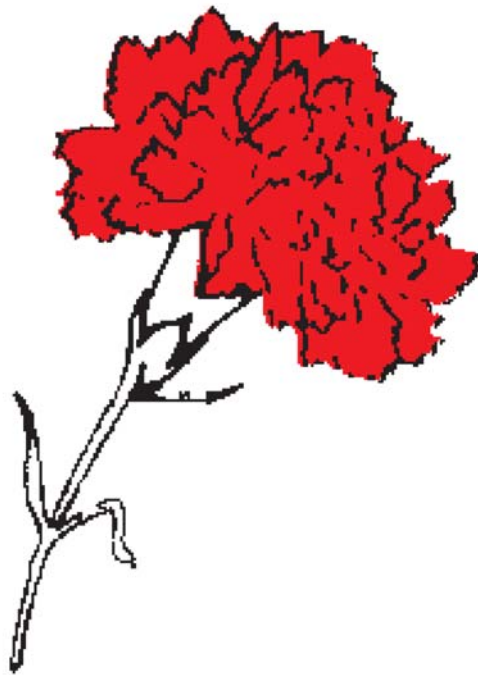


City of Alliance, Ohio

“The Carnation City”



Comprehensive Annual Financial Report

For the Year Ended December 31, 2020



88 East Broad Street
Columbus, Ohio 43215
IPARepor@ohioauditor.gov
(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Alliance, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 07, 2021

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CITY OF ALLIANCE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020

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The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



KEVIN KNOWLES

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July 30, 2021

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

Transmittal Letter

The Comprehensive Annual Financial Report of the City of Alliance, Ohio (the "City") is hereby presented. This report represents the official report of the City of Alliance's operations and financial position for the year ended December 31, 2020, 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.

Accounting Principles Generally Accepted in the United States of America (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 Alliance City Health Department is a component unit of the City.

The City of Alliance

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

The City is in the Canton Metropolitan Statistical Area (MSA), comprised of the Ohio counties of Carroll and Stark, which is the 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 and STAR Ohio (State Treasury Asset Reserve of Ohio), an investment pool for all Ohio political subdivisions, under the custody and management of the Treasurer of the State of Ohio. Investments in 2020 consist of STAR Ohio, STAR Plus, and a portfolio of investments through Meeder Investment Management.

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.

Economic Conditions and Financial Outlook

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

Prior to 2019, the City experienced a steady decline in its general fund cash balance, in part due to a structural deficit as expenses have consistently exceeded revenues. The general fund balance cash shrunk from a high of \$3.9 million in 2011 to a cash carryover of \$445,233 at December 31, 2018. This has rebounded in the past two years and the cash carryover at December 31, 2020 was \$3,069,464. In 2017 Moody's downgraded the City's rating on its outstanding general obligation debt from A1 to A2. This came after downgrading the City from Aa3 to A1 in 2015. The City's finances were boosted in 2020 by utilizing \$1.2 million dollars of CARES Act funds towards safety forces payroll.

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

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

The City was placed in fiscal caution by the Auditor of State of Ohio based on low carryover balances especially in the General Fund. The State later elevated the City to Fiscal Watch due to City Council not approving a required recovery plan in the required timeframe.

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 target improving the City's tax base. The City will continue employing innovative and creative measures to reduce expenses to counter declining revenues.

City of Alliance Opportunity Zone

An area in the Downtown Alliance area was designated an Opportunity Zone. According to Opportunity Zones Ohio, "An Opportunity Zone is a low-income community where new investments may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury".

Park Levy

Alliance voters passed a five-year 3.0 mill Parks and Recreation property tax levy in 2018. The levy generated \$829K in 2020 to fund the Parks operating and capital budgets. The levy allowed for Park expenses to be removed from the City's general fund.

State Street Corridor Rehabilitation

State Street (US62) was paved from the North bound ramp to Freshley Avenue and from Federal to Belleflower. Sidewalks were added from Oakhill to Freshley. New ADA ramps were installed in designated sections where there are currently none. The project was funded by ODOT, SCATS and City funding.

SAFER Grant

The City began receiving FEMA funding for Staffing for Adequate Fire and Emergency Response (SAFER) funds to hire additional firefighters in 2019. The grant is for a 3 year period and provides for \$469,841 of federal funding. The grant pays for a portion of wages and fringe benefits along with a required matching component of City funds.

City of Alliance/Marlington Schools Waterline

The City of Alliance cooperatively completed extended water services to the Marlington local School system. The project was completed in 3 phases and includes an EPA loan to the City which will be repaid on a pro-rated basis by Alliance and Marlington. The City will contribute labor and materials for a portion of this project.

Water Line Extension to Smith Township

The City of Alliance extended water service to nearby Smith Township. This project now supplies water to a commercial area east of the city along Oyster Rd. and helps facilitate new commercial development.

Enhanced City Website

The City launched an enhanced website in 2019. The site provides for greater interactivity and transparency. The updated site will also allow residents to search for property and job listings. The site is www.cityofalliance.com.

City of Alliance recognized for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) recognized the city of Alliance for its FY2019 Comprehensive Annual Financial Report. The city's report was honored after an impartial panel judged it to meet the high standards of the program, including demonstrating a constructive "spirit of full disclosure" to clearly communicate its accurate financial story and motivate potential users and user groups to read the report.

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.

Union Avenue Corridor Project

Union Avenue (SR183) from College Street to Columbia Street. Replacing of curbs, installation of decorative street lighting and replacement of deteriorated sidewalk as needed. New ADA ramps will also be installed as needed. The majority of the funding will come from OPWC grant (\$295,000) and CDBG grants (\$136,000).

Performance Audit by Ohio State Auditor

The City completed a performance audit in conjunction with the State of Ohio Auditor's Office. audit will focus on an analysis of safety and fleet management practices. The City hopes to be able to achieve savings based on their recommendations.

City Dog Park

A Dog Park was dedicated in July of 2019, donations have been secured to commence the construction and further donations and grants will be pursued to enhance the facility. The park opened in Spring of 2020.

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.

Financial Information

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

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

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

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

Internal Accounting and Reporting Control

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

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

Awards

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report for the year ended December 31, 2019. 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 twenty consecutive years (1999-2019). 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 firm of Julian & Grube, Inc., has audited the basic financial statements of the City, and the Auditor's Report is included herein. In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendment of 1996 and the provisions of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is not included in this Comprehensive Annual Financial Report.

Acknowledgments

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

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

Respectfully Submitted,

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

Kevin G. Knowles
City Auditor

CITY OF ALLIANCE, OHIO

City Officials

December 31, 2020

Mayor	Alan Andreani
President of Council	Art Garnes
Councilman - Ward I	Sheila K. Cherry
Councilman - Ward II	Cindy King
Councilman - Ward III	Dr. Edward Lohnes
Councilman - Ward IV	Jim Edwards
Council-at-Large	Andrew Grove
Council-at-Large	Kris Bugara
Council-at-Large	Phillip Mastroianni
Clerk of Council	Gerald T. Yost
Law Director	Jennifer Arnold
Judge	Andrew Zumbar
Clerk of Court	Mary Anne Carper
Civil Service	Joyce Lamb, W. John Gross, Renee Young

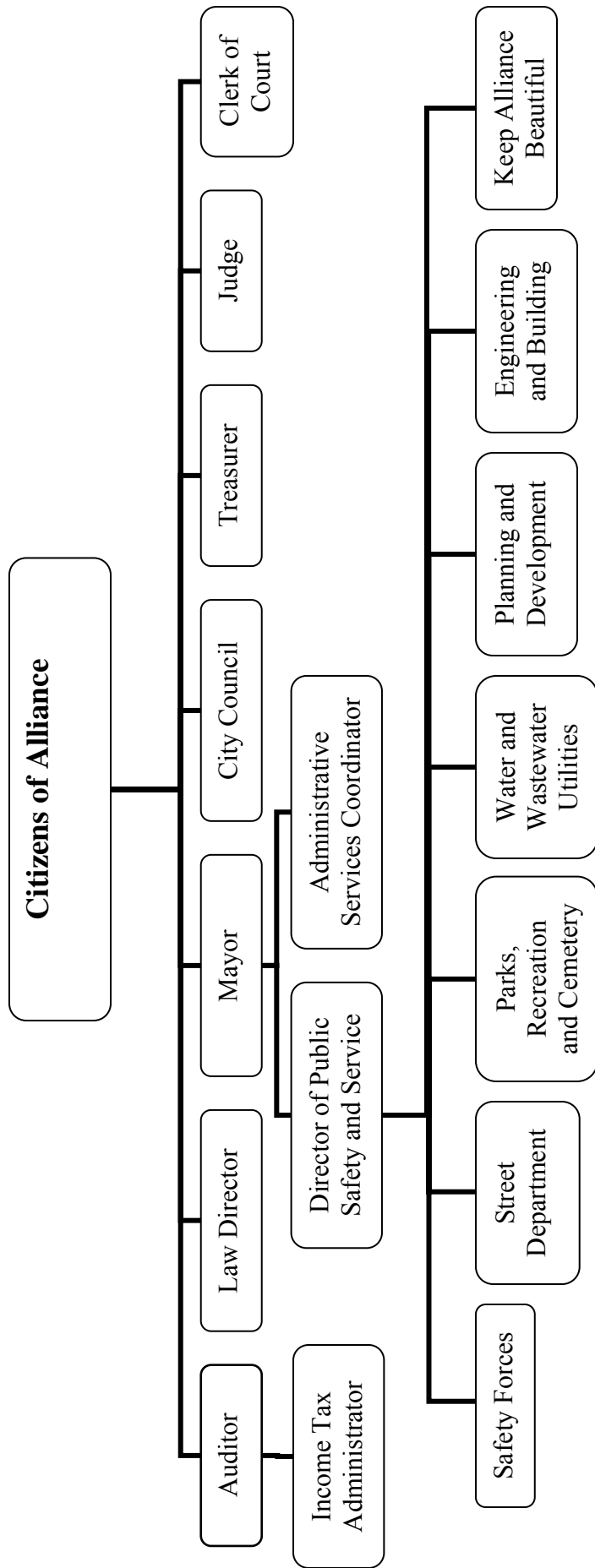
Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

Public Safety and Service

Director of Public Safety and Service	Michael Dreger
Fire Chief	Jason Hunt
Police Chief	Scott Griffith
Director of Parks, Cemetery and Public Lands	Kimberly Cox
Water Plant	Amy Elliot
Wastewater Plant	Kim Laquatra
Water and Wastewater Distribution	Doug Hastings
Utility Billing and Collection	Angie Weir
Health and Human Services	Randy Flint
Planning and Development	Joe Mazzola
Senior Citizens Center	Helen Miller
Street Department	John Bertolini
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, 2019

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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Independent Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of Alliance's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Alliance's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Revolving Loan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 3 to the financial statements, in 2020, the City of Alliance adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As described in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City of Alliance. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, and schedules of net pension and other postemployment benefit assets and liabilities and pension and other postemployment benefit contributions* listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alliance's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of the City of Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alliance's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 30, 2021

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CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020. 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 2020 are as follows:

- The total net position of the City increased \$5,457,118. Net position of governmental activities increased \$3,797,372 or 65.23% and net position of business-type activities increased \$1,659,746 or 6.00%.
- General revenues accounted for \$14,999,166 or 66.13% of total governmental activities revenue. Program specific revenues accounted for \$7,682,668 or 33.87% of total governmental activities revenue.
- The City had \$18,884,462 in expenses related to governmental activities; \$7,682,668 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,201,794 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$14,999,166.
- The general fund had revenues of \$14,469,873 in 2020. This represents an increase of \$667,617 from 2019. The expenditures and other financing uses of the general fund, which totaled \$12,160,519 in 2020, decreased \$503,249 from 2019. The net increase in fund balance for the general fund was \$2,309,354 or 78.89%.
- The revolving loan major fund had \$141,288 in revenues and \$68,394 in expenditures in 2020. The fund balance for the revolving loan fund increased \$72,894 or 2.19%.
- Net position for the business-type activities, which are made up of the water, sewer, Robertson Community Center, and community improvement funds, increased \$1,659,746 from a net position balance of \$27,667,264 in 2019 to a net position balance of \$29,327,010 in 2020.
- The water fund had \$5,547,357 in operating revenues and \$4,250,640 in operating expenses in 2020. The water fund also had non-operating revenues of \$489,811 and non-operating expenses of \$166,011. The net position of the water fund increased \$1,620,517 or 11.24%.
- The sewer fund had \$5,047,117 in operating revenues and \$4,955,302 in operating expenses in 2020. The sewer fund also had non-operating revenues of \$120,626 and non-operating expenses of \$100,426. The net position of the sewer fund increased \$112,015 or 0.88%.

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.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

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 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows, using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 29.

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.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund, and the revolving loan fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 42-45 of this report, budgetary comparison for the general fund and the revolving loan fund (a major special revenue fund) can be found on pages 46-50 of this report, and further detail on the City's major and nonmajor governmental funds can be found in Note 2 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, community center, and community improvement funds. The City reports the water and sewer funds as major enterprise funds. These major funds are presented separately in the proprietary fund financial statements. The internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service fund is used to account for a self-insurance program for medical and dental benefits. The basic proprietary fund financial statements can be found on pages 51-55 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are the City's only fiduciary fund type. The basic fiduciary fund financial statements can be found on page 56 and 57 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 59-124 of this report.

