



Dave Yost • Auditor of State

**CITY OF ALLIANCE
STARK COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Schedule of Expenditures of Federal Awards | 1 |
| Notes to the Schedule of Expenditures of Federal Awards | 2 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 3 |
| Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance | 5 |
| Schedule of Findings | 9 |
| Schedule of Prior Audit Findings | 11 |

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CITY OF ALLIANCE
STARK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title | Federal CFDA Number | Pass Through Entity Number | Passed Through To Subrecipients | Total Federal Expenditures |
|--|---------------------------|----------------------------------|---------------------------------------|-------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| <i>Passed Through Ohio Department of Health and City of Canton Health Department</i> | | | | |
| Special Supplemental Nutrition for Women, Infants and Children | 10.557 | Not Available | | 107,030 |
| Total U.S. Department of Agriculture | | | | <u>107,030</u> |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| <i>Direct</i> | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | Not Available | 135,717 | 534,271 |
| Total U.S. Department of Housing and Urban Development | | | <u>135,717</u> | <u>534,271</u> |
| U.S. DEPARTMENT OF JUSTICE | | | | |
| <i>Direct</i> | | | | |
| Bulletproof Vest Partnership Program | 16.607 | Not Available | | 888 |
| Public Safety Partnership and Community Policing Grants | 16.710 | Not Available | | 1,030 |
| Total U.S. Department of Justice | | | | <u>1,918</u> |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | |
| <i>Direct</i> | | | | |
| Assistance to Firefighters Grant | 97.044 | EMW-2014-FO-03222 | | 214,209 |
| Total U.S. Department of Homeland Security | | | | <u>214,209</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$135,717</u></u> | <u><u>\$857,428</u></u> |

The accompanying notes are an integral part of this schedule.

**CITY OF ALLIANCE
STARK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Alliance (the City) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

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

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure 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 D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

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 loans made and 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.

NOTE E - 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 the City of Alliance, Stark County, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2016, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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*.

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.

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

June 27, 2016



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 THE UNIFORM GUIDANCE

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) *Compliance Supplement* that could directly and materially affect the City of Alliance's major federal program for the year ended December 31, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City'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, 2015.

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 the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Alliance (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 27, 2016. Our opinion also explained that the City adopted *Governmental Accounting Standard No. 68 and No. 71* during the year. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements.

We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2016

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**CITY OF ALLIANCE
STARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|---|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unmodified |
| <i>(d)(1)(ii)</i> | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material weaknesses in internal control reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unmodified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | CFDA 14.218 – Community Development Block Grants/Entitlement Grants |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A/B Programs | Type A: > \$ 750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee under 2 CFR §200.520? | No |

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**CITY OF ALLIANCE
STARK COUNTY**

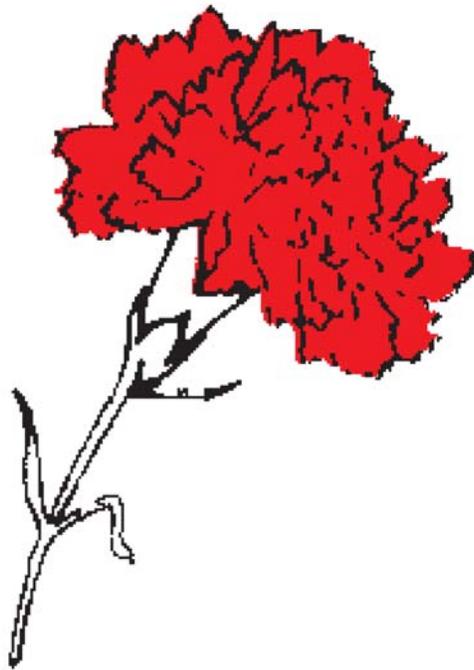
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015**

| Finding Number | Finding Summary | Status | Additional Information |
|-----------------------|--|---|-------------------------------|
| 2014-001 | Inaccurate reporting of the loans receivable balance in the Major Revolving Loan Fund. | Partially corrected and reported in the management letter for fiscal year 2015. | None |

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City of Alliance, Ohio

“The Carnation City”



Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

| | |
|---|------|
| Title Page | |
| Table of Contents | 1-4 |
| Letter of Transmittal..... | 5-10 |
| City Officials | 11 |
| Organizational Chart | 12 |
| Certificate of Achievement for Excellence in Financial Reporting..... | 13 |

II. FINANCIAL SECTION

| | |
|---|--------|
| Independent Auditor’s Report | 15-17 |
| Management’s Discussion and Analysis | 18-39 |
| Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Position | 40 |
| Statement of Activities | 41-42 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 43 |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities | 44 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds..... | 45 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 46 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): | |
| General Fund..... | 47-51 |
| Revolving Loan Fund..... | 52 |
| Statement of Net Position - Proprietary Funds..... | 53-54 |
| Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds..... | 55 |
| Statement of Cash Flows - Proprietary Funds..... | 56-57 |
| Statement of Fiduciary Assets and Liabilities - Fiduciary Funds..... | 58 |
| Notes to the Basic Financial Statements..... | 59-106 |

Required Supplementary Information:

| | |
|--|---------|
| Schedule of the City's Proportionate Share of the Net Pension Liability/Asset - OPERS - Last Two Years..... | 107 |
| Schedule of the City's Proportionate Share of the Net Pension Liability – (OP&F) Pension Fund - Last Two Years..... | 108 |
| Schedule of City Contributions - OPERS - Last Ten Years..... | 109-110 |
| Schedule of City Contributions – (OP&F) Pension Fund - Last Ten Years..... | 111-112 |
| Notes to the Required Supplementary Information..... | 113 |

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Governmental Funds:

| | |
|---|-----|
| Combining Balance Sheet - Nonmajor Governmental Funds | 114 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 115 |

Special Revenue Funds:

| | |
|--|---------|
| Fund Descriptions - Nonmajor Governmental Funds..... | 116-118 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds | 119-122 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds | 123-126 |

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:

| | |
|---|-----|
| Street Repair and Maintenance Fund | 127 |
| Federal COPS Fast Program Fund | 128 |
| State Highway Fund | 129 |
| Law Enforcement Block Grant Fund | 130 |
| Motor Vehicle License Fund | 131 |
| Municipal Court Computerization Fund | 132 |
| Health Fund..... | 133 |
| Litter Control Fund..... | 134 |
| State Misdemeanant Grant Fund | 135 |
| Cemetery Fund..... | 136 |
| HUD Grant Fund..... | 137 |
| Community Development Block Grant Fund..... | 138 |
| Fire Pension Fund | 139 |
| Police Pension Fund..... | 140 |
| L.E. Professional Training Fund | 141 |
| Byrne Justice Assistance Grant Fund | 142 |
| Federal Equitable Sharing Fund | 143 |
| Indigent Driver Alcohol Treatment Fund..... | 144 |
| Enforcement and Education Fund | 145 |
| Municipal Court Legal Research Fund..... | 146 |
| E-Cite Fund | 147 |
| Home Administration Fund..... | 148 |
| Tax Incentive Review Fund | 149 |
| Land Use Study Fund..... | 150 |
| Court ADR Fund | 151 |
| Court Security Grant Fund | 152 |
| Municipal Court Security Fund | 153 |
| Court Immobilization Fund | 154 |
| Parking Lot Maintenance Fund | 155 |
| Land Reutilization Fund..... | 156 |

| | |
|--|---------|
| Brownfield Grant Fund | 157 |
| Park Resources Fund | 158 |
| Downtown Special Events Fund | 159 |
| City Income Tax Fund..... | 160 |
| Supply Revolving Fund..... | 161 |
| Auditor Transfer Fund..... | 162 |
| Debt Service Fund: | |
| Fund Description - Nonmajor Governmental Fund..... | 163 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund | 164 |
| Capital Projects Funds: | |
| Fund Descriptions - Nonmajor Governmental Funds..... | 165 |
| Combining Balance Sheet - Nonmajor Capital Projects Funds..... | 166 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds..... | 167-168 |
| Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Funds: | |
| Street Income Tax Construction Fund..... | 169 |
| Municipal Road Fund..... | 170 |
| Capital Improvements Fund | 171 |
| Municipal Court Special Project Fund | 172 |
| Proprietary Funds: | |
| Enterprise Funds: | |
| Fund Descriptions | 173 |
| Individual Fund Schedules of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Funds: | |
| Water Fund..... | 174 |
| Sewer Fund..... | 175 |
| Robertson Community Center Fund..... | 176 |
| Internal Service Fund: | |
| Fund Description..... | 177 |
| Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund | 178 |
| Agency Funds: | |
| Fund Description..... | 179 |
| Statement of Changes in Assets and Liabilities - Agency Funds | 180 |
| III. STATISTICAL SECTION | |
| Table of Contents | 181 |
| Net Position by Component - Last Ten Years | 182-183 |

| | |
|--|---------|
| Changes in Net Position - Last Ten Years..... | 184-187 |
| Fund Balances, Governmental Funds - Last Ten Years | 188-189 |
| Changes in Fund Balances, Governmental Funds - Last Ten Years..... | 190-191 |
| Income Tax Revenue Base and Collections - Last Ten Years..... | 192 |
| Income Tax Withholdings by Sector - Last Ten Years | 192 |
| Ratios of Outstanding Debt by Type - Last Ten Years | 193 |
| Ratios of General Bonded Debt Outstanding - Last Ten Years..... | 194 |
| Direct and Overlapping Governmental Activities Debt - as of December 31, 2015 | 195 |
| Legal Debt Margin Information - Last Ten Years..... | 196-197 |
| Pledged Revenue Coverage Water Revenue Bonds - Last Ten Years..... | 198 |
| Demographic and Economic Statistics - Last Ten Years | 199 |
| Principal Employers - Current Year and Eight Years Ago..... | 200 |
| Operating Indicators by Function/Program - Last Ten Years..... | 201-206 |
| Capital Asset Statistics by Function/Program - Last Ten Years..... | 207 |
| Full-Time-Equivalent City Governmental Employees by Function/Program - Last Ten Years | 208 |



The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



KEVIN KNOWLES

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Web Page: www.cityofalliance.com

June 27, 2016

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, 2015, 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 2015.

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.

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

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

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

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

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

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

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

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

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

City Government

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

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

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

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

Financial Matters

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

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

Investments and deposits of City funds are governed by the Uniform Depository Law (Chapter 135 of the Ohio Revised Code) applicable to all subdivisions. An investment board, comprised of the Mayor, the City Auditor, the Law Director, the Treasurer and a member of the business community, is responsible for those investments and deposits. Under recent and current practices, investments are made primarily in federal agency securities, a U.S. Government money market account, commercial paper accounts, STAR Ohio (State Treasury Asset Reserve of Ohio), an investment pool for all Ohio political subdivisions, under the custody and management of the Treasurer of the State of Ohio, and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Since the fall of 2014, the City has contracted with United American Capital Corporation (UACC) which provides investment services to the City.

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 budgeted 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, 2014. 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 sixteen consecutive years (1999-2014). 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, 2015 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, 2015

| | |
|-----------------------|---|
| 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 |

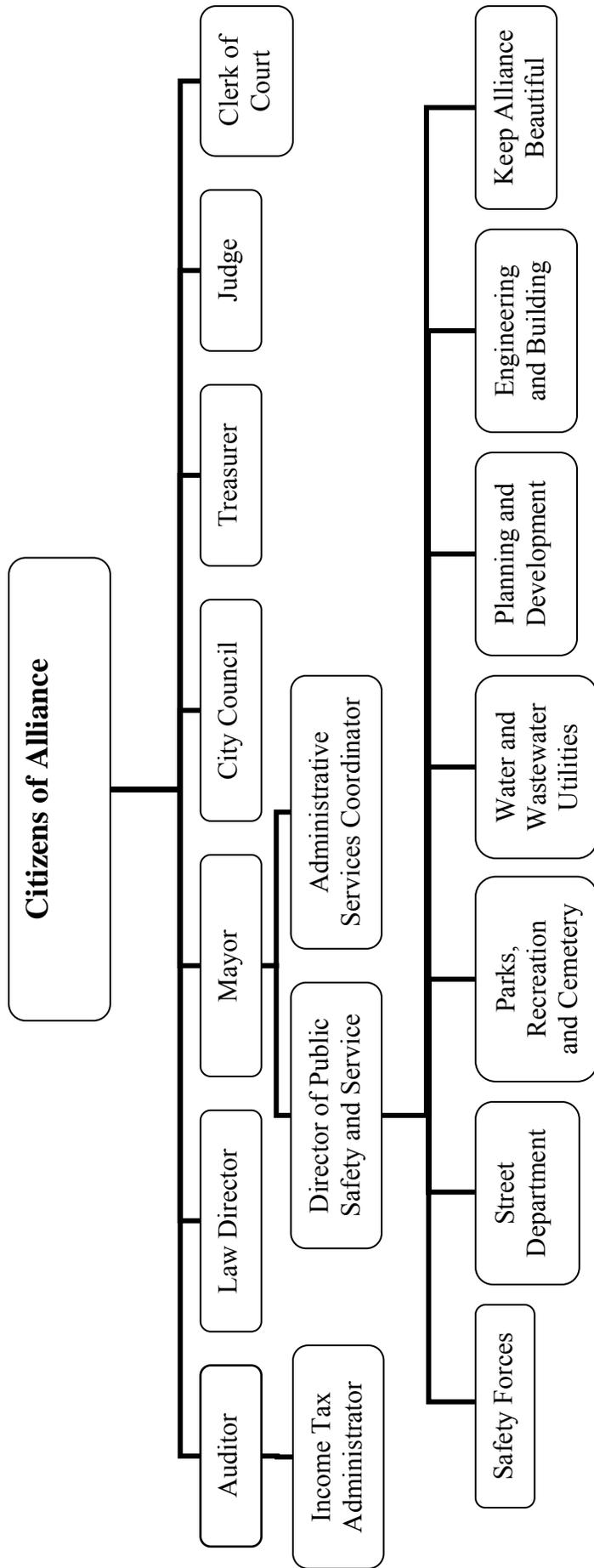
Finance

| | |
|--------------------------|---------------|
| 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 | Doug Hastings |
| 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, 2014

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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Revolving Loan Funds, thereof, for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City'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.

Other Matters

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 June 27, 2016, 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2016

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CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (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, 2015. 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 2015 are as follows:

- The total net position of the City increased \$676,174. Net position of governmental activities decreased \$1,430,261 or 8.22% from 2014 and net position of business-type activities increased \$2,106,435 or 9.58% over 2014.
- General revenues accounted for \$12,235,674 or 73.45% of total governmental activities revenue. Program specific revenues accounted for \$4,423,471 or 26.55% of total governmental activities revenue.
- The City had \$18,089,406 in expenses related to governmental activities; \$4,423,471 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$13,665,935 were partially offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,235,674.
- The general fund had revenues and other financing sources of \$12,680,788 in 2015. This represents a decrease of \$24,319 from 2014 revenues. The expenditures and other financing uses of the general fund, which totaled \$12,674,209 in 2015, increased \$62,290 from 2014. The net increase in fund balance for the general fund was \$6,579 or 0.23%, from \$2,898,443 in 2014 to \$2,905,022 in 2015.
- The revolving loan major fund had \$88,718 in revenues and \$218,151 in expenditures in 2015. The fund balance for the revolving loan fund decreased \$129,433 or 3.90%, from \$3,315,434 in 2014 to \$3,186,001 in 2015.
- Net position for the business-type activities, which are made up of the water, sewer, and Robertson Community Center funds, increased \$2,106,435 from a net position balance of \$21,997,077 in 2014 to a net position balance of \$24,103,512 in 2015.
- The water fund had \$5,244,227 in operating revenues and \$3,727,881 in operating expenses in 2015. The water fund also had non-operating revenues of \$425,339 and non-operating expenses of \$436,116. The net position of the water fund increased \$1,505,569 or 17.00%.
- The sewer fund had \$4,546,914 in operating revenues and \$3,866,034 in operating expenses in 2015. The sewer fund also had non-operating revenues of \$54,521 and non-operating expenses of \$2,029. The net position of the sewer fund increased \$733,372 or 5.75%.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (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 2015?" 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, 2015 (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 28.

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund and the revolving loan fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 43-46 of this report, budgetary comparisons 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 statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has two agency funds to account for segregated cash for the municipal court and monies received from cable franchise fees. The statement of fiduciary assets and liabilities can be found on page 58 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 44-91 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and pension contributions. The required supplementary information can be found on pages 92-98 of this report.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2015 compared to December 31, 2014.

| | Net Position | | | | | |
|--|-------------------------|------------------|--------------------------|------------------|---------------|------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2015 | Restated 2014 | 2015 | Restated 2014 | 2015 | Restated 2014 |
| <u>Assets</u> | | | | | | |
| Current assets | \$ 13,903,281 | \$ 15,231,408 | \$ 13,244,112 | \$ 11,856,355 | \$ 27,147,393 | \$ 27,087,763 |
| Capital assets, net | 20,204,053 | 20,443,753 | 22,920,369 | 23,352,608 | 43,124,422 | 43,796,361 |
| Total assets | 34,107,334 | 35,675,161 | 36,164,481 | 35,208,963 | 70,271,815 | 70,884,124 |
| <u>Deferred outflows of resources</u> | | | | | | |
| Unamortized deferred charges | 3,217 | 4,896 | 584,112 | 703,930 | 587,329 | 708,826 |
| Pension | 1,959,571 | 1,312,911 | 457,575 | 315,851 | 2,417,146 | 1,628,762 |
| Total deferred outflows of resources | 1,962,788 | 1,317,807 | 1,041,687 | 1,019,781 | 3,004,475 | 2,337,588 |
| <u>Liabilities</u> | | | | | | |
| Current liabilities | 971,492 | 1,040,435 | 439,152 | 402,755 | 1,410,644 | 1,443,190 |
| Long-term liabilities: | | | | | | |
| Due within one year | 1,113,802 | 1,042,620 | 1,699,380 | 1,677,183 | 2,813,182 | 2,719,803 |
| Net pension liability | 14,393,549 | 13,654,006 | 2,519,890 | 2,462,974 | 16,913,439 | 16,116,980 |
| Other amounts | 2,720,025 | 3,073,804 | 8,397,732 | 9,688,755 | 11,117,757 | 12,762,559 |
| Total liabilities | 19,198,868 | 18,810,865 | 13,056,154 | 14,231,667 | 32,255,022 | 33,042,532 |
| <u>Deferred inflows of resources</u> | | | | | | |
| Property taxes | 849,484 | 790,504 | - | - | 849,484 | 790,504 |
| Pension | 60,432 | - | 46,502 | - | 106,934 | - |
| Total deferred inflows of resources | 909,916 | 790,504 | 46,502 | - | 956,418 | 790,504 |
| <u>Net Position</u> | | | | | | |
| Net investment in capital assets | 19,340,616 | 19,325,774 | 14,314,561 | 13,620,315 | 33,655,177 | 32,946,089 |
| Restricted | 5,024,323 | 5,924,959 | 1,398,499 | 1,071,312 | 6,422,822 | 6,996,271 |
| Unrestricted | (8,403,601) | (7,859,134) | 8,390,452 | 7,305,450 | (13,149) | (553,684) |
| Total net position | \$ 15,961,338 | \$ 17,391,599 | \$ 24,103,512 | \$ 21,997,077 | \$ 40,064,850 | \$ 39,388,676 |

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

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

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

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

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

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

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

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

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

As a result of implementing GASB 68, the City is reporting a net pension liability/asset and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014 for governmental activities from \$29,730,103 to \$17,391,599 and business-type activities from \$24,142,206 to \$21,997,077.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$40,064,850. At year-end, net position was \$15,961,338 and \$24,103,512 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2015, capital assets represented 61.37% 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 and infrastructure. Net investment in capital assets at December 31, 2015, was \$19,340,616 and \$14,314,561 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's governmental net position, \$5,024,323, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit of \$8,403,601.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

The table below shows the changes in net position for 2015 and 2014.

Change in Net Position

| | Governmental Activities <u>2015</u> | (Restated) Governmental Activities <u>2014</u> | Business-type Activities <u>2015</u> | Business-type Activities <u>2014</u> | Total <u>2015</u> | Total <u>2014</u> |
|---|---|---|--|--|----------------------|----------------------|
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services and sales | \$ 2,100,397 | \$ 1,886,660 | \$ 9,836,069 | \$ 9,320,514 | \$ 11,936,466 | \$ 11,207,174 |
| Operating grants and contributions | 1,978,968 | 2,283,772 | - | - | 1,978,968 | 2,283,772 |
| Capital grants and contributions | <u>344,106</u> | <u>543,577</u> | - | - | <u>344,106</u> | <u>543,577</u> |
| Total program revenues | <u>4,423,471</u> | <u>4,714,009</u> | <u>9,836,069</u> | <u>9,320,514</u> | <u>14,259,540</u> | <u>14,034,523</u> |
| General revenues: | | | | | | |
| Property taxes | 893,577 | 905,285 | - | - | 893,577 | 905,285 |
| Income taxes | 10,305,849 | 10,739,033 | 404,207 | 420,332 | 10,710,056 | 11,159,365 |
| Unrestricted grants | 630,859 | 592,068 | - | - | 630,859 | 592,068 |
| Interest | 18,707 | 25,442 | 75,653 | 115,162 | 94,360 | 140,604 |
| Gain (Loss) on fair value adjustment | 14,262 | (39,020) | - | - | 14,262 | (39,020) |
| Miscellaneous | <u>372,420</u> | <u>576,120</u> | - | - | <u>372,420</u> | <u>576,120</u> |
| Total general revenues | <u>12,235,674</u> | <u>12,798,928</u> | <u>479,860</u> | <u>535,494</u> | <u>12,715,534</u> | <u>13,334,422</u> |
| Total revenues | <u>16,659,145</u> | <u>17,512,937</u> | <u>10,315,929</u> | <u>9,856,008</u> | <u>26,975,074</u> | <u>27,368,945</u> |
| Expenses: | | | | | | |
| General government | 3,786,152 | 3,530,481 | - | - | 3,786,152 | 3,530,481 |
| Security of persons and property | 9,005,619 | 8,983,758 | - | - | 9,005,619 | 8,983,758 |
| Public health services | 952,886 | 944,102 | - | - | 952,886 | 944,102 |
| Transportation | 2,584,976 | 1,946,535 | - | - | 2,584,976 | 1,946,535 |
| Community environment | 941,453 | 1,132,317 | - | - | 941,453 | 1,132,317 |
| Basic utility services | 41,870 | 68,828 | - | - | 41,870 | 68,828 |
| Leisure time activities | 748,255 | 741,638 | - | - | 748,255 | 741,638 |
| Interest | 28,195 | 39,947 | - | - | 28,195 | 39,947 |
| Water | - | - | 4,222,774 | 4,490,494 | 4,222,774 | 4,490,494 |
| Sewer | - | - | 3,932,292 | 4,364,930 | 3,932,292 | 4,364,930 |
| Robertson Community Center | - | - | 54,428 | 60,546 | 54,428 | 60,546 |
| Total expenses | <u>18,089,406</u> | <u>17,387,606</u> | <u>8,209,494</u> | <u>8,915,970</u> | <u>26,298,900</u> | <u>26,303,576</u> |
| Increase (decrease) in net position before transfers | (1,430,261) | 125,331 | 2,106,435 | 940,038 | 676,174 | 1,065,369 |
| Transfers | - | <u>546,889</u> | - | <u>(546,889)</u> | - | - |
| Change in net position | <u>(1,430,261)</u> | <u>672,220</u> | <u>2,106,435</u> | <u>393,149</u> | <u>676,174</u> | <u>1,065,369</u> |
| Net position at beginning year (restated) | <u>17,391,599</u> | N/A | <u>21,997,077</u> | N/A | <u>39,388,676</u> | N/A |
| Net position at end of year | <u>\$ 15,961,338</u> | <u>\$ 17,391,599</u> | <u>\$ 24,103,512</u> | <u>\$ 21,997,077</u> | <u>\$ 40,064,850</u> | <u>\$ 39,388,676</u> |

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,628,762 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,726,893. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--|------------------------------------|-------------------------------------|
| Total 2015 program expenses under GASB 68 | \$ 18,089,406 | \$ 8,209,494 |
| Pension expense under GASB 68 | (1,447,943) | (278,950) |
| 2015 contractually required contributions | <u>1,301,545</u> | <u>322,580</u> |
| Adjusted 2015 program expenses | 17,943,008 | 8,253,124 |
| Total 2014 program expenses under GASB 27 | <u>17,387,606</u> | <u>8,915,970</u> |
| Increase (decrease) in program expenses not related to pension | <u>\$ 555,402</u> | <u>\$ (662,846)</u> |

Governmental Activities

Governmental activities net position decreased \$1,430,261 in 2015.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$9,005,619 of the total expenses of the City. These expenses were partially funded by \$76,764 in direct charges to users of the services. General government expenses totaled \$3,786,152. General government expenses were partially funded by \$1,657,019 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$1,978,968 in operating grants and contributions and \$344,106 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$986,928 subsidized transportation and \$731,338 subsidized community environment. Of the total capital grants and contributions, \$331,606 subsidized transportation.

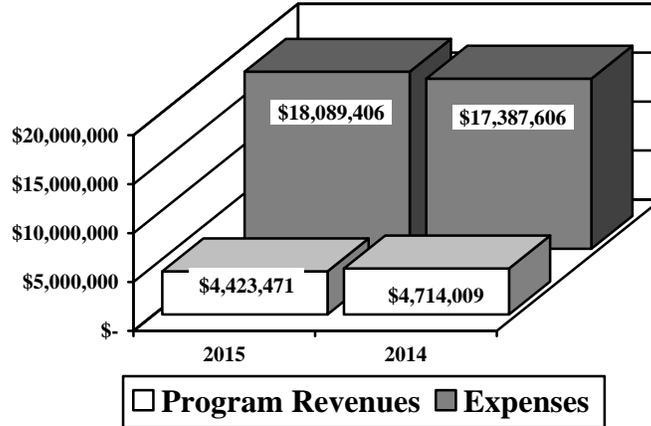
General revenues totaled \$12,235,674, and amounted to 73.45% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$11,199,426. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and homestead and rollback, making up \$630,859.

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.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

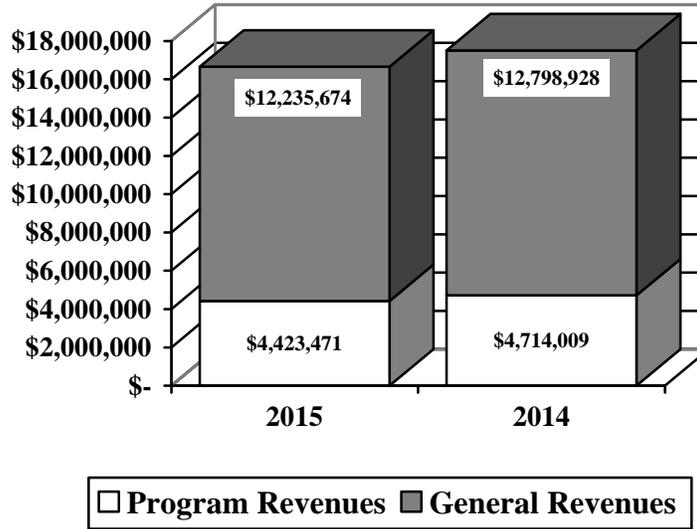
| | Total Cost of Services 2015 | Net Cost of Services 2015 | Total Cost of Services 2014 | Net Cost of Services 2014 |
|----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Program expenses: | | | | |
| General government | \$ 3,786,152 | \$ 2,066,708 | \$ 3,530,481 | \$ 1,901,141 |
| Security of persons and property | 9,005,619 | 8,840,488 | 8,983,758 | 8,798,606 |
| Public health services | 952,886 | 629,689 | 944,102 | 649,123 |
| Transportation | 2,584,976 | 1,266,442 | 1,946,535 | 427,201 |
| Community environment | 941,453 | 51,708 | 1,132,317 | 73,219 |
| Basic utility services | 41,870 | 41,870 | 68,828 | 68,828 |
| Leisure time activities | 748,255 | 740,835 | 741,638 | 715,532 |
| Interest | 28,195 | 28,195 | 39,947 | 39,947 |
| Total expenses | <u>\$ 18,089,406</u> | <u>\$ 13,665,935</u> | <u>\$ 17,387,606</u> | <u>\$ 12,673,597</u> |

The dependence upon general revenues for governmental activities is apparent, with 75.55% of expenses supported through taxes and other general revenues. The graph below shows the City's general revenues and program revenues for 2015 and 2014.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)

Governmental Activities – General and Program Revenues

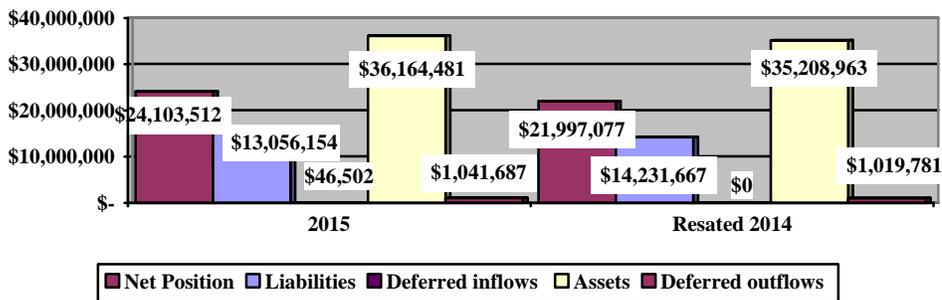


Business-Type Activities

Business-type activities include the water, sewer, and community center enterprise funds. These programs had program revenues of \$9,836,069, general revenues of \$479,860 and expenses of \$8,209,494 for 2015.

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

Net Position in Business - Type Activities



CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)

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 28) reported a combined fund balance of \$8,738,936 which is \$1,108,810 less than last year's total of \$9,847,746. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2015 for all major and nonmajor governmental funds.

| | <u>Fund Balances</u> <u>12/31/2015</u> | <u>Fund Balances</u> <u>12/31/2014</u> | <u>Increase/</u> <u>(Decrease)</u> |
|-----------------------------------|---|---|---------------------------------------|
| Major funds: | | | |
| General | \$ 2,905,022 | \$ 2,898,443 | \$ 6,579 |
| Revolving loan | 3,186,001 | 3,315,434 | (129,433) |
| Other nonmajor governmental funds | <u>2,647,913</u> | <u>3,633,869</u> | <u>(985,956)</u> |
| Total | <u>\$ 8,738,936</u> | <u>\$ 9,847,746</u> | <u>\$ (1,108,810)</u> |

General Fund

The City's general fund balance increased \$6,579.

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

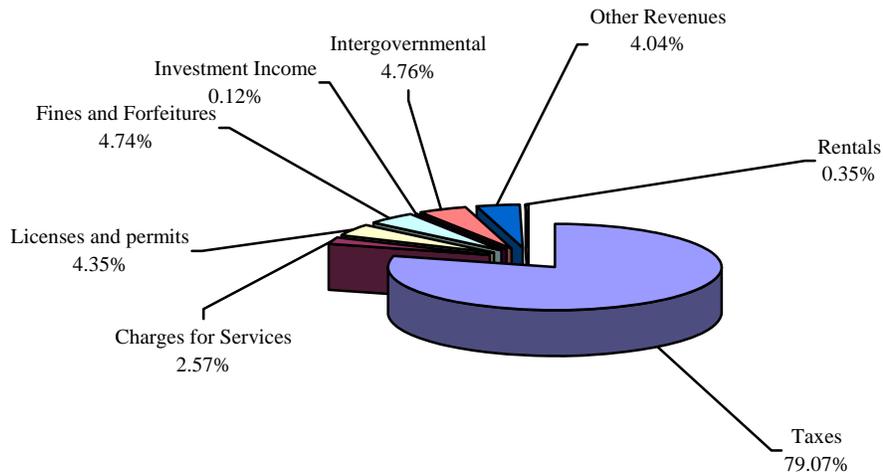
| | <u>2015</u> <u>Amount</u> | <u>2014</u> <u>Amount</u> | <u>Increase/</u> <u>(Decrease)</u> | <u>Percentage</u> <u>Change</u> |
|-----------------------|------------------------------|------------------------------|---------------------------------------|------------------------------------|
| Revenues: | | | | |
| Taxes | \$ 10,026,684 | \$ 10,420,122 | \$ (393,438) | (3.78) % |
| Charges for services | 325,908 | 378,773 | (52,865) | (13.96) % |
| Licenses and permits | 551,404 | 150,356 | 401,048 | 266.73 % |
| Fines and forfeitures | 600,634 | 585,976 | 14,658 | 2.50 % |
| Investment income | 14,728 | 11,400 | 3,328 | 29.19 % |
| Intergovernmental | 603,344 | 597,890 | 5,454 | 0.91 % |
| Rentals | 44,546 | 74,834 | (30,288) | (40.47) % |
| Other | <u>513,040</u> | <u>485,756</u> | <u>27,284</u> | 5.62 % |
| Total | <u>\$ 12,680,288</u> | <u>\$ 12,705,107</u> | <u>\$ (24,819)</u> | (0.20) % |

CITY OF ALLIANCE, OHIO

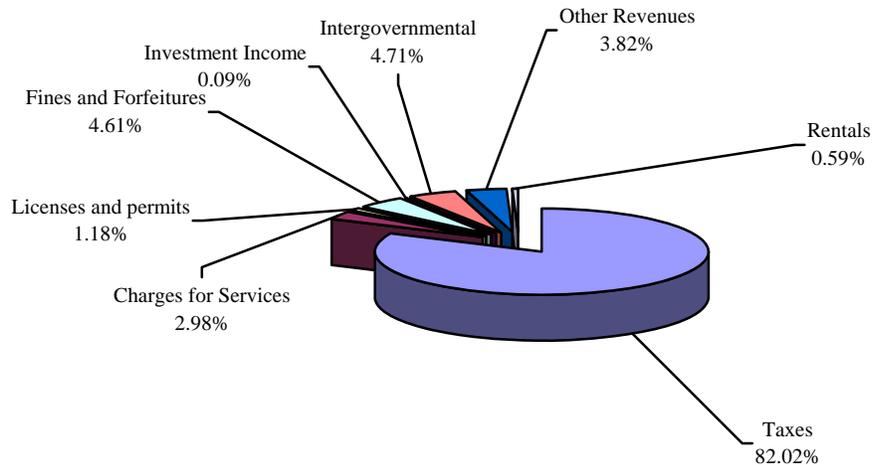
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Revenues of the general fund decreased \$24,819 or 0.20%. Charges for services revenue decreased \$52,865 or 13.96% due mainly to miscellaneous reimbursement revenues decreasing. The increase of \$401,048 or 266.73% in licenses and permits is due mainly to an increase in bank foreclosure registrations revenues. The decrease of \$30,288 or 40.47% in rentals is due to a decrease in oil and gas well revenue.

