>	<u>32,808</u>	<u>124,881</u>	<u>570,148</u>
Total liabilities and deferred inflows of resources	<u>543,588</u>	<u>32,808</u>	<u>139,779</u>	<u>716,175</u>
Fund balances:				
Nonspendable	31,068	-	-	31,068
Restricted	2,061,470	396,305	86,105	2,543,880
Committed	19,703	-	1,038,218	1,057,921
Assigned	1,000	-	-	1,000
Total fund balances	<u>2,113,241</u>	<u>396,305</u>	<u>1,124,323</u>	<u>3,633,869</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,656,829</u>	<u>\$ 429,113</u>	<u>\$ 1,264,102</u>	<u>\$ 4,350,044</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 1,046,889	\$ 1,046,889
Property and other taxes	132,138	-	-	132,138
Licenses, permits and fees	75,469	-	-	75,469
Fines and forfeitures	233,928	-	31,904	265,832
Intergovernmental	1,834,636	-	363,640	2,198,276
Special assessments	-	67,295	-	67,295
Investment income	1,252	-	-	1,252
Contributions and donations	7,222	-	5,670	12,892
Other	87,763	-	171,121	258,884
Total revenues	<u>2,372,408</u>	<u>67,295</u>	<u>1,619,224</u>	<u>4,058,927</u>
Expenditures:				
Current:				
General government	232,501	-	-	232,501
Security of persons and property	1,241,947	-	-	1,241,947
Public health services	300,437	-	-	300,437
Transportation	897,753	-	-	897,753
Community environment	625,467	-	-	625,467
Capital outlay	(6,175)	-	1,388,089	1,381,914
Debt service:				
Principal retirement	9,914	541,667	-	551,581
Interest and fiscal charges	14,231	28,203	-	42,434
Total expenditures	<u>3,316,075</u>	<u>569,870</u>	<u>1,388,089</u>	<u>5,274,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(943,667)</u>	<u>(502,575)</u>	<u>231,135</u>	<u>(1,215,107)</u>
Other financing sources (uses):				
Transfers in	850,561	802,472	81,233	1,734,266
Transfers (out)	(94,887)	-	(170,383)	(265,270)
SIB loan proceeds	-	-	167,839	167,839
Total other financing sources (uses)	<u>755,674</u>	<u>802,472</u>	<u>78,689</u>	<u>1,636,835</u>
Net change in fund balances	(187,993)	299,897	309,824	421,728
Fund balances at beginning of year	<u>2,301,234</u>	<u>96,408</u>	<u>814,499</u>	<u>3,212,141</u>
Fund balances at end of year	<u>\$ 2,113,241</u>	<u>\$ 396,305</u>	<u>\$ 1,124,323</u>	<u>\$ 3,633,869</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Street Repair and Maintenance Fund

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

Federal COPS Fast Program Fund

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

State Highway Fund

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

Law Enforcement Block Grant Fund

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

Motor Vehicle License Fund

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

Municipal Court Computerization Fund

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

Health Fund

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

Litter Control Fund

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

State Misdemeanant Grant Fund

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

Cemetery Fund

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

(continued)

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - continued

HUD Grant Fund

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

Community Development Block Grant Fund

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

Fire Pension Fund

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

Police Pension Fund

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

Other

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

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

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Funds Included in the General Fund

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

City Income Tax Fund

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

Supply Revolving Fund

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

Auditor Transfer Fund

This fund accounts for unclaimed funds and fire loss deposits.

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	<u>Street Repair and Maintenance</u>	<u>Federal COPS Fast Program</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 110,171	\$ 77,154	\$ 60,109	\$ 84,045
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts.	-	-	-	-
Intergovernmental	359,497	-	29,148	-
Loans	-	-	-	-
Materials and supplies inventory	25,105	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 494,773</u>	<u>\$ 77,154</u>	<u>\$ 89,257</u>	<u>\$ 84,045</u>
Liabilities:				
Accounts payable	\$ 20,093	\$ -	\$ -	\$ 2,687
Accrued wages and benefits payable.	15,515	-	-	-
Due to other funds	-	-	-	-
Due to other governments	21,743	1,030	-	-
Total liabilities	<u>57,351</u>	<u>1,030</u>	<u>-</u>	<u>2,687</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	239,959	-	19,456	-
Total deferred inflows of resources	<u>239,959</u>	<u>-</u>	<u>19,456</u>	<u>-</u>
Fund balances:				
Nonspendable	25,105	-	-	-
Restricted	172,358	76,124	69,801	81,358
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>197,463</u>	<u>76,124</u>	<u>69,801</u>	<u>81,358</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 494,773</u>	<u>\$ 77,154</u>	<u>\$ 89,257</u>	<u>\$ 84,045</u>

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Cemetery</u>
\$ 29,278	\$ 129,142	\$ 82,627	\$ 1,849	\$ 10,568	\$ 715,922
-	-	-	-	-	-
-	6,529	-	-	-	-
17,881	-	9,449	8,169	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,823	-	-	-	-	140
<u>\$ 52,982</u>	<u>\$ 135,671</u>	<u>\$ 92,076</u>	<u>\$ 10,018</u>	<u>\$ 10,568</u>	<u>\$ 716,062</u>
\$ 737	\$ 470	\$ -	\$ -	\$ -	\$ 1,130
-	-	3,494	837	-	1,583
-	-	-	-	-	-
-	-	4,014	1,105	-	3,088
<u>737</u>	<u>470</u>	<u>7,508</u>	<u>1,942</u>	<u>-</u>	<u>5,801</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,823	-	-	-	-	140
46,422	135,201	84,568	8,076	10,568	710,121
-	-	-	-	-	-
-	-	-	-	-	-
<u>52,245</u>	<u>135,201</u>	<u>84,568</u>	<u>8,076</u>	<u>10,568</u>	<u>710,261</u>
<u>\$ 52,982</u>	<u>\$ 135,671</u>	<u>\$ 92,076</u>	<u>\$ 10,018</u>	<u>\$ 10,568</u>	<u>\$ 716,062</u>

Continued

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2014

	HUD Grant	Community Development Block Grant	Fire Pension	Police Pension
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,006	\$ 11,162	\$ 11,162
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	70,568	70,568
Accounts.	-	-	-	-
Intergovernmental	59,221	-	5,954	5,954
Loans	-	1,315	-	-
Materials and supplies inventory	-	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 59,221</u>	<u>\$ 2,321</u>	<u>\$ 87,684</u>	<u>\$ 87,684</u>
Liabilities:				
Accounts payable	\$ 19,469	\$ -	\$ -	\$ -
Accrued wages and benefits payable.	2,952	-	-	-
Due to other funds	16,179	-	-	-
Due to other governments	11,290	-	-	-
Total liabilities	<u>49,890</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	67,891	67,891
Delinquent property tax revenue not available	-	-	2,677	2,677
Intergovernmental revenue not available	-	-	5,954	5,954
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>76,522</u>	<u>76,522</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	9,331	2,321	11,162	11,162
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>9,331</u>	<u>2,321</u>	<u>11,162</u>	<u>11,162</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,221</u>	<u>\$ 2,321</u>	<u>\$ 87,684</u>	<u>\$ 87,684</u>

<u>Other</u>	<u>Total</u>
\$ 648,247	\$ 1,972,442
-	141,136
9,066	15,595
-	495,273
-	1,315
-	25,105
-	5,963
<u>\$ 657,313</u>	<u>\$ 2,656,829</u>
\$ 1,708	\$ 46,294
870	25,251
-	16,179
1,135	43,405
<u>3,713</u>	<u>131,129</u>
-	135,782
-	5,354
-	271,323
<u>-</u>	<u>412,459</u>
-	31,068
632,897	2,061,470
19,703	19,703
1,000	1,000
<u>653,600</u>	<u>2,113,241</u>
<u>\$ 657,313</u>	<u>\$ 2,656,829</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, 2014

	Street Repair and Maintenance	Federal COPS Fast Program	State Highway	Law Enforcement Block Grant
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	51,736
Intergovernmental	734,856	63,180	59,582	-
Investment income	117	61	40	86
Contributions and donations	-	-	-	-
Other	13,139	-	-	-
Total revenues	<u>748,112</u>	<u>63,241</u>	<u>59,622</u>	<u>51,822</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	51,353	49,481	-	103,025
Public health services	-	-	-	-
Transportation	710,003	-	15,056	-
Community environment	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>761,356</u>	<u>49,481</u>	<u>15,056</u>	<u>103,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,244)</u>	<u>13,760</u>	<u>44,566</u>	<u>(51,203)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	(9,687)	(5,175)	-
Total other financing sources (uses)	<u>-</u>	<u>(9,687)</u>	<u>(5,175)</u>	<u>-</u>
Net change in fund balances	(13,244)	4,073	39,391	(51,203)
Fund balances at beginning of year	210,707	72,051	30,410	132,561
Fund balances at end of year (deficit).	<u>\$ 197,463</u>	<u>\$ 76,124</u>	<u>\$ 69,801</u>	<u>\$ 81,358</u>

<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Cemetery</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	42,444	-	-	33,025
-	85,642	-	-	-	-
224,142	-	107,057	20,134	-	-
-	-	-	-	-	636
-	-	-	-	-	-
-	-	-	-	-	25,639
<u>224,142</u>	<u>85,642</u>	<u>149,501</u>	<u>20,134</u>	<u>-</u>	<u>59,300</u>
-	90,228	-	-	-	-
-	-	-	-	-	-
-	-	163,468	-	-	136,969
172,694	-	-	-	-	-
-	-	-	33,625	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>172,694</u>	<u>90,228</u>	<u>163,468</u>	<u>33,625</u>	<u>-</u>	<u>136,969</u>
<u>51,448</u>	<u>(4,586)</u>	<u>(13,967)</u>	<u>(13,491)</u>	<u>-</u>	<u>(77,669)</u>
-	-	-	4,500	-	85,000
(80,025)	-	-	-	-	-
<u>(80,025)</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>-</u>	<u>85,000</u>
(28,577)	(4,586)	(13,967)	(8,991)	-	7,331
80,822	139,787	98,535	17,067	10,568	702,930
<u>\$ 52,245</u>	<u>\$ 135,201</u>	<u>\$ 84,568</u>	<u>\$ 8,076</u>	<u>\$ 10,568</u>	<u>\$ 710,261</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, 2014

	HUD Grant	Community Development Block Grant	Fire Pension	Police Pension
Revenues:				
Property and other taxes	\$ -	\$ -	\$ 66,069	\$ 66,069
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	596,484	-	11,910	11,909
Investment income	-	76	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	596,484	76	77,979	77,978
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	398,162	496,371
Public health services	-	-	-	-
Transportation	-	-	-	-
Community environment	584,141	7,701	-	-
Capital outlay	-	(6,175)	-	-
Debt service:				
Principal retirement	-	-	5,627	4,287
Interest and fiscal charges	-	-	8,077	6,154
Total expenditures	584,141	1,526	411,866	506,812
Excess (deficiency) of revenues over (under) expenditures	12,343	(1,450)	(333,887)	(428,834)
Other financing sources (uses):				
Transfers in	-	-	333,057	428,004
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	333,057	428,004
Net change in fund balances	12,343	(1,450)	(830)	(830)
Fund balances at beginning of year	(3,012)	3,771	11,992	11,992
Fund balances at end of year (deficit)	\$ 9,331	\$ 2,321	\$ 11,162	\$ 11,162