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 net OPEB liability. The required supplementary information can be found on pages 127-142 of this report.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2020 compared to December 31, 2019.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	Restated 2019	2020	2019	2020	Restated 2019
<u>Assets</u>						
Current assets	\$ 19,503,752	\$ 15,729,002	\$ 13,793,344	\$ 14,204,565	\$ 33,297,096	\$ 29,933,567
Capital assets, net	18,590,450	17,793,452	32,011,643	31,108,103	50,602,093	48,901,555
Total assets	<u>38,094,202</u>	<u>33,522,454</u>	<u>45,804,987</u>	<u>45,312,668</u>	<u>83,899,189</u>	<u>78,835,122</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	-	-	-	104,841	-	104,841
Pensions	2,619,363	6,277,945	611,382	1,561,446	3,230,745	7,839,391
OPEB	1,764,250	1,477,559	422,297	196,040	2,186,547	1,673,599
Total deferred outflows of resources	<u>4,383,613</u>	<u>7,755,504</u>	<u>1,033,679</u>	<u>1,862,327</u>	<u>5,417,292</u>	<u>9,617,831</u>
<u>Liabilities</u>						
Current liabilities	928,457	1,122,783	394,625	246,023	1,323,082	1,368,806
Long-term liabilities:						
Due within one year	822,510	796,982	729,318	2,095,715	1,551,828	2,892,697
Net pension liability	17,294,694	22,857,573	3,715,854	5,222,793	21,010,548	28,080,366
Net OPEB liability	4,971,095	4,861,681	2,554,794	2,443,231	7,525,889	7,304,912
Other amounts	2,382,444	2,415,483	8,821,523	9,240,394	11,203,967	11,655,877
Total liabilities	<u>26,399,200</u>	<u>32,054,502</u>	<u>16,216,114</u>	<u>19,248,156</u>	<u>42,615,314</u>	<u>51,302,658</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,827,529	1,762,325	-	-	1,827,529	1,762,325
Pension	3,140,828	723,609	879,855	179,375	4,020,683	902,984
OPEB	1,491,016	915,652	415,687	80,200	1,906,703	995,852
Total deferred inflows of resources	<u>6,459,373</u>	<u>3,401,586</u>	<u>1,295,542</u>	<u>259,575</u>	<u>7,754,915</u>	<u>3,661,161</u>
<u>Net Position</u>						
Net investment in capital assets	18,214,085	17,381,872	23,113,403	20,478,007	41,327,488	37,859,879
Restricted	5,341,397	4,810,179	1,866,747	1,878,329	7,208,144	6,688,508
Unrestricted (deficit)	<u>(13,936,240)</u>	<u>(16,370,181)</u>	<u>4,346,860</u>	<u>5,310,928</u>	<u>(9,589,380)</u>	<u>(11,059,253)</u>
Total net position	<u>\$ 9,619,242</u>	<u>\$ 5,821,870</u>	<u>\$ 29,327,010</u>	<u>\$ 27,667,264</u>	<u>\$ 38,946,252</u>	<u>\$ 33,489,134</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,946,252. At year-end, net position for governmental activities was a balance of \$9,619,242 and net position for business-type activities was a balance of \$29,327,010.

The net pension liability and net OPEB liability, as well as the deferred inflows and outflows of resources related to pension and OPEB fluctuated considerably. These liabilities represent the City's share of the two state retirement systems' present value of estimated future pension benefits less the assets available to pay those benefits. This will fluctuate annually based on a number of factors including investment returns, actuarial assumptions used, and the City's proportionate share of the net pension and net OPEB cost. As a result 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB. The result would be net position at December 31, 2020 of \$32,087,860 for governmental activities and \$35,822,047 for business-type activities.

Other than pensions and OPEB, significant changes for governmental activities include an increase in current assets, which is mostly due to higher cash balances, increased income taxes receivable, and special assessments receivable. Net capital assets increased as current year additions exceeded depreciation expense. Current liabilities decreased due to less accrued wages and benefits payable throughout the City's funds.

The business-type activities also had lower cash balances at year-end leading to a decrease in current assets. The increase in net capital assets is primarily due to the continued construction of the City's Powered Activated Carbon System. As with the governmental activities, current liabilities for the business-type activities decreased due to less revenue bonds payable in the City's Water fund. Long-term liabilities (other than pension and OPEB) decreased as the sewer and water fund continued to make payments on their long-term obligations.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2020, capital assets represented 60.31% of total assets. Capital assets include land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2020, was \$18,214,085 and \$23,113,403 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, \$5,341,397, 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 \$13,936,240.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The table below shows the changes in net position for 2019 and 2020.

Change in Net Position

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019	Total 2020	Total 2019
Revenues:						
Program revenues:						
Charges for services and sales	\$ 1,808,444	\$ 1,857,775	\$ 11,956,754	\$ 12,130,738	\$ 13,765,198	\$ 13,988,513
Operating grants and contributions	4,251,525	2,915,262	-	-	4,251,525	2,915,262
Capital grants and contributions	1,622,699	562,918	-	-	1,622,699	562,918
Total program revenues	7,682,668	5,335,955	11,956,754	12,130,738	19,639,422	17,466,693
General revenues:						
Property taxes	2,020,389	1,988,388	-	-	2,020,389	1,988,388
Income taxes	10,136,657	10,702,325	397,548	432,114	10,534,205	11,134,439
Unrestricted grants	546,126	649,164	-	-	546,126	649,164
Interest	30,624	22,766	201,874	202,340	232,498	225,106
Gain on fair value of investments	206,711	199,082	-	-	206,711	199,082
Miscellaneous	2,058,659	518,124	-	-	2,058,659	518,124
Total general revenues	14,999,166	14,079,849	599,422	634,454	15,598,588	14,714,303
Total revenues	22,681,834	19,415,804	12,556,176	12,765,192	35,238,010	32,180,996
Expenses:						
General government	3,794,432	4,094,336	-	-	3,794,432	4,094,336
Security of persons and property	9,749,781	1,187,041	-	-	9,749,781	1,187,041
Public health services	907,648	724,395	-	-	907,648	724,395
Transportation	2,414,065	2,824,884	-	-	2,414,065	2,824,884
Community environment	1,054,128	1,138,812	-	-	1,054,128	1,138,812
Basic utility services	74,544	79,816	-	-	74,544	79,816
Leisure time activities	875,940	1,009,135	-	-	875,940	1,009,135
Interest and fiscal charges	13,924	15,093	-	-	13,924	15,093
Water	-	-	4,373,005	4,576,875	4,373,005	4,576,875
Sewer	-	-	5,020,317	5,409,140	5,020,317	5,409,140
Robertson Community Center	-	-	14,561	83,696	14,561	83,696
Community Improvement	-	-	1,488,547	1,233,768	1,488,547	1,233,768
Total expenses	18,884,462	11,073,512	10,896,430	11,303,479	29,780,892	22,376,991
Increase in net position before special item	3,797,372	8,342,292	1,659,746	1,461,713	5,457,118	9,804,005
Special item - transfer of operations	-	1,025,474	-	-	-	1,025,474
Change in net position	3,797,372	9,367,766	1,659,746	1,461,713	5,457,118	10,829,479
Net position at beginning year	5,821,870	N/A	27,667,264	26,205,551	33,489,134	N/A
Net position at end of year (restated)	\$ 9,619,242	\$ 5,821,870	\$ 29,327,010	\$ 27,667,264	\$ 38,946,252	\$ 33,489,134

Governmental Activities

Governmental activities net position increased \$3,797,272 in 2020. Both total revenues and total expenses increased.

Total revenues increased mostly as a result of an increase in miscellaneous general revenues, operating grants and contributions, and capital grants and contributions.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Total expenses increased significantly which is primarily due to an increase in the City's proportionate share of OPEB expense as required under GASB 75. This is especially evident in the security of persons and property expenses which resulted from changes in the net OPEB liability and related deferred inflows and outflows of resources related to the Ohio Police & Fire Pension System. These can vary from year to year based on the performance of the pension plan investments and changes in the actuarial assumptions used.

General government expenses totaled \$3,794,432. General government expenses were partially funded by \$1,435,730 in direct charges to users of the services. Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$9,749,781 of the total expenses of the City. These expenses were partially funded by \$156,181 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$4,251,525 in operating grants and contributions and \$1,622,699 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Capital grants and contributions in 2020 subsidized transportation programs.

General revenues totaled \$14,999,166 and amounted to 66.13% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$12,157,046. Another primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and homestead and rollback, making up \$546,126.

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.

Governmental Activities

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
Program expenses:				
General government	\$ 3,794,432	\$ 2,326,063	\$ 4,094,336	\$ 2,661,423
Security of persons and property	9,749,781	7,653,457	1,187,041	801,372
Public health services	907,648	819,865	724,395	647,149
Transportation	2,414,065	(648,040)	2,824,884	1,318,471
Community environment	1,054,128	101,635	1,138,812	(551,700)
Basic utility services	74,544	74,544	79,816	79,816
Leisure time activities	875,940	860,346	1,009,135	765,933
Interest and fiscal charges	<u>13,924</u>	<u>13,924</u>	<u>15,093</u>	<u>15,093</u>
Total expenses	<u>\$ 18,884,462</u>	<u>\$ 11,201,794</u>	<u>\$ 11,073,512</u>	<u>\$ 5,737,557</u>

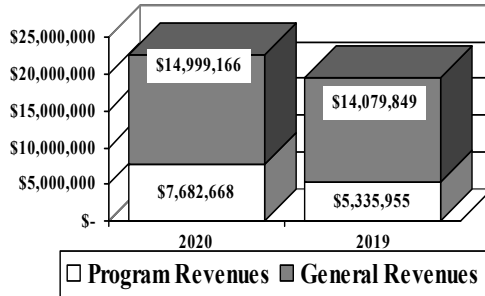
The dependence upon general revenues for governmental activities is apparent, with only 40.68% of expenses supported through program revenues.

CITY OF ALLIANCE, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The graph below shows the City’s general revenues and program revenues for 2019 and 2020.

Governmental Activities – General and Program Revenues

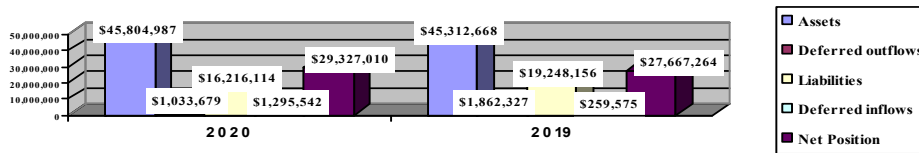


Business-Type Activities

Business-type activities include the water, sewer, community center, and community improvement enterprise funds. These programs had program revenues of \$11,956,754, general revenues of \$599,422 and expenses of \$10,896,430 for 2020.

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

Net Position in Business - Type Activities



Financial Analysis of the Government’s Major Funds

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

Governmental Funds

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

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The City's governmental funds reported a combined fund balance of \$12,676,119 which is \$3,332,575 greater than last year's restated total of \$9,343,544. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2020 and 2019 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/2020</u>	Restated Fund Balances <u>12/31/2019</u>	<u>Change</u>
Major funds:			
General	\$ 5,236,762	\$ 2,927,408	\$ 2,309,354
Revolving loan	3,407,151	3,334,257	72,894
Other nonmajor governmental funds	<u>4,032,206</u>	<u>3,081,879</u>	<u>950,327</u>
Total	<u>\$ 12,676,119</u>	<u>\$ 9,343,544</u>	<u>\$ 3,332,575</u>

General Fund

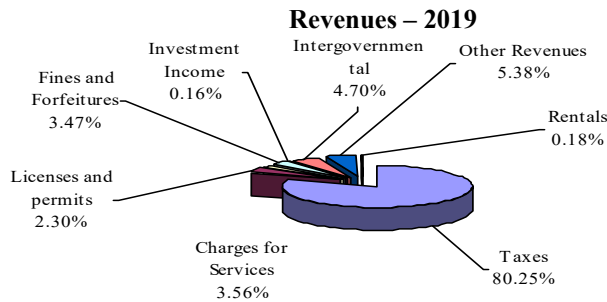
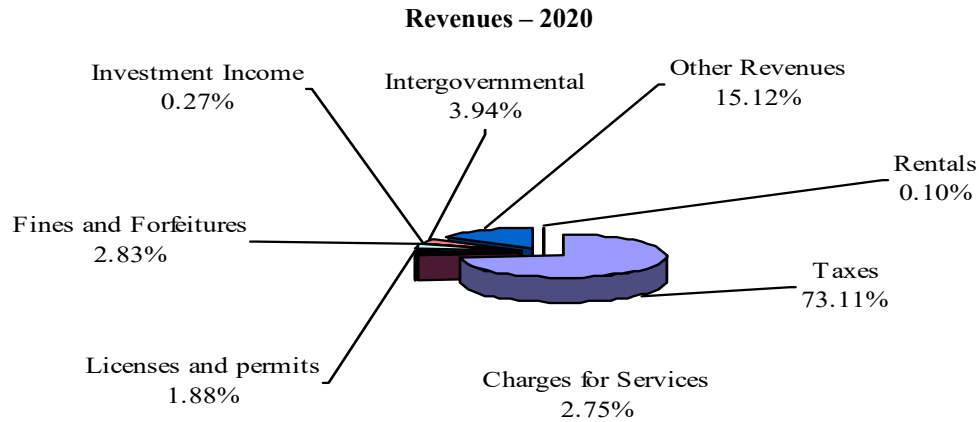
The table that follows assists in illustrating the revenues of the general fund.

	<u>2020 Amount</u>	<u>2019 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
Revenues:				
Taxes	\$ 10,578,609	\$ 11,076,366	\$ (497,757)	(4.49) %
Charges for services	397,296	490,839	(93,543)	(19.06) %
Licenses and permits	271,660	318,119	(46,459)	(14.60) %
Fines and forfeitures	410,217	478,602	(68,385)	(14.29) %
Investment income	39,468	22,561	16,907	74.94 %
Intergovernmental	570,617	649,291	(78,674)	(12.12) %
Rentals	14,794	24,446	(9,652)	(39.48) %
Other	<u>2,187,212</u>	<u>742,032</u>	<u>1,445,180</u>	194.76 %
Total	<u>\$ 14,469,873</u>	<u>\$ 13,802,256</u>	<u>\$ 667,617</u>	4.84 %

Revenues of the general fund increased \$667,617 or 4.84%. Taxes revenue consists of income taxes and property and other taxes, both of which decreased in 2020 due to a decline in collections. Intergovernmental revenue decreased \$78,674 or 12.12% due mainly to a decrease in grant revenue received from the state. The decrease of \$46,459 or 14.60% in licenses and permits is due to decreased bank foreclosure registration revenues. Other revenues increased as a result of increased refunds and dividends from the Ohio Bureau of Workers' Compensation.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**



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

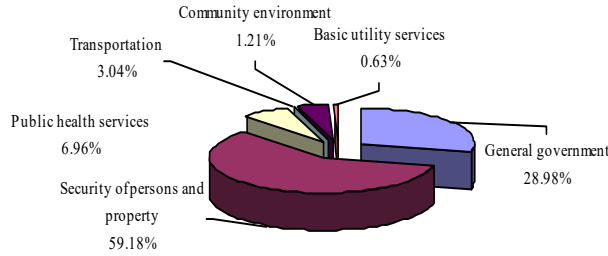
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>		<u>Change</u>
Expenditures:				
General government	\$ 3,096,078	\$ 2,868,015	\$ 228,063	7.95 %
Security of persons and property	6,322,197	7,280,008	(957,811)	(13.16) %
Public health services	743,787	535,911	207,876	38.79 %
Transportation	324,319	524,169	(199,850)	(38.13) %
Community environment	129,680	207,505	(77,825)	(37.51) %
Leisure time activities	-	4,303	(4,303)	(100.00) %
Basic utility services	67,004	64,144	2,860	4.46 %
Total	<u>\$ 10,683,065</u>	<u>\$ 11,484,055</u>	<u>\$ (800,990)</u>	<u>(6.97) %</u>

Expenditures of the general fund decreased \$800,990 or 6.97%. Leisure time activities decreased by \$4,303 or 100.00% because most of the activity for leisure time activity was moved to a new fund, the park levy fund. Transportation expenditures decreased due to less street construction and maintenance in 2020. Security of persons and property expenditures decreased as the City was able to use CARES Act grant money received in 2020 for police salaries and wages that are normally paid from the general fund.