Revenues – 2015



Revenues –2014



CITY OF ALLIANCE, OHIO

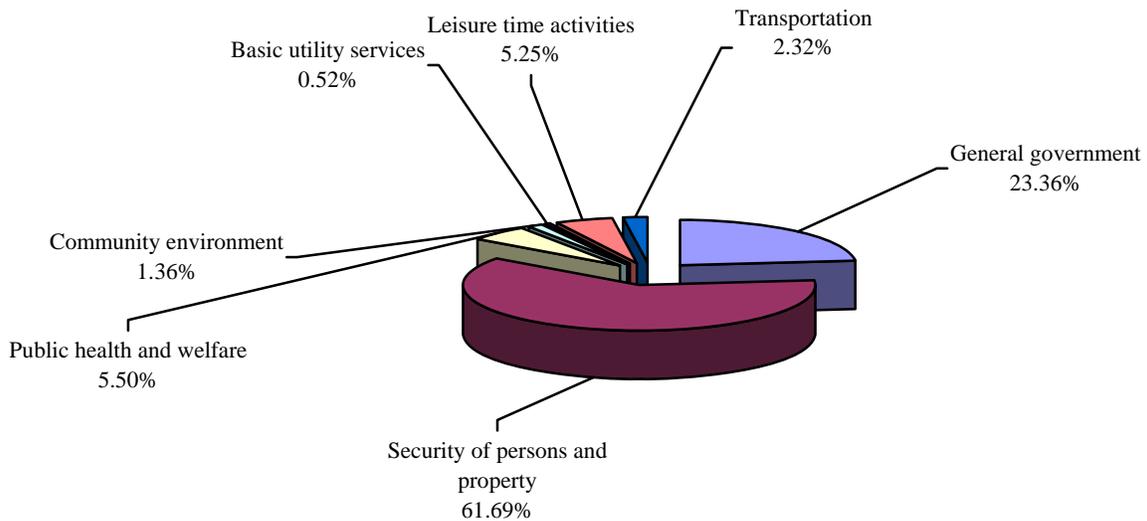
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

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

| | <u>2015</u> <u>Amount</u> | <u>2014</u> <u>Amount</u> | <u>Increase/</u> <u>(Decrease)</u> | <u>Percentage</u> <u>Change</u> |
|----------------------------------|------------------------------|------------------------------|---------------------------------------|------------------------------------|
| Expenditures: | | | | |
| General government | \$ 2,768,575 | \$ 2,871,513 | \$ (102,938) | (3.58) % |
| Security of persons and property | 7,310,792 | 7,376,103 | (65,311) | (0.89) % |
| Public health and welfare | 651,471 | 625,640 | 25,831 | 4.13 % |
| Community environment | 161,218 | 138,646 | 22,572 | 16.28 % |
| Leisure time activities | 622,438 | 613,020 | 9,418 | 1.54 % |
| Basic utility services | 61,384 | 64,775 | (3,391) | (5.24) % |
| Transportation | 275,000 | - | 275,000 | 100.00 % |
| Capital outlay | - | 115 | (115) | (100.00) % |
| Total | <u>\$ 11,850,878</u> | <u>\$ 11,689,812</u> | <u>\$ 161,066</u> | 1.38 % |

Expenditures of the general fund increased \$161,066 or 1.38%. Transportation expenditures increased \$275,000 due to increased transportation projects expended during 2015. All other major expenditures remained comparable to 2014.

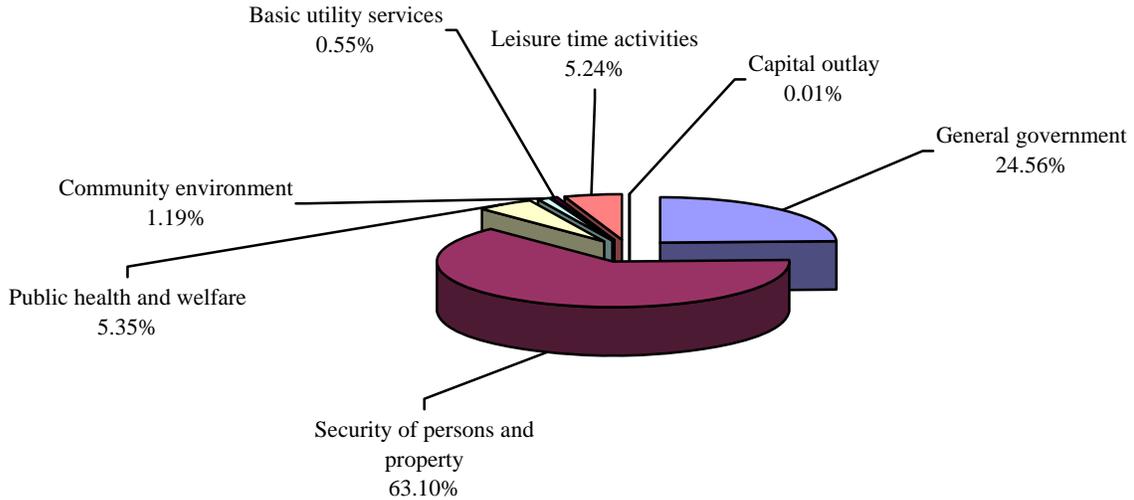
Expenditures – 2015



CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Expenditures – 2014



Revolving Loan Fund

The revolving loan major fund had \$88,718 in revenues and \$218,151 in expenditures in 2015. The fund balance for the revolving loan fund decreased \$129,433 or 3.90% from \$3,315,434 in 2014 to \$3,186,001 in 2015.

Budgeting Highlights – General Fund

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues and other financing sources of \$11,796,835 were less than the final budget amount of \$11,823,563. Actual expenditures and other financing uses of \$12,361,924 were lower than the final budget amount of \$13,013,582. The decrease of \$651,658 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 \$456,294 from the original to the final budget. Budgeted revenues were increased \$463,643 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 pages 53-54) reported a combined net position of \$24,203,804, which is \$2,229,441 more than last year's restated total of \$21,974,363.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)

The schedule below indicates the net position and the total change in net position as of December 31, 2015 for all major and nonmajor business-type funds.

| | <u>Net Position</u> <u>12/31/15</u> | (restated) <u>Net Position</u> <u>12/31/14</u> | <u>Increase/</u> <u>(Decrease)</u> |
|----------------------------|--|--|---------------------------------------|
| Major funds: | | | |
| Water | \$ 10,363,013 | \$ 8,857,444 | \$ 1,505,569 |
| Sewer | 13,496,181 | 12,762,809 | 733,372 |
| Nonmajor: | | | |
| Robertson Community Center | <u>344,610</u> | <u>354,110</u> | <u>(9,500)</u> |
| Total | <u>\$ 24,203,804</u> | <u>\$ 21,974,363</u> | <u>\$ 2,229,441</u> |

Water

The City's water fund increased \$1,505,569 or 17.00% during 2015 from a restated net position balance of \$8,857,444 in 2014 to \$10,363,013 in 2015.

| | <u>2015</u> <u>Amount</u> | <u>2014</u> <u>Amount</u> | <u>Increase/</u> <u>(Decrease)</u> | <u>Percentage</u> <u>Change</u> |
|--------------------------------------|------------------------------|------------------------------|---------------------------------------|------------------------------------|
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 5,153,741 | \$ 4,966,419 | \$ 187,322 | 3.77 % |
| Other | <u>90,486</u> | <u>61,166</u> | <u>29,320</u> | 47.94 % |
| Total operating revenues | <u>5,244,227</u> | <u>5,027,585</u> | <u>216,642</u> | 4.31 % |
| <u>Operating expenses</u> | | | | |
| Salaries and benefits | 1,341,881 | 1,392,887 | (51,006) | (3.66) % |
| Fringe benefits | 543,404 | 570,967 | (27,563) | (4.83) % |
| Contract services | 577,517 | 627,800 | (50,283) | (8.01) % |
| Materials and supplies | 774,354 | 814,183 | (39,829) | (4.89) % |
| Depreciation | 482,239 | 526,206 | (43,967) | (8.36) % |
| Other | <u>8,486</u> | <u>697</u> | <u>7,789</u> | 1,117.50 % |
| Total operating expenses | <u>3,727,881</u> | <u>3,932,740</u> | <u>(204,859)</u> | (5.21) % |
| <u>Non-operating revenues</u> | | | | |
| Municipal income tax | 404,207 | 420,332 | (16,125) | (3.84) % |
| Investment income | <u>21,132</u> | <u>99,644</u> | <u>(78,512)</u> | (78.79) % |
| Total non-operating revenues | <u>425,339</u> | <u>519,976</u> | <u>(94,637)</u> | (18.20) % |
| <u>Non-operating expenses</u> | | | | |
| Interest and fiscal charges | 436,116 | 565,280 | (129,164) | (22.85) % |
| Loss on disposal of capital assets | <u>-</u> | <u>6,107</u> | <u>(6,107)</u> | (100.00) % |
| Total non-operating expenses | <u>\$ 436,116</u> | <u>\$ 571,387</u> | <u>\$ (135,271)</u> | (23.67) % |

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Operating revenues of the water fund increased \$216,642 or 4.31%. This increase is the result of an increase in water consumption during the year and an increase in other revenues due to more reimbursements received in the water fund. Operating expenses decreased \$204,859 or 5.21% due to a decrease in spending for salaries and benefits and contract services.

Sewer

The City's sewer fund increased \$733,372 or 5.75% during 2015 from a restated net position balance of \$12,762,809 in 2014 to \$13,496,181 in 2015.

| | <u>2015</u> | <u>2014</u> | <u>Increase/ (Decrease)</u> | <u>Percentage Change</u> |
|--------------------------------------|------------------|-------------------|---------------------------------|------------------------------|
| | <u>Amount</u> | <u>Amount</u> | | |
| <u>Operating revenues</u> | | | | |
| Charges for services | \$ 4,463,683 | \$ 4,043,395 | \$ 420,288 | 10.39 % |
| Licenses and permits | 28,016 | 107,095 | (79,079) | (73.84) % |
| Other | <u>55,215</u> | <u>94,945</u> | <u>(39,730)</u> | (41.85) % |
| Total operating revenues | <u>4,546,914</u> | <u>4,245,435</u> | <u>301,479</u> | 7.10 % |
| <u>Operating expenses</u> | | | | |
| Salaries and benefits | 1,536,111 | 1,506,907 | 29,204 | 1.94 % |
| Fringe benefits | 528,503 | 584,767 | (56,264) | (9.62) % |
| Contractual services | 904,058 | 1,078,773 | (174,715) | (16.20) % |
| Materials and supplies | 247,149 | 481,482 | (234,333) | (48.67) % |
| Depreciation | 591,175 | 584,098 | 7,077 | 1.21 % |
| Other | <u>59,038</u> | <u>10,931</u> | <u>48,107</u> | 440.10 % |
| Total operating expenses | <u>3,866,034</u> | <u>4,246,958</u> | <u>(380,924)</u> | (8.97) % |
| <u>Non-operating revenues</u> | | | | |
| Investment income | <u>54,521</u> | <u>15,518</u> | <u>39,003</u> | 251.34 % |
| Total non-operating revenues | <u>54,521</u> | <u>15,518</u> | <u>39,003</u> | 251.34 % |
| <u>Non-operating expenses</u> | | | | |
| Interest and fiscal charges | - | 126,592 | (126,592) | (100.00) % |
| Loss on disposal of capital assets | <u>2,029</u> | <u>5,632</u> | <u>(3,603)</u> | (63.97) % |
| Total non-operating expenses | <u>\$ 2,029</u> | <u>\$ 132,224</u> | <u>\$ (130,195)</u> | (98.47) % |

Operating revenues of the sewer fund increased \$301,479 or 7.10%. This increase can mainly be attributed to a usage increase from the prior year. Operating expenses decreased \$380,924 or 8.97% due mainly to a decrease in spending for materials and supplies and contract services. Non-operating revenues increased \$39,003 due to the City receiving more interest in 2015.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

Capital Assets and Debt Administration

Capital Assets

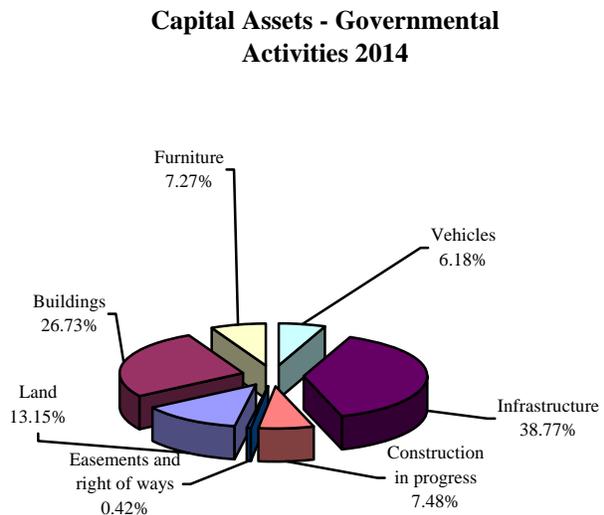
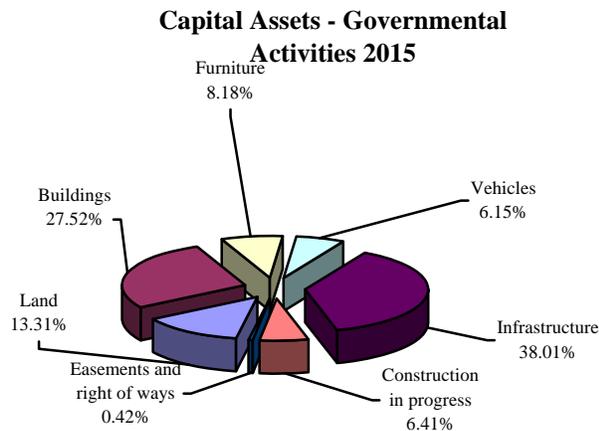
At December 31, 2015, the City had \$43,124,422 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings, structures and improvements, furniture, fixtures, and equipment, vehicles, infrastructure and water and sewer lines. Of this total, \$20,204,053 was reported in governmental activities and \$22,920,369 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosure.

The following table shows December 31, 2015 balances compared to December 31, 2014:

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

| | Governmental Activities <u>2015</u> | Governmental Activities <u>2014</u> | Business-type Activities <u>2015</u> | Business-type Activities <u>2014</u> | Total <u>2015</u> | Total <u>2014</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 | 85,618 | - | - | 85,618 | 85,618 |
| Buildings, structures and improvements | 5,559,106 | 5,465,064 | 6,198,097 | 4,116,815 | 11,757,203 | 9,581,879 |
| Furniture, fixtures and equipment | 1,652,869 | 1,486,425 | 4,560,357 | 4,627,910 | 6,213,226 | 6,114,335 |
| Vehicles | 1,243,434 | 1,262,561 | - | - | 1,243,434 | 1,262,561 |
| Infrastructure | 7,679,914 | 7,925,145 | - | - | 7,679,914 | 7,925,145 |
| Land improvements | - | - | 198,113 | 218,747 | 198,113 | 218,747 |
| Water and sewer lines | - | - | 10,689,057 | 11,191,809 | 10,689,057 | 11,191,809 |
| Construction in progress | <u>1,294,125</u> | <u>1,529,953</u> | <u>404,804</u> | <u>2,327,386</u> | <u>1,698,929</u> | <u>3,857,339</u> |
| Total | <u>\$ 20,204,053</u> | <u>\$ 20,443,753</u> | <u>\$ 22,920,369</u> | <u>\$ 23,352,608</u> | <u>\$ 43,124,422</u> | <u>\$ 43,796,361</u> |

The following graphs show the breakdown of governmental capital assets by category at December 31, 2015 and December 31, 2014.



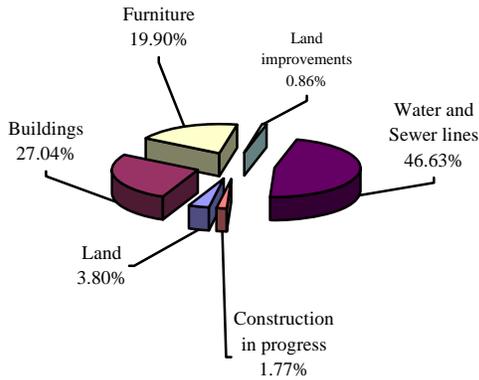
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

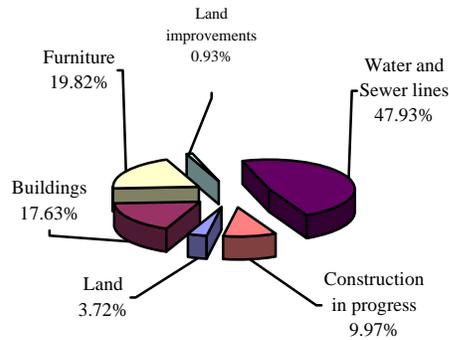
The City's largest governmental capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City; however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 38.01% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category at December 31, 2014 and December 31, 2015.

**Capital Assets - Business-type Activities
2015**



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



The City's largest business-type capital asset category is the sewer and water lines. This item plays a vital role in the income producing ability of the business-type activities. The net book value of the City's water and sewer lines (cost less accumulated depreciation) represents approximately 46.63% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2015 and 2014:

| | Governmental Activities 2015 | Governmental Activities 2014 |
|------------------------------------|------------------------------------|------------------------------------|
| General obligation bonds | \$ 315,000 | \$ 555,000 |
| Police and fire pension liability | 317,280 | 327,620 |
| SIB Loans | 167,839 | 167,839 |
| OPWC loans | <u>380,000</u> | <u>393,333</u> |
| Total long-term obligations | <u>\$ 1,180,119</u> | <u>\$ 1,443,792</u> |

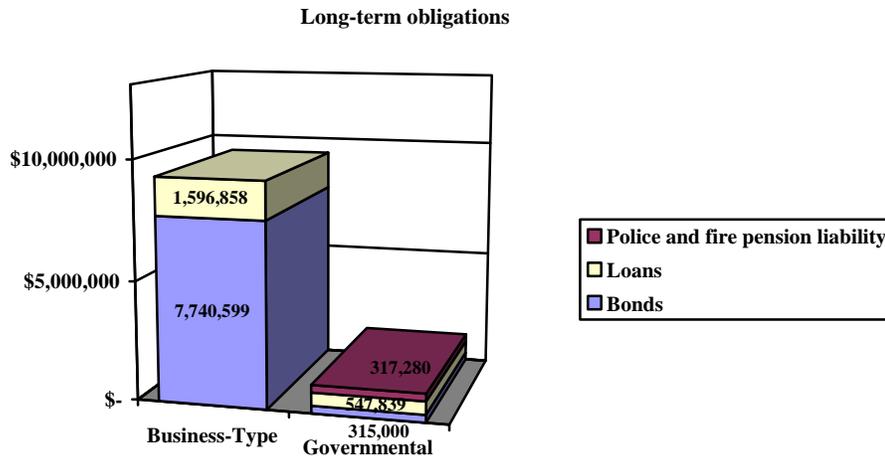
CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
(UNAUDITED)**

| | Business-type Activities <u>2015</u> | Business-type Activities <u>2014</u> |
|-----------------------------|--|--|
| Revenue bonds | \$ 6,715,438 | \$ 7,923,733 |
| General obligation bonds | <u>1,025,161</u> | <u>1,080,171</u> |
| Total bonds | <u>7,740,599</u> | <u>9,003,904</u> |
| OPWC loans | <u>1,596,858</u> | <u>1,581,084</u> |
| Total long-term obligations | <u>\$ 9,337,457</u> | <u>\$ 10,584,988</u> |

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

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



Economic Conditions and Current Budget Outlook

The City has experienced a continual decline in its general fund cash balance, in part due to a structural deficit as expenditures have consistently exceeded revenues. The general fund balance has shrunk from a high of \$3.9 million in 2011 to a cash carryover of \$652,000 for the year ending 2015. The decline equals \$3.275 million for this five year period. As a result, Moody's downgraded the City's rating on its outstanding general obligation debt from Aa3 to A1 in 2015.

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

The City has attempted to reduce expenditures by attrition and incorporating part-time staff in virtually all departments. The City has completed contract negotiations with 12 out of 13 bargaining units including a modification of its health care program which includes a wellness component and increased employee contributions.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

The Income Tax Department has increased collection efforts pursuing back taxes via civil and criminal court action. The City has also partnered with the Cleveland Income Tax Agency to pursue individuals that have not filed City income tax. The Tax Department will look to partner with the Ohio Attorney General's office in 2016 to pursue delinquent income tax debt. The City is expecting a one year spike in income tax collections in 2016 due to state mandated tax law changes that require monthly withholding from employers. The Alliance Municipal Court Clerk has aggressively pursued back fines/costs by the process of issuing registration blocks.

The City is examining current and potential revenue streams as well as analyzing ways to reduce expenditures in light of revenue reductions and increasing operating costs. City Council has discussed the possibility of placing a tax revenue issue on the ballot in 2016 via either an increase to its City's income tax rate or a property tax initiative.

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 2016, Alliance City Council voted to approve reallocating income tax revenues to increase the percentage received from 79% to 86% for the fourth consecutive year. This will reduce allocations normally reserved for master capital and street funds. This action was necessary to balance 2016 general fund appropriations. Such action provides a substantial boost to its general fund revenue, but does not cover the potential deficit. The 2016 general fund budget as proposed will appropriate virtually every dollar the City has available.

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.

Retail Expansion in Alliance

Several new retail locations opened within the City in 2015. Among those included Get-Go, a large full service gas station located in front of the current Giant Eagle Plaza. Wendy's and O'Reilly's Auto Parts were built on State Street north of the same plaza. Starbucks opened a location on West Street. The Gateway retail plaza opened on State Street south of campus, housing a Buffalo Wild Wings (BW3's), Orange Leaf Yogurt, Farmer's National Bank, Papa Gyros and T-Mobile retail establishments.

Maple Beech Park Pavilion

A pavilion was constructed in Maple Beech Park at a cost of \$55,000. The project was funded by using a combination of City funds as well as private donations.

Firefighters Awarded FEMA Grant for Gear

The City of Alliance Fire Department was awarded a Federal Emergency Management Agency (FEMA) grant in the amount of \$253,455 to supply our firefighters with necessary gear. Gear included breathing apparatus and turn-out gear.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

US 62 Traffic Signal Replacement

The City replaced traffic lights and signs on State Route 62 (State Street). The estimated \$168,000 cost was funded by a grant obtained by the 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. The City will be booking the final expense in 2016.

Emergency Alert System

The City of Alliance began providing its citizens the ability to sign up to receive alerts in the event of emergencies via Civic Ready, <https://oh-alliance.civicready.com/>. Residents have to the ability to be notified via text, phone call, or email in the event of snow emergency, cancellations, or any other natural disasters.

Open Checkbook

The City of Alliance Auditor's office partnered with the Ohio Treasurer of State, Josh Mandel, to provide the citizens of Alliance with Open Checkbook, in an effort to provide residents with unprecedented access to City of Alliance spending records. The City of Alliance was among the first cities to launch this in the fall of 2015. Information can be accessed at: <http://local.ohiocheckbook.com/>.

Street Resurfacing

The City of Alliance spent \$830,000 towards the 2015 resurfacing program. The funding included a variety of City funds as well as Municipal Road funding obtained through the County. The program included major resurfacing as well as micro-surfacing repairs as a part of its preventative program.

Key Personnel Changes

Arthur Garnes was elected to serve as City Council President. Jim Edwards was elected as Councilman At-Large replacing Sue Ryan.

Water - Sewer Rates

The City increased water rates by 3% and sewer rates by 5%. 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.

UDAG Loans

The City of Alliance issued two Urban Development Action Grant (UDAG) loans promoting economic development. A loan for \$86,300 was issued to Jupiter Studios to make improvements to the building located in downtown Alliance. Mt. Olive lodge was issued a loan modification which essentially modified the terms of an existing loan with the City.

Major Initiatives

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

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

Sludge Dewatering

The City of Alliance is proceeding with plans to construct 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. The City has applied for loan funding through the EPA Water Pollution Control Fund for a cost not to exceed \$7.2 million.

Demolition Program

The City of Alliance anticipates demolishing as many as 31 structures in late 2015 through 2016 through the Neighborhood Initiative Program (NIP). The City was awarded \$479 thousand through this program to address blighted homes throughout the community. 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.

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.

Firefighters Awarded FEMA Grant for New Ladder Truck

The City has been awarded a Federal Emergency Management Agency (FEMA) grant for \$875,455 to purchase a ladder truck. The grant covers 90% of the purchase price, with the City paying the remaining 10%.

Contract Negotiations

The City of Alliance expects to wrap up contract negotiations with the last of its 13 bargaining units in 2016. However, multiple contracts will be expiring in the year ending 2016.

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, 2015

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 6,202,220 | \$ 8,576,681 | \$ 14,778,901 |
| Receivables: | | | |
| Municipal income taxes | 3,125,860 | 130,244 | 3,256,104 |
| Property and other taxes | 1,110,437 | - | 1,110,437 |
| Accounts | 180,495 | 1,565,705 | 1,746,200 |
| Special assessments | 1,213,129 | - | 1,213,129 |
| Intergovernmental | 861,959 | - | 861,959 |
| Accrued interest | 26,930 | - | 26,930 |
| Loans | 990,431 | - | 990,431 |
| Internal balance | 100,292 | (100,292) | - |
| Prepayments | 24,023 | 23,550 | 47,573 |
| Materials and supplies inventory | 57,997 | 483,808 | 541,805 |
| Deferred charges | - | 7,316 | 7,316 |
| Net pension asset | 9,508 | - | 9,508 |
| Restricted assets: | | | |
| Equity in pooled cash and cash equivalents | - | 878,195 | 878,195 |
| Cash and cash equivalents with fiscal agents | - | 1,678,905 | 1,678,905 |
| Capital assets: | | | |
| Non-depreciable capital assets | 4,068,730 | 1,305,246 | 5,373,976 |
| Depreciable capital assets, net | 16,135,323 | 21,615,123 | 37,750,446 |
| Total capital assets, net | <u>20,204,053</u> | <u>22,920,369</u> | <u>43,124,422</u> |
| Total assets | <u>34,107,334</u> | <u>36,164,481</u> | <u>70,271,815</u> |
| Deferred outflows of resources: | | | |
| Unamortized deferred charges on debt refunding | 3,217 | 584,112 | 587,329 |
| Pension-OP&F | 1,364,922 | - | 1,364,922 |
| Pension-OPERS | 594,649 | 457,575 | 1,052,224 |
| Total deferred outflows of resources | <u>1,962,788</u> | <u>1,041,687</u> | <u>3,004,475</u> |
| Total assets and deferred outflows of resources | <u>36,070,122</u> | <u>37,206,168</u> | <u>73,276,290</u> |
| Liabilities: | | | |
| Accounts payable | 167,691 | 193,354 | 361,045 |
| Accrued wages and benefits payable | 281,608 | 92,847 | 374,455 |
| Claims payable | 239,902 | - | 239,902 |
| Due to other governments | 280,515 | 78,323 | 358,838 |
| Accrued interest payable | 1,776 | 74,628 | 76,404 |
| Long-term liabilities: | | | |
| Due within one year | 1,113,802 | 1,699,380 | 2,813,182 |
| Due in more than one year: | | | |
| Net pension liability | 14,393,549 | 2,519,890 | 16,913,439 |
| Other amounts due in more than one year | 2,720,025 | 8,397,732 | 11,117,757 |
| Total liabilities | <u>19,198,868</u> | <u>13,056,154</u> | <u>32,255,022</u> |
| Deferred inflows of resources: | | | |
| Property taxes levied for the next fiscal year | 849,484 | - | 849,484 |
| Pension-OPERS | 60,432 | 46,502 | 106,934 |
| Total deferred inflows of resources | <u>909,916</u> | <u>46,502</u> | <u>956,418</u> |
| Total liabilities and deferred inflows of resources | <u>20,108,784</u> | <u>13,102,656</u> | <u>33,211,440</u> |
| Net position: | | | |
| Net investment in capital assets | 19,340,616 | 14,314,561 | 33,655,177 |
| Restricted for: | | | |
| Debt service | 145,057 | 520,304 | 665,361 |
| Transportation projects | 117,694 | - | 117,694 |
| Public service programs | 1,048,390 | - | 1,048,390 |
| Community development programs | 3,184,160 | - | 3,184,160 |
| Police and fire pension | 24,686 | - | 24,686 |
| Security programs | 355,439 | - | 355,439 |
| Other purposes | 148,897 | - | 148,897 |
| Replacement and surplus reserve | - | 878,195 | 878,195 |
| Unrestricted (deficit) | <u>(8,403,601)</u> | <u>8,390,452</u> | <u>(13,149)</u> |
| Total net position | <u>\$ 15,961,338</u> | <u>\$ 24,103,512</u> | <u>\$ 40,064,850</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Expenses | Program Revenues | | |
|--|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 3,786,152 | \$ 1,657,019 | \$ 49,925 | \$ 12,500 |
| Security of persons and property | 9,005,619 | 76,764 | 88,367 | - |
| Public health and welfare | 952,886 | 200,787 | 122,410 | - |
| Transportation | 2,584,976 | - | 986,928 | 331,606 |
| Community environment | 941,453 | 158,407 | 731,338 | - |
| Basic utility services | 41,870 | - | - | - |
| Leisure time activities | 748,255 | 7,420 | - | - |
| Interest and fiscal charges | 28,195 | - | - | - |
| Total governmental activities | <u>18,089,406</u> | <u>2,100,397</u> | <u>1,978,968</u> | <u>344,106</u> |
| Business-type activities: | | | | |
| Water | 4,222,774 | 5,244,227 | - | - |
| Sewer | 3,932,292 | 4,546,914 | - | - |
| Robertson Community Center | 54,428 | 44,928 | - | - |
| Total business-type activities | <u>8,209,494</u> | <u>9,836,069</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>\$ 26,298,900</u> | <u>\$ 11,936,466</u> | <u>\$ 1,978,968</u> | <u>\$ 344,106</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
- Gain on fair value adjustment
- Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year (restated).