<u>Other</u>	<u>Total</u>
\$ -	\$ 132,138
-	75,469
96,550	233,928
5,382	1,834,636
236	1,252
7,222	7,222
48,985	87,763
<u>158,375</u>	<u>2,372,408</u>
142,273	232,501
143,555	1,241,947
-	300,437
-	897,753
-	625,467
-	(6,175)
-	9,914
-	14,231
<u>285,828</u>	<u>3,316,075</u>
<u>(127,453)</u>	<u>(943,667)</u>
-	850,561
-	(94,887)
<u>-</u>	<u>755,674</u>
(127,453)	(187,993)
781,053	2,301,234
<u>\$ 653,600</u>	<u>\$ 2,113,241</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 745,000	\$ 733,878	\$ (11,122)
Investment income.	-	117	117
Other	1,400	17,473	16,073
Total revenues.	<u>746,400</u>	<u>751,468</u>	<u>5,068</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	39,155	37,425	1,730
Fringe benefits	6,660	6,277	383
Contractual services	12,750	7,471	5,279
Total security of persons and property . .	<u>58,565</u>	<u>51,173</u>	<u>7,392</u>
Transportation:			
Street transportation:			
Salaries and wages.	520,000	506,416	13,584
Fringe benefits	94,650	90,899	3,751
Contractual services	8,350	7,431	919
Materials and supplies	69,997	69,380	617
Capital outlay.	50,000	50,000	-
Total transportation.	<u>742,997</u>	<u>724,126</u>	<u>18,871</u>
Total expenditures	<u>801,562</u>	<u>775,299</u>	<u>26,263</u>
Net change in fund balance	(55,162)	(23,831)	31,331
Fund balance at beginning of year.	113,496	113,496	-
Prior year encumbrances appropriated . . .	2,371	2,371	-
Fund balance at end of year.	<u>\$ 60,705</u>	<u>\$ 92,036</u>	<u>\$ 31,331</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL COPS FAST PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 99,270	\$ 99,270	\$ -
Investment income.	-	61	61
Total revenues	<u>99,270</u>	<u>99,331</u>	<u>61</u>
Expenditures:			
Current:			
Security of persons and property:			
Salaries and wages	42,005	42,005	-
Fringe benefits	11,487	11,487	-
Total expenditures.	<u>53,492</u>	<u>53,492</u>	<u>-</u>
Excess of revenues over expenditures.	<u>45,778</u>	<u>45,839</u>	<u>61</u>
Other financing uses:			
Transfers (out)	(9,687)	(9,687)	-
Total other financing uses	<u>(9,687)</u>	<u>(9,687)</u>	<u>-</u>
Net change in fund balance	36,091	36,152	61
Fund balance at beginning of year	<u>41,002</u>	<u>41,002</u>	<u>-</u>
Fund balance at end of year	<u>\$ 77,093</u>	<u>\$ 77,154</u>	<u>\$ 61</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 59,000	\$ 59,503	\$ 503
Investment income.	-	40	40
Total revenues	<u>59,000</u>	<u>59,543</u>	<u>543</u>
Expenditures:			
Current:			
Transportation:			
Street repair and maintenance:			
Contractual services.	1,250	1,250	-
Capital outlay	20,000	13,806	6,194
Total expenditures	<u>21,250</u>	<u>15,056</u>	<u>6,194</u>
Excess of revenues over expenditures	<u>37,750</u>	<u>44,487</u>	<u>6,737</u>
Other financing uses:			
Transfers (out)	(39,101)	(5,175)	33,926
Total other financing uses.	<u>(39,101)</u>	<u>(5,175)</u>	<u>33,926</u>
Net change in fund balance	(1,351)	39,312	40,663
Fund balance at beginning of year	<u>20,797</u>	<u>20,797</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 19,446</u>	<u>\$ 60,109</u>	<u>\$ 40,663</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 60,000	\$ 51,736	\$ (8,264)
Investment income.	70	86	16
Total revenues.	<u>60,070</u>	<u>51,822</u>	<u>(8,248)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	100,338	100,338	-
Total expenditures	<u>100,338</u>	<u>100,338</u>	<u>-</u>
Net change in fund balance.	(40,268)	(48,516)	(8,248)
Fund balance at beginning of year	<u>132,561</u>	<u>132,561</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 92,293</u>	<u>\$ 84,045</u>	<u>\$ (8,248)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 220,000	\$ 222,274	\$ 2,274
Total revenues.	<u>220,000</u>	<u>222,274</u>	<u>2,274</u>
Expenditures:			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits	82,858	81,582	1,276
Contractual services	43,297	42,894	403
Capital outlay.	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>176,155</u>	<u>174,476</u>	<u>1,679</u>
Excess of revenues over expenditures	<u>43,845</u>	<u>47,798</u>	<u>3,953</u>
Other financing uses:			
Transfers (out)	<u>(80,025)</u>	<u>(80,025)</u>	<u>-</u>
Total other financing uses	<u>(80,025)</u>	<u>(80,025)</u>	<u>-</u>
Net change in fund balance	(36,180)	(32,227)	3,953
Fund balance at beginning of year	<u>61,505</u>	<u>61,505</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,325</u>	<u>\$ 29,278</u>	<u>\$ 3,953</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 60,000	\$ 82,557	\$ 22,557
Total revenues.	<u>60,000</u>	<u>82,557</u>	<u>22,557</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Contractual services	62,867	58,878	3,989
Materials and supplies	12,633	12,633	-
Capital outlay	<u>22,500</u>	<u>22,223</u>	<u>277</u>
Total expenditures	<u>98,000</u>	<u>93,734</u>	<u>4,266</u>
Net change in fund balance	(38,000)	(11,177)	26,823
Fund balance at beginning of year	<u>136,694</u>	<u>136,694</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 98,694</u>	<u>\$ 125,517</u>	<u>\$ 26,823</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees	\$ 44,000	\$ 42,444	\$ (1,556)
Intergovernmental	140,296	108,743	(31,553)
Total revenues	<u>184,296</u>	<u>151,187</u>	<u>(33,109)</u>
Expenditures:			
Current:			
Public health services:			
Public health and welfare:			
Salaries and wages	106,202	105,581	621
Fringe benefits	44,403	42,794	1,609
Contractual services	2,066	1,999	67
Materials and supplies	6,134	4,113	2,021
Capital outlay	100	-	100
Other	<u>5,000</u>	<u>4,994</u>	<u>6</u>
Total expenditures	<u>163,905</u>	<u>159,481</u>	<u>4,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,391</u>	<u>(8,294)</u>	<u>(28,685)</u>
Other financing sources (uses):			
Transfers in	-	1,300	1,300
Transfers (out)	<u>(5,000)</u>	<u>(4,960)</u>	<u>40</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(3,660)</u>	<u>1,340</u>
Net change in fund balance	15,391	(11,954)	(27,345)
Fund balance at beginning of year	<u>94,581</u>	<u>94,581</u>	<u>-</u>
Fund balance at end of year	<u>\$ 109,972</u>	<u>\$ 82,627</u>	<u>\$ (27,345)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 52,250	\$ 29,236	\$ (23,014)
Total revenues	<u>52,250</u>	<u>29,236</u>	<u>(23,014)</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages.	27,662	27,656	6
Fringe benefits.	5,229	4,930	299
Materials and supplies.	1,660	920	740
Total expenditures.	<u>34,551</u>	<u>33,506</u>	<u>1,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,699</u>	<u>(4,270)</u>	<u>(21,969)</u>
Other financing sources:			
Transfers in.	-	4,500	4,500
Total other financing sources	<u>-</u>	<u>4,500</u>	<u>4,500</u>
Net change in fund balance.	17,699	230	(17,469)
Fund balance at beginning of year	<u>1,619</u>	<u>1,619</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,318</u>	<u>\$ 1,849</u>	<u>\$ (17,469)</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, 2014

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

CITY OF ALLIANCE, OHIO

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

CEMETERY FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees	\$ 30,000	\$ 33,025	\$ 3,025
Investment income	500	636	136
Other	14,500	25,639	11,139
Total revenues	<u>45,000</u>	<u>59,300</u>	<u>14,300</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages	83,500	81,795	1,705
Fringe benefits.	26,366	25,821	545
Contractual services.	23,164	22,965	199
Materials and supplies.	5,750	5,749	1
Total expenditures	<u>138,780</u>	<u>136,330</u>	<u>2,450</u>
Excess of expenditures over revenues. . . .	<u>(93,780)</u>	<u>(77,030)</u>	<u>16,750</u>
Other financing sources:			
Transfers in	85,000	85,000	-
Total other financing sources.	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Net change in fund balance	(8,780)	7,970	16,750
Fund balance at beginning of year	<u>707,952</u>	<u>707,952</u>	<u>-</u>
Fund balance at end of year	<u>\$ 699,172</u>	<u>\$ 715,922</u>	<u>\$ 16,750</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,440,297	\$ 540,962	\$ (899,335)
Total revenues	<u>1,440,297</u>	<u>540,962</u>	<u>(899,335)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages.	239,263	100,180	139,083
Fringe benefits.	195,050	73,198	121,852
Contractual services.	472,887	200,952	271,935
Materials and supplies.	26,501	6,582	19,919
Capital outlay	25,778	-	25,778
Other	478,432	249,183	229,249
Total expenditures	<u>1,437,911</u>	<u>630,095</u>	<u>807,816</u>
Net change in fund balance	2,386	(89,133)	(91,519)
Fund balance (deficit) at beginning of year.	(75,211)	(75,211)	-
Prior year encumbrances appropriated. . .	<u>74,435</u>	<u>74,435</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 1,610</u>	<u>\$ (89,909)</u>	<u>\$ (91,519)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ -	\$ 76	\$ 76
Other	40,000	7,509	(32,491)
Total revenues.	<u>40,000</u>	<u>7,585</u>	<u>(32,415)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Capital outlay	35,000	7,626	27,374
Total expenditures.	<u>35,000</u>	<u>7,626</u>	<u>27,374</u>
Net change in fund balance	5,000	(41)	(5,041)
Fund balance at beginning of year	<u>1,047</u>	<u>1,047</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,047</u>	<u>\$ 1,006</u>	<u>\$ (5,041)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 77,000	\$ 66,069	\$ (10,931)
Intergovernmental.	2,324	11,910	9,586
Total revenues	<u>79,324</u>	<u>77,979</u>	<u>(1,345)</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	410,425	410,425	-
Contractual services	1,500	1,441	59
Total expenditures	<u>411,925</u>	<u>411,866</u>	<u>59</u>
Excess of expenditures over revenues	<u>(332,601)</u>	<u>(333,887)</u>	<u>(1,286)</u>
Other financing sources:			
Transfers in.	380,000	333,057	(46,943)
Total other financing sources.	<u>380,000</u>	<u>333,057</u>	<u>(46,943)</u>
Net change in fund balance.	47,399	(830)	(48,229)
Fund balance at beginning of year	<u>11,992</u>	<u>11,992</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 59,391</u>	<u>\$ 11,162</u>	<u>\$ (48,229)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes	\$ 77,000	\$ 66,069	\$ (10,931)
Intergovernmental	2,324	11,909	9,585
Total revenues	<u>79,324</u>	<u>77,978</u>	<u>(1,346)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	505,372	505,371	1
Contractual services.	1,500	1,441	59
Total expenditures.	<u>506,872</u>	<u>506,812</u>	<u>60</u>
Excess of expenditures over revenues.	<u>(427,548)</u>	<u>(428,834)</u>	<u>(1,286)</u>
Other financing sources:			
Transfers in.	450,000	428,004	(21,996)
Total other financing sources.	<u>450,000</u>	<u>428,004</u>	<u>(21,996)</u>
Net change in fund balance.	22,452	(830)	(23,282)
Fund balance at beginning of year	<u>11,992</u>	<u>11,992</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 34,444</u>	<u>\$ 11,162</u>	<u>\$ (23,282)</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, 2014

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BYRNE JUSTICE ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 5,382	\$ 5,382
Investment income	-	4	4
Total revenues	<u>-</u>	<u>5,386</u>	<u>5,386</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Capital outlay	7,000	5,418	1,582
Total expenditures	<u>7,000</u>	<u>5,418</u>	<u>1,582</u>
Net change in fund balance.	(7,000)	(32)	6,968
Fund balance at beginning of year	<u>7,110</u>	<u>7,110</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 110</u>	<u>\$ 7,078</u>	<u>\$ 6,968</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ -	\$ 20,007	\$ 20,007
Investment income	30	232	202
Total revenues.	<u>30</u>	<u>20,239</u>	<u>20,209</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	150,000	138,137	11,863
Total expenditures	<u>150,000</u>	<u>138,137</u>	<u>11,863</u>
Net change in fund balance.	(149,970)	(117,898)	32,072
Fund balance at beginning of year	306,908	306,908	-
Prior year encumbrances appropriated	<u>645</u>	<u>645</u>	-
Fund balance at end of year.	<u>\$ 157,583</u>	<u>\$ 189,655</u>	<u>\$ 32,072</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 24,000	\$ 46,026	\$ 22,026
Total revenues	<u>24,000</u>	<u>46,026</u>	<u>22,026</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
.	25,000	3,500	21,500
Total expenditures	<u>25,000</u>	<u>3,500</u>	<u>21,500</u>
Net change in fund balance	(1,000)	42,526	43,526
Fund balance at beginning of year	<u>114,621</u>	<u>114,621</u>	<u>-</u>
Fund balance at end of year	<u>\$ 113,621</u>	<u>\$ 157,147</u>	<u>\$ 43,526</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 3,000	\$ 5,129	\$ 2,129
Total revenues.	<u>3,000</u>	<u>5,129</u>	<u>2,129</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	4,000	3,750	250
Total expenditures	<u>4,000</u>	<u>3,750</u>	<u>250</u>
Net change in fund balance.	(1,000)	1,379	2,379
Fund balance at beginning of year	<u>7,463</u>	<u>7,463</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,463</u>	<u>\$ 8,842</u>	<u>\$ 2,379</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 12,000	\$ 22,993	\$ 10,993
Total revenues.	<u>12,000</u>	<u>22,993</u>	<u>10,993</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies	3,500	2,218	1,282
Total expenditures	<u>3,500</u>	<u>2,218</u>	<u>1,282</u>
Net change in fund balance.	8,500	20,775	12,275
Fund balance at beginning of year	<u>55,993</u>	<u>55,993</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 64,493</u></u>	<u><u>\$ 76,768</u></u>	<u><u>\$ 12,275</u></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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 1,000	\$ 2,780	\$ 1,780
Total revenues.	<u>1,000</u>	<u>2,780</u>	<u>1,780</u>
Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	4,500	2,547	1,953
Total expenditures	<u>4,500</u>	<u>2,547</u>	<u>1,953</u>
Net change in fund balance.	(3,500)	233	3,733
Fund balance at beginning of year	<u>4,690</u>	<u>4,690</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,190</u>	<u>\$ 4,923</u>	<u>\$ 3,733</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Salaries and wages.	\$ 3,250	\$ -	\$ 3,250
Total expenditures	<u>3,250</u>	<u>-</u>	<u>3,250</u>
Net change in fund balance.	(3,250)	-	3,250
Fund balance at beginning of year	<u>3,311</u>	<u>3,311</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 61</u></u>	<u><u>\$ 3,311</u></u>	<u><u>\$ 3,250</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCENTIVE REVIEW FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