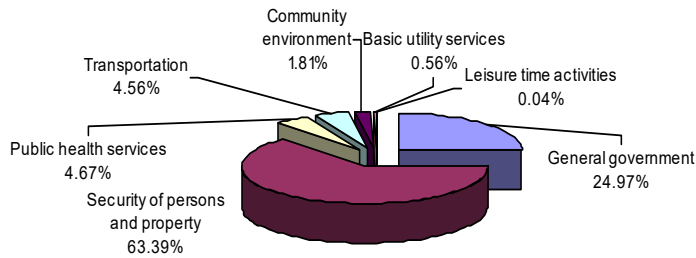
CITY OF ALLIANCE, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Expenditures – 2020



Expenditures – 2019



Revolving Loan Fund

The revolving loan fund is reported as a major fund and had \$141,288 in revenues and \$68,394 in expenditures in 2020. Activity in this fund decreased in 2020 due to the conclusion of the City’s Neighborhood Initiative Program, which focuses on improving blighted neighborhoods. The City is reimbursed for a majority of the costs through State grants which were received in 2018 and 2019. The fund balance for the revolving loan fund increased \$72,894 or 2.19% during the year, from \$3,334,257 to \$3,407,151.

Budgeting Highlights – General Fund

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

In the general fund, the actual revenues and other financing sources of \$12,866,047 was less than the final budget amount of \$12,877,408. Actual expenditures and other financing uses of \$11,221,610 were lower than the final budget amount of \$13,240,633. The decrease of \$2,019,023 from final budgeted amounts to actual expenditures and other financing uses is due mainly to decreased spending for security of persons and property and transportation. Budgeted expenditures and other financing uses were increased \$569,735 from the original to the final budget, mostly to account for additional transfers to other funds. Budgeted revenues were increased \$902,115 from the original to the final budget in order to more closely reflect higher collections of income taxes and property taxes.

CITY OF ALLIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Proprietary Funds

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

The City's business-type funds (as presented on the statement of net position on pages 51-52) reported a combined net position of \$29,285,494, which is \$1,591,704 more than last year's total of \$27,693,790.

The schedule below indicates the net position and the total change in net position as of December 31, 2020 and 2019 for all major and nonmajor business-type funds.

	<u>Net Position</u> <u>12/31/20</u>	<u>Net Position</u> <u>12/31/19</u>	<u>Change</u>
Major funds:			
Water	\$ 16,043,166	\$ 14,422,649	\$ 1,620,517
Sewer	12,885,290	12,773,275	112,015
Nonmajor funds	<u>357,038</u>	<u>497,866</u>	<u>(140,828)</u>
Total	<u>\$ 29,285,494</u>	<u>\$ 27,693,790</u>	<u>\$ 1,591,704</u>

Water

Net position of the City's water fund increased \$1,620,517 or 11.24% during 2020 from \$14,422,649 to \$16,043,166. The table below compares the revenues, expenses, and other changes in net position for the past two years.

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 5,293,570	\$ 5,600,426	\$ (306,856)	(5.48) %
Other	<u>253,787</u>	<u>81,802</u>	<u>171,985</u>	210.25 %
Total operating revenues	<u>5,547,357</u>	<u>5,682,228</u>	<u>(134,871)</u>	(2.37) %
<u>Operating expenses</u>				
Salaries and benefits	1,339,262	1,388,893	(49,631)	(3.57) %
Fringe benefits	730,457	972,113	(241,656)	(24.86) %
Contractual services	627,784	569,651	58,133	10.21 %
Materials and supplies	937,052	836,137	100,915	12.07 %
Depreciation	601,700	548,469	53,231	9.71 %
Other	<u>14,385</u>	<u>49,330</u>	<u>(34,945)</u>	(70.84) %
Total operating expenses	<u>4,250,640</u>	<u>4,364,593</u>	<u>(113,953)</u>	(2.61) %
<u>Other changes in net position</u>				
Municipal income tax	397,548	432,114	(34,566)	(8.00) %
Gain (loss) on disposal of capital assets	11,015	(5,301)	16,316	(307.79) %
Interest and fiscal charges	(166,011)	(178,769)	12,758	(7.14) %
Investment income	<u>81,248</u>	<u>73,774</u>	<u>7,474</u>	10.13 %
Total other changes in net position	<u>\$ 323,800</u>	<u>\$ 321,818</u>	<u>\$ 1,982</u>	0.62 %

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

Operating revenues of the water fund decreased \$134,871 or 2.37%. This decrease is the result of fewer fees being collected in the water fund. Operating expenses decreased \$113,953 or 2.61% due mainly to less fringe benefits expenses in 2020.

Sewer

Net position of the City's sewer fund increased \$112,015 or 0.88% during 2020 from \$12,773,275 to \$12,885,290. The table below compares the revenues, expenses, and other changes in net position for the past two years.

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Operating revenues</u>				
Charges for services	\$ 4,926,680	\$ 5,016,043	\$ (89,363)	(1.78) %
Licenses and permits	50,606	32,635	17,971	55.07 %
Other	<u>69,831</u>	<u>47,699</u>	<u>22,132</u>	46.40 %
Total operating revenues	<u>5,047,117</u>	<u>5,096,377</u>	<u>(49,260)</u>	(0.97) %
<u>Operating expenses</u>				
Salaries and benefits	1,494,758	1,460,912	33,846	2.32 %
Fringe benefits	856,779	1,013,814	(157,035)	(15.49) %
Contractual services	737,500	894,530	(157,030)	(17.55) %
Materials and supplies	1,017,636	1,136,216	(118,580)	(10.44) %
Depreciation	840,400	770,415	69,985	9.08 %
Other	<u>8,229</u>	<u>5,180</u>	<u>3,049</u>	58.86 %
Total operating expenses	<u>4,955,302</u>	<u>5,281,067</u>	<u>(325,765)</u>	(6.17) %
<u>Other changes in net position</u>				
Investment income	120,626	128,566	(7,940)	(6.18) %
Interest and fiscal charges	(89,691)	(95,281)	5,590	(5.87) %
Loss on disposal of capital assets	<u>(10,735)</u>	<u>(2,252)</u>	<u>(8,483)</u>	376.69 %
Total other changes in net position	<u>\$ 20,200</u>	<u>\$ 31,033</u>	<u>\$ (10,833)</u>	(34.91) %

Operating revenues of the sewer fund decreased \$49,260 or 0.97%. This decrease can mainly be attributed to a usage decrease from the prior year. Operating expenses decreased \$325,765 or 6.17% due mainly to a decrease in spending for fringe benefits and contractual services.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2020, the City had \$50,602,093 (net of accumulated depreciation) invested in land, easements and right of ways, construction in progress (CIP), land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, and infrastructure. Of this total, \$18,590,450 was reported in governmental activities and \$32,011,643 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosures.

CITY OF ALLIANCE, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

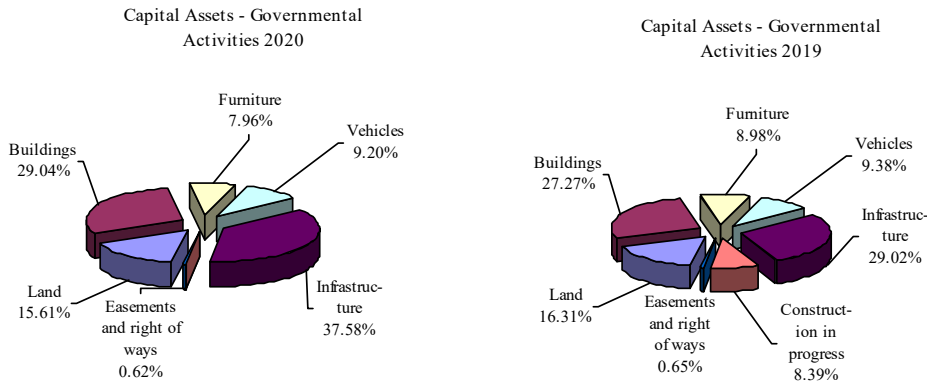
The following table shows December 31, 2020 balances compared to December 31, 2019:

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

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-type Activities <u>2020</u>	Business-type Activities <u>2019</u>	Total <u>2020</u>	Total <u>2019</u>
Land	\$ 2,901,687	\$ 2,901,687	\$ 1,159,437	\$ 1,159,437	\$ 4,061,124	\$ 4,061,124
Easements and right of ways	116,018	116,018	-	-	116,018	116,018
Buildings, structures and improvements	5,397,870	4,852,674	13,499,418	11,815,783	18,897,288	16,668,457
Furniture, fixtures and equipment	1,479,111	1,598,020	6,690,170	5,069,822	8,169,281	6,667,842
Vehicles	1,709,394	1,669,402	-	-	1,709,394	1,669,402
Infrastructure	6,986,370	5,163,974	-	-	6,986,370	5,163,974
Land improvements	-	-	102,842	126,301	102,842	126,301
Water and sewer lines	-	-	9,817,057	8,903,208	9,817,057	8,903,208
Construction in progress	-	1,491,677	742,719	4,033,552	742,719	5,525,229
Total	<u>\$ 18,590,450</u>	<u>\$ 17,793,452</u>	<u>\$ 32,011,643</u>	<u>\$ 31,108,103</u>	<u>\$ 50,602,093</u>	<u>\$ 48,901,555</u>

The overall increase for governmental activities is a result of capital asset additions of \$2,342,706 exceeding depreciation expense of 1,540,991 and net capital asset disposals of \$4,717. For the business-type activities, the overall increase is a result of net capital asset additions of \$2,370,230 exceeding depreciation expense of \$1,455,335 and net capital asset disposals of \$11,355.

The following graphs show the breakdown of governmental capital assets by category at December 31, 2020 and December 31, 2019.

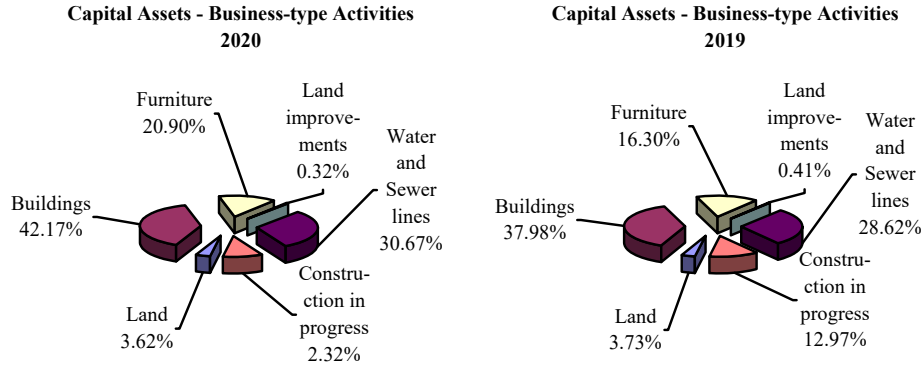


The City’s largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City’s infrastructure (cost less accumulated depreciation) represents approximately 37.58% of the City’s total governmental capital assets.

CITY OF ALLIANCE, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2020 and December 31, 2019.



The City’s largest business-type capital asset category is the buildings and improvements. The net book value of the City’s building and improvements (cost less accumulated depreciation) represents approximately 42.17% of the City’s total business-type capital assets. The City completed work on a bio solids sludge project in 2020, which was removed from construction in progress and added to the building capital asset class.

Debt Administration

The City had the following long-term debt obligations outstanding at December 31, 2020 and 2019:

	Governmental Activities 2020	Governmental Activities 2019
Police and fire pension liability	\$ 258,530	\$ 271,288
SIB Loan	69,697	91,579
OPWC loan	<u>306,668</u>	<u>320,001</u>
Total long-term obligations	<u>\$ 634,895</u>	<u>\$ 682,868</u>
	Business-type Activities 2020	Business-type Activities 2019
Revenue bonds	\$ -	\$ 1,447,258
General obligation bonds	745,111	805,121
OPWC loans	1,421,735	1,515,303
OWDA loans	<u>6,731,394</u>	<u>6,967,255</u>
Total long-term obligations	<u>\$ 8,898,240</u>	<u>\$ 10,734,937</u>

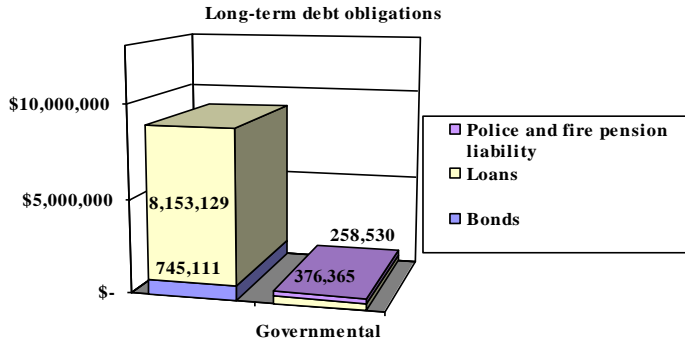
The only addition to long-term debt in 2020 was an OWDA loan in the amount of \$105,070 for a carbon feed system.

See Note 11 in the basic financial statements for additional disclosures and detail regarding the City’s debt activity.

CITY OF ALLIANCE, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

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



Economic Conditions and Financial Outlook

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

Prior to 2019, the City experienced a steady decline in its general fund cash balance, in part due to a structural deficit as expenses have consistently exceeded revenues. The general fund balance cash shrunk from a high of \$3.9 million in 2011 to a cash carryover of \$445,233 at December 31, 2018. This has rebounded in the past two years and the cash carryover at December 31, 2020 was \$3,069,464. In 2017 Moody’s downgraded the City’s rating on its outstanding general obligation debt from A1 to A2. This came after downgrading the City from Aa3 to A1 in 2015. The City’s finances were boosted in 2020 by utilizing \$1.2 million dollars of CARES Act funds towards safety forces payroll.

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

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

Alliance voters passed a five-year 3.0 mill Parks and Recreation property tax levy in 2018. The levy generated \$829K in 2020 to fund the Parks operating and capital budgets. The levy allowed for Park expenses to be removed from the City’s general fund. The City began receiving FEMA funding for Staffing for Adequate Fire and Emergency Response (SAFER) funds to hire additional firefighters in 2019. The grant is for a 3 year period and provides for \$469,841 of federal funding. The grant pays for a portion of wages and fringe benefits along with a required matching component of City funds.

The City was placed in fiscal caution by the Auditor of State of Ohio based on low carryover balances especially in the General Fund. The State later elevated the City to Fiscal Watch due to City Council not approving a required recovery plan in the required timeframe.