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 |
|------------------------------------|-------------------------------------|----------------------|
| \$ (2,066,708) | \$ - | \$ (2,066,708) |
| (8,840,488) | - | (8,840,488) |
| (629,689) | - | (629,689) |
| (1,266,442) | - | (1,266,442) |
| (51,708) | - | (51,708) |
| (41,870) | - | (41,870) |
| (740,835) | - | (740,835) |
| (28,195) | - | (28,195) |
| <u>(13,665,935)</u> | <u>-</u> | <u>(13,665,935)</u> |
| - | 1,021,453 | 1,021,453 |
| - | 614,622 | 614,622 |
| - | (9,500) | (9,500) |
| <u>-</u> | <u>1,626,575</u> | <u>1,626,575</u> |
| <u>(13,665,935)</u> | <u>1,626,575</u> | <u>(12,039,360)</u> |
| 758,923 | - | 758,923 |
| 67,327 | - | 67,327 |
| 67,327 | - | 67,327 |
| 9,295,332 | - | 9,295,332 |
| 404,207 | - | 404,207 |
| 606,310 | - | 606,310 |
| - | 404,207 | 404,207 |
| 630,859 | - | 630,859 |
| 18,707 | 75,653 | 94,360 |
| 14,262 | - | 14,262 |
| 372,420 | - | 372,420 |
| <u>12,235,674</u> | <u>479,860</u> | <u>12,715,534</u> |
| (1,430,261) | 2,106,435 | 676,174 |
| <u>17,391,599</u> | <u>21,997,077</u> | <u>39,388,676</u> |
| <u>\$ 15,961,338</u> | <u>\$ 24,103,512</u> | <u>\$ 40,064,850</u> |

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

| | <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 . . . | \$ 1,186,219 | \$ 2,214,007 | \$ 2,490,227 | \$ 5,890,453 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Municipal income taxes | 2,800,250 | - | 325,610 | 3,125,860 |
| Property and other taxes | 960,473 | - | 149,964 | 1,110,437 |
| Accounts | 128,001 | - | 48,416 | 176,417 |
| Intergovernmental | 283,552 | - | 578,407 | 861,959 |
| Special assessments | 1,191,169 | - | 21,960 | 1,213,129 |
| Accrued interest | 26,930 | - | - | 26,930 |
| Due from other funds | 26,159 | - | - | 26,159 |
| Loans | - | 989,808 | 623 | 990,431 |
| Interfund loans receivable. | 284,584 | - | - | 284,584 |
| Prepayments | 17,934 | - | 6,089 | 24,023 |
| Materials and supplies inventory | 10,302 | - | 47,695 | 57,997 |
| | <u>\$ 6,915,573</u> | <u>\$ 3,203,815</u> | <u>\$ 3,668,991</u> | <u>\$ 13,788,379</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 68,805 | \$ 16,825 | \$ 82,061 | \$ 167,691 |
| Accrued wages and benefits payable | 252,309 | 542 | 28,757 | 281,608 |
| Interfund loans payable. | - | - | 284,584 | 284,584 |
| Due to other funds | - | - | 26,159 | 26,159 |
| Due to other governments | 256,139 | 447 | 23,929 | 280,515 |
| Total liabilities | <u>577,253</u> | <u>17,814</u> | <u>445,490</u> | <u>1,040,557</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year. | 703,640 | - | 145,844 | 849,484 |
| Income tax revenue not available | 1,088,090 | - | 126,522 | 1,214,612 |
| Delinquent property tax revenue not available. | 230,498 | - | 4,120 | 234,618 |
| Accrued interest not available | 18,021 | - | - | 18,021 |
| Special assessments revenue not available. | 1,191,169 | - | 21,960 | 1,213,129 |
| Intergovernmental revenue not available. | 201,880 | - | 277,142 | 479,022 |
| Total deferred inflows of resources | <u>3,433,298</u> | <u>-</u> | <u>575,588</u> | <u>4,008,886</u> |
| Total liabilities and deferred inflows of resources. | <u>4,010,551</u> | <u>17,814</u> | <u>1,021,078</u> | <u>5,049,443</u> |
| Fund balances: | | | | |
| Nonspendable | 386,149 | - | 53,784 | 439,933 |
| Restricted. | - | 3,186,001 | 2,186,752 | 5,372,753 |
| Committed | 59,451 | - | 760,187 | 819,638 |
| Assigned | 1,299,804 | - | - | 1,299,804 |
| Unassigned (deficit). | 1,159,618 | - | (352,810) | 806,808 |
| Total fund balances. | <u>2,905,022</u> | <u>3,186,001</u> | <u>2,647,913</u> | <u>8,738,936</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 6,915,573</u> | <u>\$ 3,203,815</u> | <u>\$ 3,668,991</u> | <u>\$ 13,788,379</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, 2015

| | | |
|--|--------------|-------------------|
| Total governmental fund balances | \$ | 8,738,936 |
| <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. | | 20,204,053 |
| 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 | \$ 1,214,612 | |
| Property and other taxes receivable | 234,618 | |
| Interest receivable | 18,021 | |
| Special assessments receivable | 1,213,129 | |
| Intergovernmental receivable | 479,022 | |
| Total | | 3,159,402 |
| 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 (\$100,292). | | 176,235 |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. | | (1,776) |
| Unamortized deferred amounts on refundings are not recognized in the governmental funds. | | 3,217 |
| Unamortized premiums (discounts) on bond issuances are not recognized in the funds. | | (3,815) |
| The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds. | | |
| Net pension asset | 9,508 | |
| Deferred outflows of resources | 1,959,571 | |
| Deferred inflows of resources | (60,432) | |
| Net pension liability | (14,393,549) | |
| Total | | (12,484,902) |
| 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 | (315,000) | |
| Police and fire pension liability | (317,280) | |
| Loans payable | (547,839) | |
| Compensated absences | (2,649,893) | |
| Total | | (3,830,012) |
| Net position of governmental activities | \$ | 15,961,338 |

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, 2015

| | <u>General</u> | <u>Revolving Loan Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--------------------------------|---|---|
| Revenues: | | | | |
| Municipal income taxes | \$ 9,265,537 | \$ - | \$ 1,007,053 | \$ 10,272,590 |
| Property and other taxes. | 761,147 | - | 135,888 | 897,035 |
| Charges for services. | 325,908 | - | - | 325,908 |
| Licenses, permits and fees | 551,404 | - | 107,129 | 658,533 |
| Fines and forfeitures | 600,634 | - | 230,629 | 831,263 |
| Intergovernmental. | 603,344 | 46,420 | 2,108,870 | 2,758,634 |
| Investment income. | 14,728 | 37,014 | 9,687 | 61,429 |
| Rental income | 44,546 | - | - | 44,546 |
| Contributions and donations. | 25 | - | 10,473 | 10,498 |
| Gain on fair value adjustment | 14,262 | - | - | 14,262 |
| Other | 498,753 | 5,284 | 159,849 | 663,886 |
| Total revenues | <u>12,680,288</u> | <u>88,718</u> | <u>3,769,578</u> | <u>16,538,584</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,768,575 | - | 510,979 | 3,279,554 |
| Security of persons and property | 7,310,792 | - | 1,109,356 | 8,420,148 |
| Public health and welfare. | 651,471 | - | 308,960 | 960,431 |
| Transportation | 275,000 | - | 1,029,365 | 1,304,365 |
| Community environment | 161,218 | 218,151 | 549,898 | 929,267 |
| Leisure time activities. | 622,438 | - | 4,016 | 626,454 |
| Basic utility services. | 61,384 | - | - | 61,384 |
| Capital outlay | - | - | 1,778,871 | 1,778,871 |
| Debt service: | | | | |
| Principal retirement. | - | - | 263,673 | 263,673 |
| Interest and fiscal charges | - | - | 32,081 | 32,081 |
| Total expenditures | <u>11,850,878</u> | <u>218,151</u> | <u>5,587,199</u> | <u>17,656,228</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>829,410</u> | <u>(129,433)</u> | <u>(1,817,621)</u> | <u>(1,117,644)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 500 | - | 8,334 | 8,834 |
| Transfers in | - | - | 823,331 | 823,331 |
| Transfers (out). | (823,331) | - | - | (823,331) |
| Total other financing sources (uses) | <u>(822,831)</u> | <u>-</u> | <u>831,665</u> | <u>8,834</u> |
| Net change in fund balances | 6,579 | (129,433) | (985,956) | (1,108,810) |
| Fund balances at beginning of year | <u>2,898,443</u> | <u>3,315,434</u> | <u>3,633,869</u> | <u>9,847,746</u> |
| Fund balances at end of year | <u>\$ 2,905,022</u> | <u>\$ 3,186,001</u> | <u>\$ 2,647,913</u> | <u>\$ 8,738,936</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, 2015

| | | |
|--|--------------|--------------------|
| Net change in fund balances - total governmental funds | \$ | (1,108,810) |
| <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 | \$ 1,625,458 | |
| Current year depreciation | (1,861,541) | |
| Total | | (236,083) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. | | |
| | | (3,617) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Municipal income taxes | 33,259 | |
| Property taxes | (3,458) | |
| Intergovernmental revenues | 13,540 | |
| Investment income | 3,979 | |
| Special assessments | 73,241 | |
| Total | | 120,561 |
| 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. | | |
| | | 263,673 |
| 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 | 2,677 | |
| Amortization of deferred amounts on refunding | (1,679) | |
| Amortization of bond premiums and discounts | 2,888 | |
| Total | | 3,886 |
| Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | | |
| | | 1,301,545 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. | | |
| | | (1,447,943) |
| 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. | | |
| | | 16,036 |
| 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 (\$100,292), is allocated among the governmental activities. | | |
| | | (339,509) |
| Change in net position of governmental activities | \$ | (1,430,261) |

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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Municipal income taxes | \$ 8,399,538 | \$ 8,735,000 | \$ 8,718,250 | \$ (16,750) |
| Property and other taxes | 753,303 | 783,389 | 762,838 | (20,551) |
| Charges for services | 298,286 | 310,199 | 310,549 | 350 |
| Licenses, permits and fees | 172,337 | 179,220 | 209,404 | 30,184 |
| Fines and forfeitures | 585,917 | 609,317 | 609,318 | 1 |
| Intergovernmental | 584,228 | 607,561 | 607,563 | 2 |
| Investment income | 12,501 | 13,000 | 13,071 | 71 |
| Rental income | 64,042 | 66,600 | 44,204 | (22,396) |
| Contributions and donations | 96 | 100 | 25 | (75) |
| Other | 271,459 | 282,300 | 304,735 | 22,435 |
| Total revenues | <u>11,141,707</u> | <u>11,586,686</u> | <u>11,579,957</u> | <u>(6,729)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Mayor: | | | | |
| Salaries and wages | 86,000 | 86,000 | 83,392 | 2,608 |
| Fringe benefits. | 28,032 | 28,032 | 27,313 | 719 |
| Contractual services | 2,200 | 2,200 | 1,809 | 391 |
| Materials and supplies. | 1,900 | 1,900 | 1,836 | 64 |
| Total mayor. | <u>118,132</u> | <u>118,132</u> | <u>114,350</u> | <u>3,782</u> |
| Senior center: | | | | |
| Salaries and wages | 37,000 | 37,000 | 35,970 | 1,030 |
| Fringe benefits. | 19,344 | 19,344 | 18,642 | 702 |
| Contractual services | 100 | 100 | 100 | - |
| Materials and supplies. | 600 | 600 | 599 | 1 |
| Total senior center | <u>57,044</u> | <u>57,044</u> | <u>55,311</u> | <u>1,733</u> |
| Auditor: | | | | |
| Salaries and wages | 101,091 | 101,091 | 101,091 | - |
| Fringe benefits. | 46,924 | 46,924 | 45,243 | 1,681 |
| Contractual services | 16,180 | 16,180 | 15,416 | 764 |
| Materials and supplies. | 5,820 | 5,820 | 5,550 | 270 |
| Total auditor. | <u>170,015</u> | <u>170,015</u> | <u>167,300</u> | <u>2,715</u> |
| Treasurer: | | | | |
| Salaries and wages | 3,850 | 3,850 | 3,835 | 15 |
| Fringe benefits. | 739 | 739 | 731 | 8 |
| Materials and supplies. | 100 | 100 | 100 | - |
| Total treasurer | <u>4,689</u> | <u>4,689</u> | <u>4,666</u> | <u>23</u> |
| Law director: | | | | |
| Salaries and wages | 184,150 | 184,150 | 184,150 | - |
| Fringe benefits. | 54,776 | 54,776 | 54,746 | 30 |
| Contractual services | 5,050 | 5,050 | 4,047 | 1,003 |
| Materials and supplies. | 15,000 | 15,000 | 3,533 | 11,467 |
| Total law director. | <u>258,976</u> | <u>258,976</u> | <u>246,476</u> | <u>12,500</u> |
| City council: | | | | |
| Salaries and wages | 31,003 | 31,003 | 30,913 | 90 |
| Fringe benefits. | 5,864 | 5,864 | 5,832 | 32 |
| Total city council | <u>36,867</u> | <u>36,867</u> | <u>36,745</u> | <u>122</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, 2015

| | <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 | \$ 8,705 | \$ 8,705 | \$ 8,704 | \$ 1 |
| Fringe benefits. | 1,604 | 1,604 | 1,598 | 6 |
| Contractual services | 10,521 | 10,521 | 7,841 | 2,680 |
| Materials and supplies. | 1,003 | 1,003 | 60 | 943 |
| Total clerk of council. | <u>21,833</u> | <u>21,833</u> | <u>18,203</u> | <u>3,630</u> |
| Judge and probation: | | | | |
| Salaries and wages | 198,487 | 198,487 | 197,589 | 898 |
| Fringe benefits. | 72,359 | 72,359 | 69,451 | 2,908 |
| Contractual services | 12,000 | 12,000 | 9,018 | 2,982 |
| Materials and supplies. | 4,500 | 4,500 | 4,164 | 336 |
| Total judge and probation. | <u>287,346</u> | <u>287,346</u> | <u>280,222</u> | <u>7,124</u> |
| Clerk of courts: | | | | |
| Salaries and wages | 228,829 | 228,829 | 228,829 | - |
| Fringe benefits. | 118,323 | 118,323 | 115,565 | 2,758 |
| Contractual services | 42,500 | 42,500 | 33,856 | 8,644 |
| Materials and supplies. | 21,500 | 21,500 | 11,696 | 9,804 |
| Total clerk of courts. | <u>411,152</u> | <u>411,152</u> | <u>389,946</u> | <u>21,206</u> |
| Civil service: | | | | |
| Salaries and wages | 15,150 | 15,150 | 14,856 | 294 |
| Fringe benefits. | 2,681 | 2,681 | 2,630 | 51 |
| Materials and supplies. | 11,415 | 11,415 | 11,415 | - |
| Total civil service. | <u>29,246</u> | <u>29,246</u> | <u>28,901</u> | <u>345</u> |
| Engineering: | | | | |
| Salaries and wages | 81,368 | 81,368 | 76,799 | 4,569 |
| Fringe benefits. | 35,870 | 35,870 | 29,971 | 5,899 |
| Contractual services | 25,061 | 25,061 | 18,170 | 6,891 |
| Materials and supplies. | 4,322 | 4,322 | 3,879 | 443 |
| Total engineering. | <u>146,621</u> | <u>146,621</u> | <u>128,819</u> | <u>17,802</u> |
| State examiner: | | | | |
| Contractual services | 15,964 | 15,964 | 15,551 | 413 |
| Total state examiner | <u>15,964</u> | <u>15,964</u> | <u>15,551</u> | <u>413</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, 2015

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| Land and buildings: | | | | |
| Salaries and wages | \$ 53,000 | \$ 53,000 | \$ 50,947 | \$ 2,053 |
| Fringe benefits. | 20,814 | 20,814 | 20,167 | 647 |
| Contractual services | 364,916 | 364,916 | 331,168 | 33,748 |
| Total land and buildings. | <u>438,730</u> | <u>438,730</u> | <u>402,282</u> | <u>36,448</u> |
| General administration: | | | | |
| Salaries and wages | 33,000 | 33,000 | 30,428 | 2,572 |
| Fringe benefits. | 8,839 | 8,839 | 8,368 | 471 |
| Contractual services | 181,023 | 191,523 | 164,561 | 26,962 |
| Materials and supplies. | 19,000 | 19,000 | 16,145 | 2,855 |
| Other | 600 | 600 | 530 | 70 |
| Total general administration. | <u>242,462</u> | <u>252,962</u> | <u>220,032</u> | <u>32,930</u> |
| Total general government. | <u>2,239,077</u> | <u>2,249,577</u> | <u>2,108,804</u> | <u>140,773</u> |
| Security of persons and property: | | | | |
| Police: | | | | |
| Salaries and wages | 2,842,315 | 2,852,525 | 2,837,096 | 15,429 |
| Fringe benefits. | 710,822 | 710,822 | 655,060 | 55,762 |
| Contractual services | 208,074 | 208,074 | 202,164 | 5,910 |
| Materials and supplies. | 220,668 | 230,668 | 157,145 | 73,523 |
| Total police. | <u>3,981,879</u> | <u>4,002,089</u> | <u>3,851,465</u> | <u>150,624</u> |
| Fire: | | | | |
| Salaries and wages | 2,005,372 | 2,005,372 | 1,949,602 | 55,770 |
| Fringe benefits. | 470,363 | 470,363 | 441,339 | 29,024 |
| Contractual services | 143,805 | 143,805 | 104,082 | 39,723 |
| Materials and supplies. | 53,810 | 53,810 | 27,024 | 26,786 |
| Total fire | <u>2,673,350</u> | <u>2,673,350</u> | <u>2,522,047</u> | <u>151,303</u> |
| Fire communications: | | | | |
| Materials and supplies. | 4,944 | 4,944 | 3,792 | 1,152 |
| Total fire communications. | <u>4,944</u> | <u>4,944</u> | <u>3,792</u> | <u>1,152</u> |
| Safety administration: | | | | |
| Salaries and wages | 442,160 | 442,160 | 425,479 | 16,681 |
| Fringe benefits. | 192,459 | 192,459 | 181,854 | 10,605 |
| Contractual services | 408,000 | 408,000 | 366,173 | 41,827 |
| Total safety administration. | <u>1,042,619</u> | <u>1,042,619</u> | <u>973,506</u> | <u>69,113</u> |
| Prisoner support: | | | | |
| Contractual services | 8,000 | 8,000 | 5,705 | 2,295 |
| Total prisoner support. | <u>8,000</u> | <u>8,000</u> | <u>5,705</u> | <u>2,295</u> |
| Total security of persons and property | <u>7,710,792</u> | <u>7,731,002</u> | <u>7,356,515</u> | <u>374,487</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, 2015

| | <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 | \$ 88,079 | \$ 88,079 | \$ 87,045 | \$ 1,034 |
| Fringe benefits. | 40,375 | 40,375 | 34,423 | 5,952 |
| Contractual services | 36,430 | 36,430 | 31,779 | 4,651 |
| Materials and supplies. | 300 | 300 | 298 | 2 |
| Other | 1,075 | 1,075 | 1,075 | - |
| Total health control and prevention | <u>166,259</u> | <u>166,259</u> | <u>154,620</u> | <u>11,639</u> |
| Health administration: | | | | |
| Salaries and wages | 320,439 | 320,439 | 316,816 | 3,623 |
| Fringe benefits. | 119,281 | 119,281 | 114,896 | 4,385 |
| Contractual services | 10,400 | 10,400 | 9,341 | 1,059 |
| Materials and supplies. | 24,680 | 24,680 | 21,735 | 2,945 |
| Other | 46,000 | 46,000 | 44,781 | 1,219 |
| Total health administration | <u>520,800</u> | <u>520,800</u> | <u>507,569</u> | <u>13,231</u> |
| Total public health services | <u>687,059</u> | <u>687,059</u> | <u>662,189</u> | <u>24,870</u> |
| Community environment: | | | | |
| Planning commission: | | | | |
| Contractual services | 2,000 | 2,000 | - | 2,000 |
| Total planning commission | <u>2,000</u> | <u>2,000</u> | <u>-</u> | <u>2,000</u> |
| Tree care: | | | | |
| Contractual services | 1,536 | 1,536 | 1,536 | - |
| Total tree care. | <u>1,536</u> | <u>1,536</u> | <u>1,536</u> | <u>-</u> |
| Zoning and building: | | | | |
| Salaries and wages | 118,600 | 118,600 | 118,588 | 12 |
| Fringe benefits. | 20,938 | 20,938 | 20,926 | 12 |
| Contractual services | 11,470 | 22,470 | 17,130 | 5,340 |
| Materials and supplies. | 3,975 | 3,975 | 3,507 | 468 |
| Other | 667 | 667 | 564 | 103 |
| Total zoning and building. | <u>155,650</u> | <u>166,650</u> | <u>160,715</u> | <u>5,935</u> |
| Total community environment | <u>159,186</u> | <u>170,186</u> | <u>162,251</u> | <u>7,935</u> |
| Basic utility services: | | | | |
| Storm sewer: | | | | |
| Salaries and wages | 51,550 | 51,550 | 49,151 | 2,399 |
| Fringe benefits. | 14,963 | 14,963 | 12,695 | 2,268 |
| Total storm sewer | <u>66,513</u> | <u>66,513</u> | <u>61,846</u> | <u>4,667</u> |
| Total basic utility services. | <u>66,513</u> | <u>66,513</u> | <u>61,846</u> | <u>4,667</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, 2015

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Leisure time activities: | | | | |
| Parks: | | | | |
| Salaries and wages | \$ 309,646 | \$ 309,646 | \$ 308,210 | \$ 1,436 |
| Fringe benefits. | 98,628 | 98,628 | 96,550 | 2,078 |
| Contractual services | 72,569 | 72,569 | 67,610 | 4,959 |
| Materials and supplies. | 24,525 | 24,525 | 18,706 | 5,819 |
| Other | 300 | 300 | 300 | - |
| Total parks. | <u>505,668</u> | <u>505,668</u> | <u>491,376</u> | <u>14,292</u> |
| Recreation: | | | | |
| Salaries and wages | 93,576 | 93,576 | 93,314 | 262 |
| Fringe benefits. | 28,557 | 28,557 | 27,999 | 558 |
| Contractual services | 4,120 | 4,120 | 4,115 | 5 |
| Materials and supplies. | 10,800 | 10,800 | 10,600 | 200 |
| Total recreation | <u>137,053</u> | <u>137,053</u> | <u>136,028</u> | <u>1,025</u> |
| Total leisure time activities. | <u>642,721</u> | <u>642,721</u> | <u>627,404</u> | <u>15,317</u> |
| Transportation: | | | | |
| Street transportation: | | | | |
| Capital outlay | 145,000 | 275,000 | 275,000 | - |
| Total recreation | <u>145,000</u> | <u>275,000</u> | <u>275,000</u> | <u>-</u> |
| Total transportation | <u>145,000</u> | <u>275,000</u> | <u>275,000</u> | <u>-</u> |
| Total expenditures | <u>11,650,348</u> | <u>11,822,058</u> | <u>11,254,009</u> | <u>568,049</u> |
| Excess (deficiency) of revenues over (under) expenditures. | <u>(508,641)</u> | <u>(235,372)</u> | <u>325,948</u> | <u>561,320</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | 217,752 | 236,377 | 216,378 | (19,999) |
| Transfers out | (906,940) | (906,940) | (823,331) | 83,609 |
| Proceeds from sale of capital assets. | 461 | 500 | 500 | - |
| Advance out. | - | (284,584) | (284,584) | - |
| Total other financing sources (uses). | <u>(688,727)</u> | <u>(954,647)</u> | <u>(891,037)</u> | <u>63,610</u> |
| Net change in fund balance. | (1,197,368) | (1,190,019) | (565,089) | 624,930 |
| Fund balance at beginning of year. | 1,170,903 | 1,170,903 | 1,170,903 | - |
| Prior year encumbrances appropriated | 26,781 | 26,781 | 26,781 | - |
| Fund balance (deficit) at end of year. | \$ 316 | \$ 7,665 | \$ 632,595 | \$ 624,930 |

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, 2015

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment income | \$ 31,500 | \$ 31,500 | \$ 37,014 | \$ 5,514 |
| Intergovernmental | - | - | 46,420 | 46,420 |
| Other | 450,000 | 450,000 | 354,431 | (95,569) |
| Total revenues | <u>481,500</u> | <u>481,500</u> | <u>437,865</u> | <u>(43,635)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community environment: | | | | |
| Salaries and wages | 19,000 | 19,000 | 16,417 | 2,583 |
| Fringe benefits. | 4,276 | 4,276 | 2,929 | 1,347 |
| Contractual services | 299,000 | 299,000 | 201,728 | 97,272 |
| Capital outlay | 1,775,030 | 1,775,030 | 126,971 | 1,648,059 |
| Total expenditures. | <u>2,097,306</u> | <u>2,097,306</u> | <u>348,045</u> | <u>1,749,261</u> |
| Net change in fund balance | (1,615,806) | (1,615,806) | 89,820 | 1,705,626 |
| Fund balance at beginning of year | 2,066,362 | 2,066,362 | 2,066,362 | - |
| Fund balance at end of year. | <u>\$ 450,556</u> | <u>\$ 450,556</u> | <u>\$ 2,156,182</u> | <u>\$ 1,705,626</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2015

| | 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 . . . | \$ 2,793,818 | \$ 5,684,829 | \$ 98,034 | \$ 8,576,681 | \$ 311,767 |
| Restricted assets: | | | | | |
| Cash and cash equivalents with fiscal agents . . . | 1,158,521 | - | - | 1,158,521 | - |
| Receivables (net of allowance for uncollectibles): | | | | | |
| Accounts | 922,082 | 643,623 | - | 1,565,705 | 4,078 |
| Municipal income taxes | 130,244 | - | - | 130,244 | - |
| Prepayments | 11,656 | 11,656 | 238 | 23,550 | - |
| Materials and supplies inventory | 437,296 | 46,512 | - | 483,808 | - |
| Total current assets | <u>5,453,617</u> | <u>6,386,620</u> | <u>98,272</u> | <u>11,938,509</u> | <u>315,845</u> |
| Noncurrent assets: | | | | | |
| Net pension asset | 3,467 | 3,849 | - | 7,316 | - |
| Restricted assets: | | | | | |
| Equity in pooled cash and cash equivalents. | 878,195 | - | - | 878,195 | - |
| Cash and cash equivalents with fiscal agents | 520,384 | - | - | 520,384 | - |
| Total restricted assets. | <u>1,398,579</u> | <u>-</u> | <u>-</u> | <u>1,398,579</u> | <u>-</u> |
| Capital assets: | | | | | |
| Non-depreciable capital assets. | 868,812 | 405,933 | - | 1,274,745 | - |
| Depreciable capital assets, net | 12,556,834 | 8,841,074 | 247,716 | 21,645,624 | - |
| Total capital assets, net. | <u>13,425,646</u> | <u>9,247,007</u> | <u>247,716</u> | <u>22,920,369</u> | <u>-</u> |
| Total noncurrent assets | <u>14,827,692</u> | <u>9,250,856</u> | <u>247,716</u> | <u>24,326,264</u> | <u>-</u> |
| Total assets | <u>20,281,309</u> | <u>15,637,476</u> | <u>345,988</u> | <u>36,264,773</u> | <u>315,845</u> |
| Deferred outflows of resources: | | | | | |
| Unamortized deferred charges on debt refunding | 584,112 | - | - | 584,112 | - |
| Pension-OPERS | 216,834 | 240,741 | - | 457,575 | - |
| Total deferred outflows of resources | <u>800,946</u> | <u>240,741</u> | <u>-</u> | <u>1,041,687</u> | <u>-</u> |
| Total assets and deferred outflows of resources | <u>\$ 21,082,255</u> | <u>\$ 15,878,217</u> | <u>\$ 345,988</u> | <u>\$ 37,306,460</u> | <u>\$ 315,845</u> |

- Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (CONTINUED)
 DECEMBER 31, 2015

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|--|---|----------------------|--|----------------------|--|
| | Water | Sewer | Nonmajor Robertson Community Center | Total | |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 96,002 | \$ 96,100 | \$ 1,252 | \$ 193,354 | \$ - |
| Accrued wages and benefits payable | 42,379 | 50,468 | - | 92,847 | - |
| Compensated absences | 158,840 | 157,145 | - | 315,985 | - |
| Due to other governments | 36,822 | 41,375 | 126 | 78,323 | - |
| Accrued interest payable | 4,504 | - | - | 4,504 | - |
| Claims payable | - | - | - | - | 239,902 |
| Payable from restricted assets: | | | | | |
| Revenue bonds payable - current | 1,248,295 | - | - | 1,248,295 | - |
| Accrued interest payable | 70,124 | - | - | 70,124 | - |
| General obligation bonds payable - current | 55,010 | - | - | 55,010 | - |
| OPWC loans payable - current | 37,105 | 42,985 | - | 80,090 | - |
| Total current liabilities | <u>1,749,081</u> | <u>388,073</u> | <u>1,378</u> | <u>2,138,532</u> | <u>239,902</u> |
| Long-term liabilities: | | | | | |
| Revenue bonds payable | 5,467,143 | - | - | 5,467,143 | - |
| General obligation bonds payable | 970,151 | - | - | 970,151 | - |
| OPWC loans payable | 1,057,482 | 459,286 | - | 1,516,768 | - |
| Compensated absences payable | 259,234 | 184,436 | - | 443,670 | - |
| Net pension liability | 1,194,115 | 1,325,775 | - | 2,519,890 | - |
| Total long-term liabilities | <u>8,948,125</u> | <u>1,969,497</u> | <u>-</u> | <u>10,917,622</u> | <u>-</u> |
| Total liabilities | <u>10,697,206</u> | <u>2,357,570</u> | <u>1,378</u> | <u>13,056,154</u> | <u>239,902</u> |
| Deferred inflows of resources: | | | | | |
| Pension OPERS. | 22,036 | 24,466 | - | 46,502 | - |
| Total deferred inflows of resources | <u>22,036</u> | <u>24,466</u> | <u>-</u> | <u>46,502</u> | <u>-</u> |
| Net position: | | | | | |
| Net investment in capital assets | 5,322,109 | 8,744,736 | 247,716 | 14,314,561 | - |
| Restricted for: | | | | | |
| Debt service | 520,304 | - | - | 520,304 | - |
| Replacement and surplus reserve | 878,195 | - | - | 878,195 | - |
| Unrestricted | 3,642,405 | 4,751,445 | 96,894 | 8,490,744 | 75,943 |
| Total net position | <u>\$ 10,363,013</u> | <u>\$ 13,496,181</u> | <u>\$ 344,610</u> | <u>24,203,804</u> | <u>\$ 75,943</u> |
| Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds. | | | | (100,292) | |
| Net position of business-type activities | | | | <u>\$ 24,103,512</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, 2015

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|--|--|----------------------|---|---------------------|--|
| | Water | Sewer | Nonmajor- Roberston Community Center | Total | |
| Operating revenues: | | | | | |
| Charges for services | \$ 5,153,741 | \$ 4,463,683 | \$ - | \$ 9,617,424 | \$ 2,266,885 |
| Licenses, permits and fees | - | 28,016 | - | 28,016 | - |
| Other | 90,486 | 55,215 | 44,928 | 190,629 | - |
| Total operating revenues. | 5,244,227 | 4,546,914 | 44,928 | 9,836,069 | 2,266,885 |
| Operating expenses: | | | | | |
| Salaries and benefits | 1,341,881 | 1,536,111 | 11,057 | 2,889,049 | - |
| Fringe benefits | 543,404 | 528,503 | 1,834 | 1,073,741 | - |
| Contract services. | 577,517 | 904,058 | 15,292 | 1,496,867 | - |
| Materials and supplies | 774,354 | 247,149 | 11,944 | 1,033,447 | - |
| Depreciation. | 482,239 | 591,175 | 14,301 | 1,087,715 | - |
| Claims. | - | - | - | - | 2,729,400 |
| Other | 8,486 | 59,038 | - | 67,524 | - |
| Total operating expenses. | 3,727,881 | 3,866,034 | 54,428 | 7,648,343 | 2,729,400 |
| Operating income (loss) | 1,516,346 | 680,880 | (9,500) | 2,187,726 | (462,515) |
| Nonoperating revenues (expenses): | | | | | |
| Interest revenue | 21,132 | 54,521 | - | 75,653 | - |
| Interest expense and fiscal charges | (436,116) | - | - | (436,116) | - |
| Loss on disposal of capital assets. | - | (2,029) | - | (2,029) | - |
| Municipal income tax revenue | 404,207 | - | - | 404,207 | - |
| Total nonoperating revenues (expenses) | (10,777) | 52,492 | - | 41,715 | - |
| Change in net position | 1,505,569 | 733,372 | (9,500) | 2,229,441 | (462,515) |
| Net position at beginning of year (restated). | 8,857,444 | 12,762,809 | 354,110 | | 538,458 |
| Net position at end of year | \$ 10,363,013 | \$ 13,496,181 | \$ 344,610 | | \$ 75,943 |
| Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds. | | | | (123,006) | |
| Change in net position of business-type activities. | | | | \$ 2,106,435 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | 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 | \$ 5,120,190 | \$ 4,440,170 | \$ - | \$ 9,560,360 | \$ - |
| Cash received from licenses and permits | - | 28,016 | - | 28,016 | - |
| Cash received from other operations | 70,887 | 40,041 | 44,928 | 155,856 | - |
| Cash received from interfund services provided | - | - | - | - | 2,262,807 |
| Cash payments for salaries and benefits | (1,340,609) | (1,528,121) | (11,057) | (2,879,787) | - |
| Cash payments for fringe benefits | (555,906) | (616,969) | (2,061) | (1,174,936) | - |
| Cash payments for contractual services | (531,995) | (854,680) | (15,349) | (1,402,024) | - |
| Cash payments for materials and supplies | (754,285) | (273,613) | (11,944) | (1,039,842) | - |
| Cash payments for claims | - | - | - | - | (2,764,051) |
| Cash payments for other expenses | (7,193) | (56,193) | - | (63,386) | - |
| Net cash provided by (used in) operating activities | <u>2,001,089</u> | <u>1,178,651</u> | <u>4,517</u> | <u>3,184,257</u> | <u>(501,244)</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Cash received from municipal income taxes | 405,500 | - | - | 405,500 | - |
| Net cash provided by noncapital financing activities | <u>405,500</u> | <u>-</u> | <u>-</u> | <u>405,500</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | (214,313) | (441,576) | - | (655,889) | - |
| Proceeds from OPWC loans | 77,310 | - | - | 77,310 | - |
| Principal retirement on general obligation bonds | (55,000) | - | - | (55,000) | - |
| Principal retirement on revenue bonds | (1,200,000) | - | - | (1,200,000) | - |
| Principal retirement on OPWC loans | (18,552) | (42,984) | - | (61,536) | - |
| Interest and fiscal charges | (336,175) | - | - | (336,175) | - |
| Net cash used for capital and related financing activities | <u>(1,746,730)</u> | <u>(484,560)</u> | <u>-</u> | <u>(1,031,290)</u> | <u>-</u> |
| Cash flows from investing activities: | | | | | |
| Interest received | 21,132 | 44,415 | - | 65,547 | - |
| Net cash provided by investing activities | <u>21,132</u> | <u>44,415</u> | <u>-</u> | <u>65,547</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | 680,991 | 738,506 | 4,517 | 2,624,014 | (501,244) |
| Cash and cash equivalents at beginning 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> |
| Cash and cash equivalents at end of year | <u>\$ 5,350,918</u> | <u>\$ 5,684,829</u> | <u>\$ 98,034</u> | <u>\$ 12,333,781</u> | <u>\$ 311,767</u> |

- Continued

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

| | 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 (used in) operating activities: | | | | | |
| Operating income (loss) | \$ 1,516,346 | \$ 680,880 | \$ (9,500) | \$ 2,187,726 | \$ (462,515) |
| Adjustments: | | | | | |
| Depreciation | 482,239 | 591,175 | 14,301 | 1,087,715 | - |
| Changes in assets and liabilities: | | | | | |
| (Increase) in accounts receivable | (51,857) | (35,842) | - | (87,699) | (4,078) |
| Decrease in materials and supplies inventory | 2,138 | 3,237 | - | 5,375 | - |
| Decrease (increase) in prepayments | (242) | (242) | 88 | (396) | - |
| (Increase) in net pension asset | (2,522) | (2,800) | - | (5,322) | - |
| (Increase) in deferred outflows - pension - OPERS. | (67,160) | (74,564) | - | (141,724) | - |
| Increase in accounts payable | 65,163 | 19,813 | 925 | 85,901 | - |
| Increase in accrued wages and benefits. | 1,272 | 7,990 | - | 9,262 | - |
| (Decrease) in intergovernmental payable | (19,608) | (17,799) | (1,297) | (38,704) | - |
| Increase (decrease) in compensated absences payable. | 26,313 | (47,608) | - | (21,295) | - |
| Increase in net pension liability | 26,971 | 29,945 | - | 56,916 | - |
| Increase in deferred inflows - pension - OPERS | 22,036 | 24,466 | - | 46,502 | - |
| (Decrease) in claims payable | - | - | - | - | (34,651) |
| Net cash provided by (used in) operating activities | <u>\$ 2,001,089</u> | <u>\$ 1,178,651</u> | <u>\$ 4,517</u> | <u>\$ 3,184,257</u> | <u>\$ (501,244)</u> |

Noncash capital and related financing activities:

During 2015, the sewer fund purchased \$1,616 in capital assets on account.