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

CITY OF ALLIANCE, OHIO

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

LAND USE STUDY FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

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

CITY OF ALLIANCE, OHIO

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

COURT ADR FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 12,000	\$ 10,795	\$ (1,205)
Total revenues.	<u>12,000</u>	<u>10,795</u>	<u>(1,205)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	<u>20,000</u>	<u>17,650</u>	<u>2,350</u>
Total expenditures	<u>20,000</u>	<u>17,650</u>	<u>2,350</u>
Net change in fund balance.	(8,000)	(6,855)	1,145
Fund balance at beginning of year	<u>11,088</u>	<u>11,088</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 3,088</u></u>	<u><u>\$ 4,233</u></u>	<u><u>\$ 1,145</u></u>

CITY OF ALLIANCE, OHIO

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

COURT SECURITY GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 35,000	\$ 41,585	\$ 6,585
Total revenues.	<u>35,000</u>	<u>41,585</u>	<u>6,585</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Salaries and wages	29,000	28,767	233
Fringe benefits	8,530	4,014	4,516
Contractual services	15,000	14,897	103
Capital outlay	<u>50,000</u>	<u>10,406</u>	<u>39,594</u>
Total expenditures	<u>102,530</u>	<u>58,084</u>	<u>44,446</u>
Net change in fund balance.	(67,530)	(16,499)	51,031
Fund balance at beginning of year	<u>95,306</u>	<u>95,306</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 27,776</u>	<u>\$ 78,807</u>	<u>\$ 51,031</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 2,000	\$ 1,000	\$ (1,000)
Total revenues.	<u>2,000</u>	<u>1,000</u>	<u>(1,000)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies	10,000	8,472	1,528
Total expenditures	<u>10,000</u>	<u>8,472</u>	<u>1,528</u>
Net change in fund balance.	(8,000)	(7,472)	528
Fund balance at beginning of year	<u>35,121</u>	<u>35,121</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 27,121</u>	<u>\$ 27,649</u>	<u>\$ 528</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 1,500	\$ 1,856	\$ 356
Total revenues	<u>1,500</u>	<u>1,856</u>	<u>356</u>
Net change in fund balance	1,500	1,856	356
Fund balance at beginning of year	<u>8,973</u>	<u>8,973</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,473</u>	<u>\$ 10,829</u>	<u>\$ 356</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 4,671	\$ 4,671	\$ -
Fund balance at end of year.	<u>\$ 4,671</u>	<u>\$ 4,671</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

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

BROWNFIELD GRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 654,921	\$ 41,499	\$ (613,422)
Total revenues.	<u>654,921</u>	<u>41,499</u>	<u>(613,422)</u>
Expenditures:			
Current:			
General government:			
Administration:			
Contractual services	<u>41,499</u>	<u>41,499</u>	<u>-</u>
Total expenditures	<u>41,499</u>	<u>41,499</u>	<u>-</u>
Net change in fund balance.	613,422	-	(613,422)
Fund balance (deficit) at beginning of year.	(51,921)	(51,921)	-
Prior year encumbrances appropriated. . .	<u>51,921</u>	<u>51,921</u>	<u>-</u>
Fund balance at end of year	<u>\$ 613,422</u>	<u>\$ -</u>	<u>\$ (613,422)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK RESOURCES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 29	\$ 29	\$ -
Fund balance at end of year.	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ -</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN SPECIAL EVENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Contributions and donations	\$ 6,000	\$ 7,222	\$ 1,222
Total revenues.	<u>6,000</u>	<u>7,222</u>	<u>1,222</u>
Expenditures:			
Current:			
General government:			
General administration:			
Contractual services.	<u>6,000</u>	<u>5,681</u>	<u>319</u>
Total expenditures	<u>6,000</u>	<u>5,681</u>	<u>319</u>
Net change in fund balance.	-	1,541	1,541
Fund balance at beginning of year	<u>77</u>	<u>77</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 77</u>	<u>\$ 1,618</u>	<u>\$ 1,541</u>

CITY OF ALLIANCE, OHIO

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

CITY INCOME TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 557,817	\$ 651,026	\$ 93,209
Other	8,000	11,166	3,166
Total revenues	<u>565,817</u>	<u>662,192</u>	<u>96,375</u>
Expenditures:			
Current:			
General government:			
Income tax:			
Salaries and wages	169,000	168,224	776
Fringe benefits	76,246	73,596	2,650
Contractual services	47,100	45,221	1,879
Materials and supplies	5,600	4,386	1,214
Capital outlay	1,898	738	1,160
Other	352,543	352,541	2
Total expenditures	<u>652,387</u>	<u>644,706</u>	<u>7,681</u>
Net change in fund balance	(86,570)	17,486	104,056
Fund balance at beginning of year	<u>86,927</u>	<u>86,927</u>	<u>-</u>
Fund balance at end of year	<u>\$ 357</u>	<u>\$ 104,413</u>	<u>\$ 104,056</u>

CITY OF ALLIANCE, OHIO

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

SUPPLY REVOLVING FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 180,000	\$ 173,726	\$ (6,274)
Total revenues.	<u>180,000</u>	<u>173,726</u>	<u>(6,274)</u>
Expenditures:			
Current:			
General government:			
Maintenance:			
Contractual services	195,750	152,946	42,804
Materials and supplies	400	179	221
Capital outlay	<u>10,000</u>	<u>7,701</u>	<u>2,299</u>
Total expenditures	<u>206,150</u>	<u>160,826</u>	<u>45,324</u>
Net change in fund balance.	(26,150)	12,900	39,050
Fund balance at beginning of year	<u>122,500</u>	<u>122,500</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 96,350</u></u>	<u><u>\$ 135,400</u></u>	<u><u>\$ 39,050</u></u>

CITY OF ALLIANCE, OHIO

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

AUDITOR TRANSFER FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 11,000	\$ 53,804	\$ 42,804
Total revenues	<u>11,000</u>	<u>53,804</u>	<u>42,804</u>
Expenditures:			
Current:			
General government:			
Auditor:			
Other	70,000	54,076	15,924
Total expenditures	<u>70,000</u>	<u>54,076</u>	<u>15,924</u>
Net change in fund balance.	(59,000)	(272)	58,728
Fund balance at beginning of year	<u>70,115</u>	<u>70,115</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 11,115</u>	<u>\$ 69,843</u>	<u>\$ 58,728</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION - NONMAJOR GOVERNMENTAL FUND

Debt Service Fund

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

CITY OF ALLIANCE, OHIO

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

DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessments.	\$ 75,000	\$ 67,295	\$ (7,705)
Total revenues.	<u>75,000</u>	<u>67,295</u>	<u>(7,705)</u>
Expenditures:			
Current:			
Debt service:			
Principal retirement:			
Bond	3,100,000	2,869,547	230,453
Interest and fiscal charges:			
Bond	<u>600,000</u>	<u>504,361</u>	<u>95,639</u>
Total expenditures	<u>3,700,000</u>	<u>3,373,908</u>	<u>326,092</u>
Excess of expenditures over revenues. . . .	<u>(3,625,000)</u>	<u>(3,306,613)</u>	<u>318,387</u>
Other financing sources:			
Transfers in	<u>3,650,000</u>	<u>3,606,510</u>	<u>(43,490)</u>
Total other financing sources	<u>3,650,000</u>	<u>3,606,510</u>	<u>(43,490)</u>
Net change in fund balance.	25,000	299,897	274,897
Fund balance at beginning of year.	<u>96,408</u>	<u>96,408</u>	<u>-</u>
Fund balance at end of year	<u>\$ 121,408</u>	<u>\$ 396,305</u>	<u>\$ 274,897</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

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

Street Income Tax Construction Fund

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

Municipal Road Fund

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

Capital Improvements Fund

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

Street Improvement Fund

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

Municipal Court Special Projects Fund

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

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2014

	Street Income Tax Construction	Municipal Road	Capital Improvements	Muni. Court Special Projects	Total
Assets:					
Equity in pooled cash and cash equivalents	\$ 256,675	\$ -	\$ 487,197	\$ 2,004	\$ 745,876
Cash with fiscal agent	1,000	-	-	-	1,000
Receivables (net of allowances for uncollectibles):					
Municipal income taxes	131,537	-	197,306	-	328,843
Accounts	-	-	-	2,968	2,968
Special assessments	38	-	1,785	-	1,823
Intergovernmental	-	81,233	102,359	-	183,592
Total assets	<u>\$ 389,250</u>	<u>\$ 81,233</u>	<u>\$ 788,647</u>	<u>\$ 4,972</u>	<u>\$ 1,264,102</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,874	\$ 100	\$ 1,974
Contracts payable	11,924	-	-	-	11,924
Deposits held and due to others	1,000	-	-	-	1,000
Total liabilities	<u>12,924</u>	<u>-</u>	<u>1,874</u>	<u>100</u>	<u>14,898</u>
Deferred inflows of resources:					
Special assessments revenue not available	38	-	1,785	-	1,823
Income tax revenue not available	49,223	-	73,835	-	123,058
Total liabilities and deferred inflows of resources.	<u>62,185</u>	<u>-</u>	<u>77,494</u>	<u>100</u>	<u>139,779</u>
Fund balances:					
Restricted	-	81,233	-	4,872	86,105
Committed	327,065	-	711,153	-	1,038,218
Total fund balances	<u>327,065</u>	<u>81,233</u>	<u>711,153</u>	<u>4,872</u>	<u>1,124,323</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 389,250</u>	<u>\$ 81,233</u>	<u>\$ 788,647</u>	<u>\$ 4,972</u>	<u>\$ 1,264,102</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, 2014

	Street Income Tax Construction	Municipal Road	Capital Improvements	Street Improvement
Revenues:				
Municipal income taxes	\$ 418,755	\$ -	\$ 628,134	\$ -
Fines and forfeitures.	-	-	-	-
Intergovernmental	-	81,233	282,407	-
Contributions and donations	-	-	5,670	-
Other	520	-	170,338	-
Total revenues	<u>419,275</u>	<u>81,233</u>	<u>1,086,549</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>339,038</u>	<u>81,233</u>	<u>933,597</u>	<u>7,206</u>
Total expenditures.	<u>339,038</u>	<u>81,233</u>	<u>933,597</u>	<u>7,206</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>80,237</u>	<u>-</u>	<u>152,952</u>	<u>(7,206)</u>
Other financing sources (uses):				
Transfers in	-	81,233	-	-
Transfers (out).	-	-	(170,383)	-
SIB loan proceeds.	-	-	167,839	-
Total other financing sources (uses).	<u>-</u>	<u>81,233</u>	<u>(2,544)</u>	<u>-</u>
Net change in fund balances	80,237	81,233	150,408	(7,206)
Fund balances (deficit) at beginning of year . .	<u>246,828</u>	<u>-</u>	<u>560,745</u>	<u>7,206</u>
Fund balances at end of year	<u>\$ 327,065</u>	<u>\$ 81,233</u>	<u>\$ 711,153</u>	<u>\$ -</u>

Muni. Court Special Projects	Total
\$ -	\$ 1,046,889
31,904	31,904
-	363,640
-	5,670
263	171,121
<u>32,167</u>	<u>1,619,224</u>
<u>27,015</u>	<u>1,388,089</u>
<u>27,015</u>	<u>1,388,089</u>
<u>5,152</u>	<u>231,135</u>
-	81,233
-	(170,383)
-	167,839
<u>-</u>	<u>78,689</u>
5,152	309,824
(280)	814,499
<u>\$ 4,872</u>	<u>\$ 1,124,323</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes.	\$ 400,000	\$ 413,422	\$ 13,422
Other	-	520	520
Total revenues.	<u>400,000</u>	<u>413,942</u>	<u>13,942</u>
Expenditures:			
Current:			
Capital outlay:			
Street income tax:			
Personal services.	112,750	106,946	5,804
Capital outlay.	320,835	306,517	14,318
Total expenditures.	<u>433,585</u>	<u>413,463</u>	<u>20,122</u>
Net change in fund balance.	(33,585)	479	34,064
Fund balance at beginning of year	154,983	154,983	-
Prior year encumbrances appropriated	<u>18,713</u>	<u>18,713</u>	-
Fund balance at end of year.	<u>\$ 140,111</u>	<u>\$ 174,175</u>	<u>\$ 34,064</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 141,000	\$ -	\$ (141,000)
Total revenues.	<u>141,000</u>	<u>-</u>	<u>(141,000)</u>
Expenditures:			
Current:			
Capital outlay:			
Transportation:			
Capital outlay	<u>81,233</u>	<u>81,233</u>	<u>-</u>
Total expenditures	<u>81,233</u>	<u>81,233</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,767</u>	<u>(81,233)</u>	<u>(141,000)</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>81,233</u>	<u>81,233</u>
Total other financing sources	<u>-</u>	<u>81,233</u>	<u>81,233</u>
Net change in fund balance.	59,767	-	(59,767)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 59,767</u>	<u>\$ -</u>	<u>\$ (59,767)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 657,000	\$ 620,134	\$ (36,866)
Intergovernmental	149,271	180,048	30,777
Contributions and donations	5,670	5,670	-
Other	174,338	174,338	-
Total revenues	<u>986,279</u>	<u>980,190</u>	<u>(6,089)</u>
Expenditures:			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay	1,082,824	1,015,331	67,493
Total expenditures	<u>1,082,824</u>	<u>1,015,331</u>	<u>67,493</u>
Excess of expenditures over revenues	<u>(96,545)</u>	<u>(35,141)</u>	<u>61,404</u>
Other financing sources (uses):			
SIB loan proceeds	167,839	167,839	-
Transfers (out)	(171,184)	(170,383)	801
Total other financing sources (uses)	<u>(3,345)</u>	<u>(2,544)</u>	<u>801</u>
Net change in fund balance	(99,890)	(37,685)	62,205
Fund balance at beginning of year	400,996	400,996	-
Prior year encumbrances appropriated	45,959	45,959	-
Fund balance at end of year	<u>\$ 347,065</u>	<u>\$ 409,270</u>	<u>\$ 62,205</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Capital outlay:			
Street improvement:			
Capital outlay	\$ 7,206	\$ 7,206	\$ -
Total expenditures	<u>7,206</u>	<u>7,206</u>	<u>-</u>
 Fund balance at beginning of year	 <u>7,206</u>	 <u>7,206</u>	 <u>-</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT SPECIAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ -	\$ 29,199	\$ 29,199
Other	25,000	-	(25,000)
Total revenues	<u>25,000</u>	<u>29,199</u>	<u>4,199</u>
Expenditures:			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay	89,000	27,195	61,805
Total expenditures	<u>89,000</u>	<u>27,195</u>	<u>61,805</u>
Net change in fund balance.	(64,000)	2,004	66,004
Fund balance at beginning of year	<u>64,510</u>	<u>64,510</u>	<u>-</u>
Fund balance at end of year	<u>\$ 510</u>	<u>\$ 66,514</u>	<u>\$ 66,004</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, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services	\$ 4,853,500	\$ 4,962,801	\$ 109,301
Other	353,162	59,873	(293,289)
Total operating revenues	5,206,662	5,022,674	(183,988)
Operating expenses:			
Salaries and wages	1,407,270	1,385,499	21,771
Fringe benefits	589,482	567,680	21,802
Contractual services	817,780	645,990	171,790
Materials and supplies	876,189	623,369	252,820
Capital outlay	1,283,896	809,967	473,929
Other	5,000	697	4,303
Total operating expenses	4,979,617	4,033,202	946,415
Operating income	227,045	989,472	762,427
Nonoperating revenues:			
OPWC loan proceeds	-	68,991	68,991
Municipal income taxes	515,000	413,422	(101,578)
Investment income	500	2,473	1,973
Total nonoperating revenues	515,500	484,886	(30,614)
Income before transfers	742,545	1,474,358	731,813
Transfers (out)	(1,718,675)	(1,582,567)	136,108
Net change in fund equity	(976,130)	(108,209)	867,921
Fund equity beginning of year	2,900,833	2,900,833	-
Prior year encumbrances appropriated	95,786	95,786	-
Fund equity end of year	\$ 2,020,489	\$ 2,888,410	\$ 867,921