CITY OF ALLIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020

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 target improving the City's tax base. The City will continue employing innovative and creative measures to reduce expenses to counter declining revenues.

Performance Audit by Ohio State Auditor

The City completed a performance audit in conjunction with the State of Ohio Auditor's Office. audit will focus on an analysis of safety and fleet management practices. The City hopes to be able to achieve savings based on their recommendations.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Alliance City Health Department
Assets:				
Equity in pooled cash and cash equivalents	\$ 11,023,549	\$ 10,288,965	\$ 21,312,514	\$ 84,148
Receivables:				
Municipal income taxes	2,448,705	101,147	2,549,852	-
Property and other taxes	2,221,052	-	2,221,052	-
Accounts	155,098	913,592	1,068,690	-
Special assessments	1,679,044	-	1,679,044	-
Intergovernmental	1,011,911	-	1,011,911	76,902
Accrued interest	38,112	-	38,112	-
Loans	663,349	-	663,349	-
Internal balance	(41,516)	41,516	-	-
Prepayments	186,757	82,631	269,388	10,000
Materials and supplies inventory	72,289	461,272	533,561	-
Net pension asset	45,402	37,474	82,876	6,914
Restricted assets:				
Equity in pooled cash and cash equivalents	-	1,866,743	1,866,743	-
Cash and cash equivalents with fiscal agents	-	4	4	-
Capital assets:				
Non-depreciable capital assets	3,017,705	1,902,156	4,919,861	-
Depreciable capital assets, net	15,572,745	30,109,487	45,682,232	12,437
Total capital assets, net	18,590,450	32,011,643	50,602,093	12,437
Total assets	38,094,202	45,804,987	83,899,189	190,401
Deferred outflows of resources:				
Pension	2,619,363	611,382	3,230,745	111,413
OPEB	1,764,250	422,297	2,186,547	76,972
Total deferred outflows of resources	4,383,613	1,033,679	5,417,292	188,385
Total assets and deferred outflows of resources	42,477,815	46,838,666	89,316,481	378,786
Liabilities:				
Accounts payable	206,990	280,577	487,567	10,946
Accrued wages and benefits payable	101,351	27,183	128,534	7,273
Claims payable	166,843	-	166,843	-
Due to other governments	139,067	40,746	179,813	6,905
Accrued interest payable	933	46,119	47,052	-
Deposits held and due to others	313,273	-	313,273	-
Long-term liabilities:				
Due within one year	822,510	729,318	1,551,828	64,948
Due in more than one year:				
Net pension liability	17,294,694	3,715,854	21,010,548	685,574
Net OPEB liability	4,971,095	2,554,794	7,525,889	471,359
Other amounts due in more than one year	2,382,444	8,821,523	11,203,967	130,752
Total liabilities	26,399,200	16,216,114	42,615,314	1,377,757
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,827,529	-	1,827,529	-
Pension	3,140,828	879,855	4,020,683	150,904
OPEB	1,491,016	415,687	1,906,703	69,555
Total deferred inflows of resources	6,459,373	1,295,542	7,754,915	220,459
Total liabilities and deferred inflows of resources	32,858,573	17,511,656	50,370,229	1,598,216
Net position:				
Net investment in capital assets	18,214,085	23,113,403	41,327,488	12,437
Restricted for:				
Debt service	45,655	4	45,659	-
Capital projects	55,024	-	55,024	-
Transportation projects	190,262	-	190,262	-
Public service programs	555,986	-	555,986	75,810
Community development programs	3,447,536	-	3,447,536	-
Security programs	209,657	-	209,657	-
Other purposes	837,277	-	837,277	-
Replacement and surplus reserve	-	1,866,743	1,866,743	-
Unrestricted (deficit)	(13,936,240)	4,346,860	(9,589,380)	(1,307,677)
Total net position (deficit)	\$ 9,619,242	\$ 29,327,010	\$ 38,946,252	(1,219,430)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,794,432	\$ 1,435,730	\$ 32,639	\$ -
Security of persons and property	9,749,781	156,181	1,940,143	-
Public health and welfare	907,648	87,783	-	-
Transportation	2,414,065	-	1,439,406	1,622,699
Community environment	1,054,128	113,156	839,337	-
Basic utility services	74,544	-	-	-
Leisure time activities	875,940	15,594	-	-
Interest and fiscal charges.	13,924	-	-	-
Total governmental activities	18,884,462	1,808,444	4,251,525	1,622,699
Business-type activities:				
Water	4,373,005	5,547,357	-	-
Sewer	5,020,317	5,047,117	-	-
Robertson Community Center	14,561	11,169	-	-
Community Improvement	1,488,547	1,351,111	-	-
Total business-type activities	10,896,430	11,956,754	-	-
Total primary government	\$ 29,780,892	\$ 13,765,198	\$ 4,251,525	\$ 1,622,699
Component Unit:				
Alliance City Health Department	\$ 1,015,476	\$ 137,040	\$ 871,570	\$ -

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

Net position (deficit) at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Alliance City Health Department
\$ (2,326,063)	\$ -	\$ (2,326,063)	\$ -
(7,653,457)	-	(7,653,457)	-
(819,865)	-	(819,865)	-
648,040	-	648,040	-
(101,635)	-	(101,635)	-
(74,544)	-	(74,544)	-
(860,346)	-	(860,346)	-
(13,924)	-	(13,924)	-
<u>(11,201,794)</u>	<u>-</u>	<u>(11,201,794)</u>	<u>-</u>
-	1,174,352	1,174,352	-
-	26,800	26,800	-
-	(3,392)	(3,392)	-
-	(137,436)	(137,436)	-
-	1,060,324	1,060,324	-
<u>(11,201,794)</u>	<u>1,060,324</u>	<u>(10,141,470)</u>	<u>-</u>
			<u>(6,866)</u>
946,882	-	946,882	-
96,535	-	96,535	-
96,535	-	96,535	-
880,437	-	880,437	-
9,639,719	-	9,639,719	-
198,775	-	198,775	-
298,163	-	298,163	-
-	397,548	397,548	-
546,126	-	546,126	4,188
30,624	201,874	232,498	-
206,711	-	206,711	-
<u>2,058,659</u>	<u>-</u>	<u>2,058,659</u>	<u>4,702</u>
<u>14,999,166</u>	<u>599,422</u>	<u>15,598,588</u>	<u>8,890</u>
3,797,372	1,659,746	5,457,118	2,024
5,821,870	27,667,264	33,489,134	(1,221,454)
<u>\$ 9,619,242</u>	<u>\$ 29,327,010</u>	<u>\$ 38,946,252</u>	<u>\$ (1,219,430)</u>

CITY OF ALLIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 4,073,142	\$ 2,743,621	\$ 3,789,408	\$ 10,606,171
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	2,322,271	-	126,434	2,448,705
Property and other taxes	1,084,392	-	1,136,660	2,221,052
Accounts	93,206	-	12,084	105,290
Intergovernmental	238,996	-	772,915	1,011,911
Special assessments	1,676,517	-	2,527	1,679,044
Accrued interest	38,112	-	-	38,112
Due from other funds	65,316	-	-	65,316
Loans	-	663,349	-	663,349
Advances from other funds	5,626	-	-	5,626
Interfund loans receivable	40,009	-	-	40,009
Prepayments	156,448	398	29,911	186,757
Materials and supplies inventory	11,351	-	60,938	72,289
Total assets	<u>\$ 9,805,386</u>	<u>\$ 3,407,368</u>	<u>\$ 5,930,877</u>	<u>\$ 19,143,631</u>
Liabilities:				
Accounts payable	\$ 47,365	\$ -	\$ 159,625	\$ 206,990
Accrued wages and benefits payable	86,854	-	14,497	101,351
Interfund loans payable	-	-	40,009	40,009
Due to other funds	-	-	65,316	65,316
Due to other governments	121,854	217	16,996	139,067
Advances to other funds	-	-	5,626	5,626
Deposits held and due to others	313,273	-	-	313,273
Total liabilities	<u>569,346</u>	<u>217</u>	<u>302,069</u>	<u>871,632</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . . .	847,588	-	979,941	1,827,529
Income tax revenue not available	1,090,485	-	59,917	1,150,402
Delinquent property tax revenue not available . .	221,362	-	156,719	378,081
Accrued interest not available	23,337	-	-	23,337
Special assessments revenue not available	1,676,517	-	2,527	1,679,044
Intergovernmental revenue not available	139,989	-	397,498	537,487
Total deferred inflows of resources	<u>3,999,278</u>	<u>-</u>	<u>1,596,602</u>	<u>5,595,880</u>
Total liabilities and deferred inflows of resources.	<u>4,568,624</u>	<u>217</u>	<u>1,898,671</u>	<u>6,467,512</u>
Fund balances:				
Nonspendable	296,770	398	90,849	388,017
Restricted	13,243	3,406,753	2,695,671	6,115,667
Committed	121,422	-	1,263,896	1,385,318
Assigned	2,090,115	-	-	2,090,115
Unassigned (deficit)	2,715,212	-	(18,210)	2,697,002
Total fund balances	<u>5,236,762</u>	<u>3,407,151</u>	<u>4,032,206</u>	<u>12,676,119</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,805,386</u>	<u>\$ 3,407,368</u>	<u>\$ 5,930,877</u>	<u>\$ 19,143,631</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, 2020

Total governmental fund balances	\$	12,676,119
<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.		18,590,450
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	\$ 1,150,402	
Property and other taxes receivable	378,081	
Interest receivable	23,337	
Special assessments receivable	1,679,044	
Intergovernmental receivable	537,487	
Total		3,768,351
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 an internal balance of \$41,516, is:		258,827
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(933)
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	45,402	
Deferred outflows of resources	2,619,363	
Deferred inflows of resources	(3,140,828)	
Net pension liability	(17,294,694)	
Total		(17,770,757)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	1,764,250	
Deferred inflows of resources	(1,491,016)	
Net OPEB liability	(4,971,095)	
Total		(4,697,861)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Police and fire pension liability	(258,530)	
Loans payable	(376,365)	
Compensated absences	(2,570,059)	
Total		(3,204,954)
Net position of governmental activities	\$	9,619,242

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, 2020

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 9,655,149	\$ -	\$ 497,784	\$ 10,152,933
Property and other taxes.	923,460	-	1,052,079	1,975,539
Charges for services.	397,296	-	117,765	515,061
Licenses, permits and fees	271,660	-	20,367	292,027
Fines and forfeitures	410,217	-	166,580	576,797
Intergovernmental.	570,617	-	5,458,808	6,029,425
Investment income.	39,468	66,597	23,918	129,983
Rental income	14,794	-	-	14,794
Fair value adjustment	206,711	-	-	206,711
Other	1,980,501	74,691	319,199	2,374,391
Total revenues	<u>14,469,873</u>	<u>141,288</u>	<u>7,656,500</u>	<u>22,267,661</u>
Expenditures:				
Current:				
General government	3,096,078	-	318,210	3,414,288
Security of persons and property	6,322,197	-	2,576,009	8,898,206
Public health and welfare.	743,787	-	150,271	894,058
Transportation	324,319	-	1,211,319	1,535,638
Community environment	129,680	68,394	894,922	1,092,996
Leisure time activities.	-	-	741,445	741,445
Basic utility services.	67,004	-	-	67,004
Other	-	-	-	-
Capital outlay	-	-	2,229,506	2,229,506
Debt service:				
Principal retirement.	-	-	47,973	47,973
Interest and fiscal charges	-	-	13,972	13,972
Total expenditures	<u>10,683,065</u>	<u>68,394</u>	<u>8,183,627</u>	<u>18,935,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,786,808</u>	<u>72,894</u>	<u>(527,127)</u>	<u>3,332,575</u>
Other financing sources (uses):				
Transfers in	-	-	1,477,454	1,477,454
Transfers (out).	(1,477,454)	-	-	(1,477,454)
Total other financing sources (uses)	<u>(1,477,454)</u>	<u>-</u>	<u>1,477,454</u>	<u>-</u>
Net change in fund balances	2,309,354	72,894	950,327	3,332,575
Fund balances at beginning of year (restated)	<u>2,927,408</u>	<u>3,334,257</u>	<u>3,081,879</u>	<u>9,343,544</u>
Fund balances at end of year.	<u>\$ 5,236,762</u>	<u>\$ 3,407,151</u>	<u>\$ 4,032,206</u>	<u>\$ 12,676,119</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, 2020