CITY OF ALLIANCE, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2015**

| | <u>Agency</u> |
|--|------------------|
| Assets: | |
| Cash and cash equivalents in segregated accounts | \$ 29,353 |
| Receivables: | |
| Accounts | <u>21,069</u> |
| Total assets | <u>\$ 50,422</u> |
| Liabilities: | |
| Due to others | <u>\$ 50,422</u> |
| Total liabilities | <u>\$ 50,422</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, 2015**

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 2015, 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 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, 2015

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, 2015

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, 2015

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 revenues, expenses and changes in 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, 2015

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources have been reported for the following items related to the City's net pension liability: (1) the net difference between projected and actual investment earnings on pension plan assets, (2) the City's contributions to the pension systems subsequent to the measurement date and (3) differences between the employer's contributions and the employer's proportional share of contributions.

In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

The City also reports deferred inflow of resources for the following item related to the City's net pension liability: (1) differences between expected and actual experience. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Budgetary Data

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

F. Cash and Cash Equivalents

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

During 2015, 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, 2015.

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 2015 amounted to \$14,728, which includes \$5,379 assigned from other City funds.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

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

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

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

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

G. Interfund Assets and Liabilities

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is classified as “interfund loans receivable/payable” for the current portion of interfund loans. 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 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 were incurred.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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.

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2015 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 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

M. Compensated Absences

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

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have resigned or retired will be paid. During 2015 no compensated absences are reported in governmental fund financial statements.

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.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

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

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

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

O. Capitalization of Interest

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

P. Interfund Activity

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

Q. Estimates

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

R. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the financial statements only to the extent that they are normally due for payment during the current year. Bonds, 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 2015, there were no contributions of capital.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

U. Pensions

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For 2015, the City implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the City's pension plan disclosures, as presented in Note 11 to the financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

A net position restatement is required in order to implement GASB Statement No. 68 and 71. The governmental activities and business-type activities at January 1, 2015 have been restated as follows:

| | <u>Governmental Activities</u> | | |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| Net position as previously reported | \$ 29,730,103 | | |
| Deferred outflows - payments | | | |
| subsequent to measurement date | 1,312,911 | | |
| Net pension asset | 2,591 | | |
| Net pension liability | <u>(13,654,006)</u> | | |
| Restated net position at January 1, 2015 | <u>\$ 17,391,599</u> | | |
| | | <u>Water Enterprise Fund</u> | <u>Sewer Enterprise Fund</u> |
| | <u>Business-Type Activities</u> | | |
| Net position as previously reported | \$ 24,142,206 | \$ 9,873,969 | \$ 13,891,413 |
| Deferred outflows - payments | | | |
| subsequent to measurement date | 315,851 | 149,674 | 166,177 |
| Net pension asset | 1,994 | 945 | 1,049 |
| Net pension liability | <u>(2,462,974)</u> | <u>(1,167,144)</u> | <u>(1,295,830)</u> |
| Restated net position at January 1, 2015 | <u>\$ 21,997,077</u> | <u>\$ 8,857,444</u> | <u>\$ 12,762,809</u> |

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on governmental fund balances.

B. Deficit Fund Balances

Fund balances at December 31, 2015 included the following individual fund deficits:

| <u>Nonmajor funds</u> | <u>Deficit</u> |
|---|----------------|
| Brownfield grant | \$ 338,393 |
| Alliance municipal court special projects | 14,417 |

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 | \$ (565,089) | \$ 89,820 |
| Net adjustment for revenue accruals | (40,380) | (349,147) |
| Net adjustment for expenditure accruals | 268,347 | 72,069 |
| Net adjustment for other financing sources and uses | 68,206 | - |
| Funds budgeted elsewhere | 255,667 | - |
| Adjustment for encumbrances | 19,828 | 57,825 |
| GAAP basis | \$ 6,579 | \$ (129,433) |

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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 \$29,353 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, 2015, the carrying amount of all City deposits was \$3,039,998. As of December 31, 2015, \$2,479,530 of the City’s bank balance of \$3,432,408 was exposed to custodial risk as discussed below, while \$952,878 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, 2015

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2015, 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 | \$ 1,583,227 | \$ 598,248 | \$ 984,979 | \$ - | \$ - | \$ - |
| FFCB | 2,131,899 | 499,765 | - | 269,452 | - | 1,362,682 |
| FHLB | 1,842,705 | - | 623,719 | - | 423,990 | 794,996 |
| FNMA | 5,534,472 | - | 569,413 | - | 995,180 | 3,969,879 |
| FHLMC | 964,389 | - | - | - | 497,715 | 466,674 |
| U.S. Government money market funds | 1,690,031 | 1,690,031 | - | - | - | - |
| STAR Ohio | <u>578,633</u> | <u>578,633</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 14,325,356</u> | <u>\$ 3,366,677</u> | <u>\$ 2,178,111</u> | <u>\$ 269,452</u> | <u>\$ 1,916,885</u> | <u>\$ 6,594,231</u> |

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

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

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

Credit Risk: STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The commercial paper, 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, 2015

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, 2015:

| <u>Investment type</u> | <u>Fair Value</u> | <u>% of Total</u> |
|------------------------------------|----------------------|-------------------|
| Commercial paper | \$ 1,583,227 | 11.05 |
| FFCB | 2,131,899 | 14.88 |
| FHLB | 1,842,705 | 12.86 |
| FNMA | 5,534,472 | 38.64 |
| FHLMC | 964,389 | 6.73 |
| U.S. Government money market funds | 1,690,031 | 11.80 |
| STAR Ohio | <u>578,633</u> | <u>4.04</u> |
| Total | <u>\$ 14,325,356</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, 2015:

| | |
|---|----------------------|
| <u>Cash and investments per note</u> | |
| Carrying amount of deposits | \$ 3,039,998 |
| Investments | <u>14,325,356</u> |
| Total | <u>\$ 17,365,354</u> |
| <u>Cash and investments per statement of net position</u> | |
| Governmental activities | \$ 6,202,220 |
| Business-type activities | 11,133,781 |
| Agency | <u>29,353</u> |
| Total | <u>\$ 17,365,354</u> |

NOTE 6 - RECEIVABLES

Receivables at December 31, 2015 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 \$487,979 for bankrupt accounts.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 fair 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. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 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, 2015 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 2015 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, 2015 was \$6.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

| | |
|-------------------------------|----------------------|
| <u>Real property</u> | |
| Residential/agricultural | \$166,785,490 |
| Commercial/industrial/mineral | 98,900,790 |
| Public utility | <u>12,318,940</u> |
| Total assessed value | <u>\$278,005,220</u> |

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015 were \$990,431.

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 2015, 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 2015 was \$3,125,860 in the governmental funds and \$130,244 in the water fund.

D. Special Assessments

Special assessments include annually assessed demolition assessments.

Demolition special assessments are levied against all property owners which benefit from the demolitions.

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, 2015, the total special assessments receivable was \$1,213,129, all of which were delinquent receivables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - CAPITAL ASSETS

Capital asset activity for 2015 is as follows:

| | Balance | | | Balance |
|---|----------------------|--------------------|---------------------|----------------------|
| <u>Governmental activities:</u> | <u>1/1/15</u> | <u>Additions</u> | <u>Disposals</u> | <u>12/31/15</u> |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 2,688,987 | \$ - | \$ - | \$ 2,688,987 |
| Easements and right of ways | 85,618 | - | - | 85,618 |
| Construction in progress | <u>1,529,953</u> | <u>190,847</u> | <u>(426,675)</u> | <u>1,294,125</u> |
| Total capital assets, not being depreciated | <u>4,304,558</u> | <u>190,847</u> | <u>(426,675)</u> | <u>4,068,730</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Buildings, structures and improvements | 8,486,509 | 310,442 | - | 8,796,951 |
| Furniture, fixtures and equipment | 4,587,274 | 362,317 | (36,175) | 4,913,416 |
| Vehicles | 3,698,949 | 120,449 | - | 3,819,398 |
| Infrastructure | <u>32,143,826</u> | <u>1,068,078</u> | <u>-</u> | <u>33,211,904</u> |
| Total capital assets, being depreciated | <u>48,916,558</u> | <u>1,861,286</u> | <u>(36,175)</u> | <u>50,741,669</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Buildings, structures and improvements | (3,021,445) | (216,400) | - | (3,237,845) |
| Furniture, fixtures and equipment | (3,100,849) | (192,256) | 32,558 | (3,260,547) |
| Vehicles | (2,436,388) | (139,576) | - | (2,575,964) |
| Infrastructure | <u>(24,218,681)</u> | <u>(1,313,309)</u> | <u>-</u> | <u>(25,531,990)</u> |
| Total accumulated depreciation | <u>(32,777,363)</u> | <u>(1,861,541)</u> | <u>32,558</u> | <u>(34,606,346)</u> |
| Total capital assets being depreciated, net | <u>16,139,195</u> | <u>(255)</u> | <u>(3,617)</u> | <u>16,135,323</u> |
| Governmental activities capital assets, net | <u>\$ 20,443,753</u> | <u>\$ 190,592</u> | <u>\$ (430,292)</u> | <u>\$ 20,204,053</u> |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

| | |
|--|--------------------|
| General government | \$ 371,483 |
| Security of persons and property | 238,466 |
| Public health services | 3,815 |
| Transportation | 1,128,702 |
| Community environment | 5,396 |
| Basic utility services | 1,499 |
| Leisure time activities | <u>112,180</u> |
| Total depreciation expense - governmental activities | <u>\$1,861,541</u> |

| | Balance | | | Balance |
|---|---------------------|---------------------|----------------------|---------------------|
| <u>Business-type activities:</u> | 1/1/15 | Additions | Disposals | 12/31/15 |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 869,941 | \$ - | \$ - | \$ 869,941 |
| Construction in progress | <u>2,327,386</u> | <u>345,880</u> | <u>(2,237,961)</u> | <u>435,305</u> |
| Total capital assets, not being depreciated | <u>3,197,327</u> | <u>345,880</u> | <u>(2,237,961)</u> | <u>1,305,246</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 1,482,896 | - | - | 1,482,896 |
| Buildings, structures and improvements | 10,868,092 | 2,271,471 | - | 13,139,563 |
| Water and sewer lines | 25,913,575 | - | - | 25,913,575 |
| Furniture, fixtures and equipment | <u>9,010,064</u> | <u>278,115</u> | <u>(20,291)</u> | <u>9,267,888</u> |
| Total capital assets, being depreciated | <u>47,274,627</u> | <u>2,549,586</u> | <u>(20,291)</u> | <u>49,803,922</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Land improvements | (1,264,149) | (20,634) | - | (1,284,783) |
| Buildings, structures and improvements | (6,751,277) | (220,690) | - | (6,971,967) |
| Water and sewer lines | (14,721,766) | (502,752) | - | (15,224,518) |
| Furniture, fixtures and equipment | <u>(4,382,154)</u> | <u>(343,639)</u> | <u>18,262</u> | <u>(4,707,531)</u> |
| Total accumulated depreciation | <u>(27,119,346)</u> | <u>(1,087,715)</u> | <u>18,262</u> | <u>(28,188,799)</u> |
| Total capital assets being depreciated, net | <u>20,155,281</u> | <u>1,461,871</u> | <u>(2,029)</u> | <u>21,615,123</u> |
| Business-type activities capital assets, net | <u>\$23,352,608</u> | <u>\$ 1,807,751</u> | <u>\$(2,239,990)</u> | <u>\$22,920,369</u> |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type activities:

| | |
|---|---------------------|
| Sewer | \$ 591,175 |
| Water | 482,239 |
| Nonmajor: | |
| Robertson Community Center | 14,301 |
| Total depreciation expense - business-type activities | <u>\$ 1,087,715</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 2015, 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, 2015

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 \$239,902 reported in the self-insurance fund at December 31, 2015 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 |
|------|------------------------------------|---------------------------|-------------------|------------------------------|
| 2013 | \$ 232,472 | \$ 2,691,812 | \$ (2,640,402) | \$ 283,882 |
| 2014 | 283,882 | 2,233,121 | (2,242,450) | 274,553 |
| 2015 | 274,553 | 2,729,400 | (2,764,051) | 239,902 |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - INTERFUND TRANSACTIONS

A. Interfund Transfers

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

A summary of interfund transfers is as follows:

| <u>Transfers from</u> | <u>Transfers to</u> | <u>Amount</u> |
|-----------------------|-----------------------------|-------------------|
| General | Nonmajor governmental funds | <u>\$ 823,331</u> |

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

B. Due To/From

Interfund balances at December 31, 2015, 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 funds | <u>\$ 26,159</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.

C. Interfund Loans

Interfund loans consisted of the following at December 31, 2015, as reported on the fund financial statements:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|----------------------------|-------------------|
| General fund | Nonmajor governmental fund | |
| | Brownfield grant fund | <u>\$ 284,584</u> |

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities

The long-term obligations have been restated as described in Note 3. A schedule of changes in long-term obligations of the City during 2015 follows:

| | (Restated) Balance Outstanding 1/1/15 | Additions | Reductions | Balance Outstanding 12/31/15 | Amounts Due Within One Year |
|--|--|-------------------|---------------------|--|-----------------------------------|
| <u>Governmental activities</u> | | | | | |
| <i>General obligation bonds:</i> | | | | | |
| 2012 various purpose refunding bonds | \$ 235,000 | \$ - | \$ (80,000) | \$ 155,000 | \$ 80,000 |
| 2012 various purpose fire truck bonds | 200,000 | - | (100,000) | 100,000 | 100,000 |
| 2012 various purpose radio equipment bonds | 120,000 | - | (60,000) | 60,000 | 60,000 |
| Total General obligation bonds | <u>555,000</u> | <u>-</u> | <u>(240,000)</u> | <u>315,000</u> | <u>240,000</u> |
| <i>OPWC loans:</i> | | | | | |
| MLK bridge rehabilitation | 393,333 | - | (13,333) | 380,000 | 13,333 |
| Total OPWC loans | <u>393,333</u> | <u>-</u> | <u>(13,333)</u> | <u>380,000</u> | <u>13,333</u> |
| <i>SIB loans:</i> | | | | | |
| MLK bridge project | 167,839 | - | - | 167,839 | 18,860 |
| Total SIB loans | <u>167,839</u> | <u>-</u> | <u>-</u> | <u>167,839</u> | <u>18,860</u> |
| <i>Other long-term obligations:</i> | | | | | |
| Police and fire pension liability | 327,620 | - | (10,340) | 317,280 | 10,784 |
| Net pension liability | 13,654,006 | 739,543 | - | 14,393,549 | - |
| Compensated absences | 2,665,929 | 178,835 | (194,871) | 2,649,893 | 830,825 |
| Total governmental activities | <u>\$17,763,727</u> | <u>\$ 918,378</u> | <u>\$ (458,544)</u> | 18,223,561 | <u>\$ 1,113,802</u> |
| | | | | Add: Unamortized premium on bond issue: | 3,815 |
| | | | | Total reported on statement of net position: | <u>\$ 18,227,376</u> |

Series 2012 Various Purpose Improvement and Refunding Bonds

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded general obligation bonds at December 31, 2015 is \$155,000.

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.

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, 2015, 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).

Net Pension Liability

See Note 11 for details on the net pension liability.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2015 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> |
| 2016 | \$ 80,000 | \$ 2,700 | \$ 100,000 | \$ 1,500 |
| 2017 | <u>75,000</u> | <u>1,500</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 155,000</u> | <u>\$ 4,200</u> | <u>\$ 100,000</u> | <u>\$ 1,500</u> |

| Year Ending December 31, | <u>2012 Various Purpose Radio Equipment</u> | | <u>2014 SIB Loan - MLK Project</u> | |
|-----------------------------|---|-----------------|------------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2016 | \$ 60,000 | \$ 900 | \$ 18,860 | \$ 566 |
| 2017 | - | - | 19,430 | 583 |
| 2018 | - | - | 20,017 | 601 |
| 2019 | - | - | 20,622 | 619 |
| 2020 | - | - | 21,245 | 637 |
| 2021 - 2023 | <u>-</u> | <u>-</u> | <u>67,665</u> | <u>2,029</u> |
| Total | <u>\$ 60,000</u> | <u>\$ 900</u> | <u>\$ 167,839</u> | <u>\$ 5,035</u> |

| Year Ending December 31, | <u>Police and Fire Pension Liability</u> | | <u>OPWC Loan - MLK Bridge</u> | |
|-----------------------------|--|-------------------|-------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 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 | 12,758 | 11,388 | 13,333 | - |
| 2021 - 2025 | 72,488 | 48,240 | 66,667 | - |
| 2026 - 2030 | 89,439 | 31,289 | 66,667 | - |
| 2031 - 2035 | 96,602 | 10,410 | 66,667 | - |
| 2036 - 2040 | - | - | 66,667 | - |
| 2041 - 2044 | <u>-</u> | <u>-</u> | <u>46,667</u> | <u>-</u> |
| Total | <u>\$ 317,280</u> | <u>\$ 151,917</u> | <u>\$ 380,000</u> | <u>\$ -</u> |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

The enterprise long-term obligations have been restated as described in Note 3. A schedule of changes in long-term obligations of the City during 2015 follows:

| | (Restated) Balance Outstanding 1/1/15 | Additions | Reductions | Balance Outstanding 12/31/15 | Amounts Due Within One Year |
|---|--|-------------------|-----------------------|------------------------------------|-----------------------------------|
| <u>Business-type activities:</u> | | | | | |
| <i>Revenue bonds:</i> | | | | | |
| 2008 water refunding | \$ 7,875,000 | \$ - | \$ (1,200,000) | \$ 6,675,000 | \$ 1,240,000 |
| Unamortized premium | 48,733 | - | (8,295) | 40,438 | 8,295 |
| Total revenue bonds | <u>7,923,733</u> | <u>-</u> | <u>(1,208,295)</u> | <u>6,715,438</u> | <u>1,248,295</u> |
| <i>General obligation bonds:</i> | | | | | |
| 2012 water works improvement bonds | 1,080,000 | - | (55,000) | 1,025,000 | 55,000 |
| Unamortized premium | 171 | - | (10) | 161 | 10 |
| Total general obligation bonds | <u>1,080,171</u> | <u>-</u> | <u>(55,010)</u> | <u>1,025,161</u> | <u>55,010</u> |
| <i>OPWC loans:</i> | | | | | |
| OPWC loan - Gaskill (2002) | 15,981 | - | (2,663) | 13,318 | 2,663 |
| OPWC loan - Beeson St. (2004) | 137,846 | - | (13,784) | 124,062 | 13,785 |
| OPWC loan - WWTP clarifier (2006) | 68,208 | - | (5,684) | 62,524 | 5,684 |
| OPWC loan - raw influent pump replacement (2009) | 323,220 | - | (20,853) | 302,367 | 20,853 |
| OPWC loan - Water UV Light Oxidation (2013) | 1,035,829 | 77,310 | (18,552) | 1,094,587 | 37,105 |
| Total OPWC loans | <u>1,581,084</u> | <u>77,310</u> | <u>(61,536)</u> | <u>1,596,858</u> | <u>80,090</u> |
| <i>Other long-term obligations:</i> | | | | | |
| Net pension liability | 2,462,974 | 56,916 | - | 2,519,890 | - |
| Compensated absences | 780,950 | 66,710 | (88,005) | 759,655 | 315,985 |
| Total business-type activities | <u>\$ 13,828,912</u> | <u>\$ 200,936</u> | <u>\$ (1,412,846)</u> | <u>\$ 12,617,002</u> | <u>\$ 1,699,380</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, 2015 is \$6,900,000.

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, 2015**

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% of net revenues. The total principal and interest remaining to be paid on the series 2008 water refunding revenue bonds is \$7,483,600. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,499,600 and \$3,677,490, 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 of 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, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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 water fund.

Compensated absences

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

Net Pension Liability

See Note 11 for details on the net pension liability.

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2015 are as follows:

| Year Ending December 31, | <u>2008 Water Refunding</u> | | 2012 Water <u>Works Improvement</u> | |
|-----------------------------|-----------------------------|-------------------|--|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2016 | \$ 1,240,000 | \$ 257,600 | \$ 55,000 | \$ 27,025 |
| 2017 | 1,280,000 | 214,200 | 55,000 | 26,200 |
| 2018 | 1,330,000 | 166,200 | 55,000 | 25,100 |
| 2019 | 1,385,000 | 113,000 | 55,000 | 24,000 |
| 2020 | 1,440,000 | 57,600 | 60,000 | 22,900 |
| 2021 - 2025 | - | - | 310,000 | 93,375 |
| 2026 - 2030 | - | - | 355,000 | 47,387 |
| 2031 | - | - | 80,000 | 2,600 |
| Total | <u>\$ 6,675,000</u> | <u>\$ 808,600</u> | <u>\$ 1,025,000</u> | <u>\$ 268,587</u> |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 |
| 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 | 2,666 | - | 13,785 | - | 5,684 | - |
| 2021-2025 | - | - | 55,137 | - | 28,420 | - |
| 2026-2027 | - | - | - | - | 5,684 | - |
| Total | <u>\$ 13,318</u> | <u>\$ -</u> | <u>\$ 124,062</u> | <u>\$ -</u> | <u>\$ 62,524</u> | <u>\$ -</u> |

| Year Ending December 31, | OPWC - Raw Influent Pump Replacement | | OPWC - WTP Ultraviolet Light Oxidation | |
|-----------------------------|---|-------------|---|-------------|
| | Principal | Interest | Principal | Interest |
| 2016 | \$ 20,853 | \$ - | \$ 37,105 | \$ - |
| 2017 | 20,853 | - | 37,105 | - |
| 2018 | 20,853 | - | 37,105 | - |
| 2019 | 20,853 | - | 37,105 | - |
| 2020 | 20,853 | - | 37,105 | - |
| 2021 - 2025 | 104,265 | - | 185,523 | - |
| 2026 - 2030 | 93,837 | - | 185,523 | - |
| 2031 - 2035 | - | - | 185,523 | - |
| 2036 - 2040 | - | - | 185,523 | - |
| 2041 - 2045 | - | - | 166,970 | - |
| Total | <u>\$ 302,367</u> | <u>\$ -</u> | <u>\$ 1,094,587</u> | <u>\$ -</u> |

C. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2015, the City's total debt margin was \$28,875,548 and the unvoted debt margin was \$14,975,287.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015, \$62,210,000 had been issued and \$45,015,000 was still outstanding.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

| Group A | Group B | Group C |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

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

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

| | State and Local |
|--|--------------------|
| 2015 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2015 Actual Contribution Rates | |
| Employer: | |
| Pension | 12.0 % |
| Post-employment Health Care Benefits | 2.0 % |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The City's contractually required contribution for both the Traditional Pension Plan and the Combined Plan was \$741,794 for 2015. Of this amount, \$100,598 is reported as due to other governments.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

| | <u>Police</u> | <u>Firefighters</u> |
|--|-----------------------|-----------------------|
| 2015 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee: | | |
| January 1, 2015 through July 1, 2015 | 11.50 % | 11.50 % |
| July 2, 2015 through December 31, 2015 | 12.25 % | 12.25 % |
| 2015 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | <u>0.50 %</u> | <u>0.50 %</u> |
| Total Employer | <u><u>19.50 %</u></u> | <u><u>24.00 %</u></u> |
| Employee: | | |
| January 1, 2015 through July 1, 2015 | 11.50 % | 11.50 % |
| July 2, 2015 through December 31, 2015 | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$882,332 for 2015. Of this amount, \$116,424 is reported as due to other governments.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2015, the specific liability of the City was \$317,280 payable in semi-annual payments through the year 2035.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2014, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014 to December 31, 2014. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------|-----------------|---------------|
| Proportionate share of the net pension liability | \$ 5,794,643 | \$ 11,118,796 | \$ 16,913,439 |
| Proportionate share of the net pension asset | 16,824 | - | 16,824 |
| Proportion of the net pension liability | 0.04804400% | 0.21463130% | |
| Proportion of the net pension asset | 0.04369700% | 0.00000000% | |
| Pension expense | \$ 641,463 | \$ 1,085,431 | \$ 1,726,894 |

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|---------------------|---------------------|---------------------|
| Deferred outflows of resources | | | |
| Net difference between projected and actual earnings on pension plan investments | \$ 310,212 | \$ 479,210 | \$ 789,422 |
| Difference between employer contributions and proportionate share of contributions | 218 | 3,380 | 3,598 |
| City contributions subsequent to the measurement date | 741,794 | 882,332 | 1,624,126 |
| Total deferred outflows of resources | <u>\$ 1,052,224</u> | <u>\$ 1,364,922</u> | <u>\$ 2,417,146</u> |
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | \$ 106,934 | \$ - | \$ 106,934 |
| Total deferred inflows of resources | <u>\$ 106,934</u> | <u>\$ -</u> | <u>\$ 106,934</u> |

\$1,624,126 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2016.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

| Year Ending December 31: | OPERS | OP&F | Total |
|--------------------------|-------------------|-------------------|-------------------|
| 2016 | \$ 30,073 | \$ 120,648 | \$ 150,721 |
| 2017 | 30,073 | 120,648 | 150,721 |
| 2018 | 69,101 | 120,648 | 189,749 |
| 2019 | 76,941 | 120,646 | 197,587 |
| 2020 | (611) | - | (611) |
| Thereafter | (2,080) | - | (2,080) |
| Total | \$ 203,497 | \$ 482,590 | \$ 686,087 |

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--|
| Wage inflation | 3.75 percent |
| Future salary increases, including inflation | 4.25 to 10.05 percent including wage inflation |
| COLA or ad hoc COLA | 3 percent, simple |
| Investment rate of return | 8 percent |
| Actuarial cost method | Individual entry age |

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets within the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed income | 23.00 % | 2.31 % |
| Domestic equities | 19.90 | 5.84 |
| Real estate | 10.00 | 4.25 |
| Private equity | 10.00 | 9.25 |
| International equities | 19.10 | 7.40 |
| Other investments | 18.00 | 4.59 |
| Total | 100.00 % | 5.28 % |

Discount Rate - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/asset.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the City’s proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate:

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability (asset): | | | |
| Traditional Pension Plan | \$ 10,660,483 | \$ 5,794,643 | \$ 1,696,434 |
| Combined Plan | \$ 2,185 | \$ (16,824) | \$ (31,899) |

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

| | |
|----------------------------|-------------------------------|
| Valuation date | January 1, 2014 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 8.25 percent |
| Projected salary increases | 4.25 percent to 11 percent |
| Payroll increases | 3.75 percent |
| Inflation assumptions | 3.25 percent |
| Cost of living adjustments | 2.60 percent and 3.00 percent |

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

The most recent experience study was completed January 1, 2012.

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|------------------------------|---|
| Cash and Cash Equivalents | - % | (0.25) % |
| Domestic Equity | 16.00 | 4.47 |
| Non-US Equity | 16.00 | 4.47 |
| Core Fixed Income * | 20.00 | 1.62 |
| Global Inflation Protected * | 20.00 | 1.33 |
| High Yield | 15.00 | 3.39 |
| Real Estate | 12.00 | 3.93 |
| Private Markets | 8.00 | 6.98 |
| Timber | 5.00 | 4.92 |
| Master Limited Partnerships | 8.00 | 7.03 |
| | | |
| Total | <u>120.00 %</u> | |

* levered 2x

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

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

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

| | 1% Decrease (7.25%) | Current Discount Rate (8.25%) | 1% Increase (9.25%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 15,378,977 | \$ 11,118,796 | \$ 7,511,718 |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2015, 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 2015 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, 2015, 2014, and 2013 were \$123,632, \$120,949, and \$59,624, respectively; 88.38% has been contributed for 2015 and 100% has been contributed for 2014 and 2013. The remaining 2015 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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.

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 2015, 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.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$12,845 and \$8,661 for the year ended December 31, 2015, \$13,036 and \$8,564 for the year ended December 31, 2014, and \$85,960 and \$61,940, for the year ended December 31, 2013, respectively. 100% has been contributed for 2014 and 2013. 86.90% has been contributed for police and 87.38% has been contributed for firefighters for 2015. The remaining 2015 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

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, 2015, the total liability for unpaid compensated absences was \$2,649,893 for the governmental activities and \$759,655 for the business-type activities.

B. Life Insurance

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

NOTE 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, 2015.

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, 2015.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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, the SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. The 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 2015, the City did not contribute to the 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 by 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 2015, the City contributed \$151 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 | \$ 14,101 |
| Revolving loan fund | 41,025 |
| Other governmental | <u>517,540</u> |
| Total | <u>\$ 572,666</u> |

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 | \$ 10,302 | \$ - | \$ 47,695 | \$ 57,997 |
| Prepays | 17,934 | - | 6,089 | 24,023 |
| Unclaimed monies | <u>357,913</u> | - | - | <u>357,913</u> |
| Total nonspendable | <u>386,149</u> | - | <u>53,784</u> | <u>439,933</u> |
| Restricted: | | | | |
| Judicial operations | - | - | 592,950 | 592,950 |
| Security programs | - | - | 314,237 | 314,237 |
| Public health service programs | - | - | 806,916 | 806,916 |
| Transportation projects | - | - | 226,456 | 226,456 |
| Community environment programs | - | 2,196,193 | 116,761 | 2,312,954 |
| Special events | - | - | 2,882 | 2,882 |
| Long-term loans | - | 989,808 | - | 989,808 |
| Debt service | - | - | <u>126,550</u> | <u>126,550</u> |
| Total restricted | <u>-</u> | <u>3,186,001</u> | <u>2,186,752</u> | <u>5,372,753</u> |
| Committed: | | | | |
| Legislative and executive operations | 59,451 | - | - | 59,451 |
| Community environment programs | - | - | 4,144 | 4,144 |
| Leisure time activities programs | - | - | 4,318 | 4,318 |
| Transportation | - | - | 2,652 | 2,652 |
| Capital projects | - | - | <u>749,073</u> | <u>749,073</u> |
| Total committed | <u>59,451</u> | - | <u>760,187</u> | <u>819,638</u> |
| Assigned: | | | | |
| Legislative and executive operations | 165,932 | - | - | 165,932 |
| Subsequent year appropriations | <u>1,133,872</u> | - | - | <u>1,133,872</u> |
| Total assigned | <u>1,299,804</u> | - | - | <u>1,299,804</u> |
| Unassigned | <u>1,159,618</u> | - | <u>(352,810)</u> | <u>806,808</u> |
| Total fund balances | <u>\$ 2,905,022</u> | <u>\$ 3,186,001</u> | <u>\$ 2,647,913</u> | <u>\$ 8,738,936</u> |

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

| | <u>2014</u> | <u>2013</u> |
|---|--------------|--------------|
| <i>Traditional Plan:</i> | | |
| City's proportion of the net pension liability | 0.048044% | 0.048044% |
| City's proportionate share of the net pension liability | \$ 5,794,643 | \$ 5,663,762 |
| City's covered-employee payroll | \$ 5,899,225 | \$ 5,845,338 |
| City's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 98.23% | 96.89% |
| Plan fiduciary net position as a percentage of the total pension liability | 86.45% | 86.36% |
| <i>Combined Plan:</i> | | |
| City's proportion of the net pension asset | 0.043697% | 0.043697% |
| City's proportionate share of the net pension asset | \$ 16,824 | \$ 4,585 |
| City's covered-employee payroll | \$ 153,433 | \$ 119,669 |
| City's proportionate share of the net pension asset as a percentage of its covered-employee payroll | 10.97% | 3.83% |
| Plan fiduciary net position as a percentage of the total pension asset | 114.83% | 104.56% |

Note: Information prior to 2013 was unavailable.

Amounts presented as of the City's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

| | <u>2014</u> | <u>2013</u> |
|---|---------------|---------------|
| City's proportion of the net pension liability | 0.21463130% | 0.21463130% |
| City's proportionate share of the net pension liability | \$ 11,118,796 | \$ 10,453,218 |
| City's covered-employee payroll | \$ 4,341,884 | \$ 4,175,541 |
| City's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 256.08% | 250.34% |
| Plan fiduciary net position as a percentage of the total pension liability | 72.20% | 73.00% |

Note: Information prior to 2013 was unavailable.