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, 2014

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services	\$ 3,863,621	\$ 4,002,367	\$ 138,746
Licenses, permits and fees	107,095	107,095	-
Other	66,135	92,100	25,965
Total operating revenues	<u>4,036,851</u>	<u>4,201,562</u>	<u>164,711</u>
Operating expenses:			
Salaries and wages	1,616,290	1,507,225	109,065
Fringe benefits	668,795	617,687	51,108
Contractual services	1,254,175	1,190,872	63,303
Materials and supplies	311,895	223,469	88,426
Capital outlay	852,640	762,356	90,284
Other	5,000	667	4,333
Total operating expenses	<u>4,708,795</u>	<u>4,302,276</u>	<u>406,519</u>
Operating (loss)	<u>(671,944)</u>	<u>(100,714)</u>	<u>571,230</u>
Nonoperating revenues:			
Investment income	5,800	5,067	(733)
Total nonoperating revenues	<u>5,800</u>	<u>5,067</u>	<u>(733)</u>
Income (loss) before transfers	<u>(666,144)</u>	<u>(95,647)</u>	<u>570,497</u>
Transfers (out)	<u>(2,034,220)</u>	<u>(1,768,360)</u>	<u>265,860</u>
Net change in fund equity	<u>(2,700,364)</u>	<u>(1,864,007)</u>	<u>836,357</u>
Fund equity beginning of year	6,086,811	6,086,811	-
Prior year encumbrances appropriated . .	<u>153,262</u>	<u>153,262</u>	<u>-</u>
Fund equity end of year	<u>\$ 3,539,709</u>	<u>\$ 4,376,066</u>	<u>\$ 836,357</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Other.	\$ 45,600	\$ 47,494	\$ 1,894
Total operating revenues.	<u>45,600</u>	<u>47,494</u>	<u>1,894</u>
Operating expenses:			
Salaries and wages	19,080	14,392	4,688
Fringe benefits	3,286	2,554	732
Contractual services	19,620	18,799	821
Materials and supplies	10,000	9,715	285
Capital outlay.	2,000	1,971	29
Total operating expenses	<u>53,986</u>	<u>47,431</u>	<u>6,555</u>
Net change in fund equity.	(8,386)	63	8,449
Fund equity beginning of year.	<u>93,454</u>	<u>93,454</u>	<u>-</u>
Fund equity end of year	<u>\$ 85,068</u>	<u>\$ 93,517</u>	<u>\$ 8,449</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Internal Service Fund

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services	\$ 2,575,000	\$ 2,342,116	\$ (232,884)
Total operating revenues	<u>2,575,000</u>	<u>2,342,116</u>	<u>(232,884)</u>
Operating expenses:			
Claims	<u>2,615,000</u>	<u>2,242,450</u>	<u>372,550</u>
Total operating expenses	<u>2,615,000</u>	<u>2,242,450</u>	<u>372,550</u>
Net change in fund equity.	(40,000)	99,666	139,666
Fund equity at beginning of year	<u>713,345</u>	<u>713,345</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 673,345</u>	<u>\$ 813,011</u>	<u>\$ 139,666</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Agency Funds

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

Carnation Cable Channel Fund

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

Municipal Court Fund

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

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Balance 1/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2014</u>
Carnation Cable Channel				
Assets:				
Receivables (net of allowances of uncollectibles):				
Accounts	\$ 21,600	\$ 20,838	\$ 21,600	\$ 20,838
Total assets	<u>\$ 21,600</u>	<u>\$ 20,838</u>	<u>\$ 21,600</u>	<u>\$ 20,838</u>
Liabilities:				
Due to others	\$ 21,600	\$ 20,838	\$ 21,600	\$ 20,838
Total liabilities	<u>\$ 21,600</u>	<u>\$ 20,838</u>	<u>\$ 21,600</u>	<u>\$ 20,838</u>
Municipal Court Fund				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 17,603	\$ 2,002,329	\$ 1,998,589	\$ 21,343
Total assets	<u>\$ 17,603</u>	<u>\$ 2,002,329</u>	<u>\$ 1,998,589</u>	<u>\$ 21,343</u>
Liabilities:				
Due to others	\$ 17,603	\$ 2,002,329	\$ 1,998,589	\$ 21,343
Total liabilities.	<u>\$ 17,603</u>	<u>\$ 2,002,329</u>	<u>\$ 1,998,589</u>	<u>\$ 21,343</u>
All Agency Funds				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 17,603	\$ 2,002,329	\$ 1,998,589	\$ 21,343
Receivables (net of allowances for uncollectibles):				
Accounts	21,600	20,838	21,600	20,838
Total assets	<u>\$ 39,203</u>	<u>\$ 2,023,167</u>	<u>\$ 2,020,189</u>	<u>\$ 42,181</u>
Liabilities:				
Due to others	\$ 39,203	\$ 2,023,167	\$ 2,020,189	\$ 42,181
Total liabilities	<u>\$ 39,203</u>	<u>\$ 2,023,167</u>	<u>\$ 2,020,189</u>	<u>\$ 42,181</u>

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.	167-176
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	177
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.	178-184
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.	185-186
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.	187-194

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

CITY OF ALLIANCE, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 19,325,774	\$ 19,528,061	\$ 19,194,878	\$ 19,233,554
Restricted for:				
Capital projects	86,105	936,012	1,286,549	31,763
Debt service	425,849	191,036	322,426	346,139
Special revenue	-	-	-	-
Transportation projects	357,951	375,369	386,247	285,686
Public service programs	1,175,610	759,389	760,258	737,980
Community environment programs	3,329,142	3,318,742	3,859,082	3,976,347
Security programs	392,320	232,414	175,111	235,720
Police and fire pension	38,397	69,984	72,662	76,794
Other purposes	119,585	903,606	604,772	367,747
Unrestricted	4,479,370	2,743,270	2,717,776	5,348,341
Total governmental activities net position	<u>\$ 29,730,103</u>	<u>\$ 29,057,883</u>	<u>\$ 29,379,761</u>	<u>\$ 30,640,071</u>
Business-type activities				
Net investment in capital assets	\$ 13,620,315	\$ 12,266,157	\$ 11,655,997	\$ 9,633,092
Restricted:				
Debt service	548,950	573,116	592,084	618,439
Replacement and surplus reserve	522,362	1,152,065	1,903,787	616,385
Unrestricted	9,450,579	9,757,719	8,314,065	8,897,636
Total business-type activities net position	<u>\$ 24,142,206</u>	<u>\$ 23,749,057</u>	<u>\$ 22,465,933</u>	<u>\$ 19,765,552</u>
Total primary government				
Net investment in capital assets	\$ 32,946,089	\$ 31,794,218	\$ 30,850,875	\$ 28,866,646
Restricted for:				
Capital projects	86,105	936,012	1,286,549	31,763
Debt service	974,799	764,152	914,510	964,578
Special revenue	-	-	-	-
Replacement and surplus reserve	522,362	1,152,065	1,903,787	616,385
Transportation projects	357,951	375,369	386,247	285,686
Public service programs	1,175,610	759,389	760,258	737,980
Community environment programs	3,329,142	3,318,742	3,859,082	3,976,347
Security programs	392,320	232,414	175,111	235,720
Police and fire pension	38,397	69,984	72,662	76,794
Other purposes	119,585	903,606	604,772	367,747
Unrestricted	13,929,949	12,500,989	11,031,841	14,245,977
Total primary government net position	<u>\$ 53,872,309</u>	<u>\$ 52,806,940</u>	<u>\$ 51,845,694</u>	<u>\$ 50,405,623</u>