Net change in fund balances - total governmental funds		\$ 3,332,575
<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 capital outlays exceed depreciation expense in the current period.		
Capital asset additions	\$ 2,342,706	
Current year depreciation	<u>(1,540,991)</u>	
Total		801,715
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(4,717)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	(16,278)	
Property taxes	44,850	
Intergovernmental revenues	135,787	
Investment income	(8,844)	
Special assessments	<u>258,658</u>	
Total		414,173
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.		
		47,973
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		48
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,404,475	
OPEB	<u>25,309</u>	
Total		1,429,784
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,897,117)	
OPEB	<u>(423,396)</u>	
Total		(2,320,513)
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.		
		(40,462)
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, less \$68,042 allocated to the business-type activities, is allocated among the governmental activities.		
		<u>136,796</u>
Change in net position of governmental activities		<u><u>\$ 3,797,372</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Municipal income taxes	\$ 8,326,029	\$ 8,800,002	\$ 8,821,540	\$ 21,538
Property and other taxes	875,179	925,000	927,020	2,020
Charges for services	330,429	349,239	352,745	3,506
Licenses, permits and fees	154,583	163,383	154,360	(9,023)
Fines and forfeitures	403,150	426,100	419,174	(6,926)
Intergovernmental	535,028	565,485	567,353	1,868
Investment income	37,846	40,000	41,384	1,384
Other	1,180,486	1,475,636	1,470,730	(4,906)
Total revenues	<u>11,842,730</u>	<u>12,744,845</u>	<u>12,754,306</u>	<u>9,461</u>
Expenditures:				
Current:				
General government:				
Mayor:				
Salaries and wages	108,270	108,270	108,269	1
Fringe benefits.	43,785	43,785	41,511	2,274
Contractual services	2,100	2,100	1,810	290
Materials and supplies.	1,800	1,800	1,206	594
Total mayor.	<u>155,955</u>	<u>155,955</u>	<u>152,796</u>	<u>3,159</u>
Senior center:				
Salaries and wages	42,500	42,500	40,235	2,265
Fringe benefits.	22,196	22,196	21,682	514
Total senior center	<u>64,696</u>	<u>64,696</u>	<u>61,917</u>	<u>2,779</u>
Auditor:				
Salaries and wages	101,500	101,500	101,316	184
Fringe benefits.	42,865	42,865	41,474	1,391
Contractual services	16,400	16,400	15,459	941
Materials and supplies.	6,175	6,175	6,040	135
Total auditor.	<u>166,940</u>	<u>166,940</u>	<u>164,289</u>	<u>2,651</u>
Treasurer:				
Salaries and wages	4,203	4,203	4,203	-
Fringe benefits.	791	791	759	32
Materials and supplies.	100	100	-	100
Total treasurer	<u>5,094</u>	<u>5,094</u>	<u>4,962</u>	<u>132</u>
Law director:				
Salaries and wages	205,000	205,000	203,939	1,061
Fringe benefits.	66,150	66,150	63,535	2,615
Contractual services	5,310	5,310	4,713	597
Materials and supplies.	2,890	2,890	2,595	295
Total law director.	<u>279,350</u>	<u>279,350</u>	<u>274,782</u>	<u>4,568</u>
City council:				
Salaries and wages	33,880	33,880	33,396	484
Fringe benefits.	6,360	6,360	5,964	396
Total city council	<u>40,240</u>	<u>40,240</u>	<u>39,360</u>	<u>880</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Clerk of council:				
Salaries and wages	\$ 9,305	\$ 9,305	\$ 9,300	\$ 5
Fringe benefits.	1,780	1,780	1,618	162
Contractual services	6,904	6,904	2,225	4,679
Materials and supplies.	150	150	25	125
Total clerk of council.	<u>18,139</u>	<u>18,139</u>	<u>13,168</u>	<u>4,971</u>
Judge and probation:				
Salaries and wages	240,000	240,000	221,995	18,005
Fringe benefits.	101,739	101,739	91,350	10,389
Contractual services	16,550	16,550	6,086	10,464
Materials and supplies.	5,500	5,500	4,847	653
Total judge and probation.	<u>363,789</u>	<u>363,789</u>	<u>324,278</u>	<u>39,511</u>
Clerk of courts:				
Salaries and wages	264,000	264,000	262,657	1,343
Fringe benefits.	127,270	127,270	123,787	3,483
Contractual services	46,621	46,621	36,293	10,328
Materials and supplies.	21,632	21,632	8,364	13,268
Total clerk of courts.	<u>459,523</u>	<u>459,523</u>	<u>431,101</u>	<u>28,422</u>
Civil service:				
Salaries and wages	16,100	16,100	16,073	27
Fringe benefits.	2,809	2,809	2,010	799
Materials and supplies.	7,000	7,000	740	6,260
Total civil service.	<u>25,909</u>	<u>25,909</u>	<u>18,823</u>	<u>7,086</u>
Engineering:				
Salaries and wages	112,500	112,500	84,300	28,200
Fringe benefits.	37,150	37,150	31,348	5,802
Contractual services	25,543	25,543	11,436	14,107
Materials and supplies.	6,787	6,787	5,354	1,433
Total engineering.	<u>181,980</u>	<u>181,980</u>	<u>132,438</u>	<u>49,542</u>
State examiner:				
Contractual services	15,000	15,000	14,260	740
Total state examiner	<u>15,000</u>	<u>15,000</u>	<u>14,260</u>	<u>740</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Land and buildings:				
Salaries and wages	\$ 42,123	\$ 42,123	\$ 42,123	\$ -
Fringe benefits.	31,722	31,722	31,009	713
Contractual services	295,836	345,836	278,408	67,428
Total land and buildings.	<u>369,681</u>	<u>419,681</u>	<u>351,540</u>	<u>68,141</u>
General administration:				
Salaries and wages	78,770	78,770	34,495	44,275
Fringe benefits.	24,313	24,313	18,997	5,316
Contractual services	158,775	158,775	106,010	52,765
Materials and supplies.	19,019	19,019	18,709	310
Other	11,045	11,045	7,038	4,007
Total general administration.	<u>291,922</u>	<u>291,922</u>	<u>185,249</u>	<u>106,673</u>
Total general government.	<u>2,438,218</u>	<u>2,488,218</u>	<u>2,168,963</u>	<u>319,255</u>
Security of persons and property:				
Police:				
Salaries and wages	2,647,312	2,658,754	1,821,890	836,864
Fringe benefits.	751,470	761,941	722,964	38,977
Contractual services	217,843	219,247	192,334	26,913
Materials and supplies.	130,000	130,000	121,677	8,323
Total police.	<u>3,746,625</u>	<u>3,769,942</u>	<u>2,858,865</u>	<u>911,077</u>
Fire:				
Salaries and wages	2,215,701	2,215,701	2,105,968	109,733
Fringe benefits.	487,967	506,420	497,288	9,132
Contractual services	136,115	136,115	106,988	29,127
Materials and supplies.	35,200	35,200	27,063	8,137
Capital outlay.	4,000	4,000	56	3,944
Total fire	<u>2,878,983</u>	<u>2,897,436</u>	<u>2,737,363</u>	<u>160,073</u>
Safety administration:				
Salaries and wages	446,140	446,140	389,685	56,455
Fringe benefits.	188,774	188,774	181,666	7,108
Contractual services	361,290	361,290	319,012	42,278
Total safety administration.	<u>996,204</u>	<u>996,204</u>	<u>890,363</u>	<u>105,841</u>
Prisoner support:				
Contractual services	24,500	24,500	8,075	16,425
Total prisoner support.	<u>24,500</u>	<u>24,500</u>	<u>8,075</u>	<u>16,425</u>
Total security of persons and property .	<u>7,646,312</u>	<u>7,688,082</u>	<u>6,494,666</u>	<u>1,193,416</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, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health services:				
Health administration:				
Contractual services	\$ 487,044	\$ 487,044	\$ 487,044	\$ -
Total health administration	<u>487,044</u>	<u>487,044</u>	<u>487,044</u>	<u>-</u>
Total public health services	<u>487,044</u>	<u>487,044</u>	<u>487,044</u>	<u>-</u>
Community environment:				
Zoning and building:				
Salaries and wages	147,000	147,000	135,856	11,144
Fringe benefits.	31,510	31,510	22,982	8,528
Contractual services	12,412	12,412	9,176	3,236
Materials and supplies.	4,275	4,275	3,779	496
Total zoning and building.	<u>195,197</u>	<u>195,197</u>	<u>171,793</u>	<u>23,404</u>
Total community environment	<u>195,197</u>	<u>195,197</u>	<u>171,793</u>	<u>23,404</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	43,010	43,010	38,860	4,150
Fringe benefits.	32,365	32,365	30,977	1,388
Total storm sewer	<u>75,375</u>	<u>75,375</u>	<u>69,837</u>	<u>5,538</u>
Total basic utility services.	<u>75,375</u>	<u>75,375</u>	<u>69,837</u>	<u>5,538</u>
Transportation:				
Street transportation:				
Capital outlay	772,963	772,963	341,035	431,928
Total street transportation	<u>772,963</u>	<u>772,963</u>	<u>341,035</u>	<u>431,928</u>
Total transportation.	<u>772,963</u>	<u>772,963</u>	<u>341,035</u>	<u>431,928</u>
Total expenditures	<u>11,615,109</u>	<u>11,706,879</u>	<u>9,733,338</u>	<u>1,973,541</u>
Excess of revenues over expenditures.	<u>227,621</u>	<u>1,037,966</u>	<u>3,020,968</u>	<u>1,983,002</u>
Other financing sources (uses):				
Transfers in	132,564	132,564	110,191	(22,373)
Transfers out	(988,154)	(1,529,119)	(1,483,637)	45,482
Sale of capital assets	-	-	1,550	1,550
Advances out	(67,635)	(4,635)	(4,635)	-
Total other financing sources (uses).	<u>(923,225)</u>	<u>(1,401,190)</u>	<u>(1,376,531)</u>	<u>24,659</u>
Net change in fund balance.	(695,604)	(363,224)	1,644,437	2,007,661
Fund balance at beginning of year	<u>1,264,755</u>	<u>1,264,755</u>	<u>1,264,755</u>	<u>-</u>
Prior year encumbrances appropriated . .	<u>125,334</u>	<u>125,334</u>	<u>125,334</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 694,485</u>	<u>\$ 1,026,865</u>	<u>\$ 3,034,526</u>	<u>\$ 2,007,661</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 48,000	\$ 48,000	\$ 66,598	\$ 18,598
Other.	173,000	173,000	176,085	3,085
Total revenues	221,000	221,000	242,683	21,683
Expenditures:				
Current:				
Community environment:				
Salaries and wages	19,000	19,000	18,363	637
Fringe benefits.	8,590	8,590	6,946	1,644
Contractual services	86,700	86,700	47,958	38,742
Capital outlay	1,702,593	1,702,593	-	1,702,593
Total expenditures.	1,816,883	1,816,883	73,267	1,743,616
Net change in fund balance	(1,595,883)	(1,595,883)	169,416	1,765,299
Fund balance at beginning of year	2,570,412	2,570,412	2,570,412	-
Prior year encumbrances appropriated	3,793	3,793	3,793	-
Fund balance at end of year	\$ 978,322	\$ 978,322	\$ 2,743,621	\$ 1,765,299

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 4,222,340	\$ 5,753,378	\$ 313,247	\$ 10,288,965	\$ 417,378
Receivables (net of allowance for uncollectibles):					
Accounts	569,282	344,310	-	913,592	49,808
Municipal income taxes	101,147	-	-	101,147	-
Prepayments	40,823	41,227	581	82,631	-
Materials and supplies inventory	396,664	64,608	-	461,272	-
Total current assets	<u>5,330,256</u>	<u>6,203,523</u>	<u>313,828</u>	<u>11,847,607</u>	<u>467,186</u>
Noncurrent assets:					
Net pension asset	17,832	19,642	-	37,474	-
Restricted assets:					
Equity in pooled cash and cash equivalents . . .	1,866,743	-	-	1,866,743	-
Cash and cash equivalents with fiscal agents . .	4	-	-	4	-
Total restricted assets	<u>1,866,747</u>	<u>-</u>	<u>-</u>	<u>1,866,747</u>	<u>-</u>
Capital assets:					
Non-depreciable capital assets	1,006,353	895,803	-	1,902,156	-
Depreciable capital assets, net	14,527,662	15,404,548	177,277	30,109,487	-
Total capital assets, net	<u>15,534,015</u>	<u>16,300,351</u>	<u>177,277</u>	<u>32,011,643</u>	<u>-</u>
Total noncurrent assets	<u>17,418,594</u>	<u>16,319,993</u>	<u>177,277</u>	<u>33,915,864</u>	<u>-</u>
Total assets	<u>22,748,850</u>	<u>22,523,516</u>	<u>491,105</u>	<u>45,763,471</u>	<u>467,186</u>
Deferred outflows of resources:					
OPEB	193,556	227,900	841	422,297	-
Pension	278,388	331,731	1,263	611,382	-
Total deferred outflows of resources	<u>471,944</u>	<u>559,631</u>	<u>2,104</u>	<u>1,033,679</u>	<u>-</u>
Total assets and deferred outflows of resources .	<u>\$ 23,220,794</u>	<u>\$ 23,083,147</u>	<u>\$ 493,209</u>	<u>\$ 46,797,150</u>	<u>\$ 467,186</u>

- Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (CONTINUED)
 DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Liabilities:					
Current liabilities:					
Accounts payable	\$ 116,333	\$ 55,312	\$ 108,932	\$ 280,577	\$ -
Accrued wages and benefits payable	13,210	13,973	-	27,183	-
Compensated absences	107,698	100,042	-	207,740	-
Due to other governments	17,257	23,489	-	40,746	-
Accrued interest payable	1,808	44,311	-	46,119	-
Claims payable	-	-	-	-	166,843
General obligation bonds payable - current	60,010	-	-	60,010	-
OWDA loans payable - current	75,548	293,790	-	369,338	-
OPWC loans payable - current	37,105	55,125	-	92,230	-
Total current liabilities	<u>428,969</u>	<u>586,042</u>	<u>108,932</u>	<u>1,123,943</u>	<u>166,843</u>
Long-term liabilities:					
General obligation bonds payable	685,101	-	-	685,101	-
OPWC loans payable	853,405	476,100	-	1,329,505	-
Compensated absences payable	236,371	208,490	-	444,861	-
OWDA loans payable	1,346,154	5,015,902	-	6,362,056	-
Net pension liability	1,768,194	1,947,660	-	3,715,854	-
Net OPEB liability	1,215,702	1,339,092	-	2,554,794	-
Total long-term liabilities	<u>6,104,927</u>	<u>8,987,244</u>	<u>-</u>	<u>15,092,171</u>	<u>-</u>
Total liabilities	<u>6,533,896</u>	<u>9,573,286</u>	<u>108,932</u>	<u>16,216,114</u>	<u>166,843</u>
Deferred inflows of resources:					
OPEB	207,757	198,040	9,890	415,687	-
Pension	435,975	426,531	17,349	879,855	-
Total deferred inflows of resources	<u>643,732</u>	<u>624,571</u>	<u>27,239</u>	<u>1,295,542</u>	<u>-</u>
Net position:					
Net investment in capital assets	12,476,692	10,459,434	177,277	23,113,403	-
Restricted for:					
Debt service	4	-	-	4	-
Replacement and surplus reserve	1,866,743	-	-	1,866,743	-
Unrestricted	<u>1,699,727</u>	<u>2,425,856</u>	<u>179,761</u>	<u>4,305,344</u>	<u>300,343</u>
Total net position	<u>\$ 16,043,166</u>	<u>\$ 12,885,290</u>	<u>\$ 357,038</u>	<u>29,285,494</u>	<u>\$ 300,343</u>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				<u>41,516</u>	
Net position of business-type activities				<u>\$ 29,327,010</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Operating revenues:					
Charges for services	\$ 5,293,570	\$ 4,926,680	\$ 1,346,259	\$ 11,566,509	\$ 2,815,478
Licenses, permits and fees	-	50,606	-	50,606	-
Other	253,787	69,831	16,021	339,639	236,797
Total operating revenues.	5,547,357	5,047,117	1,362,280	11,956,754	3,052,275
Operating expenses:					
Salaries	1,339,262	1,494,758	5	2,834,025	-
Fringe benefits	730,457	856,779	(12,115)	1,575,121	-
Contract services.	627,784	737,500	1,439,283	2,804,567	-
Materials and supplies	937,052	1,017,636	59,938	2,014,626	-
Depreciation.	601,700	840,400	13,235	1,455,335	-
Claims.	-	-	-	-	2,847,437
Other	14,385	8,229	2,762	25,376	-
Total operating expenses.	4,250,640	4,955,302	1,503,108	10,709,050	2,847,437
Operating income (loss).	1,296,717	91,815	(140,828)	1,247,704	204,838
Nonoperating revenues (expenses):					
Interest revenue	81,248	120,626	-	201,874	-
Interest expense and fiscal charges	(166,011)	(89,691)	-	(255,702)	-
Gain (loss) on disposal of capital assets.	11,015	(10,735)	-	280	-
Municipal income tax revenue	397,548	-	-	397,548	-
Total nonoperating revenues (expenses)	323,800	20,200	-	344,000	-
Change in net position	1,620,517	112,015	(140,828)	1,591,704	204,838
Net position at beginning of year	14,422,649	12,773,275	497,866		95,505
Net position at end of year	\$ 16,043,166	\$ 12,885,290	\$ 357,038		\$ 300,343
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				68,042	
Change in net position of business-type activities.				<u>\$ 1,659,746</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 5,407,601	\$ 5,028,302	\$ 1,346,259	\$ 11,782,162	\$ -
Cash received from licenses and permits	-	50,606	-	50,606	-
Cash received from other operations	246,731	69,679	16,021	332,431	254,315
Cash received from interfund services provided	-	-	-	-	2,815,478
Cash payments for salaries	(1,386,538)	(1,519,018)	-	(2,905,556)	-
Cash payments for fringe benefits	(260,741)	(280,440)	(331)	(541,512)	-
Cash payments for interfund services	(306,326)	(342,228)	-	(648,554)	-
Cash payments for contractual services	(604,348)	(702,132)	(1,331,687)	(2,638,167)	-
Cash payments for materials and supplies	(970,470)	(986,841)	(59,938)	(2,017,249)	-
Cash payments for claims	-	-	-	-	(2,819,478)
Cash payments for other expenses	(14,385)	(8,229)	(2,762)	(25,376)	-
Net cash provided by (used in) operating activities	2,111,524	1,309,699	(32,438)	3,388,785	250,315
Cash flows from noncapital financing activities:					
Cash received from municipal income taxes	387,760	-	-	387,760	-
Net cash provided by noncapital financing activities	387,760	-	-	387,760	-
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	11,635	-	-	11,635	-
Acquisition of capital assets	(1,203,252)	(1,166,978)	-	(2,370,230)	-
Proceeds from OWDA and OPWC loans	105,070	-	-	105,070	-
Principal retirement on general obligation bonds	(60,000)	-	-	(60,000)	-
Principal retirement on revenue bonds	(1,440,000)	-	-	(1,440,000)	-
Principal retirement on OPWC loans	(37,105)	(56,463)	-	(93,568)	-
Principal retirement on OWDA loans	(50,349)	(290,582)	-	(340,931)	-
Interest and fiscal charges	(75,898)	(91,827)	-	(167,725)	-
Net cash used in capital and related financing activities	(2,749,899)	(1,605,850)	-	(4,355,749)	-
Cash flows from investing activities:					
Interest received	81,248	120,626	-	201,874	-
Net cash provided by investing activities	81,248	120,626	-	201,874	-
Net increase (decrease) in cash and cash equivalents	(169,367)	(175,525)	(32,438)	(377,330)	250,315
Cash and cash equivalents at beginning of year	6,258,454	5,928,903	345,685	12,533,042	167,063
Cash and cash equivalents at end of year	\$ 6,089,087	\$ 5,753,378	\$ 313,247	\$ 12,155,712	\$ 417,378