Amounts presented as of the City's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|------------------|------------------|------------------|------------------|
| <i>Traditional Plan:</i> | | | | |
| Contractually required contribution | \$ 722,717 | \$ 707,907 | \$ 759,894 | \$ 599,490 |
| Contributions in relation to the contractually required contribution | <u>(722,717)</u> | <u>(707,907)</u> | <u>(759,894)</u> | <u>(599,490)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered-employee payroll | \$ 6,022,642 | \$ 5,899,225 | \$ 5,845,338 | \$ 5,994,900 |
| Contributions as a percentage of covered-employee payroll | 12.00% | 12.00% | 13.00% | 10.00% |
| <i>Combined Plan:</i> | | | | |
| Contractually required contribution | \$ 19,077 | \$ 18,412 | \$ 15,557 | \$ 9,462 |
| Contributions in relation to the contractually required contribution | <u>(19,077)</u> | <u>(18,412)</u> | <u>(15,557)</u> | <u>(9,462)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered-employee payroll | \$ 158,975 | \$ 153,433 | \$ 119,669 | \$ 119,019 |
| Contributions as a percentage of covered-employee payroll | 12.00% | 12.00% | 13.00% | 7.95% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 606,260 | \$ 539,852 | \$ 497,389 | \$ 434,238 | \$ 511,531 | \$ 525,331 |
| <u>(606,260)</u> | <u>(539,852)</u> | <u>(497,389)</u> | <u>(434,238)</u> | <u>(511,531)</u> | <u>(525,331)</u> |
| <u>\$ -</u> |
| \$ 6,062,600 | \$ 6,052,152 | \$ 6,117,946 | \$ 6,203,400 | \$ 6,126,120 | \$ 5,710,120 |
| 10.00% | 8.92% | 8.13% | 7.00% | 8.35% | 9.20% |
| \$ 8,447 | \$ 9,946 | \$ - | \$ - | \$ - | \$ - |
| <u>(8,447)</u> | <u>(9,946)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> |
| \$ 106,252 | \$ 102,642 | \$ - | \$ - | \$ - | \$ - |
| 7.95% | 9.69% | 8.13% | 7.00% | 8.35% | 9.20% |

CITY OF ALLIANCE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|------------------|------------------|------------------|------------------|
| <i>Police:</i> | | | | |
| Contractually required contribution | \$ 475,279 | \$ 497,799 | \$ 397,100 | \$ 294,093 |
| Contributions in relation to the contractually required contribution | <u>(475,279)</u> | <u>(497,799)</u> | <u>(397,100)</u> | <u>(294,093)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered-employee payroll | \$ 2,501,468 | \$ 2,619,995 | \$ 2,500,630 | \$ 2,306,612 |
| Contributions as a percentage of covered-employee payroll | 19.00% | 19.00% | 15.88% | 12.75% |
| <i>Fire:</i> | | | | |
| Contractually required contribution | \$ 407,053 | \$ 404,644 | \$ 341,347 | \$ 287,740 |
| Contributions in relation to the contractually required contribution | <u>(407,053)</u> | <u>(404,644)</u> | <u>(341,347)</u> | <u>(287,740)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered-employee payroll | \$ 1,732,140 | \$ 1,721,889 | \$ 1,674,911 | \$ 1,668,058 |
| Contributions as a percentage of covered-employee payroll | 23.50% | 23.50% | 20.38% | 17.25% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 310,923 | \$ 304,125 | \$ 301,492 | \$ 274,079 | \$ 240,903 | \$ 235,628 |
| <u>(310,923)</u> | <u>(304,125)</u> | <u>(301,492)</u> | <u>(274,079)</u> | <u>(240,903)</u> | <u>(235,628)</u> |
| <u>\$ -</u> |
| \$ 2,438,612 | \$ 2,385,294 | \$ 2,364,643 | \$ 2,149,639 | \$ 1,889,435 | \$ 2,005,345 |
| 12.75% | 12.75% | 12.75% | 12.75% | 12.75% | 11.75% |
| \$ 294,805 | \$ 289,105 | \$ 282,125 | \$ 287,060 | \$ 249,238 | \$ 238,545 |
| <u>(294,805)</u> | <u>(289,105)</u> | <u>(282,125)</u> | <u>(287,060)</u> | <u>(249,238)</u> | <u>(238,545)</u> |
| <u>\$ -</u> |
| \$ 1,709,014 | \$ 1,675,971 | \$ 1,635,507 | \$ 1,664,116 | \$ 1,444,858 | \$ 1,467,969 |
| 17.25% | 17.25% | 17.25% | 17.25% | 17.25% | 16.25% |

CITY OF ALLIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|--|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 1,818,939 | \$ 126,550 | \$ 544,738 | \$ 2,490,227 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Municipal income taxes. | - | - | 325,610 | 325,610 |
| Property and other taxes | 149,964 | - | - | 149,964 |
| Accounts. | 42,352 | - | 6,064 | 48,416 |
| Intergovernmental. | 575,610 | - | 2,797 | 578,407 |
| Special assessments | - | 20,283 | 1,677 | 21,960 |
| Loans | 623 | - | - | 623 |
| Prepayments | 6,089 | - | - | 6,089 |
| Materials and supplies inventory. | 47,695 | - | - | 47,695 |
| Total assets | <u>\$ 2,641,272</u> | <u>\$ 146,833</u> | <u>\$ 880,886</u> | <u>\$ 3,668,991</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 77,996 | \$ - | \$ 4,065 | \$ 82,061 |
| Accrued wages and benefits payable. | 28,757 | - | - | 28,757 |
| Interfund loans payable | 284,584 | - | - | 284,584 |
| Due to other funds. | 12,193 | - | 13,966 | 26,159 |
| Due to other governments | 23,929 | - | - | 23,929 |
| Total liabilities. | <u>427,459</u> | <u>-</u> | <u>18,031</u> | <u>445,490</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year. | 145,844 | - | - | 145,844 |
| Income tax revenue not available | - | - | 126,522 | 126,522 |
| Delinquent property tax revenue not available | 4,120 | - | - | 4,120 |
| Special assessments revenue not available. | - | 20,283 | 1,677 | 21,960 |
| Intergovernmental revenue not available | 277,142 | - | - | 277,142 |
| Total deferred inflows of resources | <u>427,106</u> | <u>20,283</u> | <u>128,199</u> | <u>575,588</u> |
| Total liabilities and deferred inflows of resources | <u>854,565</u> | <u>20,283</u> | <u>146,230</u> | <u>1,021,078</u> |
| Fund balances: | | | | |
| Nonspendable | 53,784 | - | - | 53,784 |
| Restricted | 2,060,202 | 126,550 | - | 2,186,752 |
| Committed | 11,114 | - | 749,073 | 760,187 |
| Unassigned (deficit) | (338,393) | - | (14,417) | (352,810) |
| Total fund balances | <u>1,786,707</u> | <u>126,550</u> | <u>734,656</u> | <u>2,647,913</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 2,641,272</u> | <u>\$ 146,833</u> | <u>\$ 880,886</u> | <u>\$ 3,668,991</u> |

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | <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 | \$ - | \$ - | \$ 1,007,053 | \$ 1,007,053 |
| Property and other taxes | 135,888 | - | - | 135,888 |
| Licenses, permits and fees | 77,305 | - | 29,824 | 107,129 |
| Fines and forfeitures | 228,604 | - | 2,025 | 230,629 |
| Intergovernmental | 1,812,028 | - | 296,842 | 2,108,870 |
| Investment income | 9,687 | - | - | 9,687 |
| Contributions and donations | 9,393 | - | 1,080 | 10,473 |
| Other | 111,666 | 1,853 | 46,330 | 159,849 |
| Total revenues | <u>2,384,571</u> | <u>1,853</u> | <u>1,383,154</u> | <u>3,769,578</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 510,979 | - | - | 510,979 |
| Security of persons and property | 1,109,356 | - | - | 1,109,356 |
| Public health and welfare | 308,960 | - | - | 308,960 |
| Transportation | 1,029,365 | - | - | 1,029,365 |
| Community environment | 549,898 | - | - | 549,898 |
| Leisure time activities | 4,016 | - | - | 4,016 |
| Capital outlay | - | - | 1,778,871 | 1,778,871 |
| Debt service: | | | | |
| Principal retirement | 10,340 | 253,333 | - | 263,673 |
| Interest and fiscal charges | 13,806 | 18,275 | - | 32,081 |
| Total expenditures | <u>3,536,720</u> | <u>271,608</u> | <u>1,778,871</u> | <u>5,587,199</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,152,149)</u> | <u>(269,755)</u> | <u>(395,717)</u> | <u>(1,817,621)</u> |
| Other financing sources: | | | | |
| Sale of capital assets | 2,284 | - | 6,050 | 8,334 |
| Transfers in | 823,331 | - | - | 823,331 |
| Total other financing sources | <u>825,615</u> | <u>-</u> | <u>6,050</u> | <u>831,665</u> |
| Net change in fund balances | (326,534) | (269,755) | (389,667) | (985,956) |
| Fund balances at beginning of year | <u>2,113,241</u> | <u>396,305</u> | <u>1,124,323</u> | <u>3,633,869</u> |
| Fund balances at end of year | <u>\$ 1,786,707</u> | <u>\$ 126,550</u> | <u>\$ 734,656</u> | <u>\$ 2,647,913</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 expenditures.

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, 2015

| | <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 | \$ 51,346 | \$ 76,751 | \$ 17,193 | \$ 44,548 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Property and other taxes | - | - | - | - |
| Accounts. | - | - | - | - |
| Intergovernmental | 364,691 | - | 30,356 | - |
| Loans | - | - | - | - |
| Prepayments | - | - | - | - |
| Materials and supplies inventory | 47,695 | - | - | - |
| Total assets | <u>\$ 463,732</u> | <u>\$ 76,751</u> | <u>\$ 47,549</u> | <u>\$ 44,548</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 1,417 | \$ - | \$ - | \$ 698 |
| Accrued wages and benefits payable. | 17,864 | - | - | - |
| Interfund loans payable | - | - | - | - |
| Due to other funds | - | - | - | - |
| Due to other governments | 15,472 | - | - | - |
| Total liabilities | <u>34,753</u> | <u>-</u> | <u>-</u> | <u>698</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year. | - | - | - | - |
| Delinquent property tax revenue not available | - | - | - | - |
| Intergovernmental revenue not available | 246,583 | - | 19,993 | - |
| Total deferred inflows of resources | <u>246,583</u> | <u>-</u> | <u>19,993</u> | <u>-</u> |
| Fund balances: | | | | |
| Nonspendable | 47,695 | - | - | - |
| Restricted | 134,701 | 76,751 | 27,556 | 43,850 |
| Committed | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | <u>182,396</u> | <u>76,751</u> | <u>27,556</u> | <u>43,850</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 463,732</u> | <u>\$ 76,751</u> | <u>\$ 47,549</u> | <u>\$ 44,548</u> |

| Motor Vehicle License | Municipal Court Computerization | Health | Litter Control | State Misdemeanant Grant | Cemetery |
|--------------------------------------|--|------------------|---------------------------|---|-------------------|
| \$ 46,471 | \$ 128,707 | \$ 76,243 | \$ 5,034 | \$ 10,568 | \$ 731,980 |
| - | - | - | - | - | - |
| - | 4,934 | - | - | - | - |
| 18,913 | - | 10,343 | 7,142 | - | - |
| - | - | - | - | - | - |
| 5,946 | - | - | - | - | 143 |
| - | - | - | - | - | - |
| <u>\$ 71,330</u> | <u>\$ 133,641</u> | <u>\$ 86,586</u> | <u>\$ 12,176</u> | <u>\$ 10,568</u> | <u>\$ 732,123</u> |
| \$ 1,185 | \$ 447 | \$ 22 | \$ 32 | \$ - | \$ 1,152 |
| - | - | 3,798 | 921 | - | 1,783 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 2,813 | 687 | - | 2,082 |
| <u>1,185</u> | <u>447</u> | <u>6,633</u> | <u>1,640</u> | <u>-</u> | <u>5,017</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 5,946 | - | - | - | - | 143 |
| 64,199 | 133,194 | 79,953 | 10,536 | 10,568 | 726,963 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>70,145</u> | <u>133,194</u> | <u>79,953</u> | <u>10,536</u> | <u>10,568</u> | <u>727,106</u> |
| <u>\$ 71,330</u> | <u>\$ 133,641</u> | <u>\$ 86,586</u> | <u>\$ 12,176</u> | <u>\$ 10,568</u> | <u>\$ 732,123</u> |

Continued

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2015

| | HUD Grant | Community Development Block Grant | Fire Pension | Police Pension |
|---|----------------------|--|-------------------------|---------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ - | \$ 1,750 | \$ 5,000 | \$ 5,000 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Property and other taxes | - | - | 74,982 | 74,982 |
| Accounts. | - | - | - | - |
| Intergovernmental | 133,599 | - | 5,283 | 5,283 |
| Loans | - | 623 | - | - |
| Prepayments | - | - | - | - |
| Materials and supplies inventory | - | - | - | - |
| Total assets | <u>\$ 133,599</u> | <u>\$ 2,373</u> | <u>\$ 85,265</u> | <u>\$ 85,265</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 14,783 | \$ 946 | \$ - | \$ - |
| Accrued wages and benefits payable. | 3,412 | - | - | - |
| Interfund loans payable | - | - | - | - |
| Due to other funds | 12,193 | - | - | - |
| Due to other governments | 2,724 | - | - | - |
| Total liabilities | <u>33,112</u> | <u>946</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year. | - | - | 72,922 | 72,922 |
| Delinquent property tax revenue not available | - | - | 2,060 | 2,060 |
| Intergovernmental revenue not available | - | - | 5,283 | 5,283 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>80,265</u> | <u>80,265</u> |
| Fund balances: | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 100,487 | 1,427 | 5,000 | 5,000 |
| Committed | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | <u>100,487</u> | <u>1,427</u> | <u>5,000</u> | <u>5,000</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 133,599</u> | <u>\$ 2,373</u> | <u>\$ 85,265</u> | <u>\$ 85,265</u> |

| <u>Other</u> | <u>Total</u> |
|-------------------|---------------------|
| \$ 618,348 | \$ 1,818,939 |
| - | 149,964 |
| 37,418 | 42,352 |
| - | 575,610 |
| - | 623 |
| - | 6,089 |
| - | 47,695 |
| <u>\$ 655,766</u> | <u>\$ 2,641,272</u> |
| | |
| \$ 57,314 | \$ 77,996 |
| 979 | 28,757 |
| 284,584 | 284,584 |
| - | 12,193 |
| 151 | 23,929 |
| <u>343,028</u> | <u>427,459</u> |
| | |
| - | 145,844 |
| - | 4,120 |
| - | 277,142 |
| <u>-</u> | <u>427,106</u> |
| | |
| - | 53,784 |
| 640,017 | 2,060,202 |
| 11,114 | 11,114 |
| (338,393) | (338,393) |
| <u>312,738</u> | <u>1,786,707</u> |
| | |
| <u>\$ 655,766</u> | <u>\$ 2,641,272</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, 2015

| | <u>Street Repair and Maintenance</u> | <u>Federal COPS Fast Program</u> | <u>State Highway</u> | <u>Law Enforcement Block Grant</u> |
|--|--|--|--------------------------|--|
| Revenues: | | | | |
| Property and other taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses, permits and fees | - | - | - | - |
| Fines and forfeitures | - | - | - | 57,903 |
| Intergovernmental | 738,200 | - | 60,641 | - |
| Investment income | 673 | 627 | 487 | 545 |
| Contributions and donations | - | - | - | - |
| Other | 10,375 | - | - | - |
| Total revenues | <u>749,248</u> | <u>627</u> | <u>61,128</u> | <u>58,448</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Security of persons and property | 54,605 | - | - | 95,956 |
| Public health and welfare | - | - | - | - |
| Transportation | 709,710 | - | 103,373 | - |
| Community environment | - | - | - | - |
| Leisure time activities | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>764,315</u> | <u>-</u> | <u>103,373</u> | <u>95,956</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(15,067)</u> | <u>627</u> | <u>(42,245)</u> | <u>(37,508)</u> |
| Other financing sources: | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (15,067) | 627 | (42,245) | (37,508) |
| Fund balances at beginning of year | <u>197,463</u> | <u>76,124</u> | <u>69,801</u> | <u>81,358</u> |
| Fund balances at end of year | <u>\$ 182,396</u> | <u>\$ 76,751</u> | <u>\$ 27,556</u> | <u>\$ 43,850</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> |
|--------------------------------------|--|------------------|---------------------------|---|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | 45,209 | - | - | 32,096 |
| - | 77,922 | - | - | - | - |
| 223,393 | - | 122,410 | 29,933 | - | - |
| - | - | - | - | - | 5,716 |
| - | - | - | - | - | - |
| - | - | - | - | - | 30,759 |
| <u>223,393</u> | <u>77,922</u> | <u>167,619</u> | <u>29,933</u> | <u>-</u> | <u>68,571</u> |
| - | 79,929 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 172,234 | - | - | 136,726 |
| 205,493 | - | - | - | - | - |
| - | - | - | 27,473 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>205,493</u> | <u>79,929</u> | <u>172,234</u> | <u>27,473</u> | <u>-</u> | <u>136,726</u> |
| <u>17,900</u> | <u>(2,007)</u> | <u>(4,615)</u> | <u>2,460</u> | <u>-</u> | <u>(68,155)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | 85,000 |
| - | - | - | - | - | 85,000 |
| 17,900 | (2,007) | (4,615) | 2,460 | - | 16,845 |
| 52,245 | 135,201 | 84,568 | 8,076 | 10,568 | 710,261 |
| <u>\$ 70,145</u> | <u>\$ 133,194</u> | <u>\$ 79,953</u> | <u>\$ 10,536</u> | <u>\$ 10,568</u> | <u>\$ 727,106</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, 2015

| | HUD Grant | Community Development Block Grant | Fire Pension | Police Pension |
|--|----------------------|--|-------------------------|---------------------------|
| Revenues: | | | | |
| Property and other taxes | \$ - | \$ - | \$ 67,944 | \$ 67,944 |
| Licenses, permits and fees | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Intergovernmental | 612,635 | - | 10,568 | 10,568 |
| Investment income | - | 52 | - | - |
| Contributions and donations | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | 612,635 | 52 | 78,512 | 78,512 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Security of persons and property | - | - | 401,495 | 480,038 |
| Public health and welfare | - | - | - | - |
| Transportation | - | - | - | - |
| Community environment | 521,479 | 946 | - | - |
| Leisure time activities | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | 5,869 | 4,471 |
| Interest and fiscal charges | - | - | 7,836 | 5,970 |
| Total expenditures | 521,479 | 946 | 415,200 | 490,479 |
| Excess (deficiency) of revenues over (under) expenditures | 91,156 | (894) | (336,688) | (411,967) |
| Other financing sources: | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | 330,526 | 405,805 |
| Total other financing sources | - | - | 330,526 | 405,805 |
| Net change in fund balances | 91,156 | (894) | (6,162) | (6,162) |
| Fund balances at beginning of year | 9,331 | 2,321 | 11,162 | 11,162 |
| Fund balances at end of year | \$ 100,487 | \$ 1,427 | \$ 5,000 | \$ 5,000 |

| <u>Other</u> | <u>Total</u> |
|-------------------|---------------------|
| \$ - | \$ 135,888 |
| - | 77,305 |
| 92,779 | 228,604 |
| 3,680 | 1,812,028 |
| 1,587 | 9,687 |
| 9,393 | 9,393 |
| 70,532 | 111,666 |
| <u>177,971</u> | <u>2,384,571</u> |
| | |
| 431,050 | 510,979 |
| 77,262 | 1,109,356 |
| - | 308,960 |
| 10,789 | 1,029,365 |
| - | 549,898 |
| 4,016 | 4,016 |
| - | 10,340 |
| - | 13,806 |
| <u>523,117</u> | <u>3,536,720</u> |
| | |
| <u>(345,146)</u> | <u>(1,152,149)</u> |
| | |
| 2,284 | 2,284 |
| <u>2,000</u> | <u>823,331</u> |
| <u>4,284</u> | <u>825,615</u> |
| | |
| (340,862) | (326,534) |
| | |
| 653,600 | 2,113,241 |
| <u>\$ 312,738</u> | <u>\$ 1,786,707</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 725,000 | \$ 739,630 | \$ 14,630 |
| Investment income. | 100 | 673 | 573 |
| Other | 3,300 | 10,375 | 7,075 |
| Total revenues. | <u>728,400</u> | <u>750,678</u> | <u>22,278</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property: | | | |
| Street security: | | | |
| Salaries and wages. | 40,136 | 40,134 | 2 |
| Fringe benefits | 6,862 | 6,801 | 61 |
| Contractual services | 12,750 | 7,983 | 4,767 |
| Total security of persons and property . . | <u>59,748</u> | <u>54,918</u> | <u>4,830</u> |
| Transportation: | | | |
| Street transportation: | | | |
| Salaries and wages. | 533,315 | 531,339 | 1,976 |
| Fringe benefits | 99,385 | 96,825 | 2,560 |
| Contractual services | 8,550 | 7,336 | 1,214 |
| Materials and supplies | 68,250 | 56,007 | 12,243 |
| Capital outlay. | 68,272 | 66,905 | 1,367 |
| Total transportation. | <u>777,772</u> | <u>758,412</u> | <u>19,360</u> |
| Total expenditures | <u>837,520</u> | <u>813,330</u> | <u>24,190</u> |
| Net change in fund balance | (109,120) | (62,652) | 46,468 |
| Fund balance at beginning of year. | 92,036 | 92,036 | - |
| Prior year encumbrances appropriated . . . | 18,135 | 18,135 | - |
| Fund balance (deficit) at end of year. | <u>\$ 1,051</u> | <u>\$ 47,519</u> | <u>\$ 46,468</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Investment income. | \$ - | \$ 627 | \$ 627 |
| Total revenues | <u>-</u> | <u>627</u> | <u>627</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property: | | | |
| Fringe benefits | 1,030 | 1,030 | - |
| Total expenditures. | <u>1,030</u> | <u>1,030</u> | <u>-</u> |
| Net change in fund balance | (1,030) | (403) | 627 |
| Fund balance at beginning of year | <u>77,154</u> | <u>77,154</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 76,124</u> | <u>\$ 76,751</u> | <u>\$ 627</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 58,000 | \$ 59,970 | \$ 1,970 |
| Investment income. | - | 487 | 487 |
| Total revenues | <u>58,000</u> | <u>60,457</u> | <u>2,457</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation: | | | |
| Street repair and maintenance: | | | |
| Capital outlay | 105,000 | 103,373 | 1,627 |
| Total expenditures | <u>105,000</u> | <u>103,373</u> | <u>1,627</u> |
| Net change in fund balance | (47,000) | (42,916) | 4,084 |
| Fund balance at beginning of year | <u>60,109</u> | <u>60,109</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 13,109</u> | <u>\$ 17,193</u> | <u>\$ 4,084</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ 60,000 | \$ 57,903 | \$ (2,097) |
| Investment income. | 80 | 545 | 465 |
| Total revenues. | <u>60,080</u> | <u>58,448</u> | <u>(1,632)</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property: | | | |
| Police: | | | |
| Materials and supplies | 100,000 | 98,078 | 1,922 |
| Total expenditures | <u>100,000</u> | <u>98,078</u> | <u>1,922</u> |
| Net change in fund balance. | (39,920) | (39,630) | 290 |
| Fund balance at beginning of year | <u>84,045</u> | <u>84,045</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 44,125</u> | <u>\$ 44,415</u> | <u>\$ 290</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 220,000 | \$ 222,361 | \$ 2,361 |
| Total revenues. | <u>220,000</u> | <u>222,361</u> | <u>2,361</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation: | | | |
| Street maintenance: | | | |
| Fringe benefits | 114,092 | 105,052 | 9,040 |
| Contractual services | 28,000 | 15,116 | 12,884 |
| Capital outlay. | 85,000 | 85,000 | - |
| Total expenditures | <u>227,092</u> | <u>205,168</u> | <u>21,924</u> |
| Net change in fund balance | (7,092) | 17,193 | 24,285 |
| Fund balance at beginning of year | <u>29,278</u> | <u>29,278</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 22,186</u> | <u>\$ 46,471</u> | <u>\$ 24,285</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ 72,000 | \$ 79,517 | \$ 7,517 |
| Total revenues. | <u>72,000</u> | <u>79,517</u> | <u>7,517</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Clerk of courts: | | | |
| Contractual services | 56,000 | 52,432 | 3,568 |
| Materials and supplies | 16,200 | 13,545 | 2,655 |
| Capital outlay | <u>15,000</u> | <u>13,975</u> | <u>1,025</u> |
| Total expenditures | <u>87,200</u> | <u>79,952</u> | <u>7,248</u> |
| Net change in fund balance | (15,200) | (435) | 14,765 |
| Fund balance at beginning of year | 125,517 | 125,517 | - |
| Prior year encumbrances appropriated . . | <u>3,625</u> | <u>3,625</u> | - |
| Fund balance at end of year. | <u>\$ 113,942</u> | <u>\$ 128,707</u> | <u>\$ 14,765</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Licenses, permits and fees. | \$ 45,000 | \$ 45,209 | \$ 209 |
| Intergovernmental | 135,980 | 121,516 | (14,464) |
| Total revenues | <u>180,980</u> | <u>166,725</u> | <u>(14,255)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public health services: | | | |
| Public health and welfare: | | | |
| Salaries and wages. | 112,655 | 110,725 | 1,930 |
| Fringe benefits | 45,403 | 44,161 | 1,242 |
| Contractual services | 2,395 | 2,152 | 243 |
| Materials and supplies | 6,280 | 5,007 | 1,273 |
| Capital outlay | 120 | 120 | - |
| Other | 5,000 | 4,994 | 6 |
| Total expenditures | <u>171,853</u> | <u>167,159</u> | <u>4,694</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>9,127</u> | <u>(434)</u> | <u>(9,561)</u> |
| Other financing (uses): | | | |
| Transfers (out). | <u>(6,000)</u> | <u>(5,950)</u> | <u>50</u> |
| Total other financing (uses) | <u>(6,000)</u> | <u>(5,950)</u> | <u>50</u> |
| Net change in fund balance. | 3,127 | (6,384) | (9,511) |
| Fund balance at beginning of year | <u>82,627</u> | <u>82,627</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 85,754</u> | <u>\$ 76,243</u> | <u>\$ (9,511)</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 30,890 | \$ 30,960 | \$ 70 |
| Total revenues | <u>30,890</u> | <u>30,960</u> | <u>70</u> |
| Expenditures: | | | |
| Current: | | | |
| Community environment: | | | |
| Litter control: | | | |
| Salaries and wages | 26,000 | 21,483 | 4,517 |
| Fringe benefits. | 4,231 | 4,145 | 86 |
| Contractual services. | 150 | 150 | - |
| Materials and supplies. | 2,350 | 1,997 | 353 |
| Total expenditures. | <u>32,731</u> | <u>27,775</u> | <u>4,956</u> |
| Net change in fund balance. | (1,841) | 3,185 | 5,026 |
| Fund balance at beginning of year | <u>1,849</u> | <u>1,849</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 8</u> | <u>\$ 5,034</u> | <u>\$ 5,026</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, 2015

| | <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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Licenses, permits and fees | \$ 32,000 | \$ 32,096 | \$ 96 |
| Investment income | 500 | 5,716 | 5,216 |
| Other | 22,500 | 30,759 | 8,259 |
| Total revenues | <u>55,000</u> | <u>68,571</u> | <u>13,571</u> |
| Expenditures: | | | |
| Current: | | | |
| Public health services: | | | |
| Cemetery: | | | |
| Salaries and wages | 86,721 | 83,456 | 3,265 |
| Fringe benefits. | 26,228 | 25,667 | 561 |
| Contractual services. | 24,300 | 23,060 | 1,240 |
| Materials and supplies. | 5,750 | 5,330 | 420 |
| Total expenditures | <u>142,999</u> | <u>137,513</u> | <u>5,486</u> |
| Excess of expenditures over revenues. . . . | <u>(87,999)</u> | <u>(68,942)</u> | <u>19,057</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 | (2,999) | 16,058 | 19,057 |
| Fund balance at beginning of year | <u>715,922</u> | <u>715,922</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 712,923</u> | <u>\$ 731,980</u> | <u>\$ 19,057</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 1,364,668 | \$ 538,257 | \$ (826,411) |
| Total revenues | <u>1,364,668</u> | <u>538,257</u> | <u>(826,411)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community environment: | | | |
| HUD: | | | |
| Salaries and wages | 242,000 | 95,135 | 146,865 |
| Fringe benefits. | 151,992 | 69,340 | 82,652 |
| Contractual services. | 528,318 | 255,974 | 272,344 |
| Materials and supplies. | 187,964 | 131,538 | 56,426 |
| Other | 224,326 | 224,175 | 151 |
| Total expenditures | <u>1,334,600</u> | <u>776,162</u> | <u>558,438</u> |
| Net change in fund balance | 30,068 | (237,905) | (267,973) |
| Fund balance (deficit) at beginning of year. | (89,909) | (89,909) | - |
| Prior year encumbrances appropriated. . . | <u>73,730</u> | <u>73,730</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ 13,889</u> | <u>\$ (254,084)</u> | <u>\$ (267,973)</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------|---|
| Revenues: | | | |
| Investment income | \$ - | \$ 52 | \$ 52 |
| Other | 7,700 | 692 | (7,008) |
| Total revenues. | <u>7,700</u> | <u>744</u> | <u>(6,956)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community environment: | | | |
| CDBG: | | | |
| Capital outlay | 8,000 | 946 | 7,054 |
| Total expenditures. | <u>8,000</u> | <u>946</u> | <u>7,054</u> |
| Net change in fund balance | (300) | (202) | 98 |
| Fund balance at beginning of year | <u>1,006</u> | <u>1,006</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 706</u> | <u>\$ 804</u> | <u>\$ 98</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------------|---|
| Revenues: | | | |
| Property and other taxes. | \$ 75,000 | \$ 67,944 | \$ (7,056) |
| Intergovernmental. | 2,300 | 10,568 | 8,268 |
| Total revenues | <u>77,300</u> | <u>78,512</u> | <u>1,212</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property: | | | |
| Fire: | | | |
| Fringe benefits. | 413,820 | 413,820 | - |
| Contractual services | <u>1,500</u> | <u>1,380</u> | <u>120</u> |
| Total expenditures | <u>415,320</u> | <u>415,200</u> | <u>120</u> |
| Excess of expenditures over revenues | <u>(338,020)</u> | <u>(336,688)</u> | <u>1,332</u> |
| Other financing sources: | | | |
| Transfers in. | <u>394,000</u> | <u>330,526</u> | <u>(63,474)</u> |
| Total other financing sources. | <u>394,000</u> | <u>330,526</u> | <u>(63,474)</u> |
| Net change in fund balance. | 55,980 | (6,162) | (62,142) |
| Fund balance at beginning of year | <u>11,162</u> | <u>11,162</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 67,142</u></u> | <u><u>\$ 5,000</u></u> | <u><u>\$ (62,142)</u></u> |

CITY OF ALLIANCE, OHIO

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

POLICE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Property and other taxes | \$ 75,000 | \$ 67,944 | \$ (7,056) |
| Intergovernmental | 2,300 | 10,568 | 8,268 |
| Total revenues | <u>77,300</u> | <u>78,512</u> | <u>1,212</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property: | | | |
| Police: | | | |
| Fringe benefits. | 489,100 | 489,099 | 1 |
| Contractual services. | 1,500 | 1,380 | 120 |
| Total expenditures. | <u>490,600</u> | <u>490,479</u> | <u>121</u> |
| Excess of expenditures over revenues. | <u>(413,300)</u> | <u>(411,967)</u> | <u>1,333</u> |
| Other financing sources: | | | |
| Transfers in. | 450,000 | 405,805 | (44,195) |
| Total other financing sources. | <u>450,000</u> | <u>405,805</u> | <u>(44,195)</u> |
| Net change in fund balance. | 36,700 | (6,162) | (42,862) |
| Fund balance at beginning of year | <u>11,162</u> | <u>11,162</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 47,862</u> | <u>\$ 5,000</u> | <u>\$ (42,862)</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|----------------------|---------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ - | \$ 3,680 | \$ 3,680 |
| Other. | 14,000 | - | (14,000) |
| Total revenues. | <u>14,000</u> | <u>3,680</u> | <u>(10,320)</u> |
| Net change in fund balance. | 14,000 | 3,680 | (10,320) |
| Fund balance at beginning of year | <u>1,231</u> | <u>1,231</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 15,231</u> | <u>\$ 4,911</u> | <u>\$ (10,320)</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------------|------------------------|---|
| Revenues: | | | |
| Investment income | \$ - | \$ 58 | \$ 58 |
| Total revenues | <u>-</u> | <u>58</u> | <u>58</u> |
| Net change in fund balance. | - | 58 | 58 |
| Fund balance at beginning of year | <u>7,078</u> | <u>7,078</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 7,078</u></u> | <u><u>\$ 7,136</u></u> | <u><u>\$ 58</u></u> |