Source: City financial records

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

	2010	2009	2008	2007	2006	2005
\$	19,217,527	\$ 18,500,286	\$ 17,764,197	\$ 18,197,128	\$ 18,707,921	\$ 19,015,248
	1,154,738	1,447,623	1,751,872	1,155,599	1,115,068	1,457,599
	401,200	661,027	915,520	960,434	1,139,016	128,199
	-	-	-	-	5,780,614	5,961,372
	374,892	265,771	325,698	960,327	-	-
	737,032	728,398	734,587	726,240	-	-
	3,892,153	4,521,279	4,785,006	3,850,510	-	-
	290,824	394,189	448,672	-	-	-
	60,133	59,322	58,717	59,516	-	-
	365,774	291,652	290,657	796,984	-	-
	5,157,606	2,679,203	2,624,597	2,708,070	2,062,100	1,084,862
	<u>\$ 31,651,879</u>	<u>\$ 29,548,750</u>	<u>\$ 29,699,523</u>	<u>\$ 29,414,808</u>	<u>\$ 28,804,719</u>	<u>\$ 27,647,280</u>
\$	9,524,020	\$ 8,804,341	\$ 6,945,805	\$ 5,947,976	\$ 6,893,121	\$ 6,435,656
	609,249	637,561	869,875	838,787	1,583,849	1,533,905
	591,030	682,495	493,477	506,138	724,445	846,888
	8,899,493	9,162,368	9,119,655	8,736,925	5,803,278	5,009,687
	<u>\$ 19,623,792</u>	<u>\$ 19,286,765</u>	<u>\$ 17,428,812</u>	<u>\$ 16,029,826</u>	<u>\$ 15,004,693</u>	<u>\$ 13,826,136</u>
\$	28,741,547	\$ 27,304,627	\$ 24,710,002	\$ 24,145,104	\$ 25,601,042	\$ 25,450,904
	1,154,738	1,447,623	1,751,872	1,155,599	1,115,068	1,457,599
	1,010,449	1,298,588	1,785,395	1,799,221	2,722,865	1,662,104
	-	-	-	-	5,780,614	5,961,372
	591,030	682,495	493,477	506,138	724,445	846,888
	374,892	265,771	325,698	960,327	-	-
	737,032	728,398	734,587	726,240	-	-
	3,892,153	4,521,279	4,785,006	3,850,510	-	-
	290,824	394,189	448,672	-	-	-
	60,133	59,322	58,717	59,516	-	-
	365,774	291,652	290,657	796,984	-	-
	14,057,099	11,841,571	11,744,252	11,444,995	7,865,378	6,094,549
	<u>\$ 51,275,671</u>	<u>\$ 48,835,515</u>	<u>\$ 47,128,335</u>	<u>\$ 45,444,634</u>	<u>\$ 43,809,412</u>	<u>\$ 41,473,416</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Program revenues:				
Governmental activities				
Charges for services:				
General government	\$ 1,572,870	\$ 1,090,395	\$ 1,061,567	\$ 974,521
Security of persons and property	65,939	464,505	50,980	68,727
Public health and welfare	161,864	162,282	168,495	162,688
Transportation	272	-	-	-
Community environment	59,609	64,284	78,811	72,433
Leisure time activities	26,106	24,022	145,468	50,926
Interest and fiscal charges	-	-	-	-
Subtotal - charges for services	<u>1,886,660</u>	<u>1,805,488</u>	<u>1,505,321</u>	<u>1,329,295</u>
Operating grants and contributions				
General government	56,207	199,541	166,290	32,043
Security of persons and property	119,213	185,490	178,676	131,084
Public health and welfare	133,115	148,884	186,825	200,510
Transportation	975,748	997,472	997,806	935,710
Community environment	999,489	645,228	679,300	1,544,671
Subtotal - operating grants and contributions	<u>2,283,772</u>	<u>2,176,615</u>	<u>2,208,897</u>	<u>2,844,018</u>
Capital grants and contributions				
General government	263	-	-	-
Transportation	543,314	660,617	115,061	483,045
Community environment	-	-	-	-
Subtotal - capital grants and contributions	<u>543,577</u>	<u>660,617</u>	<u>115,061</u>	<u>483,045</u>
Total governmental activities program revenues	<u>4,714,009</u>	<u>4,642,720</u>	<u>3,829,279</u>	<u>4,656,358</u>
Business-type activities:				
Charges for services:				
Water	5,027,585	5,080,395	4,935,880	4,380,453
Sewer	4,245,435	4,516,682	3,716,822	3,980,135
Robertson Community Center	47,494	43,062	46,873	46,682
Capital grants and contributions	-	-	1,741,568	-
Total business-type activities program revenues	<u>9,320,514</u>	<u>9,640,139</u>	<u>10,441,143</u>	<u>8,407,270</u>
Total primary government	<u>\$ 14,034,523</u>	<u>\$ 14,282,859</u>	<u>\$ 14,270,422</u>	<u>\$ 13,063,628</u>
Expenses:				
Governmental activities				
General government	\$ 3,530,481	\$ 3,429,427	\$ 3,293,515	\$ 3,280,078
Security of persons and property	8,983,758	8,727,248	9,121,557	9,033,362
Public health and welfare	944,102	961,188	1,069,283	1,034,561
Transportation	1,946,535	1,852,335	1,727,130	2,015,461
Community environment	1,132,317	1,419,894	942,663	1,856,513
Basic utility services	68,828	72,018	62,457	60,904
Leisure time activities	741,638	711,074	785,750	770,365
Interest and fiscal charges	39,947	45,757	50,615	71,335
Bond issuance costs	-	-	50,234	-
Total governmental activities expenses	<u>17,387,606</u>	<u>17,218,941</u>	<u>17,103,204</u>	<u>18,122,579</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 704,836	\$ 984,588	\$ 948,427	\$ 1,091,967	\$ 1,029,473	\$ 1,007,370
32,285	14,278	157,747	506,379	93,262	-
306,416	162,113	165,168	173,292	162,627	150,203
-	-	-	-	-	-
90,263	82,968	207,862	94,094	110,248	128,596
49,205	22,990	31,456	30,315	35,154	59,195
-	-	36,025	31,765	-	-
<u>1,183,005</u>	<u>1,266,937</u>	<u>1,546,685</u>	<u>1,927,812</u>	<u>1,430,764</u>	<u>1,345,364</u>
40,638	30,622	16,550	11,069	94,223	77,760
51,838	141,330	66,882	77,632	-	-
76,594	197,403	181,104	177,890	187,919	178,869
962,280	853,054	1,042,127	883,294	-	-
<u>1,110,616</u>	<u>995,772</u>	<u>798,218</u>	<u>540,042</u>	<u>945,837</u>	<u>940,819</u>
<u>2,241,966</u>	<u>2,218,181</u>	<u>2,104,881</u>	<u>1,689,927</u>	<u>1,227,979</u>	<u>1,197,448</u>
-	-	-	-	-	-
-	207,196	326,119	125,478	69,653	-
-	-	-	-	-	100,000
<u>-</u>	<u>207,196</u>	<u>326,119</u>	<u>125,478</u>	<u>69,653</u>	<u>100,000</u>
<u>3,424,971</u>	<u>3,692,314</u>	<u>3,977,685</u>	<u>3,743,217</u>	<u>2,728,396</u>	<u>2,642,812</u>
3,935,652	4,460,193	4,343,787	4,377,711	4,420,598	4,119,622
3,966,871	4,618,220	4,180,728	4,016,634	3,686,640	3,252,855
49,086	75,933	56,293	52,404	51,582	44,464
144,918	313,745	24,295	29,052	-	-
<u>8,096,527</u>	<u>9,468,091</u>	<u>8,605,103</u>	<u>8,475,801</u>	<u>8,158,820</u>	<u>7,416,941</u>
<u>\$ 11,521,498</u>	<u>\$ 13,160,405</u>	<u>\$ 12,582,788</u>	<u>\$ 12,219,018</u>	<u>\$ 10,887,216</u>	<u>\$ 10,059,753</u>
\$ 3,073,733	\$ 2,917,013	\$ 3,086,862	\$ 3,016,883	\$ 4,043,160	\$ 3,055,599
8,624,742	8,416,988	8,407,092	7,539,046	6,917,630	7,437,917
1,015,414	952,822	965,155	961,261	852,080	812,097
1,960,588	1,636,141	1,787,268	2,285,361	1,124,564	2,003,429
1,355,294	969,055	783,718	854,061	1,440,811	819,843
54,541	56,427	62,750	47,762	113,162	66,864
772,260	793,909	769,611	693,235	650,091	667,520
83,669	110,107	114,938	120,829	129,179	150,982
-	-	-	-	-	-
<u>16,940,241</u>	<u>15,852,462</u>	<u>15,977,394</u>	<u>15,518,438</u>	<u>15,270,677</u>	<u>15,014,251</u>

- continued

CITY OF ALLIANCE, OHIO

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Business-type activities:				
Water	\$ 4,490,494	\$ 4,518,463	\$ 4,415,238	\$ 4,834,781
Sewer	4,364,930	4,186,816	3,650,814	3,739,990
Robertson Community Center	<u>60,546</u>	<u>55,503</u>	<u>56,050</u>	<u>60,278</u>
Total business-type activities expenses	<u>8,915,970</u>	<u>8,760,782</u>	<u>8,122,102</u>	<u>8,635,049</u>
Total primary government	<u>\$ 26,303,576</u>	<u>\$ 25,979,723</u>	<u>\$ 25,225,306</u>	<u>\$ 26,757,628</u>
Net (expense) revenue				
Governmental activities	\$ (12,673,597)	\$ (12,576,221)	\$ (13,273,925)	\$ (13,466,221)
Business-type activities	404,544	879,357	2,319,041	(227,779)
Total primary government net expense	<u>\$ (12,269,053)</u>	<u>\$ (11,696,864)</u>	<u>\$ (10,954,884)</u>	<u>\$ (13,694,000)</u>
General revenues and other changes in net position				
Governmental activities				
Municipal income taxes	\$ 10,739,033	\$ 10,118,478	\$ 9,769,613	\$ 9,776,370
Property and other local taxes	905,285	917,317	1,071,476	929,774
Grants and entitlements				
not restricted to specific programs	592,068	967,436	880,730	1,103,878
Investment earnings	25,442	4,166	4,428	8,435
Miscellaneous	537,100	246,946	287,368	835,956
Transfers	<u>546,889</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Total governmental activities	<u>13,345,817</u>	<u>12,254,343</u>	<u>12,013,615</u>	<u>12,454,413</u>
Business-type activities				
Municipal income taxes	420,332	394,602	374,081	386,543
Unrestricted grants and contributions	-	-	-	-
Investment earnings	115,162	9,165	7,259	5,279
Gain on sale of capital assets	-	-	-	-
Transfers	<u>(546,889)</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total business-type activities	<u>(11,395)</u>	<u>403,767</u>	<u>381,340</u>	<u>591,822</u>
Total primary government	<u>\$ 13,334,422</u>	<u>\$ 12,658,110</u>	<u>\$ 12,394,955</u>	<u>\$ 13,046,235</u>
Change in net position				
Governmental activities	\$ 672,220	\$ (321,878)	\$ (1,260,310)	\$ (1,011,808)
Business-type activities	393,149	1,283,124	2,700,381	364,043
Total primary government	<u>\$ 1,065,369</u>	<u>\$ 961,246</u>	<u>\$ 1,440,071</u>	<u>\$ (647,765)</u>

Source: City financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 4,616,259	\$ 4,498,029	\$ 3,974,057	\$ 4,391,750	\$ 4,151,267	\$ 4,099,091
3,436,932	3,523,095	3,629,692	3,637,428	3,439,175	3,216,935
56,745	54,174	76,277	79,192	57,972	76,859
<u>8,109,936</u>	<u>8,075,298</u>	<u>7,680,026</u>	<u>8,108,370</u>	<u>7,648,414</u>	<u>7,392,885</u>
<u>\$ 25,050,177</u>	<u>\$ 23,927,760</u>	<u>\$ 23,657,420</u>	<u>\$ 23,626,808</u>	<u>\$ 22,919,091</u>	<u>\$ 22,407,136</u>
\$ (13,515,270)	\$ (12,160,148)	\$ (11,999,709)	\$ (11,775,221)	\$ (12,542,281)	\$ (12,371,439)
(13,409)	1,392,793	925,077	367,431	510,406	24,056
<u>\$ (13,528,679)</u>	<u>\$ (10,767,355)</u>	<u>\$ (11,074,632)</u>	<u>\$ (11,407,790)</u>	<u>\$ (12,031,875)</u>	<u>\$ (12,347,383)</u>
\$ 8,713,256	\$ 8,540,876	\$ 8,844,311	\$ 8,685,830	\$ 8,344,521	\$ 7,626,396
956,359	984,883	1,331,701	1,577,482	1,503,423	1,523,469
4,524,885	1,714,806	1,458,034	1,359,491	3,118,133	1,998,723
10,202	21,096	154,923	548,794	326,744	266,974
504,111	747,714	495,455	213,713	372,327	680,693
-	-	-	-	34,572	(59,725)
<u>14,708,813</u>	<u>12,009,375</u>	<u>12,284,424</u>	<u>12,385,310</u>	<u>13,699,720</u>	<u>12,036,530</u>
343,668	340,765	349,905	348,248	307,661	383,794
-	-	-	-	-	414,108
6,768	15,215	124,004	309,454	395,062	228,161
-	109,180	-	-	-	-
-	-	-	-	(34,572)	59,725
<u>350,436</u>	<u>465,160</u>	<u>473,909</u>	<u>657,702</u>	<u>668,151</u>	<u>1,085,788</u>
<u>\$ 15,059,249</u>	<u>\$ 12,474,535</u>	<u>\$ 12,758,333</u>	<u>\$ 13,043,012</u>	<u>\$ 14,367,871</u>	<u>\$ 13,122,318</u>
\$ 1,193,543	\$ (150,773)	\$ 284,715	\$ 610,089	\$ 1,157,439	\$ (334,909)
337,027	1,857,953	1,398,986	1,025,133	1,178,557	1,109,844
<u>\$ 1,530,570</u>	<u>\$ 1,707,180</u>	<u>\$ 1,683,701</u>	<u>\$ 1,635,222</u>	<u>\$ 2,335,996</u>	<u>\$ 774,935</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund:				
Nonspendable	\$ 98,029	\$ 100,473	\$ 90,479	\$ 88,225
Committed	103,593	86,927	134,581	10,289
Assigned	1,566,149	1,380,734	135,180	64,886
Unassigned	1,130,672	1,237,121	2,672,552	3,789,207
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>2,898,443</u>	<u>2,805,255</u>	<u>3,032,792</u>	<u>3,952,607</u>
All other governmental funds:				
Nonspendable	\$ 31,068	\$ 15,867	\$ 41,511	\$ 38,929
Restricted	5,859,314	5,671,080	5,891,152	5,797,381
Committed	1,057,921	825,390	1,099,759	1,575,115
Assigned	1,000	1,000	1,000	1,000
Unassigned (deficit)	-	(3,292)	-	(3,142)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service fund	-	-	-	-
Capital projects funds	-	-	-	-
Revolving loan fund	-	-	-	-
Total all other governmental funds	<u>6,949,303</u>	<u>6,510,045</u>	<u>7,033,422</u>	<u>7,409,283</u>
Total governmental funds	<u>\$ 9,847,746</u>	<u>\$ 9,315,300</u>	<u>\$ 10,066,214</u>	<u>\$ 11,361,890</u>

Source: City financial records.