- Continued

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,296,717	\$ 91,815	\$ (140,828)	\$ 1,247,704	\$ 204,838
Adjustments:					
Depreciation	601,700	840,400	13,235	1,455,335	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	106,975	101,470	-	208,445	17,518
Materials and supplies inventory	(85,956)	7,102	-	(78,854)	-
Prepayments	(307)	(299)	(10)	(616)	-
Net pension asset	(7,996)	(9,399)	141	(17,254)	-
Deferred outflows - pension	479,984	457,419	2,169	939,572	-
Deferred outflows - OPEB	(98,997)	(129,429)	12,661	(215,765)	-
Accounts payable	115,733	54,563	108,892	279,188	-
Contracts payable	(38,250)	-	-	(38,250)	-
Accrued wages and benefits	(47,697)	(40,684)	-	(88,381)	-
Due to other governments	(99)	7,021	(1,281)	5,641	-
Compensated absences payable	25,220	26,209	-	51,429	-
Net pension liability	(772,458)	(698,122)	(36,359)	(1,506,939)	-
Net OPEB liability	27,181	101,391	(17,009)	111,563	-
Deferred inflows - pension	344,256	339,824	16,400	700,480	-
Deferred inflows - OPEB	165,518	160,418	9,551	335,487	-
Claims payable	-	-	-	-	27,959
Net cash provided by (used in) operating activities	<u>\$ 2,111,524</u>	<u>\$ 1,309,699</u>	<u>\$ (32,438)</u>	<u>\$ 3,388,785</u>	<u>\$ 250,315</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	<u>Custodial</u>
Assets:	
Cash and cash equivalents in segregated accounts	<u>\$ 17,508</u>
Total assets	<u>17,508</u>
Liabilities:	
Due to other governments	<u>17,508</u>
Total liabilities	<u>\$ 17,508</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial
Additions:	
Fines and forfeitures collected for other governments	1,021,609
Total additions	1,021,609
 Deductions:	
Fines and forfeitures distributed for other governments	1,021,609
Total deductions.	1,021,609
 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

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CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 on the foregoing criteria, the financial activities of the following component unit has been reflected in the accompanying basic financial statements as:

DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the combined financial statements identifies the financial data of the City's component unit: Alliance City Health Department. It is reported separately to emphasize that it is legally separate from the City.

Alliance City Health Department (the "Department") - is a legally separate health department. The Department's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The City appoints a voting majority of the Board and the City has a financial benefit/burden relationship with the Department.

Separately issued financial statements can be obtained from the Department by contacting Kevin Knowles, Alliance City Auditor, 504 E. Main Street, Alliance, Ohio 44601.

Information related to the Health Department is presented in Note 20.

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - DESCRIPTION OF THE CITY - (Continued)

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 2020, the Mayor was an Ex-Officio non-voting member. The Foundation’s goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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.

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

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

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

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

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

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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 custodial 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. Custodial funds are used to account for other fiduciary activities that are not required to be reported in a trust fund. The City's custodial fund accounts for municipal court collections collected on behalf of and distributed to other governments.

C. Measurement Focus

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.

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

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

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

All fiduciary funds are accounted for on a flow of economic resources measurement focus. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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 custodial 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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.

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively.

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, 2020, but which were levied to finance 2021 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, special assessments, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

See Notes 12 and 13 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. 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 custodial funds, are required to be budgeted and appropriated. The legal level of budgetary control is at the personal services and other level within each department within each fund. The City has chosen to show information at the object level of detail. Budgetary modifications at the legal level of control may only be made by resolution of the City Council.

Tax Budget - The Tax 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, 2020

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 legal level of budgetary control. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations may not exceed current estimated resources, as certified. The allocation of appropriations among funds may be modified during the year by an ordinance of Council. During the year, several supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts passed during the year, including all amendments and modifications. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years.

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

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

F. Cash and Cash Equivalents

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

During 2020, investments were limited to federal agency securities, a U.S. Government money market account, commercial paper, the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Investments are reported at fair value which is based on quoted market prices.

During 2020, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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 for the general fund did not include any amounts assigned from other City funds during 2020.

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. The non-current portion of interfund loans is classified as “advances to/from other funds”. 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 and business-type activities include cash and cash equivalents set aside to satisfy bond indenture requirements for current and future debt payments and the replacement and improvement of capital assets originally acquired with bond proceeds.

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

On the government-wide financial statements and proprietary fund financial statements, 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.

K. Prepayments

Payments made to vendors for services that will benefit the City beyond December 31, 2020 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

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

L. Capital Assets and Depreciation

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

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

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 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, 2020

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.

N. Fund Balance

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

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

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

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

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

O. Capitalization of Interest

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

P. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flow of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements. Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

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.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

R. Fair Value Measurements

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

S. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

T. Net Position

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

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

U. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The City's proprietary funds had no contributions of capital in 2020.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

V. Pensions/Other Postemployment Benefits (OPEB)

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

W. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary items or special items in 2020.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2020, the City has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements", and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61."

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the City's financial statements.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

For 2020, the City has applied GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

B. Restatement of Net Position and Fund Balances

The implementation of GASB Statement No. 84 had the following effect on fund balance as reported at December 31, 2019:

	General	Revolving Loan Fund	Other Governmental Funds	Total Governmental Funds
Fund balance as previously reported	\$ 2,927,408	\$ 3,334,257	\$ 3,080,808	\$ 9,342,473
GASB Statement No. 84	-	-	1,071	1,071
Restated fund balance, at December 31, 2019	<u>\$ 2,927,408</u>	<u>\$ 3,334,257</u>	<u>\$ 3,081,879</u>	<u>\$ 9,343,544</u>

The implementation of GASB Statement No. 84 had the following effect on the net position as reported at December 31, 2019:

	Governmental Activities	Business-type Activities
Net position as previously reported	\$ 5,820,799	\$ 27,667,264
GASB Statement No. 84	1,071	-
Restated net position at December 31, 2019	<u>\$ 5,821,870</u>	<u>\$ 27,667,264</u>

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$0. Also, related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2019, agency funds reported assets and liabilities of \$12,373.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balance

Fund balances at December 31, 2020 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
HUD Grant	\$ 16,302

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General fund</u>	<u>Revolving loan fund</u>
Budget basis	\$ 1,644,437	\$ 169,416
Net adjustment for revenue accruals	745,348	(101,395)
Net adjustment for expenditure accruals	(1,167)	4,873
Net adjustments for other financing sources and uses	(100,923)	-
Funds budgeted elsewhere	(13,279)	-
Adjustments for encumbrances	<u>34,938</u>	<u>-</u>
GAAP basis	<u>\$ 2,309,354</u>	<u>\$ 72,894</u>

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

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

A. Cash and Cash Equivalents with Fiscal Agents

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

B. Cash and Cash Equivalents in Segregated Accounts

At year end, the City had \$17,508 in cash held in segregated accounts for Municipal Court operations. This amount is not included in deposits with financial institutions below.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

C. Deposits with Financial Institutions

At December 31, 2020, the carrying amount of all City deposits was \$2,289,806 and the bank balance of all City deposits was \$2,908,017. Of the bank balance, \$354,035 was covered by the FDIC, \$1,694,289 was covered by the Ohio Pooled Collateral System and \$859,693 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although 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.

D. Investments

As of December 31, 2020, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	Investment Maturities				
		6 months <u>or less</u>	7 - 12 <u>months</u>	13 - 18 <u>months</u>	19 - 24 <u>months</u>	Greater than <u>24 months</u>
<i>Fair Value:</i>						
Commercial Paper	\$ 1,722,924	\$ 549,557	\$ 1,173,367		\$ -	\$ -
FFCB	1,485,722	-	328,578	301,743	-	855,401
FHLB	1,115,921	-	-	-	-	1,115,921
FNMA	2,009,536	-	151,266	357,735	-	1,500,535
FHLMC	2,333,816	-	-	-	-	2,333,816
Negotiable CDs	7,756,137	247,835	-	1,164,413	915,790	5,428,099
U.S. Government money market mutual funds	2,958,999	2,958,999	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>1,506,400</u>	<u>1,506,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 20,889,455</u>	<u>\$ 5,262,791</u>	<u>\$ 1,653,211</u>	<u>\$ 1,823,891</u>	<u>\$ 915,790</u>	<u>\$ 11,233,772</u>

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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, the federal agency securities and the U.S. government money market mutual funds carry a rating of AA+ by Standard & Poor’s and Aaa by Moody’s. The negotiable CDs are fully FDIC insured.

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, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Commercial Paper	\$ 1,722,924	8.25
FFCB	1,485,722	7.11
FHLB	1,115,921	5.34
FNMA	2,009,536	9.62
FHLMC	2,333,816	11.17
Negotiable CDs	7,756,137	37.13
U.S. Government money market funds	2,958,999	14.17
<i>Amortized cost:</i>		
STAR Ohio	<u>1,506,400</u>	<u>7.21</u>
Total	<u>\$ 20,889,455</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 cash equivalents as reported on the statement of net position as of December 31, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,289,806
Investments	20,889,455
Cash in segregated accounts	<u>17,508</u>
Total	<u>\$ 23,196,769</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 11,023,549
Business-type activities	12,155,712
Fiduciary funds	<u>17,508</u>
Total	<u>\$ 23,196,769</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2020 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 expected to be collected within one year, except loans which are repaid over a period of five to fifteen years, and special assessments which are collected over the life of the assessment.

A. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 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, 2020 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 2020 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.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 6 - RECEIVABLES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2020 was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 189,820,680
Commercial/industrial/mineral	119,850,980
Public utility	<u>15,722,660</u>
Total assessed value	<u>\$ 325,394,320</u>

B. Loans Receivable

Loans receivable represent the principal owed to the City for community development block grants and urban development action grants. The loans bear interest at annual rates between two and six percent. The loans are to be repaid over periods ranging from five to fifteen years. Total loans receivable at December 31, 2020 were \$663,349.

C. Income Taxes

The City levies an income tax of 2.0 percent on all income earned within the City as well as income of residents earned outside the City. 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 2020, after income tax department expenditures, are to be credited to the following funds at the following percentages: 91 percent to the general fund, 3 percent to the capital improvements fund (a nonmajor governmental fund), 2 percent to the street income tax construction fund (a nonmajor governmental fund) and 4 percent to the water fund. On the fund financial statements, total income taxes receivable for 2020 was \$2,448,705 in the governmental funds and \$101,147 in the water fund.