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL EQUITABLE SHARING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ 16,787 | \$ 16,787 | \$ - |
| Investment income | 30 | 1,529 | 1,499 |
| Total revenues. | <u>16,817</u> | <u>18,316</u> | <u>1,499</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property: | | | |
| Police: | | | |
| Materials and supplies | 150,000 | 79,262 | 70,738 |
| Total expenditures | <u>150,000</u> | <u>79,262</u> | <u>70,738</u> |
| Net change in fund balance. | (133,183) | (60,946) | 72,237 |
| Fund balance at beginning of year | <u>189,655</u> | <u>189,655</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 56,472</u> | <u>\$ 128,709</u> | <u>\$ 72,237</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------------|---|
| Revenues: | | | |
| Other | \$ 40,000 | \$ 31,730 | \$ (8,270) |
| Total revenues | <u>40,000</u> | <u>31,730</u> | <u>(8,270)</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Clerk of courts: | | | |
| Materials and supplies | 20,000 | 7,300 | 12,700 |
| Total expenditures | <u>20,000</u> | <u>7,300</u> | <u>12,700</u> |
| Net change in fund balance | 20,000 | 24,430 | 4,430 |
| Fund balance at beginning of year. | <u>157,147</u> | <u>157,147</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 177,147</u></u> | <u><u>\$ 181,577</u></u> | <u><u>\$ 4,430</u></u> |

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|------------------------|-------------------------|---|
| Revenues: | | | |
| Other. | \$ 4,500 | \$ 5,875 | \$ 1,375 |
| Total revenues. | <u>4,500</u> | <u>5,875</u> | <u>1,375</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Clerk of courts: | | | |
| Materials and supplies. | 5,000 | 4,000 | 1,000 |
| Total expenditures | <u>5,000</u> | <u>4,000</u> | <u>1,000</u> |
| Net change in fund balance. | (500) | 1,875 | 2,375 |
| Fund balance at beginning of year | <u>8,842</u> | <u>8,842</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 8,342</u></u> | <u><u>\$ 10,717</u></u> | <u><u>\$ 2,375</u></u> |

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT LEGAL RESEARCH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Fines and forfeitures. | \$ 15,000 | \$ 22,863 | \$ 7,863 |
| Total revenues. | <u>15,000</u> | <u>22,863</u> | <u>7,863</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Municipal court: | | | |
| Materials and supplies | 6,220 | 5,217 | 1,003 |
| Capital outlay. | 27,780 | 8,400 | 19,380 |
| Total expenditures | <u>34,000</u> | <u>13,617</u> | <u>20,383</u> |
| Net change in fund balance. | (19,000) | 9,246 | 28,246 |
| Fund balance at beginning of year | <u>76,768</u> | <u>76,768</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 57,768</u> | <u>\$ 86,014</u> | <u>\$ 28,246</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Fines and forfeitures. | \$ 2,000 | \$ 4,386 | \$ 2,386 |
| Total revenues. | <u>2,000</u> | <u>4,386</u> | <u>2,386</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Judge: | | | |
| Materials and supplies. | 3,500 | 1,953 | 1,547 |
| Total expenditures | <u>3,500</u> | <u>1,953</u> | <u>1,547</u> |
| Net change in fund balance. | (1,500) | 2,433 | 3,933 |
| Fund balance at beginning of year | <u>4,923</u> | <u>4,923</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 3,423</u> | <u>\$ 7,356</u> | <u>\$ 3,933</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Fund balance at beginning of year | \$ 3,311 | \$ 3,311 | \$ - |
| Fund balance at end of year. | <u>\$ 3,311</u> | <u>\$ 3,311</u> | <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, 2015

| | <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, 2015

| | <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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|-----------------|---|
| Revenues: | | | |
| Fines and forfeitures. | \$ 11,300 | \$ 10,500 | \$ (800) |
| Total revenues. | <u>11,300</u> | <u>10,500</u> | <u>(800)</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Municipal court: | | | |
| Contractual services. | 15,500 | 12,750 | 2,750 |
| Total expenditures | <u>15,500</u> | <u>12,750</u> | <u>2,750</u> |
| Net change in fund balance. | (4,200) | (2,250) | 1,950 |
| Fund balance at beginning of year | 4,233 | 4,233 | - |
| Prior year encumbrances appropriated | <u>1,800</u> | <u>1,800</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 1,833</u> | <u>\$ 3,783</u> | <u>\$ 1,950</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, 2015

| | <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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Fines and forfeitures. | \$ 36,000 | \$ 40,111 | \$ 4,111 |
| Total revenues. | <u>36,000</u> | <u>40,111</u> | <u>4,111</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Municipal court: | | | |
| Salaries and wages | 30,000 | 29,547 | 453 |
| Fringe benefits | 5,636 | 5,305 | 331 |
| Contractual services | 15,000 | 1,075 | 13,925 |
| Capital outlay | 15,000 | 2,007 | 12,993 |
| Total expenditures | <u>65,636</u> | <u>37,934</u> | <u>27,702</u> |
| Net change in fund balance. | (29,636) | 2,177 | 31,813 |
| Fund balance at beginning of year | <u>143,317</u> | <u>143,317</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 113,681</u> | <u>\$ 145,494</u> | <u>\$ 31,813</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Fines and forfeitures. | \$ 2,000 | \$ - | \$ (2,000) |
| Total revenues. | <u>2,000</u> | <u>-</u> | <u>(2,000)</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Municipal court: | | | |
| Materials and supplies | 8,500 | 5,307 | 3,193 |
| Total expenditures | <u>8,500</u> | <u>5,307</u> | <u>3,193</u> |
| Net change in fund balance. | (6,500) | (5,307) | 1,193 |
| Fund balance at beginning of year | <u>27,649</u> | <u>27,649</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 21,149</u> | <u>\$ 22,342</u> | <u>\$ 1,193</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Other | \$ 1,500 | \$ 2,682 | \$ 1,182 |
| Total revenues | <u>1,500</u> | <u>2,682</u> | <u>1,182</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Parking facilities: | | | |
| Contractual services | <u>11,350</u> | <u>10,789</u> | <u>561</u> |
| Total general government | <u>11,350</u> | <u>10,789</u> | <u>561</u> |
| Transportation: | | | |
| Parking facilities: | | | |
| Other | <u>150</u> | <u>70</u> | <u>80</u> |
| Total transportation | <u>150</u> | <u>70</u> | <u>80</u> |
| Total expenditures | <u>11,500</u> | <u>10,859</u> | <u>641</u> |
| Net change in fund balance | (10,000) | (8,177) | 1,823 |
| Fund balance at beginning of year | <u>10,829</u> | <u>10,829</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 829</u> | <u>\$ 2,652</u> | <u>\$ 1,823</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|---------------------|-----------------|---|
| Expenditures: | | | |
| Current: | | | |
| Leisure time activities: | | | |
| Land reutilization: | | | |
| Contractual services | \$ 6,885 | \$ 4,016 | \$ 2,869 |
| Total expenditures | <u>6,885</u> | <u>4,016</u> | <u>2,869</u> |
| Excess of expenditures over revenues. | <u>(6,885)</u> | <u>(4,016)</u> | <u>2,869</u> |
| Other financing sources: | | | |
| Sale of capital assets | 651 | 1,609 | 958 |
| Transfers in. | <u>2,000</u> | <u>2,000</u> | <u>-</u> |
| Total other financing sources | <u>2,651</u> | <u>3,609</u> | <u>958</u> |
| Net change in fund balance. | (4,234) | (407) | 3,827 |
| Fund balance at beginning of year | <u>4,671</u> | <u>4,671</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 437</u> | <u>\$ 4,264</u> | <u>\$ 3,827</u> |

CITY OF ALLIANCE, OHIO

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

BROWNFIELD GRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 120,027 | \$ - | \$ (120,027) |
| Total revenues. | <u>120,027</u> | <u>-</u> | <u>(120,027)</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Administration: | | | |
| Contractual services | <u>404,611</u> | <u>404,611</u> | <u>-</u> |
| Total expenditures | <u>404,611</u> | <u>404,611</u> | <u>-</u> |
| Excess of expenditures over revenues | <u>(284,584)</u> | <u>(404,611)</u> | <u>(120,027)</u> |
| Other financing sources: | | | |
| Advances in. | <u>284,584</u> | <u>284,584</u> | <u>-</u> |
| Total other financing sources | <u>284,584</u> | <u>284,584</u> | <u>-</u> |
| Net change in fund balance. | - | (120,027) | (120,027) |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) at end of year | <u>\$ -</u> | <u>\$ (120,027)</u> | <u>\$ (120,027)</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| Revenues: | | | |
| Other | \$ - | \$ 25 | \$ 25 |
| Total revenues. | <u>-</u> | <u>25</u> | <u>25</u> |
| Net change in fund balance. | - | 25 | 25 |
| Fund balance at beginning of year | <u>29</u> | <u>29</u> | <u>-</u> |
| Fund balance at end of year. | <u><u>\$ 29</u></u> | <u><u>\$ 54</u></u> | <u><u>\$ 25</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Contributions and donations | \$ 8,606 | \$ 9,393 | \$ 787 |
| Total revenues. | <u>8,606</u> | <u>9,393</u> | <u>787</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| General administration: | | | |
| Contractual services. | <u>9,150</u> | <u>8,804</u> | <u>346</u> |
| Total expenditures | <u>9,150</u> | <u>8,804</u> | <u>346</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(544)</u> | <u>589</u> | <u>1,133</u> |
| Other financing sources: | | | |
| Sale of assets. | <u>675</u> | <u>675</u> | <u>-</u> |
| Total other financing sources | <u>675</u> | <u>675</u> | <u>-</u> |
| Net change in fund balance. | 131 | 1,264 | 1,133 |
| Fund balance at beginning of year | <u>1,618</u> | <u>1,618</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 1,749</u> | <u>\$ 2,882</u> | <u>\$ 1,133</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|---|
| Revenues: | | | |
| Municipal income taxes | \$ 10,786,041 | \$ 10,742,380 | \$ (43,661) |
| Other | 10,108 | 11,122 | 1,014 |
| Total revenues | <u>10,796,149</u> | <u>10,753,502</u> | <u>(42,647)</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Income tax: | | | |
| Salaries and wages | 173,000 | 162,833 | 10,167 |
| Fringe benefits | 76,016 | 70,675 | 5,341 |
| Contractual services | 48,800 | 43,569 | 5,231 |
| Materials and supplies | 5,674 | 5,529 | 145 |
| Capital outlay | 7,000 | 1,132 | 5,868 |
| Other | 383,501 | 377,133 | 6,368 |
| Total expenditures | <u>693,991</u> | <u>660,871</u> | <u>33,120</u> |
| Excess of revenues over expenditures | <u>10,102,158</u> | <u>10,092,631</u> | <u>(9,527)</u> |
| Other financing (uses): | | | |
| Transfers (out) | <u>(10,137,500)</u> | <u>(10,137,500)</u> | <u>-</u> |
| Total other financing (uses) | <u>(10,137,500)</u> | <u>(10,137,500)</u> | <u>-</u> |
| Net change in fund balance | (35,342) | (44,869) | (9,527) |
| Fund balance at beginning of year | <u>104,413</u> | <u>104,413</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ 69,071</u></u> | <u><u>\$ 59,544</u></u> | <u><u>\$ (9,527)</u></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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|---|
| Revenues: | | | |
| Other. | \$ 180,000 | \$ 154,696 | \$ (25,304) |
| Total revenues. | <u>180,000</u> | <u>154,696</u> | <u>(25,304)</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Maintenance: | | | |
| Contractual services | 184,472 | 130,454 | 54,018 |
| Materials and supplies | 28,463 | 2,193 | 26,270 |
| Capital outlay | 10,000 | 7,671 | 2,329 |
| Total expenditures | <u>222,935</u> | <u>140,318</u> | <u>82,617</u> |
| Net change in fund balance. | (42,935) | 14,378 | 57,313 |
| Fund balance at beginning of year | 135,400 | 135,400 | - |
| Prior year encumbrances appropriated | <u>12,313</u> | <u>12,313</u> | - |
| Fund balance at end of year. | <u>\$ 104,778</u> | <u>\$ 162,091</u> | <u>\$ 57,313</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| Revenues: | | | |
| Licenses, permits and fees | \$ 225,000 | \$ 342,000 | \$ 117,000 |
| Other | 11,000 | 31,172 | 20,172 |
| Total revenues | <u>236,000</u> | <u>373,172</u> | <u>137,172</u> |
| Expenditures: | | | |
| Current: | | | |
| General government: | | | |
| Auditor: | | | |
| Other | 280,000 | 85,102 | 194,898 |
| Total expenditures | <u>280,000</u> | <u>85,102</u> | <u>194,898</u> |
| Net change in fund balance. | (44,000) | 288,070 | 332,070 |
| Fund balance at beginning of year | <u>69,843</u> | <u>69,843</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 25,843</u> | <u>\$ 357,913</u> | <u>\$ 332,070</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|--------------------|---|
| Revenues: | | | |
| Other. | \$ 65,000 | \$ 1,853 | \$ (63,147) |
| Total revenues. | <u>65,000</u> | <u>1,853</u> | <u>(63,147)</u> |
| Expenditures: | | | |
| Current: | | | |
| Debt service: | | | |
| Principal retirement: | | | |
| Bond | 1,621,417 | 1,595,089 | 26,328 |
| Interest and fiscal charges: | | | |
| Bond | 334,583 | 329,150 | 5,433 |
| Total expenditures | <u>1,956,000</u> | <u>1,924,239</u> | <u>31,761</u> |
| Excess of expenditures over revenues. . . . | <u>(1,891,000)</u> | <u>(1,922,386)</u> | <u>(31,386)</u> |
| Other financing sources: | | | |
| Transfers in | 2,000,000 | 1,652,631 | (347,369) |
| Total other financing sources | <u>2,000,000</u> | <u>1,652,631</u> | <u>(347,369)</u> |
| Net change in fund balance. | 109,000 | (269,755) | (378,755) |
| Fund balance at beginning of year. | <u>396,305</u> | <u>396,305</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 505,305</u> | <u>\$ 126,550</u> | <u>\$ (378,755)</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.

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, 2015

| | Street Income Tax Construction | Capital Improvements | Muni. Court Special Projects | Total |
|---|---|---------------------------------|---|-------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 86,306 | \$ 458,432 | \$ - | \$ 544,738 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Municipal income taxes | 130,244 | 195,366 | - | 325,610 |
| Accounts | - | 4,039 | 2,025 | 6,064 |
| Intergovernmental | - | 2,797 | - | 2,797 |
| Special assessments | 39 | 1,638 | - | 1,677 |
| Total assets | \$ 216,589 | \$ 662,272 | \$ 2,025 | \$ 880,886 |
| Liabilities: | | | | |
| Accounts payable | \$ 1,589 | \$ - | \$ 2,476 | \$ 4,065 |
| Due to other funds | - | - | 13,966 | 13,966 |
| Total liabilities | 1,589 | - | 16,442 | 18,031 |
| Deferred inflows of resources: | | | | |
| Income tax revenue not available | 50,609 | 75,913 | - | 126,522 |
| Special assessments revenue not available | 39 | 1,638 | - | 1,677 |
| Total liabilities and deferred inflows of resources. . | 52,237 | 77,551 | 16,442 | 146,230 |
| Fund balances: | | | | |
| Committed | 164,352 | 584,721 | - | 749,073 |
| Unassigned (deficit) | - | - | (14,417) | (14,417) |
| Total fund balances | 164,352 | 584,721 | (14,417) | 734,656 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 216,589 | \$ 662,272 | \$ 2,025 | \$ 880,886 |

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Street Income Tax Construction | Municipal Road | Capital Improvements | Muni. Court Special Projects |
|--|---|---------------------------|---------------------------------|---|
| Revenues: | | | | |
| Municipal income taxes | \$ 402,821 | \$ - | \$ 604,232 | \$ - |
| Licenses, permits and fees | - | - | - | 29,824 |
| Fines and forfeitures. | - | - | - | 2,025 |
| Intergovernmental | - | 77,298 | 219,544 | - |
| Contributions and donations | - | - | 1,080 | - |
| Other | 16,213 | - | 17,617 | 12,500 |
| Total revenues | 419,034 | 77,298 | 842,473 | 44,349 |
| Expenditures: | | | | |
| Capital outlay | 581,747 | 158,531 | 974,955 | 63,638 |
| Total expenditures. | 581,747 | 158,531 | 974,955 | 63,638 |
| Excess of expenditures over revenues | (162,713) | (81,233) | (132,482) | (19,289) |
| Other financing sources: | | | | |
| Sale of capital assets. | - | - | 6,050 | - |
| Total other financing sources. | - | - | 6,050 | - |
| Net change in fund balances | (162,713) | (81,233) | (126,432) | (19,289) |
| Fund balances at beginning of year | 327,065 | 81,233 | 711,153 | 4,872 |
| Fund balances (deficits) at end of year | \$ 164,352 | \$ - | \$ 584,721 | \$ (14,417) |

Total

 $\$ 1,007,053$
29,824
2,025
296,842
1,080

46,330

1,383,154

1,778,871

1,778,871

(395,717)

6,050

6,050

(389,667)

1,124,323

 $\$ 734,656$

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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| Revenues: | | | |
| Other | \$ 16,212 | \$ 16,213 | \$ 1 |
| Total revenues. | <u>16,212</u> | <u>16,213</u> | <u>1</u> |
| Expenditures: | | | |
| Current: | | | |
| Capital outlay: | | | |
| Street income tax: | | | |
| Personal services. | 107,625 | 104,038 | 3,587 |
| Capital outlay. | 489,424 | 363,714 | 125,710 |
| Total expenditures. | <u>597,049</u> | <u>467,752</u> | <u>129,297</u> |
| Excess of expenditures over revenues. | <u>(580,837)</u> | <u>(451,539)</u> | <u>129,298</u> |
| Other financing sources (uses): | | | |
| Proceeds from sale of fixed assets | | | - |
| Transfers in. | 458,000 | 405,500 | (52,500) |
| Transfers (out) | (129,195) | (129,195) | - |
| Total other financing sources (uses): | <u>328,805</u> | <u>276,305</u> | <u>(52,500)</u> |
| Net change in fund balance. | (235,820) | (159,021) | 76,799 |
| Fund balance at beginning of year | 174,175 | 174,175 | - |
| Prior year encumbrances appropriated . . | 82,500 | 82,500 | - |
| Fund balance at end of year. | <u>\$ 20,855</u> | <u>\$ 97,654</u> | <u>\$ 76,799</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 158,531 | \$ 158,531 | \$ - |
| Total revenues. | <u>158,531</u> | <u>158,531</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Capital outlay: | | | |
| Transportation: | | | |
| Capital outlay | 77,298 | 77,298 | - |
| Total expenditures | <u>77,298</u> | <u>77,298</u> | <u>-</u> |
| Excess of revenues over expenditures | <u>81,233</u> | <u>81,233</u> | <u>-</u> |
| Other financing (uses): | | | |
| Transfers out | (81,233) | (81,233) | - |
| Total other financing (uses) | <u>(81,233)</u> | <u>(81,233)</u> | <u>-</u> |
| Net change in fund balance. | - | - | - |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 355,440 | \$ 319,106 | \$ (36,334) |
| Contributions and donations | - | 1,080 | 1,080 |
| Other | 11,542 | 13,578 | 2,036 |
| Total revenues | <u>366,982</u> | <u>333,764</u> | <u>(33,218)</u> |
| Expenditures: | | | |
| Current: | | | |
| Capital outlay: | | | |
| Capital improvements: | | | |
| Materials and supplies | 1,900 | 1,714 | 186 |
| Capital outlay | 1,443,430 | 1,182,965 | 260,465 |
| Total expenditures | <u>1,445,330</u> | <u>1,184,679</u> | <u>260,651</u> |
| Excess of expenditures over revenues | <u>(1,078,348)</u> | <u>(850,915)</u> | <u>227,433</u> |
| Other financing sources: | | | |
| Sale of assets | 6,050 | 6,050 | - |
| Transfers in | 635,300 | 608,250 | (27,050) |
| Total other financing sources | <u>641,350</u> | <u>614,300</u> | <u>(27,050)</u> |
| Net change in fund balance | (436,998) | (236,615) | 200,383 |
| Fund balance at beginning of year | 409,270 | 409,270 | - |
| Prior year encumbrances appropriated | <u>77,927</u> | <u>77,927</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 50,199</u> | <u>\$ 250,582</u> | <u>\$ 200,383</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, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|---------------------|--------------------|---|
| Revenues: | | | |
| Licenses, permits, and fees | \$ 25,000 | \$ 32,529 | \$ 7,529 |
| Other | 12,000 | 12,763 | 763 |
| Total revenues | <u>37,000</u> | <u>45,292</u> | <u>8,292</u> |
| Expenditures: | | | |
| Current: | | | |
| Capital outlay: | | | |
| Capital improvements: | | | |
| Capital outlay | 85,500 | 61,262 | 24,238 |
| Total expenditures | <u>85,500</u> | <u>61,262</u> | <u>24,238</u> |
| Net change in fund balance. | (48,500) | (15,970) | 32,530 |
| Fund balance at beginning of year | <u>2,004</u> | <u>2,004</u> | <u>-</u> |
| Fund (deficit) at end of year | <u>\$ (46,496)</u> | <u>\$ (13,966)</u> | <u>\$ 32,530</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 the distribution of water to residential and commercial users of the City.

Sewer Fund

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

Robertson Community Center Fund

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

WATER FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---|
| Operating revenues: | | | |
| Charges for services | \$ 4,865,500 | \$ 5,120,190 | \$ 254,690 |
| Licenses, permits and fees | - | - | - |
| Other | 26,000 | 70,887 | 44,887 |
| Total operating revenues | 4,891,500 | 5,191,077 | 299,577 |
| Operating expenses: | | | |
| Salaries and benefits | 1,535,104 | 1,340,609 | 194,495 |
| Fringe benefits. | 619,382 | 555,906 | 63,476 |
| Contract services | 702,603 | 536,485 | 166,118 |
| Materials and supplies | 959,881 | 777,730 | 182,151 |
| Capital outlay | 1,210,088 | 421,513 | 788,575 |
| Other. | 9,750 | 7,193 | 2,557 |
| Total operating expenses | 5,036,808 | 3,639,436 | 1,397,372 |
| Operating income (loss). | (145,308) | 1,551,641 | 1,696,949 |
| Nonoperating revenues: | | | |
| OPWC loan proceeds | 64,170 | 77,310 | 13,140 |
| Investment income. | 2,150 | 21,132 | 18,982 |
| Total nonoperating revenues | 66,320 | 98,442 | 32,122 |
| Income (loss) before transfers. | (78,988) | 1,650,083 | 1,729,071 |
| Transfers in. | 1,045,000 | 1,005,500 | (39,500) |
| Transfers (out) | (2,210,450) | (2,209,647) | 803 |
| Net change in net position. | (1,244,438) | 445,936 | 1,690,374 |
| Net position beginning of year | 2,888,410 | 2,888,410 | - |
| Prior year encumbrances appropriated | 102,532 | 102,532 | - |
| Net position end of year. | \$ 1,746,504 | \$ 3,436,878 | \$ 1,690,374 |

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---|
| Operating revenues: | | | |
| Charges for services | \$ 4,204,731 | \$ 4,440,170 | \$ 235,439 |
| Licenses, permits and fees | 20,000 | 28,016 | 8,016 |
| Other | 31,895 | 40,041 | 8,146 |
| Total operating revenues | <u>4,256,626</u> | <u>4,508,227</u> | <u>251,601</u> |
| Operating expenses: | | | |
| Salaries and benefits | 1,583,200 | 1,528,121 | 55,079 |
| Fringe benefits. | 666,854 | 616,969 | 49,885 |
| Contract services | 1,213,285 | 969,578 | 243,707 |
| Materials and supplies. | 262,015 | 232,458 | 29,557 |
| Capital outlay | 1,779,125 | 872,718 | 906,407 |
| Other. | 65,000 | 56,193 | 8,807 |
| Total operating expenses | <u>5,569,479</u> | <u>4,276,037</u> | <u>1,293,442</u> |
| Operating income (loss) | <u>(1,312,853)</u> | <u>232,190</u> | <u>1,545,043</u> |
| Nonoperating revenues: | | | |
| Investment income | 3,000 | 44,415 | 41,415 |
| Total nonoperating revenues | <u>3,000</u> | <u>44,415</u> | <u>41,415</u> |
| Income (loss) before transfers. | <u>(1,309,853)</u> | <u>276,605</u> | <u>1,586,458</u> |
| Transfers in | 437,000 | 800,000 | 363,000 |
| Transfers (out). | (875,000) | (842,984) | 32,016 |
| Net change in net position. | <u>(1,747,853)</u> | <u>233,621</u> | <u>1,981,474</u> |
| Net position beginning of year | 4,376,066 | 4,376,066 | - |
| Prior year encumbrances appropriated . . | <u>570,257</u> | <u>570,257</u> | <u>-</u> |
| Net position end of year. | <u>\$ 3,198,470</u> | <u>\$ 5,179,944</u> | <u>\$ 1,981,474</u> |

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROBERTSON COMMUNITY CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------------|------------------|---|
| Operating revenues: | | | |
| Other. | \$ 43,100 | \$ 44,928 | \$ 1,828 |
| Total operating revenues. | <u>43,100</u> | <u>44,928</u> | <u>1,828</u> |
| Operating expenses: | | | |
| Salaries and benefits | 19,440 | 11,057 | 8,383 |
| Fringe benefits. | 3,357 | 2,061 | 1,296 |
| Contract services | 21,218 | 15,349 | 5,869 |
| Materials and supplies | 10,000 | 9,111 | 889 |
| Capital outlay. | 3,000 | 2,833 | 167 |
| Total operating expenses | <u>57,015</u> | <u>40,411</u> | <u>16,604</u> |
| Net change in net position | (13,915) | 4,517 | 18,432 |
| Net position beginning of year | <u>93,517</u> | <u>93,517</u> | <u>-</u> |
| Net position end of year. | <u>\$ 79,602</u> | <u>\$ 98,034</u> | <u>\$ 18,432</u> |

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Internal Service Fund

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Final Budget</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------|-------------------|---|
| Operating revenues: | | | |
| Charges for services | \$ 2,130,000 | \$ 2,262,807 | \$ 132,807 |
| Total operating revenues | <u>2,130,000</u> | <u>2,262,807</u> | <u>132,807</u> |
| Operating expenses: | | | |
| Claims | <u>2,789,000</u> | <u>2,764,051</u> | <u>24,949</u> |
| Total operating expenses | <u>2,789,000</u> | <u>2,764,051</u> | <u>24,949</u> |
| Net change in net position. | (659,000) | (501,244) | 157,756 |
| Net position beginning of year | <u>813,011</u> | <u>813,011</u> | <u>-</u> |
| Net position end of year. | <u>\$ 154,011</u> | <u>\$ 311,767</u> | <u>\$ 157,756</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, 2015

| | <u>Balance</u> <u>1/1/2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/2015</u> |
|---|-----------------------------------|---------------------|---------------------|-------------------------------------|
| Carnation Cable Channel | | | | |
| Assets: | | | | |
| Receivables (net of allowances of uncollectibles): | | | | |
| Accounts | \$ 20,838 | \$ 21,069 | \$ 20,838 | \$ 21,069 |
| Total assets | <u>\$ 20,838</u> | <u>\$ 21,069</u> | <u>\$ 20,838</u> | <u>\$ 21,069</u> |
| Liabilities: | | | | |
| Due to others | \$ 20,838 | \$ 21,069 | \$ 20,838 | \$ 21,069 |
| Total liabilities | <u>\$ 20,838</u> | <u>\$ 21,069</u> | <u>\$ 20,838</u> | <u>\$ 21,069</u> |
| Municipal Court Fund | | | | |
| Assets: | | | | |
| Cash and cash equivalents in segregated accounts | \$ 21,343 | \$ 2,033,180 | \$ 2,025,170 | \$ 29,353 |
| Total assets | <u>\$ 21,343</u> | <u>\$ 2,033,180</u> | <u>\$ 2,025,170</u> | <u>\$ 29,353</u> |
| Liabilities: | | | | |
| Due to others | \$ 21,343 | \$ 2,033,180 | \$ 2,025,170 | \$ 29,353 |
| Total liabilities. | <u>\$ 21,343</u> | <u>\$ 2,033,180</u> | <u>\$ 2,025,170</u> | <u>\$ 29,353</u> |
| All Agency Funds | | | | |
| Assets: | | | | |
| Cash and cash equivalents in segregated accounts | \$ 21,343 | \$ 2,033,180 | \$ 2,025,170 | \$ 29,353 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Accounts | 20,838 | 21,069 | 20,838 | 21,069 |
| Total assets | <u>\$ 42,181</u> | <u>\$ 2,054,249</u> | <u>\$ 2,046,008</u> | <u>\$ 50,422</u> |
| Liabilities: | | | | |
| Due to others | \$ 42,181 | \$ 2,054,249 | \$ 2,046,008 | \$ 50,422 |
| Total liabilities | <u>\$ 42,181</u> | <u>\$ 2,054,249</u> | <u>\$ 2,046,008</u> | <u>\$ 50,422</u> |

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STATISTICAL SECTION

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CITY OF ALLIANCE, OHIO
STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 182-191 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax. | 192 |
| 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. | 193-198 |
| 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. | 199-200 |
| 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. | 201-208 |

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)

| | 2015 | Restated 2014 | 2013 | 2012 |
|---|----------------------|-------------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ 19,340,616 | \$ 19,325,774 | \$ 19,528,061 | \$ 19,194,878 |
| Restricted for: | | | | |
| Capital projects | - | 86,105 | 936,012 | 1,286,549 |
| Debt service | 145,057 | 425,849 | 191,036 | 322,426 |
| Special revenue | - | - | - | - |
| Transportation projects | 117,694 | 357,951 | 375,369 | 386,247 |
| Public service programs | 1,048,390 | 1,175,610 | 759,389 | 760,258 |
| Community environment programs | 3,184,160 | 3,329,142 | 3,318,742 | 3,859,082 |
| Police and fire pension | 24,686 | 38,397 | 69,984 | 72,662 |
| Security programs | 355,439 | 392,320 | 232,414 | 175,111 |
| Other purposes | 148,897 | 119,585 | 903,606 | 604,772 |
| Unrestricted (deficit) | (8,403,601) | (7,859,134) | 2,743,270 | 2,717,776 |
| Total governmental activities net position | <u>\$ 15,961,338</u> | <u>\$ 17,391,599</u> | <u>\$ 29,057,883</u> | <u>\$ 29,379,761</u> |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 14,314,561 | \$ 13,620,315 | \$ 12,266,157 | \$ 11,655,997 |
| Restricted: | | | | |
| Debt service | 520,304 | 548,950 | 573,116 | 592,084 |
| Replacement and surplus reserve | 878,195 | 522,362 | 1,152,065 | 1,903,787 |
| Unrestricted | 8,390,452 | 7,305,450 | 9,757,719 | 8,314,065 |
| Total business-type activities net position | <u>\$ 24,103,512</u> | <u>\$ 21,997,077</u> | <u>\$ 23,749,057</u> | <u>\$ 22,465,933</u> |
| Total primary government | | | | |
| Net investment in capital assets | \$ 33,655,177 | \$ 32,946,089 | \$ 31,794,218 | \$ 30,850,875 |
| Restricted for: | | | | |
| Capital projects | - | 86,105 | 936,012 | 1,286,549 |
| Debt service | 665,361 | 974,799 | 764,152 | 914,510 |
| Special revenue | - | - | - | - |
| Replacement and surplus reserve | 878,195 | 522,362 | 1,152,065 | 1,903,787 |
| Transportation projects | 117,694 | 357,951 | 375,369 | 386,247 |
| Public service programs | 1,048,390 | 1,175,610 | 759,389 | 760,258 |
| Community environment programs | 3,184,160 | 3,329,142 | 3,318,742 | 3,859,082 |
| Security programs | 355,439 | 392,320 | 232,414 | 175,111 |
| Police and fire pension | 24,686 | 38,397 | 69,984 | 72,662 |
| Other purposes | 148,897 | 119,585 | 903,606 | 604,772 |
| Unrestricted | (13,149) | (553,684) | 12,500,989 | 11,031,841 |
| Total primary government net position | <u>\$ 40,064,850</u> | <u>\$ 39,388,676</u> | <u>\$ 52,806,940</u> | <u>\$ 51,845,694</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.