Note: The City implemented GASB 54 in 2011.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,264	39,787	54,034	60,413	78,177	6,271
<u>5,207,831</u>	<u>2,277,229</u>	<u>2,415,812</u>	<u>2,827,425</u>	<u>1,960,128</u>	<u>1,623,549</u>
<u>5,244,095</u>	<u>2,317,016</u>	<u>2,469,846</u>	<u>2,887,838</u>	<u>2,038,305</u>	<u>1,629,820</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,920,513	2,396,244	2,053,742	2,122,823	2,008,866	2,666,144
2,261,677	2,234,113	2,670,338	2,468,519	2,046,513	1,887,440
126,581	253,537	383,562	405,002	530,268	128,199
869,425	997,814	1,253,617	879,040	877,141	1,179,745
<u>1,595,729</u>	<u>1,775,948</u>	<u>1,877,054</u>	<u>1,770,809</u>	<u>1,850,228</u>	<u>1,503,868</u>
<u>6,773,925</u>	<u>7,657,656</u>	<u>8,238,313</u>	<u>7,646,193</u>	<u>7,313,016</u>	<u>7,365,396</u>
<u>\$ 12,018,020</u>	<u>\$ 9,974,672</u>	<u>\$ 10,708,159</u>	<u>\$ 10,534,031</u>	<u>\$ 9,351,321</u>	<u>\$ 8,995,216</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues				
Municipal income taxes	\$ 10,701,172	\$ 10,065,525	\$ 9,768,208	\$ 9,670,227
Property and other taxes	897,977	916,991	986,268	955,054
Charges for services	378,773	428,359	313,836	251,838
Licenses, permits and fees	225,825	226,663	241,853	219,834
Fines and forfeitures	851,808	977,143	554,343	461,502
Intergovernmental	2,796,166	3,390,528	3,058,631	4,349,101
Special assessments	67,295	69,216	74,029	62,204
Investment income	44,593	44,886	47,283	74,730
Rental income	74,834	99,211	88,653	101,858
Contributions and donations	13,092	42,346	5,617	4,384
Other	1,095,294	657,936	608,534	1,039,446
Total revenues	<u>17,146,829</u>	<u>16,918,804</u>	<u>15,747,255</u>	<u>17,190,178</u>
Expenditures				
Current:				
General government	3,104,014	3,085,737	2,736,209	2,749,939
Security of persons and property	8,618,050	8,548,046	8,375,312	8,220,965
Public health and welfare	926,077	949,521	979,756	956,336
Transportation	897,753	867,372	789,652	1,106,279
Community environment	1,129,378	1,412,050	859,742	1,759,825
Leisure time activities	613,020	627,704	653,096	631,225
Basic utility services	64,775	68,584	59,583	55,238
Capital outlay	1,382,029	1,833,204	2,957,264	2,089,454
Debt service:				
Principal retirement	551,581	324,507	329,115	308,740
Interest and fiscal charges	42,434	48,033	53,201	73,267
Bond issuance cost	-	-	50,234	-
Total expenditures	<u>17,329,111</u>	<u>17,764,758</u>	<u>17,843,164</u>	<u>17,951,268</u>
Excess (deficiency) of revenues over (under) expenditures	(182,282) -	(845,954)	(2,095,909)	(761,090)
Other financing sources (uses)				
Sale of refunded bond	-	-	455,000	-
Payment to refunding bond escrow agent	-	-	(444,652)	-
Premium on refunded bond issuance	-	-	8,169	-
General obligation bonds issued	-	-	775,000	-
Premium on bond issuance	-	-	6,716	-
Notes issued	-	-	-	-
SIB loan proceeds	167,839	-	-	-
OPWC loan proceeds	-	95,040	-	304,960
Transfers in	1,734,266	1,243,765	1,130,886	1,393,096
Transfers (out)	(1,187,377)	(1,243,765)	(1,130,886)	(1,593,096)
Total other financing sources (uses)	<u>714,728</u>	<u>95,040</u>	<u>800,233</u>	<u>104,960</u>
Net change in fund balances	<u>\$ 532,446</u>	<u>\$ (750,914)</u>	<u>\$ (1,295,676)</u>	<u>\$ (656,130)</u>
Capital expenditures	\$ 1,189,258	\$ 1,871,185	\$ 1,991,679	\$ 1,605,167
Debt service as a percentage of noncapital expenditures	3.68%	2.34%	2.41%	2.34%

Source: City financial records.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	8,718,059	\$ 8,516,605	\$ 8,918,599	\$ 8,680,502	\$ 8,024,521	\$ 7,626,396
	969,712	980,354	1,317,000	1,654,590	1,369,882	1,523,469
	224,081	286,138	219,980	210,692	286,675	319,431
	336,829	177,116	211,965	189,557	198,136	214,178
	512,398	553,954	707,122	1,133,003	752,202	673,263
	6,833,514	4,248,142	3,339,642	3,328,039	4,088,770	3,305,958
	68,563	63,244	67,529	66,011	69,653	69,284
	64,763	109,236	284,258	528,586	326,744	266,974
	84,887	91,888	197,934	187,367	197,651	187,794
	6,231	8,660	8,936	21,875	-	-
	712,218	931,047	617,343	386,814	368,427	611,409
	<u>18,531,255</u>	<u>15,966,384</u>	<u>15,890,308</u>	<u>16,387,036</u>	<u>15,682,661</u>	<u>14,798,156</u>
	2,492,289	2,389,066	2,557,730	2,539,655	3,004,114	2,696,600
	7,857,210	7,821,330	7,894,771	7,367,104	7,120,972	6,884,123
	944,131	911,403	916,506	897,770	847,880	814,061
	966,818	963,850	1,078,028	1,426,146	779,409	806,465
	1,676,693	1,167,061	745,376	805,669	1,437,792	866,213
	657,273	687,874	707,879	622,482	591,116	565,882
	51,936	53,228	56,634	29,842	103,710	57,412
	1,335,972	2,194,333	1,249,970	1,007,670	1,218,871	1,052,146
	418,380	403,036	387,705	382,388	372,083	376,792
	87,205	108,690	121,581	125,600	129,181	150,982
	-	-	-	-	-	-
	<u>16,487,907</u>	<u>16,699,871</u>	<u>15,716,180</u>	<u>15,204,326</u>	<u>15,605,128</u>	<u>14,270,676</u>
	2,043,348	(733,487)	174,128	1,182,710	77,533	527,480
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,066,718	1,030,531	1,120,695	1,066,863	1,353,119	1,368,001
	<u>(1,066,718)</u>	<u>(1,030,531)</u>	<u>(1,120,695)</u>	<u>(1,066,863)</u>	<u>(1,318,547)</u>	<u>(1,427,726)</u>
	-	-	-	-	34,572	(59,725)
\$	<u>2,043,348</u>	<u>(733,487)</u>	<u>174,128</u>	<u>1,182,710</u>	<u>112,105</u>	<u>467,755</u>
\$	982,102	\$ 1,891,704	\$ 629,761	\$ 1,091,851	\$ 1,257,438	\$ 1,052,146
	3.26%	3.46%	3.38%	3.60%	3.49%	3.99%

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				
2014	\$ 8,049,056	\$ 1,443,002	\$ 9,492,058	\$ 1,470,963	\$ 10,963,021	2.00%
2013	7,678,323	1,377,277	9,055,600	1,227,886	10,283,486	2.00%
2012	7,682,227	1,351,720	9,033,947	1,240,725	10,274,672	2.00%
2011	7,136,465	1,352,612	8,489,077	1,447,690	9,936,767	2.00%
2010	6,651,975	1,250,681	7,902,656	940,634	8,843,290	2.00%
2009	6,768,976	1,347,416	8,116,392	825,594	8,941,986	2.00%
2008	7,209,183	1,214,575	8,423,758	770,489	9,194,247	2.00%
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%

Source: City of Alliance Income Tax Department

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

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

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

CITY OF ALLIANCE, OHIO

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

Sector	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Industrial	47.0%	46.0%	42.0%	40.0%	31.0%	33.1%	37.6%	33.9%	36.7%	35.5%
Medical	17.0%	17.0%	20.0%	21.0%	22.0%	24.1%	22.0%	23.3%	21.6%	21.2%
Education	12.0%	12.0%	13.0%	14.0%	15.0%	15.4%	13.2%	21.1%	13.1%	12.8%
Retail	6.0%	8.0%	6.0%	5.0%	7.0%	6.5%	7.3%	10.1%	7.3%	8.2%
Service	5.0%	5.0%	6.0%	6.0%	6.0%	6.2%	5.7%	3.5%	5.7%	6.0%
Food/Restaurant	3.0%	4.0%	4.0%	4.0%	5.0%	4.7%	4.1%	1.5%	4.3%	4.3%
Carnation Mall Area	4.0%	4.0%	5.0%	5.0%	5.0%	5.3%	4.4%	3.1%	4.2%	3.7%
Financial	2.0%	2.0%	2.0%	2.0%	2.0%	2.6%	3.3%	3.0%	3.4%	3.4%
Construction	1.0%	1.0%	1.0%	1.0%	1.0%	0.5%	0.6%	0.5%	2.1%	3.4%
Other	3.0%	1.0%	1.0%	2.0%	6.0%	1.6%	1.8%	0.0%	1.6%	1.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: City of Alliance Income Tax Department.

CITY OF ALLIANCE, OHIO

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

Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Special Assessment Bonds	OPWC Loans	SIB Loans	General Obligation Bonds	Revenue Bonds	OPWC Loans			
2014	\$ 555,000	\$ -	\$ 393,333	\$ 167,839	\$ 1,080,171	\$ 7,923,733	\$ 1,581,084	\$ 11,701,160	2.98%	\$ 520
2013	1,029,591	70,000	400,000	-	2,197,181	9,092,028	1,555,078	14,343,878	3.65%	637
2012	1,270,000	135,000	304,960	-	2,287,000	10,160,000	631,224	14,788,184	3.77%	657
2011	735,000	195,000	304,960	-	1,142,000	11,255,000	674,209	14,306,169	3.64%	635
2010	980,000	250,000	-	-	1,182,000	12,315,000	717,194	15,444,194	3.93%	686
2009	1,335,000	305,000	-	-	1,740,000	13,345,000	683,506	17,408,506	4.93%	749
2008	1,680,000	355,000	-	-	2,185,000	14,275,000	354,826	18,849,826	5.34%	811
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

Source: City financial records

Note: Population and personal income data are presented on page 185.

CITY OF ALLIANCE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	Population (1)	Assessed Value of Taxable Property (2)	Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Net Bonded Debt Per Capita
			Gross Bonded Debt (3)	Debt Service Available Balance	Net Bonded Debt		
2014	22,522	\$ 264,521,390	\$ 1,635,171	\$ 396,305	\$ 1,238,866	0.47%	\$ 55.01
2013	22,522	259,506,760	3,226,772	96,408	3,130,364	1.21%	138.99
2012	22,522	262,059,330	3,557,000	98,461	3,458,539	1.32%	153.56
2011	22,522	288,001,100	1,877,000	118,616	1,758,384	0.61%	78.07
2010	22,522	289,117,210	2,162,000	126,581	2,035,419	0.70%	90.37
2009	23,253	299,392,613	3,075,000	253,537	2,821,463	0.94%	121.34
2008	23,253	308,189,431	3,865,000	383,562	3,481,438	1.13%	149.72
2007	23,253	322,569,984	4,635,000	405,002	4,229,998	1.31%	181.91
2006	23,253	290,531,674	5,385,000	530,268	4,854,732	1.67%	208.78
2005	23,253	290,572,913	6,125,000	128,199	5,996,801	2.06%	257.89

Sources:

(1) U.S. Bureau of Census

(2) County Auditor

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

CITY OF ALLIANCE, OHIO

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014**

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City
Direct - City of Alliance			
General obligation bonds	\$ 555,000	100.00%	\$ 555,000
OPWC loans	393,333	100.00%	393,333
SIB loans	167,839	100.00%	167,839
	<u>1,116,172</u>		<u>1,116,172</u>
Overlapping debt:			
Alliance City Schools	6,984,980	89.49%	6,250,859
Marlington Local School District	779,685	20.91%	163,032
Stark County Park District	800,000	3.99%	31,920
Stark County	5,301,323	3.99%	211,523
Mahoning County	30,910,000	0.01%	3,091
	<u>44,775,988</u>		<u>6,660,425</u>
Total direct and overlapping debt	<u>\$ 45,892,160</u>		<u>\$ 7,776,597</u>

Source: Ohio Municipal Advisory Council

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

CITY OF ALLIANCE, OHIO

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total assessed property value	\$ 264,521,390	\$ 259,506,760	\$ 262,059,330	\$ 288,001,100
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>27,774,746</u>	<u>27,248,210</u>	<u>27,516,230</u>	<u>30,240,116</u>
Debt outstanding				
General obligation bonds	555,000	1,029,591	1,270,000	735,000
Special assessment bonds	-	70,000	135,000	195,000
SIB loans	167,839	-	-	-
Enterprise general obligation bonds	1,080,171	2,197,181	2,287,000	1,142,000
OPWC loans	1,974,417	1,955,078	936,184	979,169
Revenue bonds	<u>7,923,733</u>	<u>9,092,028</u>	<u>10,160,000</u>	<u>11,255,000</u>
Total gross indebtedness	<u>11,701,160</u>	<u>14,343,878</u>	<u>14,788,184</u>	<u>14,306,169</u>
Less:				
Special assessment bonds	-	70,000	135,000	195,000
SIB loans	167,839	-	-	-
Enterprise general obligation bonds	1,080,171	2,197,181	2,287,000	1,142,000
OPWC loans	1,974,417	1,955,078	936,184	979,169
Revenue bonds	<u>7,923,733</u>	<u>9,092,028</u>	<u>10,160,000</u>	<u>11,255,000</u>
Total net debt applicable to debt limit	<u>555,000</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 27,219,746</u>	<u>\$ 26,218,619</u>	<u>\$ 26,246,230</u>	<u>\$ 29,505,116</u>
Legal debt margin as a percentage of the debt limit	98.00%	96.22%	95.38%	97.57%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>14,548,676</u>	<u>14,272,872</u>	<u>14,413,263</u>	<u>15,840,061</u>
Total gross indebtedness	11,701,160	14,343,878	14,788,184	14,306,169
Less:				
Special assessment bonds	-	70,000	135,000	195,000
SIB loans	167,839	-	-	-
Enterprise general obligation bonds	1,080,171	2,197,181	2,287,000	1,142,000
OPWC loans	1,974,417	1,955,078	936,184	979,169
Revenue bonds	<u>7,923,733</u>	<u>9,092,028</u>	<u>10,160,000</u>	<u>11,255,000</u>
Net debt within 5 1/2 % limitations	<u>555,000</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 13,993,676</u>	<u>\$ 13,243,281</u>	<u>\$ 13,143,263</u>	<u>\$ 15,105,061</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	96.19%	92.79%	91.19%	95.36%

Source: City financial records.