D. Special Assessments

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

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

The City's demolition assessments are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. At December 31, 2020, the total special assessments receivable was \$1,679,044.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - CAPITAL ASSETS

Capital asset activity for 2020 is as follows:

<u>Governmental activities:</u>	Balance 12/31/19	Additions	Deductions	Balance 12/31/2020
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,901,687	\$ -	\$ -	\$ 2,901,687
Easements and right of ways	116,018	-	-	116,018
Construction in progress	1,491,677	1,236,327	(2,728,004)	-
Total capital assets, not being depreciated	<u>4,509,382</u>	<u>1,236,327</u>	<u>(2,728,004)</u>	<u>3,017,705</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	9,439,134	866,854	-	10,305,988
Furniture, fixtures and equipment	5,556,814	56,369	-	5,613,183
Vehicles	4,400,015	219,016	(164,710)	4,454,321
Infrastructure	35,213,285	2,692,144	-	37,905,429
Total capital assets, being depreciated	<u>54,609,248</u>	<u>3,834,383</u>	<u>(164,710)</u>	<u>58,278,921</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(4,586,460)	(321,658)	-	(4,908,118)
Furniture, fixtures and equipment	(3,958,794)	(175,278)	-	(4,134,072)
Vehicles	(2,730,613)	(174,307)	159,993	(2,744,927)
Infrastructure	(30,049,311)	(869,748)	-	(30,919,059)
Total accumulated depreciation	<u>(41,325,178)</u>	<u>(1,540,991)</u>	<u>159,993</u>	<u>(42,706,176)</u>
Total capital assets, being depreciated net	<u>13,284,070</u>	<u>2,293,392</u>	<u>(4,717)</u>	<u>15,572,745</u>
Governmental activities capital assets, net	<u>\$ 17,793,452</u>	<u>\$ 3,529,719</u>	<u>\$ (2,732,721)</u>	<u>\$ 18,590,450</u>

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

<u>Governmental activities:</u>	
General government	\$ 224,344
Security of persons and property	291,111
Public health services	998
Transportation	896,510
Community environment	12,723
Basic utility services	2,242
Leisure time activities	<u>113,063</u>
Total depreciation expense - governmental activities	<u>\$ 1,540,991</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,159,437	\$ -	\$ -	\$ 1,159,437
Construction in progress	<u>4,033,552</u>	<u>642,312</u>	<u>(3,933,145)</u>	<u>742,719</u>
Total capital assets, not being depreciated	<u>5,192,989</u>	<u>642,312</u>	<u>(3,933,145)</u>	<u>1,902,156</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,502,896	-	-	1,502,896
Buildings, structures and improvements	19,967,808	2,090,331	-	22,058,139
Water and sewer lines	26,105,527	1,407,064	-	27,512,591
Furniture, fixtures and equipment	<u>11,307,816</u>	<u>2,163,668</u>	<u>(113,555)</u>	<u>13,357,929</u>
Total capital assets, being depreciated	<u>58,884,047</u>	<u>5,661,063</u>	<u>(113,555)</u>	<u>64,431,555</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,376,595)	(23,459)	-	(1,400,054)
Buildings, structures and improvements	(8,152,025)	(406,696)	-	(8,558,721)
Water and sewer lines	(17,202,319)	(493,215)	-	(17,695,534)
Furniture, fixtures and equipment	<u>(6,237,994)</u>	<u>(531,965)</u>	<u>102,200</u>	<u>(6,667,759)</u>
Total accumulated depreciation	<u>(32,968,933)</u>	<u>(1,455,335)</u>	<u>102,200</u>	<u>(34,322,068)</u>
Total capital assets, being depreciated net	<u>25,915,114</u>	<u>4,205,728</u>	<u>(11,355)</u>	<u>30,109,487</u>
Business-type activities capital assets, net	<u>\$ 31,108,103</u>	<u>\$ 4,848,040</u>	<u>\$ (3,944,500)</u>	<u>\$ 32,011,643</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 2020, 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 - Aggregate</u>
General Liability	\$ 1,000	\$3,000,000
Wrongful Acts	5,000	3,000,000
Law Enforcement	5,000	1,000,000
Automobile Liability	None	1,000,000
Bond	250	3,000,000
Crime - Theft	250	50,000
Crime - Forgery/Computer Fraud	250	100,000
Property	2,500	78,118,300
Inland Marine	1,000	2,990,343
Electronic Data Processing	1,000	593,816
Excess Liability	N/A	\$3,000,000

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 - RISK MANAGEMENT - (Continued)

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

B. Workers' Compensation

The City participates in the Ohio Municipal League Group Rating Plan (OML) for workers' compensation. The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the OML. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the OML. Each participant pays its workers' compensation premium to the State based on the rate for the OML rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the OML. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the OML. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of 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 \$80,000 per employee. A third party administrator, Aultcare, reviews all claims which are then paid by the City.

The claims liability of \$166,843 reported in the self-insurance fund at December 31, 2020, 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
2018	\$ 215,610	\$ 2,458,741	\$ (2,483,872)	\$ 190,479
2019	190,479	2,890,639	(2,942,234)	138,884
2020	138,884	2,847,437	(2,819,478)	166,843

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 - INTERFUND TRANSACTIONS

A. Interfund Transfers

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

A summary of interfund transfers is as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 1,477,454

Transfers between governmental funds are eliminated on the government-wide financial statements. All transfers made in 2020 were in accordance with Ohio Revised Code sections 5705.14, 5705.15 and 5705.16.

B. Due to/from other funds

Interfund balances at December 31, 2020 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	\$ <u>65,316</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, 2020, as reported on the fund financial statements.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	\$ <u>40,009</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, 2020**

NOTE 9 - INTERFUND TRANSACTIONS - (Continued)

D. Advances to/from other funds

The City had long-term interfund loans at December 31, 2020. These loans are not expected to be repaid in the subsequent year. The City has classified these loans as “advances to/from other funds” on the fund financial statements

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

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

NOTE 10 - TAX ABATEMENTS

As of December 31, 2020, the City provides tax abatements through Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

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

During 2020 the City's property tax revenues were reduced by \$20,984 as a result of these agreements.

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CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental activities

A schedule of changes in long-term obligations of the City during 2020 follows:

	Balance Outstanding 12/31/19	Additions	Reductions	Balance Outstanding 12/31/20	Amounts Due Within One Year
<u>Governmental activities</u>					
<i>OPWC loans (direct borrowing):</i>					
MLK bridge rehabilitation	320,001	-	(13,333)	306,668	13,333
Total OPWC loans	<u>320,001</u>	<u>-</u>	<u>(13,333)</u>	<u>306,668</u>	<u>13,333</u>
<i>SIB loans (direct borrowing):</i>					
MLK bridge project	91,579	-	(21,882)	69,697	22,544
Total SIB loans	<u>91,579</u>	<u>-</u>	<u>(21,882)</u>	<u>69,697</u>	<u>22,544</u>
<i>Other long-term obligations:</i>					
Police and fire pension liability	271,288	-	(12,758)	258,530	13,306
Net pension liability	22,857,573	-	(5,562,879)	17,294,694	-
Net OPEB liability	4,861,681	109,414	-	4,971,095	-
Compensated absences	<u>2,529,597</u>	<u>107,271</u>	<u>(66,809)</u>	<u>2,570,059</u>	<u>773,327</u>
Total governmental activities	<u>\$ 30,931,719</u>	<u>\$ 216,685</u>	<u>\$ (5,677,661)</u>	<u>\$ 25,470,743</u>	<u>\$ 822,510</u>

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 property tax revenue in the police pension fund (a nonmajor governmental fund) and the fire pension fund (a nonmajor governmental fund).

Ohio Public Works Commission (OPWC) Loans

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

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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 are considered to be direct borrowings since they have terms negotiated directly between the City and the lender and are not offered for public sale. The 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). During 2020, the City made a principal payment of \$21,882.

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 and Net OPEB Liability

See Notes 12 and 13 for more details. The City pays obligations related to employee compensations from the fund benefitting from their service.

Principal and interest requirements to retire governmental long-term obligations outstanding at December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	<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>
2021	\$ 13,306	\$ 10,840	\$ 13,333	\$ -
2022	13,877	10,269	13,333	-
2023	14,472	9,674	13,333	-
2024	15,093	9,052	13,333	-
2025	15,741	8,405	13,333	-
2026 - 2030	89,439	31,289	66,665	-
2031 - 2035	96,602	10,410	66,665	-
2036 - 2040	-	-	66,665	-
2041 - 2044	-	-	40,008	-
Total	<u>\$ 258,530</u>	<u>\$ 89,939</u>	<u>\$ 306,668</u>	<u>\$ -</u>

<u>Year Ending December 31,</u>	<u>2014 SIB Loan - MLK Project</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 22,544	\$ 1,923
2022	23,225	1,242
2023	<u>23,928</u>	<u>540</u>
Total	<u>\$ 69,697</u>	<u>\$ 3,705</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

A schedule of changes in long-term obligations of the City during 2020 follows:

	Balance Outstanding 12/31/19	Additions	Reductions	Balance Outstanding 12/31/20	Amounts Due Within One Year
<u>Business-type activities:</u>					
<i>Revenue bonds:</i>					
2008 water refunding	\$ 1,440,000	\$ -	\$ (1,440,000)	\$ -	\$ -
Unamortized premium	<u>7,258</u>	<u>-</u>	<u>(7,258)</u>	<u>-</u>	<u>-</u>
Total revenue bonds	<u>1,447,258</u>	<u>-</u>	<u>(1,447,258)</u>	<u>-</u>	<u>-</u>
<i>General obligation bonds:</i>					
2012 water works improvement bonds	805,000	-	(60,000)	745,000	60,000
Unamortized premium	<u>121</u>	<u>-</u>	<u>(10)</u>	<u>111</u>	<u>10</u>
Total general obligation bonds	<u>805,121</u>	<u>-</u>	<u>(60,010)</u>	<u>745,111</u>	<u>60,010</u>
<i>OPWC loans (direct borrowing):</i>					
Gaskill (2002)	3,998	-	(2,666)	1,332	1,328
Beeson St. (2004)	68,922	-	(13,785)	55,137	13,785
WWTP clarifier (2006)	39,788	-	(5,684)	34,104	5,684
OPWC loan - raw influent pump replacement (2009)	218,955	-	(20,853)	198,102	20,853
Water UV Light Oxidation (2013)	927,615	-	(37,105)	890,510	37,105
WWTP Class A Biosolids (2018)	<u>256,025</u>	<u>-</u>	<u>(13,475)</u>	<u>242,550</u>	<u>13,475</u>
Total OPWC loans	<u>1,515,303</u>	<u>-</u>	<u>(93,568)</u>	<u>1,421,735</u>	<u>92,230</u>
<i>OWDA loans (direct borrowing):</i>					
Sludge dewatering facility (2016)	5,600,274	-	(290,582)	5,309,692	293,790
Marlington-Alliance Waterline (2017)	684,255	-	(25,150)	659,105	25,150
Carbon Feed System (2018)	<u>682,726</u>	<u>105,070</u>	<u>(25,199)</u>	<u>762,597</u>	<u>50,398</u>
Total OWDA loans	<u>6,967,255</u>	<u>105,070</u>	<u>(340,931)</u>	<u>6,731,394</u>	<u>369,338</u>
<i>Other long-term obligations:</i>					
Net pension liability	5,222,793	-	(1,506,939)	3,715,854	-
Net OPEB liability	2,443,231	111,563	-	2,554,794	-
Compensated absences	<u>601,172</u>	<u>63,926</u>	<u>(12,497)</u>	<u>652,601</u>	<u>207,740</u>
Total business-type activities	<u>\$ 19,002,133</u>	<u>\$ 280,559</u>	<u>\$ (3,461,203)</u>	<u>\$ 15,821,489</u>	<u>\$ 729,318</u>

Series 2008 Water Refunding Bonds

On September 24, 2008, the City issued revenue bonds (series 2008 water refunding bonds) to advance refund the callable portion of the series 1998 revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

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

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

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2012 Various Purpose Improvement and Refunding Bonds

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

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

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

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

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

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

Ohio Public Works Commission (OPWC) Loans

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

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

Ohio Water Development Authority (OWDA) Loans

The City has entered into three loan agreements with the OWDA to finance the construction of a sludge dewatering facility, the Marlinton-Alliance waterline project and a carbon feed system. These loans accrue interest that will be capitalized as they come due. The interest rates on the loans range from 0% to 1.47%. As of December 31, 2020, the loans are still open and amortization schedules are not yet available. Principal payments are made from the water and sewer funds.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

Compensated absences

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

Net Pension Liability and Net OPEB Liability

See Notes 12 and 13 for details on the net pension liability and net OPEB liability, respectively.

Principal and interest requirements to retire business-type long-term obligations outstanding at December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	<u>2012 Water Works Improvement</u>	
	<u>Principal</u>	<u>Interest</u>
	2021	\$ 60,000
2022	60,000	20,200
2023	60,000	18,700
2024	65,000	17,200
2025	65,000	15,575
2026 - 2030	355,000	47,387
2031	80,000	2,600
Total	\$ 745,000	\$ 143,362

<u>Year Ending December 31,</u>	<u>OPWC - Gaskill Street</u>		<u>OPWC - Beeson Street</u>		<u>OPWC - WWTP Clarifer</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,328	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2022	4	-	13,785	-	5,684	-
2023	-	-	13,785	-	5,684	-
2024	-	-	13,782	-	5,684	-
2025	-	-	-	-	5,684	-
2026 - 2027	-	-	-	-	5,684	-
Total	\$ 1,332	\$ -	\$ 55,137	\$ -	\$ 34,104	\$ -

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	OPWC - Raw Influent Pump Replacement		OPWC - WTP Ultraviolet Light Oxidation		OPWC - WWTP Class A Biosolids	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 20,853	\$ -	\$ 37,105	\$ -	\$ 13,475	\$ -
2022	20,853	-	37,105	-	13,475	-
2023	20,853	-	37,105	-	13,475	-
2024	20,853	-	37,105	-	13,475	-
2025	20,853	-	37,105	-	13,475	-
2026 - 2030	93,837	-	185,525	-	67,375	-
2031 - 2035	-	-	185,525	-	67,375	-
2036 - 2040	-	-	185,525	-	40,425	-
2041 - 2044	-	-	148,410	-	-	-
Total	<u>\$ 198,102</u>	<u>\$ -</u>	<u>\$ 890,510</u>	<u>\$ -</u>	<u>\$ 242,550</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, 2020, the City’s total debt margin was \$34,166,404 and the unvoted debt margin was \$17,896,668.

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, 2020, \$62,210,000 had been issued and \$30,175,000 was still outstanding.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

Pensions and OPEB 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The net pension liability/asset and the net OPEB liability represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB 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.

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

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability/asset 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.

The remainder of this note includes the pension disclosures. See Note 13 for the OPEB disclosures.

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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local	Public Safety	Law Enforcement
2020 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2020 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

- * This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- ** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- *** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance
- **** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 12 - 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 the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$843,011 for 2020. Of this amount, \$76,414 is reported as due to other governments.

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

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the 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, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th 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 3.00% of their base pension or disability benefit.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2020 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>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$942,646 for 2020. Of this amount, \$86,673 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, 2020, the specific liability of the City was \$258,530 payable in semi-annual payments through the year 2035.