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

| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 19,233,554 | \$ 19,217,527 | \$ 18,500,286 | \$ 17,764,197 | \$ 18,197,128 | \$ 18,707,921 |
| 31,763 | 1,154,738 | 1,447,623 | 1,751,872 | 1,155,599 | 1,115,068 |
| 346,139 | 401,200 | 661,027 | 915,520 | 960,434 | 1,139,016 |
| - | - | - | - | - | 5,780,614 |
| 285,686 | 374,892 | 265,771 | 325,698 | 960,327 | - |
| 737,980 | 737,032 | 728,398 | 734,587 | 726,240 | - |
| 3,976,347 | 3,892,153 | 4,521,279 | 4,785,006 | 3,850,510 | - |
| 76,794 | 60,133 | 59,322 | 58,717 | 59,516 | - |
| 235,720 | 290,824 | 394,189 | 448,672 | - | - |
| 367,747 | 365,774 | 291,652 | 290,657 | 796,984 | - |
| 5,348,341 | 5,157,606 | 2,679,203 | 2,624,597 | 2,708,070 | 2,062,100 |
| <u>\$ 30,640,071</u> | <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> |
| | | | | | |
| \$ 9,633,092 | \$ 9,524,020 | \$ 8,804,341 | \$ 6,945,805 | \$ 5,947,976 | \$ 6,893,121 |
| 618,439 | 609,249 | 637,561 | 869,875 | 838,787 | 1,583,849 |
| 616,385 | 591,030 | 682,495 | 493,477 | 506,138 | 724,445 |
| 8,897,636 | 8,899,493 | 9,162,368 | 9,119,655 | 8,736,925 | 5,803,278 |
| <u>\$ 19,765,552</u> | <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> |
| | | | | | |
| \$ 28,866,646 | \$ 28,741,547 | \$ 27,304,627 | \$ 24,710,002 | \$ 24,145,104 | \$ 25,601,042 |
| 31,763 | 1,154,738 | 1,447,623 | 1,751,872 | 1,155,599 | 1,115,068 |
| 964,578 | 1,010,449 | 1,298,588 | 1,785,395 | 1,799,221 | 2,722,865 |
| - | - | - | - | - | 5,780,614 |
| 616,385 | 591,030 | 682,495 | 493,477 | 506,138 | 724,445 |
| 285,686 | 374,892 | 265,771 | 325,698 | 960,327 | - |
| 737,980 | 737,032 | 728,398 | 734,587 | 726,240 | - |
| 3,976,347 | 3,892,153 | 4,521,279 | 4,785,006 | 3,850,510 | - |
| 235,720 | 290,824 | 394,189 | 448,672 | - | - |
| 76,794 | 60,133 | 59,322 | 58,717 | 59,516 | - |
| 367,747 | 365,774 | 291,652 | 290,657 | 796,984 | - |
| 14,245,977 | 14,057,099 | 11,841,571 | 11,744,252 | 11,444,995 | 7,865,378 |
| <u>\$ 50,405,623</u> | <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> |

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

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Program revenues: | | | | |
| Governmental activities | | | | |
| Charges for services: | | | | |
| General government | \$ 1,657,019 | \$ 1,572,870 | \$ 1,090,395 | \$ 1,061,567 |
| Security of persons and property | 76,764 | 65,939 | 464,505 | 50,980 |
| Public health and welfare | 200,787 | 161,864 | 162,282 | 168,495 |
| Transportation | - | 272 | - | - |
| Community environment | 158,407 | 59,609 | 64,284 | 78,811 |
| Leisure time activities | 7,420 | 26,106 | 24,022 | 145,468 |
| Interest and fiscal charges | - | - | - | - |
| Subtotal - charges for services | <u>2,100,397</u> | <u>1,886,660</u> | <u>1,805,488</u> | <u>1,505,321</u> |
| Operating grants and contributions | | | | |
| General government | 49,925 | 56,207 | 199,541 | 166,290 |
| Security of persons and property | 88,367 | 119,213 | 185,490 | 178,676 |
| Public health and welfare | 122,410 | 133,115 | 148,884 | 186,825 |
| Transportation | 986,928 | 975,748 | 997,472 | 997,806 |
| Community environment | 731,338 | 999,489 | 645,228 | 679,300 |
| Subtotal - operating grants and contributions | <u>1,978,968</u> | <u>2,283,772</u> | <u>2,176,615</u> | <u>2,208,897</u> |
| Capital grants and contributions | | | | |
| General government | 12,500 | 263 | - | - |
| Transportation | 331,606 | 543,314 | 660,617 | 115,061 |
| Community environment | - | - | - | - |
| Subtotal - capital grants and contributions | <u>344,106</u> | <u>543,577</u> | <u>660,617</u> | <u>115,061</u> |
| Total governmental activities program revenues | <u>4,423,471</u> | <u>4,714,009</u> | <u>4,642,720</u> | <u>3,829,279</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water | 5,244,227 | 5,027,585 | 5,080,395 | 4,935,880 |
| Sewer | 4,546,914 | 4,245,435 | 4,516,682 | 3,716,822 |
| Robertson Community Center | 44,928 | 47,494 | 43,062 | 46,873 |
| Capital grants and contributions | - | - | - | 1,741,568 |
| Total business-type activities program revenues | <u>9,836,069</u> | <u>9,320,514</u> | <u>9,640,139</u> | <u>10,441,143</u> |
| Total primary government | <u>\$ 14,259,540</u> | <u>\$ 14,034,523</u> | <u>\$ 14,282,859</u> | <u>\$ 14,270,422</u> |
| Expenses: | | | | |
| Governmental activities | | | | |
| General government | \$ 3,786,152 | \$ 3,530,481 | \$ 3,429,427 | \$ 3,293,515 |
| Security of persons and property | 9,005,619 | 8,983,758 | 8,727,248 | 9,121,557 |
| Public health and welfare | 952,886 | 944,102 | 961,188 | 1,069,283 |
| Transportation | 2,584,976 | 1,946,535 | 1,852,335 | 1,727,130 |
| Community environment | 941,453 | 1,132,317 | 1,419,894 | 942,663 |
| Basic utility services | 41,870 | 68,828 | 72,018 | 62,457 |
| Leisure time activities | 748,255 | 741,638 | 711,074 | 785,750 |
| Interest and fiscal charges | 28,195 | 39,947 | 45,757 | 50,615 |
| Bond issuance costs | - | - | - | 50,234 |
| Total governmental activities expenses | <u>18,089,406</u> | <u>17,387,606</u> | <u>17,218,941</u> | <u>17,103,204</u> |

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 974,521 | \$ 704,836 | \$ 984,588 | \$ 948,427 | \$ 1,091,967 | \$ 1,029,473 |
| 68,727 | 32,285 | 14,278 | 157,747 | 506,379 | 93,262 |
| 162,688 | 306,416 | 162,113 | 165,168 | 173,292 | 162,627 |
| - | - | - | - | - | - |
| 72,433 | 90,263 | 82,968 | 207,862 | 94,094 | 110,248 |
| 50,926 | 49,205 | 22,990 | 31,456 | 30,315 | 35,154 |
| - | - | - | 36,025 | 31,765 | - |
| <u>1,329,295</u> | <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> |
| 32,043 | 40,638 | 30,622 | 16,550 | 11,069 | 94,223 |
| 131,084 | 51,838 | 141,330 | 66,882 | 77,632 | - |
| 200,510 | 76,594 | 197,403 | 181,104 | 177,890 | 187,919 |
| 935,710 | 962,280 | 853,054 | 1,042,127 | 883,294 | - |
| <u>1,544,671</u> | <u>1,110,616</u> | <u>995,772</u> | <u>798,218</u> | <u>540,042</u> | <u>945,837</u> |
| <u>2,844,018</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> |
| - | - | - | - | - | - |
| 483,045 | - | 207,196 | 326,119 | 125,478 | 69,653 |
| - | - | - | - | - | - |
| <u>483,045</u> | <u>-</u> | <u>207,196</u> | <u>326,119</u> | <u>125,478</u> | <u>69,653</u> |
| <u>4,656,358</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> |
| 4,380,453 | 3,935,652 | 4,460,193 | 4,343,787 | 4,377,711 | 4,420,598 |
| 3,980,135 | 3,966,871 | 4,618,220 | 4,180,728 | 4,016,634 | 3,686,640 |
| 46,682 | 49,086 | 75,933 | 56,293 | 52,404 | 51,582 |
| - | 144,918 | 313,745 | 24,295 | 29,052 | - |
| <u>8,407,270</u> | <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>\$ 13,063,628</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> |
| \$ 3,280,078 | \$ 3,073,733 | \$ 2,917,013 | \$ 3,086,862 | \$ 3,016,883 | \$ 4,043,160 |
| 9,033,362 | 8,624,742 | 8,416,988 | 8,407,092 | 7,539,046 | 6,917,630 |
| 1,034,561 | 1,015,414 | 952,822 | 965,155 | 961,261 | 852,080 |
| 2,015,461 | 1,960,588 | 1,636,141 | 1,787,268 | 2,285,361 | 1,124,564 |
| 1,856,513 | 1,355,294 | 969,055 | 783,718 | 854,061 | 1,440,811 |
| 60,904 | 54,541 | 56,427 | 62,750 | 47,762 | 113,162 |
| 770,365 | 772,260 | 793,909 | 769,611 | 693,235 | 650,091 |
| 71,335 | 83,669 | 110,107 | 114,938 | 120,829 | 129,179 |
| - | - | - | - | - | - |
| <u>18,122,579</u> | <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> |

Continued

CITY OF ALLIANCE, OHIO

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

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|------------------------|------------------------|------------------------|------------------------|
| Business-type activities: | | | | |
| Water | \$ 4,222,774 | \$ 4,490,494 | \$ 4,518,463 | \$ 4,415,238 |
| Sewer | 3,932,292 | 4,364,930 | 4,186,816 | 3,650,814 |
| Robertson Community Center | 54,428 | 60,546 | 55,503 | 56,050 |
| Total business-type activities expenses | <u>8,209,494</u> | <u>8,915,970</u> | <u>8,760,782</u> | <u>8,122,102</u> |
| Total primary government | <u>\$ 26,298,900</u> | <u>\$ 26,303,576</u> | <u>\$ 25,979,723</u> | <u>\$ 25,225,306</u> |
| Net (expense) revenue | | | | |
| Governmental activities | \$ (13,665,935) | \$ (12,673,597) | \$ (12,576,221) | \$ (13,273,925) |
| Business-type activities | 1,626,575 | 404,544 | 879,357 | 2,319,041 |
| Total primary government net expense | <u>\$ (12,039,360)</u> | <u>\$ (12,269,053)</u> | <u>\$ (11,696,864)</u> | <u>\$ (10,954,884)</u> |
| General revenues and other changes in net position | | | | |
| Governmental activities | | | | |
| Municipal income taxes | \$ 10,305,849 | \$ 10,739,033 | \$ 10,118,478 | \$ 9,769,613 |
| Property and other local taxes | 893,577 | 905,285 | 917,317 | 1,071,476 |
| Grants and entitlements | | | | |
| not restricted to specific programs | 630,859 | 592,068 | 967,436 | 880,730 |
| Investment earnings | 18,707 | 25,442 | 4,166 | 4,428 |
| Gain on fair market value adjustment | 14,262 | - | - | - |
| Miscellaneous | 372,420 | 537,100 | 246,946 | 287,368 |
| Transfers | - | 546,889 | - | - |
| Total governmental activities | <u>12,235,674</u> | <u>13,345,817</u> | <u>12,254,343</u> | <u>12,013,615</u> |
| Business-type activities | | | | |
| Municipal income taxes | 404,207 | 420,332 | 394,602 | 374,081 |
| Unrestricted grants and contributions | - | - | - | - |
| Investment earnings | 75,653 | 115,162 | 9,165 | 7,259 |
| Gain on sale of capital assets | - | - | - | - |
| Transfers | - | (546,889) | - | - |
| Total business-type activities | <u>479,860</u> | <u>(11,395)</u> | <u>403,767</u> | <u>381,340</u> |
| Total primary government | <u>\$ 12,715,534</u> | <u>\$ 13,334,422</u> | <u>\$ 12,658,110</u> | <u>\$ 12,394,955</u> |
| Change in net position | | | | |
| Governmental activities | \$ (1,430,261) | \$ 672,220 | \$ (321,878) | \$ (1,260,310) |
| Business-type activities | 2,106,435 | 393,149 | 1,283,124 | 2,700,381 |
| Total primary government | <u>\$ 676,174</u> | <u>\$ 1,065,369</u> | <u>\$ 961,246</u> | <u>\$ 1,440,071</u> |

Source: City financial records.

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 4,834,781 | \$ 4,616,259 | \$ 4,498,029 | \$ 3,974,057 | \$ 4,391,750 | \$ 4,151,267 |
| 3,739,990 | 3,436,932 | 3,523,095 | 3,629,692 | 3,637,428 | 3,439,175 |
| 60,278 | 56,745 | 54,174 | 76,277 | 79,192 | 57,972 |
| 8,635,049 | 8,109,936 | 8,075,298 | 7,680,026 | 8,108,370 | 7,648,414 |
| <u>\$ 26,757,628</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> |
| \$ (13,466,221) | \$ (13,515,270) | \$ (12,160,148) | \$ (11,999,709) | \$ (11,775,221) | \$ (12,542,281) |
| (227,779) | (13,409) | 1,392,793 | 925,077 | 367,431 | 510,406 |
| <u>\$ (13,694,000)</u> | <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> |
| \$ 9,776,370 | \$ 8,713,256 | \$ 8,540,876 | \$ 8,844,311 | \$ 8,685,830 | \$ 8,344,521 |
| 929,774 | 956,359 | 984,883 | 1,331,701 | 1,577,482 | 1,503,423 |
| 1,103,878 | 4,524,885 | 1,714,806 | 1,458,034 | 1,359,491 | 3,118,133 |
| 8,435 | 10,202 | 21,096 | 154,923 | 548,794 | 326,744 |
| - | - | - | - | - | - |
| 835,956 | 504,111 | 747,714 | 495,455 | 213,713 | 372,327 |
| (200,000) | - | - | - | - | 34,572 |
| 12,454,413 | 14,708,813 | 12,009,375 | 12,284,424 | 12,385,310 | 13,699,720 |
| 386,543 | 343,668 | 340,765 | 349,905 | 348,248 | 307,661 |
| - | - | - | - | - | - |
| 5,279 | 6,768 | 15,215 | 124,004 | 309,454 | 395,062 |
| - | - | 109,180 | - | - | - |
| 200,000 | - | - | - | - | (34,572) |
| 591,822 | 350,436 | 465,160 | 473,909 | 657,702 | 668,151 |
| <u>\$ 13,046,235</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> |
| \$ (1,011,808) | \$ 1,193,543 | \$ (150,773) | \$ 284,715 | \$ 610,089 | \$ 1,157,439 |
| 364,043 | 337,027 | 1,857,953 | 1,398,986 | 1,025,133 | 1,178,557 |
| <u>\$ (647,765)</u> | <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> |

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

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--------------------------------------|---------------------|---------------------|---------------------|----------------------|
| General fund: | | | | |
| Nonspendable | \$ 386,149 | \$ 98,029 | \$ 100,473 | \$ 90,479 |
| Committed | 59,451 | 103,593 | 86,927 | 134,581 |
| Assigned | 1,299,804 | 1,566,149 | 1,380,734 | 135,180 |
| Unassigned | 1,159,618 | 1,130,672 | 1,237,121 | 2,672,552 |
| Reserved | - | - | - | - |
| Unreserved | - | - | - | - |
| Total general fund | <u>2,905,022</u> | <u>2,898,443</u> | <u>2,805,255</u> | <u>3,032,792</u> |
| All other governmental funds: | | | | |
| Nonspendable | 53,784 | 31,068 | 15,867 | 41,511 |
| Restricted | 5,372,753 | 5,859,314 | 5,671,080 | 5,891,152 |
| Committed | 760,187 | 1,057,921 | 825,390 | 1,099,759 |
| Assigned | - | 1,000 | 1,000 | 1,000 |
| Unassigned (deficit) | (352,810) | - | (3,292) | - |
| Reserved | - | - | - | - |
| Unreserved, reported in: | | | | |
| Special revenue funds | - | - | - | - |
| Debt service fund | - | - | - | - |
| Capital projects funds | - | - | - | - |
| Revolving loan fund | - | - | - | - |
| Total all other governmental funds | <u>5,833,914</u> | <u>6,949,303</u> | <u>6,510,045</u> | <u>7,033,422</u> |
| Total governmental funds | <u>\$ 8,738,936</u> | <u>\$ 9,847,746</u> | <u>\$ 9,315,300</u> | <u>\$ 10,066,214</u> |

Source: City financial records.

Note: The City implemented GASB 54 in 2011.

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
| \$ 88,225 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10,289 | - | - | - | - | - |
| 64,886 | - | - | - | - | - |
| 3,789,207 | - | - | - | - | - |
| - | 36,264 | 39,787 | 54,034 | 60,413 | 78,177 |
| - | <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>3,952,607</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> |
| 38,929 | - | - | - | - | - |
| 5,797,381 | - | - | - | - | - |
| 1,575,115 | - | - | - | - | - |
| 1,000 | - | - | - | - | - |
| (3,142) | - | - | - | - | - |
| - | 1,920,513 | 2,396,244 | 2,053,742 | 2,122,823 | 2,008,866 |
| - | 2,261,677 | 2,234,113 | 2,670,338 | 2,468,519 | 2,046,513 |
| - | 126,581 | 253,537 | 383,562 | 405,002 | 530,268 |
| - | 869,425 | 997,814 | 1,253,617 | 879,040 | 877,141 |
| - | <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>7,409,283</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>\$ 11,361,890</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> |

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

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|-----------------------|-------------------|---------------------|-----------------------|
| Revenues | | | | |
| Municipal income taxes | \$ 10,272,590 | \$ 10,701,172 | \$ 10,065,525 | \$ 9,768,208 |
| Property and other taxes | 897,035 | 897,977 | 916,991 | 986,268 |
| Charges for services | 325,908 | 378,773 | 428,359 | 313,836 |
| Licenses, permits and fees | 658,533 | 225,825 | 226,663 | 241,853 |
| Fines and forfeitures | 831,263 | 851,808 | 977,143 | 554,343 |
| Intergovernmental | 2,758,634 | 2,796,166 | 3,390,528 | 3,058,631 |
| Special assessments | - | 67,295 | 69,216 | 74,029 |
| Investment income | 61,429 | 44,593 | 44,886 | 47,283 |
| Rental income | 44,546 | 74,834 | 99,211 | 88,653 |
| Contributions and donations | 10,498 | 13,092 | 42,346 | 5,617 |
| Other | 678,148 | 1,095,294 | 657,936 | 608,534 |
| Total revenues | <u>16,538,584</u> | <u>17,146,829</u> | <u>16,918,804</u> | <u>15,747,255</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,279,554 | 3,104,014 | 3,085,737 | 2,736,209 |
| Security of persons and property | 8,420,148 | 8,618,050 | 8,548,046 | 8,375,312 |
| Public health and welfare | 960,431 | 926,077 | 949,521 | 979,756 |
| Transportation | 1,304,365 | 897,753 | 867,372 | 789,652 |
| Community environment | 929,267 | 1,129,378 | 1,412,050 | 859,742 |
| Leisure time activities | 626,454 | 613,020 | 627,704 | 653,096 |
| Basic utility services | 61,384 | 64,775 | 68,584 | 59,583 |
| Capital outlay | 1,778,871 | 1,382,029 | 1,833,204 | 2,957,264 |
| Debt service: | | | | |
| Principal retirement | 263,673 | 551,581 | 324,507 | 329,115 |
| Interest and fiscal charges | 32,081 | 42,434 | 48,033 | 53,201 |
| Bond issuance cost | - | - | - | 50,234 |
| Total expenditures | <u>17,656,228</u> | <u>17,329,111</u> | <u>17,764,758</u> | <u>17,843,164</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,117,644) | (182,282) - | (845,954) | (2,095,909) |
| Other financing sources (uses) | | | | |
| Sale of capital assets | 8,834 | - | - | - |
| 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 | - |
| Transfers in | 823,331 | 1,734,266 | 1,243,765 | 1,130,886 |
| Transfers (out) | (823,331) | (1,187,377) | (1,243,765) | (1,130,886) |
| Total other financing sources (uses) | <u>8,834</u> | <u>714,728</u> | <u>95,040</u> | <u>800,233</u> |
| Net change in fund balances | <u>\$ (1,108,810)</u> | <u>\$ 532,446</u> | <u>\$ (750,914)</u> | <u>\$ (1,295,676)</u> |
| Capital expenditures | \$ 1,625,458 | \$ 1,189,258 | \$ 1,871,185 | \$ 1,991,679 |
| Debt service as a percentage of noncapital expenditures | 1.84% | 3.68% | 2.34% | 2.41% |

Source: City financial records.

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------|
| \$ 9,670,227 | \$ 8,718,059 | \$ 8,516,605 | \$ 8,918,599 | \$ 8,680,502 | \$ 8,024,521 |
| 955,054 | 969,712 | 980,354 | 1,317,000 | 1,654,590 | 1,369,882 |
| 251,838 | 224,081 | 286,138 | 219,980 | 210,692 | 286,675 |
| 219,834 | 336,829 | 177,116 | 211,965 | 189,557 | 198,136 |
| 461,502 | 512,398 | 553,954 | 707,122 | 1,133,003 | 752,202 |
| 4,349,101 | 6,833,514 | 4,248,142 | 3,339,642 | 3,328,039 | 4,088,770 |
| 62,204 | 68,563 | 63,244 | 67,529 | 66,011 | 69,653 |
| 74,730 | 64,763 | 109,236 | 284,258 | 528,586 | 326,744 |
| 101,858 | 84,887 | 91,888 | 197,934 | 187,367 | 197,651 |
| 4,384 | 6,231 | 8,660 | 8,936 | 21,875 | - |
| 1,039,446 | 712,218 | 931,047 | 617,343 | 386,814 | 368,427 |
| <u>17,190,178</u> | <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> |
| 2,749,939 | 2,492,289 | 2,389,066 | 2,557,730 | 2,539,655 | 3,004,114 |
| 8,220,965 | 7,857,210 | 7,821,330 | 7,894,771 | 7,367,104 | 7,120,972 |
| 956,336 | 944,131 | 911,403 | 916,506 | 897,770 | 847,880 |
| 1,106,279 | 966,818 | 963,850 | 1,078,028 | 1,426,146 | 779,409 |
| 1,759,825 | 1,676,693 | 1,167,061 | 745,376 | 805,669 | 1,437,792 |
| 631,225 | 657,273 | 687,874 | 707,879 | 622,482 | 591,116 |
| 55,238 | 51,936 | 53,228 | 56,634 | 29,842 | 103,710 |
| 2,089,454 | 1,335,972 | 2,194,333 | 1,249,970 | 1,007,670 | 1,218,871 |
| 308,740 | 418,380 | 403,036 | 387,705 | 382,388 | 372,083 |
| 73,267 | 87,205 | 108,690 | 121,581 | 125,600 | 129,181 |
| - | - | - | - | - | - |
| <u>17,951,268</u> | <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> |
| (761,090) | 2,043,348 | (733,487) | 174,128 | 1,182,710 | 77,533 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 304,960 | - | - | - | - | - |
| 1,393,096 | 1,066,718 | 1,030,531 | 1,120,695 | 1,066,863 | 1,353,119 |
| (1,593,096) | (1,066,718) | (1,030,531) | (1,120,695) | (1,066,863) | (1,318,547) |
| <u>104,960</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,572</u> |
| <u>\$ (656,130)</u> | <u>\$ 2,043,348</u> | <u>\$ (733,487)</u> | <u>\$ 174,128</u> | <u>\$ 1,182,710</u> | <u>\$ 112,105</u> |
| \$ 1,605,167 | \$ 982,102 | \$ 1,891,704 | \$ 629,761 | \$ 1,091,851 | \$ 1,257,438 |
| 2.34% | 3.26% | 3.46% | 3.38% | 3.60% | 3.49% |

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 | | | | |
| 2015 | \$ 8,065,388 | \$ 1,474,251 | \$ 9,539,639 | \$ 1,116,699 | \$ 10,656,338 | 2.00% |
| 2014 | 8,049,056 | 1,443,002 | 9,492,058 | 1,470,963 | 10,963,021 | 2.00% |
| 2013 | 7,678,323 | 1,377,277 | 9,055,600 | 1,227,886 | 10,283,486 | 2.00% |
| 2012 | 7,682,227 | 1,351,720 | 9,033,947 | 1,240,725 | 10,274,672 | 2.00% |
| 2011 | 7,136,465 | 1,352,612 | 8,489,077 | 1,447,690 | 9,936,767 | 2.00% |
| 2010 | 6,651,975 | 1,250,681 | 7,902,656 | 940,634 | 8,843,290 | 2.00% |
| 2009 | 6,768,976 | 1,347,416 | 8,116,392 | 825,594 | 8,941,986 | 2.00% |
| 2008 | 7,209,183 | 1,214,575 | 8,423,758 | 770,489 | 9,194,247 | 2.00% |
| 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% |

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 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Industrial | 47.0% | 47.0% | 46.0% | 42.0% | 40.0% | 31.0% | 33.1% | 37.6% | 33.9% | 36.7% |
| Medical | 17.0% | 17.0% | 17.0% | 20.0% | 21.0% | 22.0% | 24.1% | 22.0% | 23.3% | 21.6% |
| Education | 13.0% | 12.0% | 12.0% | 13.0% | 14.0% | 15.0% | 15.4% | 13.2% | 21.1% | 13.1% |
| Retail | 6.0% | 6.0% | 8.0% | 6.0% | 5.0% | 7.0% | 6.5% | 7.3% | 10.1% | 7.3% |
| Service | 5.0% | 5.0% | 5.0% | 6.0% | 6.0% | 6.0% | 6.2% | 5.7% | 3.5% | 5.7% |
| Food/Restaurant | 4.0% | 3.0% | 4.0% | 4.0% | 4.0% | 5.0% | 4.7% | 4.1% | 1.5% | 4.3% |
| Carnation Mall Area | 4.0% | 4.0% | 4.0% | 5.0% | 5.0% | 5.0% | 5.3% | 4.4% | 3.1% | 4.2% |
| Financial | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.6% | 3.3% | 3.0% | 3.4% |
| Construction | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 0.5% | 0.6% | 0.5% | 2.1% |
| Other | 1.0% | 3.0% | 1.0% | 1.0% | 2.0% | 6.0% | 1.6% | 1.8% | 0.0% | 1.6% |
| | 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 | | | |
| 2015 | \$ 315,000 | \$ - | \$ 380,000 | \$ 167,839 | \$ 1,025,161 | \$ 6,715,438 | \$ 1,596,858 | \$ 10,200,296 | 2.60% | \$ 453 |
| 2014 | 555,000 | - | 393,333 | 167,839 | 1,080,171 | 7,923,733 | 1,581,084 | 11,701,160 | 2.98% | 520 |
| 2013 | 1,029,591 | 70,000 | 400,000 | - | 2,197,181 | 9,092,028 | 1,555,078 | 14,343,878 | 3.65% | 637 |
| 2012 | 1,270,000 | 135,000 | 304,960 | - | 2,287,000 | 10,160,000 | 631,224 | 14,788,184 | 3.77% | 657 |
| 2011 | 735,000 | 195,000 | 304,960 | - | 1,142,000 | 11,255,000 | 674,209 | 14,306,169 | 3.64% | 635 |
| 2010 | 980,000 | 250,000 | - | - | 1,182,000 | 12,315,000 | 717,194 | 15,444,194 | 3.93% | 686 |
| 2009 | 1,335,000 | 305,000 | - | - | 1,740,000 | 13,345,000 | 683,506 | 17,408,506 | 4.93% | 749 |
| 2008 | 1,680,000 | 355,000 | - | - | 2,185,000 | 14,275,000 | 354,826 | 18,849,826 | 5.34% | 811 |
| 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 |

Source: City financial records.

Note: Population and personal income data are presented on page 199.

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 | | |
| 2015 | 22,522 | \$ 278,005,220 | \$ 1,340,161 | \$ 126,550 | \$ 1,213,611 | 0.44% | \$ 53.89 |
| 2014 | 22,522 | 264,521,390 | 1,635,171 | 396,305 | 1,238,866 | 0.47% | 55.01 |
| 2013 | 22,522 | 259,506,760 | 3,226,772 | 96,408 | 3,130,364 | 1.21% | 138.99 |
| 2012 | 22,522 | 262,059,330 | 3,557,000 | 98,461 | 3,458,539 | 1.32% | 153.56 |
| 2011 | 22,522 | 288,001,100 | 1,877,000 | 118,616 | 1,758,384 | 0.61% | 78.07 |
| 2010 | 22,522 | 289,117,210 | 2,162,000 | 126,581 | 2,035,419 | 0.70% | 90.37 |
| 2009 | 23,253 | 299,392,613 | 3,075,000 | 253,537 | 2,821,463 | 0.94% | 121.34 |
| 2008 | 23,253 | 308,189,431 | 3,865,000 | 383,562 | 3,481,438 | 1.13% | 149.72 |
| 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 |

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, 2015**

| Governmental Unit | Governmental Activities Debt Outstanding | Estimated Percentage Applicable (1) | Amount Applicable to City |
|-----------------------------------|---|--|--|
| Direct - City of Alliance | | | |
| General obligation bonds | \$ 315,000 | 100.00% | \$ 315,000 |
| OPWC loans | 380,000 | 100.00% | 380,000 |
| SIB loans | 167,839 | 100.00% | 167,839 |
| | <u>862,839</u> | | <u>862,839</u> |
| Overlapping debt: | | | |
| Alliance City Schools | 6,089,380 | 89.34% | 5,440,252 |
| Marlington Local School District | 709,589 | 21.69% | 153,910 |
| Stark County Park District | 795,000 | 3.97% | 31,562 |
| Stark County | 4,789,238 | 3.97% | 190,133 |
| Mahoning County | 34,335,000 | 0.01% | 3,434 |
| | <u>46,718,207</u> | | <u>5,819,291</u> |
| Total direct and overlapping debt | <u>\$ 47,581,046</u> | | <u>\$ 6,682,130</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>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Total assessed property value | \$ 278,005,220 | \$ 264,521,390 | \$ 259,506,760 | \$ 262,059,330 |
| Overall legal debt limit (10 1/2 % of assessed valuation) | <u>29,190,548</u> | <u>27,774,746</u> | <u>27,248,210</u> | <u>27,516,230</u> |
| Debt outstanding | | | | |
| General obligation bonds | 315,000 | 555,000 | 1,029,591 | 1,270,000 |
| Special assessment bonds | - | - | 70,000 | 135,000 |
| SIB loans | 167,839 | 167,839 | - | - |
| Enterprise general obligation bonds | 1,025,161 | 1,080,171 | 2,197,181 | 2,287,000 |
| OPWC loans | 1,976,858 | 1,974,417 | 1,955,078 | 936,184 |
| Revenue bonds | 6,715,438 | 7,923,733 | 9,092,028 | 10,160,000 |
| Total gross indebtedness | <u>10,200,296</u> | <u>11,701,160</u> | <u>14,343,878</u> | <u>14,788,184</u> |
| Less: | | | | |
| Special assessment bonds | - | - | 70,000 | 135,000 |
| SIB loans | 167,839 | 167,839 | - | - |
| Enterprise general obligation bonds | 1,025,161 | 1,080,171 | 2,197,181 | 2,287,000 |
| OPWC loans | 1,976,858 | 1,974,417 | 1,955,078 | 936,184 |
| Revenue bonds | 6,715,438 | 7,923,733 | 9,092,028 | 10,160,000 |
| Total net debt applicable to debt limit | <u>315,000</u> | <u>555,000</u> | <u>1,029,591</u> | <u>1,270,000</u> |
| Legal debt margin within 10 1/2 % limitation | <u>\$ 28,875,548</u> | <u>\$ 27,219,746</u> | <u>\$ 26,218,619</u> | <u>\$ 26,246,230</u> |
| Legal debt margin as a percentage of the debt limit | 98.92% | 98.00% | 96.22% | 95.38% |
| Unvoted debt limitation (5 1/2 % of assessed valuation) | <u>\$ 15,290,287</u> | <u>\$ 14,548,676</u> | <u>\$ 14,272,872</u> | <u>\$ 14,413,263</u> |
| Total gross indebtedness | 10,200,296 | 11,701,160 | 14,343,878 | 14,788,184 |
| Less: | | | | |
| Special assessment bonds | - | - | 70,000 | 135,000 |
| SIB loans | 167,839 | 167,839 | - | - |
| Enterprise general obligation bonds | 1,025,161 | 1,080,171 | 2,197,181 | 2,287,000 |
| OPWC loans | 1,976,858 | 1,974,417 | 1,955,078 | 936,184 |
| Revenue bonds | 6,715,438 | 7,923,733 | 9,092,028 | 10,160,000 |
| Net debt within 5 1/2 % limitations | <u>315,000</u> | <u>555,000</u> | <u>1,029,591</u> | <u>1,270,000</u> |
| Unvoted legal debt margin within 5 1/2 % limitations | <u>\$ 14,975,287</u> | <u>\$ 13,993,676</u> | <u>\$ 13,243,281</u> | <u>\$ 13,143,263</u> |
| Unvoted legal debt margin as a percentage of the unvoted debt limitation | 97.94% | 96.19% | 92.79% | 91.19% |

Source: City financial records.