Notes:

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

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

2010	2009	2008	2007	2006	2005
\$ 288,748,770	\$ 299,234,860	\$ 296,983,320	\$ 296,403,070	\$ 290,531,674	\$ 290,572,913
<u>30,318,621</u>	<u>31,419,660</u>	<u>31,183,249</u>	<u>31,122,322</u>	<u>30,505,826</u>	<u>30,510,156</u>
980,000	1,335,000	1,680,000	2,015,000	2,345,000	2,665,000
250,000	305,000	355,000	400,000	445,000	490,000
-	-	-	-	-	-
1,182,000	1,740,000	2,185,000	2,620,000	3,040,000	3,460,000
717,194	683,506	354,826	376,957	399,088	301,855
<u>12,315,000</u>	<u>13,345,000</u>	<u>14,275,000</u>	<u>15,000,000</u>	<u>15,820,000</u>	<u>16,605,000</u>
<u>15,444,194</u>	<u>17,408,506</u>	<u>18,849,826</u>	<u>20,411,957</u>	<u>22,049,088</u>	<u>23,521,855</u>
250,000	305,000	355,000	400,000	445,000	490,000
-	-	-	-	-	-
1,182,000	1,740,000	2,185,000	2,620,000	3,040,000	3,460,000
717,194	683,506	354,826	376,957	399,088	301,855
<u>12,315,000</u>	<u>13,345,000</u>	<u>14,275,000</u>	<u>15,000,000</u>	<u>15,820,000</u>	<u>16,605,000</u>
<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>
<u>\$ 29,338,621</u>	<u>\$ 30,084,660</u>	<u>\$ 29,503,249</u>	<u>\$ 29,107,322</u>	<u>\$ 28,160,826</u>	<u>\$ 27,845,156</u>
96.77%	95.75%	94.61%	93.53%	92.31%	91.27%
<u>15,881,182</u>	<u>16,457,917</u>	<u>16,334,083</u>	<u>16,302,169</u>	<u>15,979,242</u>	<u>15,981,510</u>
15,444,194	17,408,506	18,849,826	20,411,957	22,049,088	23,521,855
250,000	305,000	355,000	400,000	445,000	490,000
-	-	-	-	-	-
1,182,000	1,740,000	2,185,000	2,620,000	3,040,000	3,460,000
717,194	683,506	354,826	376,957	399,088	301,855
<u>12,315,000</u>	<u>13,345,000</u>	<u>14,275,000</u>	<u>15,000,000</u>	<u>15,820,000</u>	<u>16,605,000</u>
<u>980,000</u>	<u>1,335,000</u>	<u>1,680,000</u>	<u>2,015,000</u>	<u>2,345,000</u>	<u>2,665,000</u>
<u>\$ 14,901,182</u>	<u>\$ 15,122,917</u>	<u>\$ 14,654,083</u>	<u>\$ 14,287,169</u>	<u>\$ 13,634,242</u>	<u>\$ 13,316,510</u>
93.83%	91.89%	89.71%	87.64%	85.32%	83.32%

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

Year	Operating Revenues	Direct Operating Expenses	Net Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2014	\$ 67,295	\$ -	\$ 67,295	\$ 70,000	\$ 4,288	0.91
2013	69,216	-	69,216	65,000	8,269	0.94
2012	74,029	-	74,029	60,000	11,869	1.03
2011	62,204	-	62,204	55,000	15,169	0.89
2010	68,563	-	68,563	55,000	18,469	0.93
2009	63,244	-	63,244	50,000	21,219	0.89
2008	67,529	-	67,529	45,000	23,649	0.98
2007	66,011	-	66,011	45,000	25,854	0.93
2006	69,923	-	69,923	45,000	28,014	0.96
2005	69,284	-	69,284	40,000	29,894	0.99

Source: City financial records

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	
2014	\$ 5,027,585	\$ 3,406,534	\$ 1,678,985	\$ 3,300,036	\$ 1,160,000	\$ 338,750	2.20
2013	5,080,395	3,365,400	1,678,808	3,393,803	1,125,000	375,313	2.26
2012	4,935,880	3,282,009	1,677,730	3,331,601	1,095,000	407,688	2.22
2011	4,380,453	3,632,635	1,678,027	2,425,845	1,060,000	439,963	1.62
2010	3,935,652	3,397,003	1,677,494	2,216,143	1,030,000	470,863	1.48
2009	4,460,193	3,216,538	1,684,217	2,927,872	930,000	569,421	1.95
2008	4,343,787	3,060,768	1,862,595	3,145,614	855,000	739,300	1.97
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

Source: City financial records

Notes:

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Stark County Unemployment Rate (3)</u>
2014	22,522	\$ 392,490,894	\$ 17,427	\$ 32,048	35.9	4.5%
2013	22,522	392,490,894	17,427	32,048	35.9	6.9%
2012	22,522	392,490,894	17,427	32,048	35.9	6.7%
2011	22,522	392,490,894	17,427	32,743	35.9	7.9%
2010	22,522	392,490,894	17,427	32,743	35.9	11.1%
2009	23,253	353,000,000	15,181	30,078	34.0	12.2%
2008	23,253	353,000,000	15,181	30,078	34.0	8.0%
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%

Sources:

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

(3) Stark County

Notes:

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

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

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

December 31, 2014			
Employer	Employees	Rank	Percentage of Total City Employment
University of Mount Union	1,733	1	16.47%
Alliance Community Hospital	1,105	2	10.50%
Coastal Pet	932	3	8.86%
Alliance City Schools	822	4	7.81%
Walmart	500	5	4.75%
Alliance Castings	342	6	3.25%
Alliance Tubular Products	342	7	3.25%
City of Alliance	324	8	3.08%
MAC Trailer	299	9	2.84%
Terry's Tire Town	246	10	2.34%
Total	6,645		63.15%
Total City Employment (1)	10,524		

December 31, 2007 (2)			
Employer	Employees	Rank	Percentage of Total
Mount Union College	1,850	1	15.04%
Alliance Community Hospital	1,096	2	8.91%
Alliance City Schools	771	3	6.27%
Coastal Pet	723	4	5.88%
Alliance Castings	650	5	5.28%
Walmart	426	6	3.46%
Alliance Tubular	366	7	2.98%
City of Alliance	248	8	2.02%
Terry's Tire Town	158	9	1.28%
Robertson Heating	126	10	1.02%
Total	6,414		52.14%
Total City Employment (1)	12,300		

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

Notes:

- (1) Total City Employment is estimated by the City.
- (2) 2007 was the first year the City disclosed principal employers so comparative information before that date is not available.

CITY OF ALLIANCE, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST NINE YEARS**

Function/Program	2014	2013	2012	2011
General Government				
Council and clerk				
Number of ordinances passed	80	75	96	101
Number of resolutions passed	6	11	13	6
Number of planning commission docket items	11	27	25	34
Zoning board of appeals docket items	22	4	17	20
Finance Department				
Number of checks/vouchers issued	3,593	3,830	3,802	4,013
Number of payroll checks issued	2,577	2,522	2,463	2,801
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 14,844	\$ 17,116	\$ 14,581	\$ 16,328
Number of receipts issued	284	329	2,513	2,461
Number of journal entries issued	212	326	360	424
Number of budget adjustments issued	29	20	13	10
Agency ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Health insurance costs- Medical	\$ 1,759,447	\$ 2,202,445	\$ 1,929,298	\$ 1,994,330
Health insurance costs- Dental	\$ 124,595	\$ 123,818	\$ 116,435	\$ 100,563
Health insurance costs- Administration	\$ 358,408	\$ 310,190	\$ 275,995	\$ 242,136
Health insurance total	\$ 2,242,450	\$ 2,636,453	\$ 2,337,029	\$ 2,337,029
General fund receipts (budgetary-basis)	\$ 11,713,463	\$ 11,188,999	\$ 10,397,109	\$ 10,450,333
General fund expenditures (budgetary-basis)	\$ 10,870,256	\$ 10,663,936	\$ 10,778,843	\$ 11,533,844
General fund cash balance	\$ 1,170,903	\$ 1,231,243	\$ 1,651,750	\$ 2,854,512
Income Tax Department				
Number of individual returns	8,372	8,070	8,141	8,024
Number of business returns	1,224	1,304	1,314	1,234
Number of business withholding accounts	4,683	4,989	4,817	4,785
Annual number of corporate withholding forms processed	3,612	3,451	3,544	3,659
Annual number of estimated payment forms processed	2,898	2,680	2,793	2,682
Annual number of reconciliation of withholdings processed	3,612	3,550	3,441	3,632
Engineer Contracted Services				
Dollar amount of construction overseen by engineer	\$ 550,000	\$ 954,950	n/a	\$ 613,528
Private construction overseen/inspected	\$ 1,056,500	n/a	n/a	\$ 834,500
Engineering design contracts	\$ 28,600	\$ 20,625	n/a	\$ 33,395
Municipal Court				
Number of civil cases filed	1,476	1,371	1,694	1,717
Number of criminal cases filed	2,042	2,290	2,338	2,262
Number of traffic cases filed	5,528	4,844	4,644	2,733
Total cases filed	9,046	8,505	8,676	6,712
Number of civil cases disposed	1,453	1,402	1,667	1,727
Number of criminal cases disposed	2,127	2,402	2,311	2,147
Number of traffic cases disposed	5,537	4,858	4,585	2,728
Total cases disposed	9,117	8,662	8,563	6,602
Vital Statistics				
Certificates filed	694	754	772	734
Number of births	385	416	430	402
Number of deaths	309	338	342	332
Certificates issued	3,172	3,255	3,100	3,270
Burial permits issued	365	n/a	364	304

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
95	86	95	97	116
10	9	18	32	27
27	17	26	30	34
26	20	32	23	37
3,936	4,305	4,212	3,857	3,632
2,681	3,064	3,823	4,154	4,458
\$ 20,387	\$ 43,384	\$ 338,202	\$ 758,752	\$ 621,555
2,546	1,686	1,427	1,278	1,294
424	221	442	516	362
8	23	12	15	11
Aaa	Aaa	Aaa	Aaa	Aaa
\$ 1,680,722	\$ 1,567,989	\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
\$ 105,433	\$ 103,322	n/a	n/a	n/a
\$ 234,843	\$ 197,585	n/a	n/a	n/a
\$ 2,020,998	\$ 1,868,896	\$ 1,667,442	\$ 2,033,948	\$ 1,768,980
\$ 14,203,022	\$ 11,248,650	\$ 10,977,577	\$ 11,819,838	\$ 9,820,070
\$ 11,421,889	\$ 11,509,720	\$ 11,495,283	\$ 10,626,337	\$ 9,911,961
\$ 3,927,726	\$ 1,356,683	\$ 1,602,045	\$ 2,109,644	\$ 471,014
8,084	8,418	8,770	8,392	8,372
1,216	1,259	1,279	1,230	1,224
4,467	4,459	4,470	4,702	4,683
3,380	3,220	3,288	n/a	n/a
2,564	3,036	3,364	2,905	3,612
3,576	3,436	3,651	3,651	2,898
\$ 268,152	\$ 1,029,635	\$ -	\$ 462,751	\$ 800,391
\$ 97,600	\$ 275,000	\$ 740,300	n/a	n/a
\$ 25,917	\$ 178,198	\$ 209,948	n/a	n/a
1,924	1,988	2,473	2,438	2,203
1,763	1,746	1,894	1,815	1,592
3,268	3,519	2,603	3,013	3,864
6,955	7,253	6,970	7,266	7,659
1,818	2,059	2,524	2,375	2,075
1,740	1,748	1,952	1,721	1,535
3,324	3,465	2,651	3,032	3,823
6,882	7,272	7,127	7,128	7,433
799	803	778	893	746
401	450	432	522	438
398	353	346	371	308
3,621	4,078	4,402	5,324	4,715
392	365	333	303	434

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CITY OF ALLIANCE, OHIO

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

Function/Program	2014	2013	2012	2011
Civil Service				
Number of police entry tests administered	-	1	-	1
Number of fire entry tests administered	-	-	1	-
Number of police promotional tests administered	2	-	-	-
Number of fire promotional tests administered	1	1	1	1
Number of hires of police officers from certified lists	4	1	1	3
Number of hires of fire/medics from certified lists	1	-	-	-
Number of promotions from police certified lists	-	-	-	-
Number of promotions from fire certified lists	-	2	1	-
Building Department Indicators				
Construction permits issued	278	295	317	296
Estimated value of construction	\$ 18,635,280	\$ 26,214,855	\$ 9,368,510	\$ 13,075,583
Number of permits issued	894	720	818	802
Amount of revenue generated from permits	\$ 86,670	\$ 52,130	\$ 47,969	\$ 56,748
Number of contract registrations issued	290	308	286	209
Security of Persons & Property				
Police				
Total calls for services	66,082	43,231	50,504	41,283
Number of traffic citations issued	6,188	4,122	3,727	1,401
Number of parking citations issued	166	125	245	250
Number of criminal arrests	3,248	2,883	n/a	2,505
Number of accident reports completed	567	547	n/a	646
Felony offenses (F1-F5)	668	583	n/a	564
Misdemeanor offenses (M1-MM)	2,580	1,981	n/a	1,640
Police dept. auxiliary hours worked	1,230	1,723	1,297	1,204
DUI arrests	220	215	225	158
Prisoners	2,056	1,498	n/a	1,407
Motor vehicle accidents	587	557	648	771
Property damage accidents	587	557	648	771
Fatalities from motor vehicle accidents	-	1	1	-
Gasoline costs of fleet	\$ 127,200	\$ 146,593	\$ 151,234	\$ 142,749
Community diversion program - community service hours	n/a	n/a	n/a	85
Fire				
EMS/Rescue calls	2,311	2,142	2,179	2,220
Other EMS calls (assist ambulance, stand-by)	n/a	n/a	n/a	n/a
Structure fires	40	39	50	67
Fires other than structure	46	39	59	28
Other fire calls (electrical, smoke/odor, hazardous mat.)	645	620	649	796
Total calls for services	3,042	2,840	2,937	3,111
Fire with loss	55	21	43	35
Fires with losses exceeding \$10 K	10	7	17	9
Fire losses	\$ 325,149	\$ 285,280	\$ 1,811,335	\$ 276,650
Fire safety inspections	1,090	909	155	882
Number of times mutual aid given to fire and EMS	16	27	19	8
Number of times mutual aid received for fire and EMS	4	11	19	3
Fire department receipts from fees & permits	\$ 630	\$ 920	\$ 990	\$ 727
Fire department total receipts	\$ 3,374	\$ 2,421	\$ 2,708	\$ 727
Public Health and Welfare				
Number of health inspections	633	910	1,085	1,423
Cemetery burials	59	80	64	78
Cemetery cremations	17	22	21	21
Cemetery sale of lots	35	48	61	30
Cemetery receipts	\$ 58,665	\$ 52,300	\$ 49,306	\$ 49,306

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
-	-	-	1	1
-	-	-	1	-
-	3	1	-	3
-	-	-	4	-
2	-	-	-	6
-	-	-	2	-
1	3	1	-	5
-	-	-	4	-
346	290	333	352	410
\$ 13,906,316	\$ 12,270,074	\$ 29,005,371	\$ 14,782,277	\$ 19,463,377
1,324	1,164	909	880	936
\$ 118,626	\$ 96,578	\$ 88,359	\$ 75,508	\$ 85,131
248	119	133	135	148
<hr/>				
43,950	42,920	44,302	49,742	59,394
1,796	2,423	2,034	2,283	2,594
699	776	286	316	383
1,826	1,221	3,733	2,364	2,471
618	542	647	699	680
461	511	565	456	533
1,354	1,493	1,652	1,908	1,354
1,418	956	1,200	2,045	912
143	141	130	110	117
1,338	1,666	1,744	1,890	1,682
803	908	1,040	1,326	1,275
669	790	892	1,181	513
2	-	1	4	2
\$ 105,476	\$ 84,070	\$ 114,869	\$ 85,139	\$ 77,146
94	396	249	339	890
2,024	1,885	1,925	1,759	459
n/a	n/a	n/a	107	247
87	38	36	42	43
46	67	69	80	100
738	530	699	549	542
2,895	2,520	2,729	2,537	1,391
41	43	64	58	61
5	9	8	10	9
\$ 2,416,875	\$ 627,410	\$ 388,255	\$ 484,155	\$ 660,420
827	540	223	775	982
26	8	3	3	8
10	9	7	3	5
\$ 961	\$ 855	\$ 813	\$ 125	\$ 1,330
\$ 26,502	\$ 9,700	\$ 13,905	\$ 5,026	\$ 11,902
<hr/>				
1,363	1,476	1,531	1,562	1,551
78	73	62	63	75
13	21	19	23	25
45	69	78	60	37
\$ 58,946	\$ 60,110	\$ 71,373	\$ 69,088	\$ 48,607

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CITY OF ALLIANCE, OHIO

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

Function/Program	2014	2013	2012	2011
Leisure Time Activities				
Recreation				
Recreation mens & womens league receipts	\$ 1,115	\$ 1,470	\$ 3,050	\$ 4,750
Other fees	\$ -	\$ -	\$ 975	\$ -
Cabin rentals	\$ 30,565	\$ 8,160	\$ 8,110	\$ 17,822
Robertson community center facility rentals	\$ 12,343	\$ 10,962	\$ 15,660	\$ 10,697
Robertson community center swimming pool receipts	\$ 34,976	\$ 32,077	\$ 31,213	\$ 35,985
Total recreation department receipts	\$ 78,999	\$ 52,669	\$ 59,008	\$ 69,254
Community Development				
Grant amounts received due to economic development dept.	\$ -	\$ -	\$ -	\$ -
Basic Utility Services				
Refuse disposal per year (in tons) January - December	8,095	6,887	7,571	n/a
Refuse disposal costs per year January - December	\$ 836,118	\$ 748,953	\$ 792,115	n/a
Annual recycling tonnage (excluding leaf and compost)	730	579	601	n/a
Percentage of waste recycled	11.08	7.75	7.93	n/a
Transportation				
Total area within corporation limit (square miles)	8,677	8,677	8,677	8,677
Total area within Stark County (square miles)	8,600	8,600	8,600	8,600
Total area within Mahoning County (square miles)	0,077	0,077	0,077	0,077
Total dedicated streets (miles)	106,462	106,462	106,462	106,462
Total paved street (miles)	79,343	79,343	79,343	79,343
Total unpaved street (miles)	27,119	27,119	27,119	27,119
Total number of street intersections	735	735	735	735
Street repair (curb, apron, berms, asphalt) (hours)	3,695	3,095	2,635	2,290
Guardrail repair (hours)	-	37	-	-
Paint striping (hours)	932	1,065	1,092	950
Street sweeper (hours)	485	378	650	633
Cold patch (hours)	3,453	3,785	3,697	4,350
Snow and ice removal regular hours	3,820	4,865	3,735	4,980
Snow and ice removal overtime hours	834	748	794	825
Tons of snow melting salt purchased (Nov-Mar)	2,990	2,603	2,407	4,229
Cost of salt purchased	\$ 82,209	\$ 96,658	\$ 123,530	\$ 218,217
Sewer and sanitary calls for service	86	100	115	86
After hours sewer calls (hours)	75	54	84	47
Sewer crew (hours)	18,391	19,055	18,284	17,615
Sewer jet, vac-all, other services (hours)	1,280	1,455	-	1,304
Landscaping, stump-chipper service (hours)	89	171	376	241
Leaf collection (hours)	1,481	1,041	1,689	1,597
Sign department (hours)	943	1,295	1,025	1,160
Water Department				
Water rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 5.65	\$ 5.65	\$ 5.28	\$ 4.93
Water rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 9.89	\$ 9.89	\$ 9.24	\$ 8.63
Avg. number of water accounts billed monthly (Cu. Ft.)	9,846	9,850	9,889	9,813
Total water collections annually (including P&I)	\$ 5,014,397	\$ 5,091,119	\$ 4,900,519	\$ 4,316,764
Payments for bulk water purchases	\$ 20,394	\$ 27,752	\$ 29,638	\$ 36,271
Wastewater Department				
Wastewater rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.44
Wastewater rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.89
Total flow of wastewater treatment plant (billions of gallons)	1.93	1.10	1.10	1.71
Average daily flow (millions of gallons per day)	5.30	3.00	3.00	4.68
Tons of dry sludge removed	993	960	1,111	669

Source: Various City of Alliance departments.

Note: Information prior to 2006 is not available.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 4,520	\$ 3,330	\$ 2,100	\$ 1,865	\$ 3,530
\$ -	\$ -	\$ 880	\$ 1,683	\$ 1,434
\$ 16,595	\$ 16,790	\$ 16,404	\$ 12,815	\$ 11,047
\$ 10,382	\$ 11,021	\$ 10,762	\$ 10,132	\$ 7,273
\$ 38,439	\$ 32,949	\$ 43,664	\$ 42,239	\$ 44,309
\$ 69,936	\$ 64,095	\$ 73,810	\$ 68,734	\$ 67,593
<hr/>				
\$ 726,519	\$ 693,414	\$ 680,239	\$ 707,476	\$ 923,769
<hr/>				
7,306	8,885	11,371	8,796	9,645
\$ 850,514	\$ 832,922	\$ 612,118	\$ 791,537	\$ 542,354
647.43	598.67	572.87	532.80	608.02
8.86	6.31	5.04	5.70	5.72
<hr/>				
8.677	8.677	8.677	8.677	8.677
8.600	8.600	8.600	8.600	8.600
0.077	0.077	0.077	0.077	0.077
106.462	106.462	106.462	106.462	106.462
79.343	79.343	79.343	79.343	79.343
27.119	27.119	27.119	27.119	27.119
735	735	735	735	735
2,240	2,327	1,650	1,500	750
-	-	-	25	50
945	920	1,080	1,200	1,200
518	719	607	553	620
4,235	4,395	3,780	3,500	3,000
5,950	5,280	6,912	6,500	6,000
1,383	837	1,333	970	600
3,402	2,987	3,511	2,352	2,044
\$ 172,872	\$ 140,713	\$ 125,622	\$ 83,185	\$ 70,776
87	96	96	110	108
102	48	36	57	112
17,349	18,335	18,327	18,458	17,952
1,668	1,052	1,381	1,036	2,100
289	765	807	650	800
1,706	1,716	1,285	1,532	1,688
1,320	1,040	800	800	800
<hr/>				
\$ 4.93	\$ 4.61	\$ 4.48	\$ 4.35	\$ 4.35
\$ 8.63	\$ 8.07	\$ 7.83	\$ 7.61	\$ 7.61
9,851	9,819	9,875	9,909	9,897
\$ 4,208,926	\$ 4,057,088	\$ 4,208,863	\$ 4,224,254	\$ 4,188,073
\$ 34,668	\$ 31,726	\$ 14,222	\$ 30,181	\$ 34,029
<hr/>				
\$ 3.44	\$ 3.44	\$ 3.28	\$ 3.12	\$ 3.12
\$ 3.89	\$ 3.89	\$ 3.71	\$ 3.54	\$ 3.54
1.52	1.33	1.68	1.64	1.73
4.00	4.00	4.62	4.50	4.75
663	663	1,146	1,191	1,378

CITY OF ALLIANCE, OHIO

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government									
Square footage occupied	57,321	57,321	57,321	57,321	57,321	57,321	57,321	57,321	57,321
Police									
Stations	1	1	1	1	1	1	1	1	1
Square footage of building	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Vehicles	45	45	36	33	31	39	39	39	39
Fire									
Stations	2	2	2	2	2	2	2	2	2
Square footage of building	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351	13,351
Vehicles	10	10	11	10	9	9	9	9	9
Recreation									
Number of parks	24	24	24	24	24	24	24	24	24
Acres of parks	220	220	220	220	220	220	220	220	220
Other Public Works									
Streets	107	107	107	107	107	107	107	107	107
Traffic lights	38	38	38	38	38	38	38	38	35
Wastewater									
Sanitary sewers (miles)	119	119	119	119	119	119	119	119	119
Storm sewers (miles)	104	104	104	104	104	104	104	104	104
Water Department									
Water lines (miles)	120	120	120	120	120	120	120	120	120

Source: Various City of Alliance departments.

Note: Information prior to 2006 was unavailable.

CITY OF ALLIANCE, OHIO

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Mayor	4.00	4.00	4.00	4.00	4.00	3.75	3.75	3.75	4.50	4.00
Auditor	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.00	5.00
Law Director	4.00	4.50	3.50	4.50	4.50	4.50	4.50	4.50	4.00	4.50
Council	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Judge	6.50	5.50	5.50	5.50	5.00	5.00	5.50	5.50	5.50	6.00
Clerk of Courts	7.50	6.50	6.50	6.00	6.50	7.50	7.50	7.50	7.50	7.50
Civil Service	2.00	2.00	2.00	2.00	2.00	1.50	2.00	2.00	1.00	2.00
Engineering	8.00	6.50	6.50	7.00	6.50	6.50	6.50	6.00	6.00	7.00
City Hall Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50
Income Tax	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00	3.00
Treasurer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Senior Center & Agency on Aging	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.00	0.50	1.50
Security of Persons and Property										
Police	41.00	43.00	43.00	43.00	41.00	42.00	41.00	40.50	39.50	49.00
Police - auxiliary/guards	11.00	10.00	11.00	10.00	9.00	9.00	9.00	7.00	8.00	8.00
Police - dispatchers/office/other	14.50	14.00	14.50	14.00	14.00	14.00	14.00	14.00	13.50	10.00
Fire	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.50
Public Health Services										
Health	12.50	12.50	13.00	12.50	13.00	13.00	13.00	13.00	12.50	13.50
Cemetery	3.00	3.00	3.50	4.00	3.00	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities										
Parks and recreation	23.00	21.00	21.50	24.50	21.00	21.00	20.00	19.50	10.00	14.00
Litter	0.50	0.50	0.50	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Community Development										
Building (CDBG)	4.00	4.00	4.00	3.00	4.00	5.00	3.75	3.75	3.00	2.50
Transportation										
Street maintenance & repair	12.00	11.00	11.00	13.50	13.00	12.50	12.50	12.50	13.00	13.00
Basic Utility Services										
Sewer	28.50	29.00	29.00	29.00	27.25	26.75	24.25	24.25	26.00	29.50
Water	25.50	25.00	25.50	24.00	24.25	23.25	26.25	26.25	21.00	20.50
Billing and collection	5.50	5.50	5.50	8.00	8.00	8.00	7.50	7.50	8.00	8.00
Total	260.00	254.50	257.00	263.00	253.50	253.75	251.50	247.50	231.00	250.50

Source: City Payroll Department W-2 Audit Listing.

Note: Beginning in 2007, seasonal employees have been included in various functions/programs.

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

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Dave Yost • Auditor of State

CITY OF ALLIANCE

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 11, 2015**