Notes:

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

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

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 288,001,100 | \$ 288,748,770 | \$ 299,234,860 | \$ 296,983,320 | \$ 296,403,070 | \$ 290,531,674 |
| <u>30,240,116</u> | <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> |
| 735,000 | 980,000 | 1,335,000 | 1,680,000 | 2,015,000 | 2,345,000 |
| 195,000 | 250,000 | 305,000 | 355,000 | 400,000 | 445,000 |
| - | - | - | - | - | - |
| 1,142,000 | 1,182,000 | 1,740,000 | 2,185,000 | 2,620,000 | 3,040,000 |
| 979,169 | 717,194 | 683,506 | 354,826 | 376,957 | 399,088 |
| 11,255,000 | 12,315,000 | 13,345,000 | 14,275,000 | 15,000,000 | 15,820,000 |
| <u>14,306,169</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> |
| 195,000 | 250,000 | 305,000 | 355,000 | 400,000 | 445,000 |
| - | - | - | - | - | - |
| 1,142,000 | 1,182,000 | 1,740,000 | 2,185,000 | 2,620,000 | 3,040,000 |
| 979,169 | 717,194 | 683,506 | 354,826 | 376,957 | 399,088 |
| 11,255,000 | 12,315,000 | 13,345,000 | 14,275,000 | 15,000,000 | 15,820,000 |
| <u>735,000</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>\$ 29,505,116</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> |
| 97.57% | 96.77% | 95.75% | 94.61% | 93.53% | 92.31% |
| \$ 15,840,061 | \$ 15,881,182 | \$ 16,457,917 | \$ 16,334,083 | \$ 16,302,169 | \$ 15,979,242 |
| 14,306,169 | 15,444,194 | 17,408,506 | 18,849,826 | 20,411,957 | 22,049,088 |
| 195,000 | 250,000 | 305,000 | 355,000 | 400,000 | 445,000 |
| - | - | - | - | - | - |
| 1,142,000 | 1,182,000 | 1,740,000 | 2,185,000 | 2,620,000 | 3,040,000 |
| 979,169 | 717,194 | 683,506 | 354,826 | 376,957 | 399,088 |
| 11,255,000 | 12,315,000 | 13,345,000 | 14,275,000 | 15,000,000 | 15,820,000 |
| <u>735,000</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>\$ 15,105,061</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> |
| 95.36% | 93.83% | 91.89% | 89.71% | 87.64% | 85.32% |

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 | |
| 2015 | \$ 5,244,227 | \$ 3,245,642 | \$ 1,678,905 | \$ 3,677,490 | \$ 1,200,000 | \$ 299,600 | 2.45 |
| 2014 | 5,027,585 | 3,406,534 | 1,678,985 | 3,300,036 | 1,160,000 | 338,750 | 2.20 |
| 2013 | 5,080,395 | 3,365,400 | 1,678,808 | 3,393,803 | 1,125,000 | 375,313 | 2.26 |
| 2012 | 4,935,880 | 3,282,009 | 1,677,730 | 3,331,601 | 1,095,000 | 407,688 | 2.22 |
| 2011 | 4,380,453 | 3,632,635 | 1,678,027 | 2,425,845 | 1,060,000 | 439,963 | 1.62 |
| 2010 | 3,935,652 | 3,397,003 | 1,677,494 | 2,216,143 | 1,030,000 | 470,863 | 1.48 |
| 2009 | 4,460,193 | 3,216,538 | 1,684,217 | 2,927,872 | 930,000 | 569,421 | 1.95 |
| 2008 | 4,343,787 | 3,060,768 | 1,862,595 | 3,145,614 | 855,000 | 739,300 | 1.97 |
| 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 |

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> |
|-------------|-----------------------|--------------------------------------|---|--|---------------------------|---|
| 2015 | 22,522 | \$ 392,490,894 | \$ 17,427 | \$ 32,048 | 35.9 | 6.4% |
| 2014 | 22,522 | 392,490,894 | 17,427 | 32,048 | 35.9 | 4.5% |
| 2013 | 22,522 | 392,490,894 | 17,427 | 32,048 | 35.9 | 6.9% |
| 2012 | 22,522 | 392,490,894 | 17,427 | 32,048 | 35.9 | 6.7% |
| 2011 | 22,522 | 392,490,894 | 17,427 | 32,743 | 35.9 | 7.9% |
| 2010 | 22,522 | 392,490,894 | 17,427 | 32,743 | 35.9 | 11.1% |
| 2009 | 23,253 | 353,000,000 | 15,181 | 30,078 | 34.0 | 12.2% |
| 2008 | 23,253 | 353,000,000 | 15,181 | 30,078 | 34.0 | 8.0% |
| 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% |

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 EIGHT YEARS AGO

| December 31, 2015 | | | |
|-----------------------------|------------------|-------------|--|
| Employer | Employees | Rank | Percentage of Total City Employment |
| University of Mount Union | 1,753 | 1 | 16.66% |
| Alliance Community Hospital | 1,149 | 2 | 10.92% |
| Coastal Pet | 882 | 3 | 8.38% |
| Alliance City Schools | 822 | 4 | 7.81% |
| Walmart | 522 | 5 | 4.96% |
| MAC Trailer | 369 | 6 | 3.51% |
| Alliance Castings | 342 | 7 | 3.25% |
| City of Alliance | 323 | 8 | 3.07% |
| Alliance Tubular Products | 322 | 9 | 3.06% |
| Alliance Community Medical | 87 | 10 | 0.83% |
| Total | 6,571 | | 62.45% |
| 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.

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CITY OF ALLIANCE, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

| Function/Program | 2015 | 2014 | 2013 | 2012 |
|---|---------------|---------------|---------------|---------------|
| General Government | | | | |
| Council and clerk | | | | |
| Number of ordinances passed | 69 | 80 | 75 | 96 |
| Number of resolutions passed | 2 | 6 | 11 | 13 |
| Number of planning commission docket items | 32 | 11 | 27 | 25 |
| Zoning board of appeals docket items | 22 | 22 | 4 | 17 |
| Finance Department | | | | |
| Number of checks/vouchers issued | 3,961 | 3,593 | 3,830 | 3,802 |
| Number of payroll checks issued | 2,242 | 2,577 | 2,522 | 2,463 |
| Interest earnings for fiscal year (cash basis, includes water & sewer) | \$ 104,325 | \$ 14,844 | \$ 17,116 | \$ 14,581 |
| Number of receipts issued | 292 | 284 | 329 | 2,513 |
| Number of journal entries issued | 201 | 212 | 326 | 360 |
| Number of budget adjustments issued | 20 | 29 | 20 | 13 |
| Agency ratings - Moody's Financial Services | A1 | Aaa | Aaa | Aaa |
| Health insurance costs- Medical | \$ 2,283,972 | \$ 1,759,447 | \$ 2,202,445 | \$ 1,929,298 |
| Health insurance costs- Dental | \$ 111,121 | \$ 124,595 | \$ 123,818 | \$ 116,435 |
| Health insurance costs- Administration | \$ 368,918 | \$ 358,408 | \$ 310,190 | \$ 275,995 |
| Health insurance total | \$ 2,764,011 | \$ 2,242,450 | \$ 2,636,453 | \$ 2,337,029 |
| General fund receipts (budgetary-basis) | \$ 11,796,835 | \$ 11,713,463 | \$ 11,188,999 | \$ 10,397,109 |
| General fund expenditures (budgetary-basis) | \$ 12,361,924 | \$ 10,870,256 | \$ 10,663,936 | \$ 10,778,843 |
| General fund cash balance | \$ 632,595 | \$ 1,170,903 | \$ 1,231,243 | \$ 1,651,750 |
| Income Tax Department | | | | |
| Number of individual returns | 8,418 | 8,372 | 8,070 | 8,141 |
| Number of business returns | 1,259 | 1,224 | 1,304 | 1,314 |
| Number of business withholding accounts | 4,459 | 4,683 | 4,989 | 4,817 |
| Annual number of corporate withholding forms processed | 3,422 | 3,612 | 3,451 | 3,544 |
| Annual number of estimated payment forms processed | 2,735 | 2,898 | 2,680 | 2,793 |
| Annual number of reconciliation of withholdings processed | 3,925 | 3,612 | 3,550 | 3,441 |
| Engineer Contracted Services | | | | |
| Dollar amount of construction overseen by engineer | n/a | \$ 550,000 | \$ 954,950 | n/a |
| Private construction overseen/inspected | \$ 857,900 | \$ 1,056,500 | n/a | n/a |
| Engineering design contracts | n/a | \$ 28,600 | \$ 20,625 | n/a |
| Municipal Court | | | | |
| Number of civil cases filed | 1,389 | 1,476 | 1,371 | 1,694 |
| Number of criminal cases filed | 1,995 | 2,042 | 2,290 | 2,338 |
| Number of traffic cases filed | 4,544 | 5,528 | 4,844 | 4,644 |
| Total cases filed | 7,928 | 9,046 | 8,505 | 8,676 |
| Number of civil cases disposed | 1,396 | 1,453 | 1,402 | 1,667 |
| Number of criminal cases disposed | 2,058 | 2,127 | 2,402 | 2,311 |
| Number of traffic cases disposed | 4,581 | 5,537 | 4,858 | 4,585 |
| Total cases disposed | 8,035 | 9,117 | 8,662 | 8,563 |
| Vital Statistics | | | | |
| Certificates filed | 714 | 694 | 754 | 772 |
| Number of births | 387 | 385 | 416 | 430 |
| Number of deaths | 309 | 309 | 338 | 342 |
| Certificates issued | 3,176 | 3,172 | 3,255 | 3,100 |
| Burial permits issued | 323 | 365 | n/a | 364 |

| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------|---------------|---------------|---------------|---------------|--------------|
| 101 | 95 | 86 | 95 | 97 | 116 |
| 6 | 10 | 9 | 18 | 32 | 27 |
| 34 | 27 | 17 | 26 | 30 | 34 |
| 20 | 26 | 20 | 32 | 23 | 37 |
| 4,013 | 3,936 | 4,305 | 4,212 | 3,857 | 3,632 |
| 2,801 | 2,681 | 3,064 | 3,823 | 4,154 | 4,458 |
| \$ 16,328 | \$ 20,387 | \$ 43,384 | \$ 338,202 | \$ 758,752 | \$ 621,555 |
| 2,461 | 2,546 | 1,686 | 1,427 | 1,278 | 1,294 |
| 424 | 424 | 221 | 442 | 516 | 362 |
| 10 | 8 | 23 | 12 | 15 | 11 |
| Aaa | Aaa | Aaa | Aaa | Aaa | Aaa |
| \$ 1,994,330 | \$ 1,680,722 | \$ 1,567,989 | \$ 1,667,442 | \$ 2,033,948 | \$ 1,768,980 |
| \$ 100,563 | \$ 105,433 | \$ 103,322 | n/a | n/a | n/a |
| \$ 242,136 | \$ 234,843 | \$ 197,585 | n/a | n/a | n/a |
| \$ 2,337,029 | \$ 2,020,998 | \$ 1,868,896 | \$ 1,667,442 | \$ 2,033,948 | \$ 1,768,980 |
| \$ 10,450,333 | \$ 14,203,022 | \$ 11,248,650 | \$ 10,977,577 | \$ 11,819,838 | \$ 9,820,070 |
| \$ 11,533,844 | \$ 11,421,889 | \$ 11,509,720 | \$ 11,495,283 | \$ 10,626,337 | \$ 9,911,961 |
| \$ 2,854,512 | \$ 3,927,726 | \$ 1,356,683 | \$ 1,602,045 | \$ 2,109,644 | \$ 471,014 |
| 8,024 | 8,084 | 8,418 | 8,770 | 8,392 | 8,372 |
| 1,234 | 1,216 | 1,259 | 1,279 | 1,230 | 1,224 |
| 4,785 | 4,467 | 4,459 | 4,470 | 4,702 | 4,683 |
| 3,659 | 3,380 | 3,220 | 3,288 | n/a | n/a |
| 2,682 | 2,564 | 3,036 | 3,364 | 2,905 | 3,612 |
| 3,632 | 3,576 | 3,436 | 3,651 | 3,651 | 2,898 |
| \$ 613,528 | \$ 268,152 | \$ 1,029,635 | \$ - | \$ 462,751 | \$ 800,391 |
| \$ 834,500 | \$ 97,600 | \$ 275,000 | \$ 740,300 | n/a | n/a |
| \$ 33,395 | \$ 25,917 | \$ 178,198 | \$ 209,948 | n/a | n/a |
| 1,717 | 1,924 | 1,988 | 2,473 | 2,438 | 2,203 |
| 2,262 | 1,763 | 1,746 | 1,894 | 1,815 | 1,592 |
| 2,733 | 3,268 | 3,519 | 2,603 | 3,013 | 3,864 |
| 6,712 | 6,955 | 7,253 | 6,970 | 7,266 | 7,659 |
| 1,727 | 1,818 | 2,059 | 2,524 | 2,375 | 2,075 |
| 2,147 | 1,740 | 1,748 | 1,952 | 1,721 | 1,535 |
| 2,728 | 3,324 | 3,465 | 2,651 | 3,032 | 3,823 |
| 6,602 | 6,882 | 7,272 | 7,127 | 7,128 | 7,433 |
| 734 | 799 | 803 | 778 | 893 | 746 |
| 402 | 401 | 450 | 432 | 522 | 438 |
| 332 | 398 | 353 | 346 | 371 | 308 |
| 3,270 | 3,621 | 4,078 | 4,402 | 5,324 | 4,715 |
| 304 | 392 | 365 | 333 | 303 | 434 |

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CITY OF ALLIANCE, OHIO

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

| Function/Program | 2015 | 2014 | 2013 | 2012 |
|---|---------------|---------------|---------------|--------------|
| Civil Service | | | | |
| Number of police entry tests administered | 1 | - | 1 | - |
| Number of fire entry tests administered | 1 | - | - | 1 |
| Number of police promotional tests administered | 1 | 2 | - | - |
| Number of fire promotional tests administered | 1 | 1 | 1 | 1 |
| Number of hires of police officers from certified lists | 3 | 4 | 1 | 1 |
| Number of hires of fire/medics from certified lists | 2 | 1 | - | - |
| Number of promotions from police certified lists | 3 | - | - | - |
| Number of promotions from fire certified lists | 3 | - | 2 | 1 |
| Building Department Indicators | | | | |
| Construction permits issued | 252 | 278 | 295 | 317 |
| Estimated value of construction | \$ 14,100,000 | \$ 18,635,280 | \$ 26,214,855 | \$ 9,368,510 |
| Number of permits issued | 967 | 894 | 720 | 818 |
| Amount of revenue generated from permits | \$ 103,103 | \$ 86,670 | \$ 52,130 | \$ 47,969 |
| Number of contract registrations issued | 253 | 290 | 308 | 286 |
| Security of Persons & Property | | | | |
| Police | | | | |
| Total calls for services | 58,286 | 66,082 | 43,231 | 50,504 |
| Number of traffic citations issued | 4,268 | 6,188 | 4,122 | 3,727 |
| Number of parking citations issued | 505 | 166 | 125 | 245 |
| Number of criminal arrests | 3,843 | 3,248 | 2,883 | n/a |
| Number of accident reports completed | 572 | 567 | 547 | n/a |
| Felony offenses (F1-F5) | 641 | 668 | 583 | n/a |
| Misdemeanor offenses (M1-MM) | 2,465 | 2,580 | 1,981 | n/a |
| Police dept. auxiliary hours worked | 834 | 1,230 | 1,723 | 1,297 |
| DUI arrests | 141 | 220 | 215 | 225 |
| Prisoners | 2,063 | 2,056 | 1,498 | n/a |
| Motor vehicle accidents | 834 | 587 | 557 | 648 |
| Property damage accidents | 817 | 587 | 557 | 648 |
| Fatalities from motor vehicle accidents | 1 | - | 1 | 1 |
| Gasoline costs of fleet | \$ 76,952 | \$ 127,200 | \$ 146,593 | \$ 151,234 |
| Community diversion program - community service hours | n/a | n/a | n/a | n/a |
| Fire | | | | |
| EMS/Rescue calls | 2,337 | 2,311 | 2,142 | 2,179 |
| Other EMS calls (assist ambulance, stand-by) | n/a | n/a | n/a | n/a |
| Structure fires | 35 | 40 | 39 | 50 |
| Fires other than structure | 49 | 46 | 39 | 59 |
| Other fire calls (electrical, smoke/odor, hazardous mat.) | 719 | 645 | 620 | 649 |
| Total calls for services | 3,140 | 3,042 | 2,840 | 2,937 |
| Fires with loss | 47 | 55 | 21 | 43 |
| Fires with losses exceeding \$10 K | 9 | 10 | 7 | 17 |
| Fire losses | \$ 477,490 | \$ 325,149 | \$ 285,280 | \$ 1,811,335 |
| Fire safety inspections | 1,217 | 1,090 | 909 | 155 |
| Number of times mutual aid given to fire and EMS | 8 | 16 | 27 | 19 |
| Number of times mutual aid received for fire and EMS | 2 | 4 | 11 | 19 |
| Fire department receipts from fees & permits | \$ 1,040 | \$ 630 | \$ 920 | \$ 990 |
| Fire department total receipts | \$ 5,418 | \$ 3,374 | \$ 2,421 | \$ 2,708 |
| Public Health and Welfare | | | | |
| Number of health inspections | 678 | 633 | 910 | 1,085 |
| Cemetery burials | 53 | 59 | 80 | 64 |
| Cemetery cremations | 34 | 17 | 22 | 21 |
| Cemetery sale of lots | 75 | 35 | 48 | 61 |
| Cemetery receipts | \$ 62,855 | \$ 58,665 | \$ 52,300 | \$ 49,306 |

| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | - | - | - | 1 | 1 |
| - | - | - | - | 1 | - |
| - | - | 3 | 1 | - | 3 |
| 1 | - | - | - | 4 | - |
| 3 | 2 | - | - | - | 6 |
| - | - | - | - | 2 | - |
| - | 1 | 3 | 1 | - | 5 |
| - | - | - | - | 4 | - |
| 296 | 346 | 290 | 333 | 352 | 410 |
| \$ 13,075,583 | \$ 13,906,316 | \$ 12,270,074 | \$ 29,005,371 | \$ 14,782,277 | \$ 19,463,377 |
| 802 | 1,324 | 1,164 | 909 | 880 | 936 |
| \$ 56,748 | \$ 118,626 | \$ 96,578 | \$ 88,359 | \$ 75,508 | \$ 85,131 |
| 209 | 248 | 119 | 133 | 135 | 148 |
| 41,283 | 43,950 | 42,920 | 44,302 | 49,742 | 59,394 |
| 1,401 | 1,796 | 2,423 | 2,034 | 2,283 | 2,594 |
| 250 | 699 | 776 | 286 | 316 | 383 |
| 2,505 | 1,826 | 1,221 | 3,733 | 2,364 | 2,471 |
| 646 | 618 | 542 | 647 | 699 | 680 |
| 564 | 461 | 511 | 565 | 456 | 533 |
| 1,640 | 1,354 | 1,493 | 1,652 | 1,908 | 1,354 |
| 1,204 | 1,418 | 956 | 1,200 | 2,045 | 912 |
| 158 | 143 | 141 | 130 | 110 | 117 |
| 1,407 | 1,338 | 1,666 | 1,744 | 1,890 | 1,682 |
| 771 | 803 | 908 | 1,040 | 1,326 | 1,275 |
| 771 | 669 | 790 | 892 | 1,181 | 513 |
| - | 2 | - | 1 | 4 | 2 |
| \$ 142,749 | \$ 105,476 | \$ 84,070 | \$ 114,869 | \$ 85,139 | \$ 77,146 |
| 85 | 94 | 396 | 249 | 339 | 890 |
| 2,220 | 2,024 | 1,885 | 1,925 | 1,759 | 459 |
| n/a | n/a | n/a | n/a | 107 | 247 |
| 67 | 87 | 38 | 36 | 42 | 43 |
| 28 | 46 | 67 | 69 | 80 | 100 |
| 796 | 738 | 530 | 699 | 549 | 542 |
| 3,111 | 2,895 | 2,520 | 2,729 | 2,537 | 1,391 |
| 35 | 41 | 43 | 64 | 58 | 61 |
| 9 | 5 | 9 | 8 | 10 | 9 |
| \$ 276,650 | \$ 2,416,875 | \$ 627,410 | \$ 388,255 | \$ 484,155 | \$ 660,420 |
| 882 | 827 | 540 | 223 | 775 | 982 |
| 8 | 26 | 8 | 3 | 3 | 8 |
| 3 | 10 | 9 | 7 | 3 | 5 |
| \$ 727 | \$ 961 | \$ 855 | \$ 813 | \$ 125 | \$ 1,330 |
| \$ 727 | \$ 26,502 | \$ 9,700 | \$ 13,905 | \$ 5,026 | \$ 11,902 |
| 1,423 | 1,363 | 1,476 | 1,531 | 1,562 | 1,551 |
| 78 | 78 | 73 | 62 | 63 | 75 |
| 21 | 13 | 21 | 19 | 23 | 25 |
| 30 | 45 | 69 | 78 | 60 | 37 |
| \$ 49,306 | \$ 58,946 | \$ 60,110 | \$ 71,373 | \$ 69,088 | \$ 48,607 |

--Continued

CITY OF ALLIANCE, OHIO

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

| Function/Program | 2015 | 2014 | 2013 | 2012 |
|--|--------------|--------------|--------------|--------------|
| Leisure Time Activities | | | | |
| Recreation | | | | |
| Recreation mens & womens league receipts | | \$ 1,115 | \$ 1,470 | \$ 3,050 |
| Other fees | \$ - | \$ - | \$ - | \$ 975 |
| Cabin rentals | \$ - | \$ 30,565 | \$ 8,160 | \$ 8,110 |
| Robertson community center facility rentals | \$ 18,920 | \$ 12,343 | \$ 10,962 | \$ 15,660 |
| Robertson community center swimming pool receipts | \$ 11,284 | \$ 34,976 | \$ 32,077 | \$ 31,213 |
| Total recreation department receipts | \$ 33,643 | \$ 78,999 | \$ 52,669 | \$ 59,008 |
| | \$ 63,847 | | | |
| Community Development | | | | |
| Grant amounts received due to economic development dept. | \$ - | \$ - | \$ - | \$ - |
| Basic Utility Services | | | | |
| Refuse disposal per year (in tons) January - December | 6,828 | 8,095 | 6,887 | 7,571 |
| Refuse disposal costs per year January - December | \$ 863,604 | \$ 836,118 | \$ 748,953 | \$ 792,115 |
| Annual recycling tonnage (excluding leaf and compost) | 583 | 730 | 579 | 601 |
| Percentage of waste recycled | 11.71 | 11.08 | 7.75 | 7.93 |
| 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 streets (miles) | 79.343 | 79.343 | 79.343 | 79.343 |
| Total unpaved streets (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) | 5,120 | 3,695 | 3,095 | 2,635 |
| Guardrail repair (hours) | - | - | 37 | - |
| Paint striping (hours) | 640 | 932 | 1,065 | 1,092 |
| Street sweeper (hours) | 623 | 485 | 378 | 650 |
| Cold patch (hours) | 3,840 | 3,453 | 3,785 | 3,697 |
| Snow and ice removal regular hours | 3,915 | 3,820 | 4,865 | 3,735 |
| Snow and ice removal overtime hours | 882 | 834 | 748 | 794 |
| Tons of snow melting salt purchased (Nov-Mar) | 2,742 | 2,990 | 2,603 | 2,407 |
| Cost of salt purchased | \$ 153,970 | \$ 82,209 | \$ 96,658 | \$ 123,530 |
| Sewer and sanitary calls for service | 84 | 86 | 100 | 115 |
| After hours sewer calls (hours) | 57 | 75 | 54 | 84 |
| Sewer crew (hours) | 21,490 | 18,391 | 19,055 | 18,284 |
| Sewer jet, vac-all, other services (hours) | 1,359 | 1,280 | 1,455 | - |
| Landscaping, stump-chipper service (hours) | 193 | 89 | 171 | 376 |
| Leaf collection (hours) | 1,474 | 1,481 | 1,041 | 1,689 |
| Sign department (hours) | 1,165 | 943 | 1,295 | 1,025 |
| Water Department | | | | |
| Water rates per 1st 300 Cu. ft. of water used (inside City rate) | \$ 5.82 | \$ 5.65 | \$ 5.65 | \$ 5.28 |
| Water rates per 1st 300 Cu. ft. of water used (outside City rate) | \$ 10.18 | \$ 9.89 | \$ 9.89 | \$ 9.24 |
| Avg. number of water accounts billed monthly | 9,640 | 9,846 | 9,850 | 9,889 |
| Total water collections annually (including P&I) | \$ 5,175,035 | \$ 5,014,397 | \$ 5,091,119 | \$ 4,900,519 |
| Payments for bulk water purchases | \$ 29,615 | \$ 20,394 | \$ 27,752 | \$ 29,638 |
| Wastewater Department | | | | |
| Wastewater rates per 1st 300 Cu. ft. of water used (inside City rate) | \$ 3.36 | \$ 3.20 | \$ 3.20 | \$ 3.20 |
| Wastewater rates per 1st 300 Cu. ft. of water used (outside City rate) | \$ 3.65 | \$ 3.48 | \$ 3.48 | \$ 3.48 |
| Total flow of wastewater treatment plant (billions of gallons) | 1.90 | 1.93 | 1.10 | 1.10 |
| Average daily flow (millions of gallons per day) | 5.20 | 5.30 | 3.00 | 3.00 |
| Tons of dry sludge removed | 840 | 993 | 960 | 1,111 |

Source: Various City of Alliance departments.

| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|----|-----------|--------------|--------------|--------------|--------------|--------------|
| \$ | 4,750 | \$ 4,520 | \$ 3,330 | \$ 2,100 | \$ 1,865 | \$ 3,530 |
| \$ | - | \$ - | \$ - | \$ 880 | \$ 1,683 | \$ 1,434 |
| \$ | 17,822 | \$ 16,595 | \$ 16,790 | \$ 16,404 | \$ 12,815 | \$ 11,047 |
| \$ | 10,697 | \$ 10,382 | \$ 11,021 | \$ 10,762 | \$ 10,132 | \$ 7,273 |
| \$ | 35,985 | \$ 38,439 | \$ 32,949 | \$ 43,664 | \$ 42,239 | \$ 44,309 |
| \$ | 69,254 | \$ 69,936 | \$ 64,095 | \$ 73,810 | \$ 68,734 | \$ 67,593 |
| \$ | - | \$ 726,519 | \$ 693,414 | \$ 680,239 | \$ 707,476 | \$ 923,769 |
| | n/a | 7,306 | 8,885 | 11,371 | 8,796 | 9,645 |
| | n/a | \$ 850,514 | \$ 832,922 | \$ 612,118 | \$ 791,537 | \$ 542,354 |
| | n/a | 647.43 | 598.67 | 572.87 | 532.80 | 608.02 |
| | n/a | 8.86 | 6.31 | 5.04 | 5.70 | 5.72 |
| | 8.677 | 8.677 | 8.677 | 8.677 | 8.677 | 8.677 |
| | 8.600 | 8.600 | 8.600 | 8.600 | 8.600 | 8.600 |
| | 0.077 | 0.077 | 0.077 | 0.077 | 0.077 | 0.077 |
| | 106.462 | 106.462 | 106.462 | 106.462 | 106.462 | 106.462 |
| | 79,343 | 79,343 | 79,343 | 79,343 | 79,343 | 79,343 |
| | 27,119 | 27,119 | 27,119 | 27,119 | 27,119 | 27,119 |
| | 735 | 735 | 735 | 735 | 735 | 735 |
| | 2,290 | 2,240 | 2,327 | 1,650 | 1,500 | 750 |
| | - | - | - | - | 25 | 50 |
| | 950 | 945 | 920 | 1,080 | 1,200 | 1,200 |
| | 633 | 518 | 719 | 607 | 553 | 620 |
| | 4,350 | 4,235 | 4,395 | 3,780 | 3,500 | 3,000 |
| | 4,980 | 5,950 | 5,280 | 6,912 | 6,500 | 6,000 |
| | 825 | 1,383 | 837 | 1,333 | 970 | 600 |
| | 4,229 | 3,402 | 2,987 | 3,511 | 2,352 | 2,044 |
| \$ | 218,217 | \$ 172,872 | \$ 140,713 | \$ 125,622 | \$ 83,185 | \$ 70,776 |
| | 86 | 87 | 96 | 96 | 110 | 108 |
| | 47 | 102 | 48 | 36 | 57 | 112 |
| | 17,615 | 17,349 | 18,335 | 18,327 | 18,458 | 17,952 |
| | 1,304 | 1,668 | 1,052 | 1,381 | 1,036 | 2,100 |
| | 241 | 289 | 765 | 807 | 650 | 800 |
| | 1,597 | 1,706 | 1,716 | 1,285 | 1,532 | 1,688 |
| | 1,160 | 1,320 | 1,040 | 800 | 800 | 800 |
| \$ | 4.93 | \$ 4.93 | \$ 4.61 | \$ 4.48 | \$ 4.35 | \$ 4.35 |
| \$ | 8.63 | \$ 8.63 | \$ 8.07 | \$ 7.83 | \$ 7.61 | \$ 7.61 |
| | 9,813 | 9,851 | 9,819 | 9,875 | 9,909 | 9,897 |
| \$ | 4,316,764 | \$ 4,208,926 | \$ 4,057,088 | \$ 4,208,863 | \$ 4,224,254 | \$ 4,188,073 |
| \$ | 36,271 | \$ 34,668 | \$ 31,726 | \$ 14,222 | \$ 30,181 | \$ 34,029 |
| \$ | 3.44 | \$ 3.44 | \$ 3.44 | \$ 3.28 | \$ 3.12 | \$ 3.12 |
| \$ | 3.89 | \$ 3.89 | \$ 3.89 | \$ 3.71 | \$ 3.54 | \$ 3.54 |
| | 1.71 | 1.52 | 1.33 | 1.68 | 1.64 | 1.73 |
| | 4.68 | 4.00 | 4.00 | 4.62 | 4.50 | 4.75 |
| | 669 | 663 | 663 | 1,146 | 1,191 | 1,378 |

CITY OF ALLIANCE, OHIO

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

| Function/Program | 2015 | 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 | 57,321 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage of building | 21,600 | 21,600 | 21,600 | 21,600 | 21,600 | 21,600 | 21,600 | 21,600 | 21,600 | 21,600 |
| Vehicles | 42 | 45 | 45 | 36 | 33 | 31 | 39 | 39 | 39 | 39 |
| Fire | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage of building | 13,351 | 13,351 | 13,351 | 13,351 | 13,351 | 13,351 | 13,351 | 13,351 | 13,351 | 13,351 |
| Vehicles | 10 | 10 | 10 | 11 | 10 | 9 | 9 | 9 | 9 | 9 |
| Recreation | | | | | | | | | | |
| Number of parks | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Acres of parks | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 |
| Other Public Works | | | | | | | | | | |
| Streets | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 |
| Traffic lights | 39 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 35 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 |
| Storm sewers (miles) | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 |
| Water Department | | | | | | | | | | |
| Water lines (miles) | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |

Source: Various City of Alliance departments.

CITY OF ALLIANCE, OHIO

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

| Function/Program | 2015 | | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | FT | PT | | | | | | | | | |
| General Government | | | | | | | | | | | |
| Mayor | 4.00 | 0.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.75 | 3.75 | 3.75 | 4.50 |
| Auditor | 4.50 | 0.00 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 3.00 |
| Law Director | 2.00 | 2.50 | 4.00 | 4.50 | 3.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.00 |
| Council | 0.00 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 |
| Judge | 5.00 | 2.00 | 6.50 | 5.50 | 5.50 | 5.50 | 5.00 | 5.00 | 5.50 | 5.50 | 5.50 |
| Clerk of Courts | 7.00 | 1.00 | 7.50 | 6.50 | 6.50 | 6.00 | 6.50 | 7.50 | 7.50 | 7.50 | 7.50 |
| Civil Service | 0.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.50 | 2.00 | 2.00 | 1.00 |
| Engineering | 6.00 | 1.50 | 8.00 | 6.50 | 6.50 | 7.00 | 6.50 | 6.50 | 6.50 | 6.00 | 6.00 |
| City Hall Maintenance | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.50 | 2.50 |
| Income Tax | 3.50 | 0.00 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.00 | 3.00 |
| Treasurer | 0.00 | 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 | 0.00 | 1.00 | 1.00 | 1.00 | 1.50 | 1.50 | 1.50 | 1.50 | 1.00 | 0.50 |
| Security of Persons and Property | | | | | | | | | | | |
| Police | 40.00 | 0.00 | 41.00 | 43.00 | 43.00 | 43.00 | 41.00 | 42.00 | 41.00 | 40.50 | 39.50 |
| Police - auxiliary/guards | 0.00 | 10.00 | 11.00 | 10.00 | 11.00 | 10.00 | 9.00 | 9.00 | 9.00 | 7.00 | 8.00 |
| Police - dispatchers/office/other | 13.00 | 1.50 | 14.50 | 14.00 | 14.50 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 13.50 |
| Fire | 28.00 | 0.00 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 |
| Public Health Services | | | | | | | | | | | |
| Health | 9.00 | 2.00 | 12.50 | 12.50 | 13.00 | 12.50 | 13.00 | 13.00 | 13.00 | 13.00 | 12.50 |
| Cemetery | 1.00 | 2.00 | 3.00 | 3.00 | 3.50 | 4.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Leisure Time Activities | | | | | | | | | | | |
| Parks and recreation | 5.00 | 4.50 | 23.00 | 21.00 | 21.50 | 24.50 | 21.00 | 21.00 | 20.00 | 19.50 | 10.00 |
| Litter | 0.00 | 0.50 | 0.50 | 0.50 | 0.50 | 1.00 | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Community Development | | | | | | | | | | | |
| Building (CDBG) | 3.00 | 0.00 | 4.00 | 4.00 | 4.00 | 3.00 | 4.00 | 5.00 | 3.75 | 3.75 | 3.00 |
| Transportation | | | | | | | | | | | |
| Street maintenance & repair | 12.00 | 0.00 | 12.00 | 11.00 | 11.00 | 13.50 | 13.00 | 12.50 | 12.50 | 12.50 | 13.00 |
| Basic Utility Services | | | | | | | | | | | |
| Sewer | 28.00 | 0.00 | 28.50 | 29.00 | 29.00 | 29.00 | 27.25 | 26.75 | 24.25 | 24.25 | 26.00 |
| Water | 23.00 | 0.00 | 25.50 | 25.00 | 25.50 | 24.00 | 24.25 | 23.25 | 26.25 | 26.25 | 21.00 |
| Billing and collection | 6.00 | 0.00 | 5.50 | 5.50 | 5.50 | 8.00 | 8.00 | 8.00 | 7.50 | 7.50 | 8.00 |
| Total | 202.00 | 35.50 | 260.00 | 254.50 | 257.00 | 263.00 | 253.50 | 253.75 | 251.50 | 247.50 | 231.00 |

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
JULY 19, 2016**