Net 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 were measured as of December 31, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. 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:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.04625300%	0.04329100%	0.02786400%	0.20053100%	
Proportion of the net pension liability/asset current measurement date	<u>0.04504500%</u>	<u>0.04254600%</u>	<u>0.02831900%</u>	<u>0.18989990%</u>	
Change in proportionate share	<u>-0.00120800%</u>	<u>-0.00074500%</u>	<u>0.00045500%</u>	<u>-0.01063110%</u>	
Proportionate share of the net pension liability	\$ 8,217,876	\$ -	\$ -	\$ 12,792,672	\$ 21,010,548
Proportionate share of the net pension asset	-	(81,888)	(988)	-	(82,876)
Pension expense	1,115,489	9,381	(582)	1,280,362	2,404,650

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 3,297	\$ 484,245	\$ 487,542
Changes of assumptions	438,932	8,443	158	314,026	761,559
Changes in employer's proportionate percentage/difference between employer contributions	73,402	-	-	122,586	195,988
Contributions subsequent to the measurement date	806,210	24,140	12,660	942,646	1,785,656
Total deferred outflows of resources	\$ 1,318,544	\$ 32,583	\$ 16,115	\$ 1,863,503	\$ 3,230,745

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 103,904	\$ 19,227	\$ -	\$ 659,767	\$ 782,898
Net difference between projected and actual earnings on pension plan investments	1,639,278	10,619	309	617,987	2,268,193
Changes in employer's proportionate percentage/difference between employer contributions	198,973	-	-	770,619	969,592
Total deferred inflows of resources	\$ 1,942,155	\$ 29,846	\$ 309	\$ 2,048,373	\$ 4,020,683

\$1,785,656 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, 2021.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - 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 - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2021	\$ (261,385)	\$ (5,217)	\$ 393	\$ (348,188)	\$ (614,397)
2022	(585,416)	(5,016)	397	(204,990)	(795,025)
2023	67,882	(2,057)	473	92,213	158,511
2024	(650,902)	(5,950)	353	(669,186)	(1,325,685)
2025	-	(1,108)	424	2,633	1,949
Thereafter	-	(2,055)	1,106	2	(947)
Total	\$ (1,429,821)	\$ (21,403)	\$ 3,146	\$ (1,127,516)	\$ (2,575,594)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the 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 long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 13,553,937	\$ 8,217,876	\$ 3,420,914
Combined Plan	(49,480)	(81,888)	(105,243)
Member-Directed Plan	(523)	(988)	(1,307)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, 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 the value 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below.

Valuation date	1/1/19 with actuarial liabilities rolled forward to 12/31/19
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of
	inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

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 and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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.

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, 2019 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. 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 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 17,730,198	\$ 12,792,672	\$ 8,662,920

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability 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 these estimates annually.

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 OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' annual financial report referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

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

The City's contractually required contribution was \$5,064 for 2020. Of this amount, \$459 is reported as due to other governments.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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 information and required supplementary information for the plan. 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.

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 employer units, 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, 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 pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$22,535 for 2020. Of this amount, \$2,072 is reported as due to other governments.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.04545300%	0.20053100%	
Proportion of the net OPEB liability current measurement date	<u>0.04431800%</u>	<u>0.18989990%</u>	
Change in proportionate share	<u>-0.00113500%</u>	<u>-0.01063110%</u>	
Proportionate share of the net OPEB liability	\$ 5,650,109	\$ 1,875,780	\$ 7,525,889
OPEB expense	\$ 488,129	\$ 158,350	\$ 646,479

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 153	\$ -	\$ 153
Changes of assumptions	894,353	1,096,654	1,991,007
Changes in employer's proportionate percentage/ difference between employer contributions	44,534	123,254	167,788
Contributions subsequent to the measurement date	5,064	22,535	27,599
Total deferred outflows of resources	<u>\$ 944,104</u>	<u>\$ 1,242,443</u>	<u>\$ 2,186,547</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 516,729	\$ 201,721	\$ 718,450
Net difference between projected and actual earnings on OPEB plan investments	287,701	86,315	374,016
Changes of assumptions	-	399,758	399,758
Changes in employer's proportionate percentage/difference between employer contributions	126,183	288,296	414,479
Total deferred inflows of resources	<u>\$ 930,613</u>	<u>\$ 976,090</u>	<u>\$ 1,906,703</u>

\$27,599 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	\$ 98,233	\$ 40,394	\$ 138,627
2022	32,903	40,395	73,298
2023	229	58,100	58,329
2024	(122,937)	30,188	(92,749)
2025	(1)	48,015	48,014
Thereafter	-	26,726	26,726
Total	<u>\$ 8,427</u>	<u>\$ 243,818</u>	<u>\$ 252,245</u>

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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.50% initial, 3.50% ultimate in 2030
Prior Measurement date	10.00%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The long-term expected rate of return on health care 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, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.70% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care 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.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

Discount Rate - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 7,394,073	\$ 5,650,109	\$ 4,253,760

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 5,483,378	\$ 5,650,109	\$ 5,814,713

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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, 2019, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. For 2018, the total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from 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 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.56% for 2019 and 4.66% for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%), or one percentage point higher (4.56%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 2,325,846	\$ 1,875,780	\$ 1,501,806

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 14 - OTHER EMPLOYEE BENEFITS

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 240 hours, except for IAFF employees who will be paid a maximum of 480 hours, for the compensatory time. As of December 31, 2020, the total liability for unpaid compensated absences was \$2,570,059 for the governmental activities and \$652,601 for the business-type activities.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2020.

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, 2020.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Stark County Council of Governments (SCOG) - The City participates in the Stark County Council of Governments (SCOG), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities, villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and oversees accounting and finance related activities. Each participant's control is limited to its membership shares. During 2020, the City did not contribute to SCOG. Complete financial statements may be obtained from the Stark County Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Stark County Regional Planning Commission - The City participates in the Stark County Regional Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 85 member Board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the Board. The principal aim of the Commission is to provide comprehensive planning, both long and short range, dealing with the economic and physical environment of Stark County. The Board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2020, the City contributed \$38,573 to the Commission. 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 17 - OTHER COMMITMENTS

A. Encumbrances

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	\$ 24,595
Other governmental	<u>379,158</u>
Total	<u>\$ 403,753</u>

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 17 - OTHER COMMITMENTS - (Continued)

B. Contractual Commitments

The City has entered into services agreements with various contractors for upgrades to and maintenance on the City's water tanks on Clark Street and 23rd Street and the Mid Park tank. The agreements are cancelable upon 90 days written notice after 5 years, 6 years and 7 years for Clark Street, 23rd Street and Mid Park, respectively. Payments are made from the water fund. The following is a schedule of the future minimum payments required under the agreements:

<u>Year</u>	<u>Clark Street</u>	<u>23rd Street</u>	<u>Mid Park</u>	<u>Total</u>
2021	\$ 177,236	\$ 132,608	\$ 130,051	\$ 439,895
2022	177,236	132,608	130,051	439,895
2023	-	132,608	130,051	262,659
2024	-	-	130,051	130,051
Total	<u>\$ 354,472</u>	<u>\$ 397,824</u>	<u>\$ 520,204</u>	<u>\$ 1,272,500</u>

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CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - FUND BALANCE

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

Fund balance	General	Revolving Loan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 11,351	\$ -	\$ 60,938	\$ 72,289
Prepays	156,448	398	29,911	186,757
Unclaimed monies	<u>128,971</u>	<u>-</u>	<u>-</u>	<u>128,971</u>
Total nonspendable	<u>296,770</u>	<u>398</u>	<u>90,849</u>	<u>388,017</u>
Restricted:				
Judicial operations	-	-	560,433	560,433
Security programs	-	-	481,366	481,366
K-9 collections	7,211	-	-	7,211
Public health service programs	-	-	827,661	827,661
Transportation projects	-	-	573,148	573,148
Community environment programs	-	2,743,404	47,771	2,791,175
Leisure time activities	-	-	106,418	106,418
Drones	6,032	-	-	6,032
Capital projects	-	-	55,024	55,024
Long-term loans	-	663,349	-	663,349
Debt service	<u>-</u>	<u>-</u>	<u>43,850</u>	<u>43,850</u>
Total restricted	<u>13,243</u>	<u>3,406,753</u>	<u>2,695,671</u>	<u>6,115,667</u>
Committed:				
General government operations	121,422	-	-	121,422
Community environment programs	-	-	4,144	4,144
Leisure time activities programs	-	-	1,082	1,082
Transportation	-	-	4,267	4,267
Capital projects	<u>-</u>	<u>-</u>	<u>1,254,403</u>	<u>1,254,403</u>
Total committed	<u>121,422</u>	<u>-</u>	<u>1,263,896</u>	<u>1,385,318</u>
Assigned:				
General government operations	160,771	-	-	160,771
Security programs	15,393	-	-	15,393
Community environment programs	3,128	-	-	3,128
Subsequent year appropriations	<u>1,910,823</u>	<u>-</u>	<u>-</u>	<u>1,910,823</u>
Total assigned	<u>2,090,115</u>	<u>-</u>	<u>-</u>	<u>2,090,115</u>
Unassigned (deficit)	<u>2,715,212</u>	<u>-</u>	<u>(18,210)</u>	<u>2,697,002</u>
Total fund balances	<u>\$ 5,236,762</u>	<u>\$ 3,407,151</u>	<u>\$ 4,032,206</u>	<u>\$ 12,676,119</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 19 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the pension and other employee benefits plan in which the City participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT

The Alliance City Health Department Board is directed by a five member Board and a Health Commissioner. The Health Department services include communicable disease investigations, immunization clinics, environmental inspections, food inspections, mosquito control, housing inspection and demolition, vital statistics, public health nursing services, WIC Nutrition Program, and health-related licenses and permits.

The Health Department's management believes these financial statements present all activities for which the Health Department is financially accountable. The Health Department has no component units. The Health Department is a discretely presented component unit of the City of Alliance.

Summary of Significant Accounting Policies

The financial statements of the Health Department have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Health Department's accounting policies are described as follows.

Basis of Presentation - Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Health Department as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Health Department has no fiduciary funds. The statements distinguish between those activities of the Health Department that are governmental and those that are considered business-type activities. The Health Department has no business-type activities.

The statement of net position presents the financial condition of the governmental activities for the Health Department at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health Department's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health Department, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Health Department.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

Measurement Focus - Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the Health Department are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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.

Revenues-Exchange and Nonexchange Transactions - Revenues 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. Nonexchange transactions, in which the Health Department receives value without directly giving equal value in return, include intergovernmental contractual allocations from participating local governments, grants, entitlements, and donations. Revenue from intergovernmental contractual allocations, grants, entitlements and donations is recognized in the fiscal 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 Health Department must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Health Department on a reimbursement basis.

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

Deferred Outflows of Resources/Deferred Inflows of Resources - In addition to assets, the 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 Health Department, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB.

In addition to liabilities, the statements of financial position 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 Health Department, deferred inflows of resources are reported on the government-wide statement of net position for pension and OPEB.

Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

Capital Assets - Capital assets are reported in the government-wide financial statements. In accordance with the City's policy, all capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Health Department maintains a capitalization threshold of \$5,000, in accordance with the City's policy.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

All reported capital assets are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, fixtures and equipment	5 - 20 years

Compensated Absences - Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Health Department will compensate the employees for the benefits through paid time off or some other means. The Health Department 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 Department's past experience of making termination payments.

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

Net Position - Net position represents the difference between all other elements on the statement of net position. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health Department's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Deposits and Investments

The City Auditor is the custodian for the Health Department's cash. The City's cash and investment pool holds the Health Department's cash, which is excluded from the City Auditor's carrying amount reported in Note 5.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which the service is consumed.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

Capital Assets

Capital asset activity for the year ended December 31, 2020, for the Health Department was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/20</u>
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures and equipment	\$ 42,170	\$ -	\$ -	\$ 42,170
<i>Less: accumulated depreciation:</i>				
Furniture, fixtures and equipment	(27,210)	(2,523)	-	(29,733)
Total capital assets being depreciated, net	<u>14,960</u>	<u>(2,523)</u>	<u>-</u>	<u>12,437</u>
Governmental activities capital assets, net	<u>\$ 14,960</u>	<u>\$ (2,523)</u>	<u>\$ -</u>	<u>\$ 12,437</u>

Long-Term Obligations

Changes in the Health Department's long-term obligations during the year consisted of the following:

Governmental activities:	Balance			Balance	Due Within
	<u>12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/20</u>	<u>One Year</u>
Compensated absences	\$ 174,379	\$ 67,947	\$ (46,626)	\$ 195,700	\$ 64,948
Net pension liability	956,021	-	(270,447)	685,574	-
Net OPEB liability	<u>447,228</u>	<u>24,131</u>	<u>-</u>	<u>471,359</u>	<u>-</u>
Total governmental-type long-term obligations	<u>\$ 1,577,628</u>	<u>\$ 92,078</u>	<u>\$ (317,073)</u>	<u>\$ 1,352,633</u>	<u>\$ 64,948</u>

Risk Management

The Health Department is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Health Department is included under the City's programs for property and liability and workers' compensation, see Note 8 for detail.

Employee Benefits

The Health Department is included under the City's programs for life/health insurance and compensated absences, see Note 8.C and Note 14 for detail.

Defined Benefit Pension Plans

Plan descriptions and actuarial information for the Health Department's defined benefit pension plans are the same as the City's (see Note 12 for detail).

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

For 2020, the Health Department's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$70,328 for 2020. Of this amount, \$5,884 is reported as due to other governments.

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Health Department's proportion of the net pension liability (asset) was based on the Health Departments' 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 of the Health Department's defined benefit pension plans:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.00349100%	0.00326700%	0.00210300%	
Proportion of the net pension liability/asset current measurement date	<u>0.00346900%</u>	<u>0.00327600%</u>	<u>0.00218100%</u>	
Change in proportionate share	<u>-0.00002200%</u>	<u>0.00000900%</u>	<u>0.00007800%</u>	
Proportionate share of the net pension liability	\$ 685,574	\$ -	\$ -	\$ 685,574
Proportionate share of the net pension asset	-	(6,832)	(82)	(6,914)
Pension expense	98,432	783	(49)	99,166

At December 31, 2020, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>Total</u>
Deferred outflows of resources				
Differences between expected and actual experience	\$ -	\$ -	\$ 275	\$ 275
Changes of assumptions	36,618	704	13	37,335
Changes in employer's proportionate percentage/difference between employer contributions	3,475	-	-	3,475
Contributions subsequent to the measurement date	67,258	2,014	1,056	70,328
Total deferred outflows of resources	<u>\$ 107,351</u>	<u>\$ 2,718</u>	<u>\$ 1,344</u>	<u>\$ 111,413</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ 8,668	\$ 1,604	\$ -	\$ 10,272
Net difference between projected and actual earnings on pension plan investments	136,756	886	26	137,668
Changes in employer's proportionate percentage/ difference between employer contributions	2,964	-	-	2,964
Total deferred inflows of resources	<u>\$ 148,388</u>	<u>\$ 2,490</u>	<u>\$ 26</u>	<u>\$ 150,904</u>

\$70,328 reported as deferred outflows of resources related to pension resulting from Health Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2021.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Year Ending December 31:				
2021	\$ 26,475	\$ (240)	\$ 31	\$ 26,266
2022	(24,552)	(377)	29	(24,900)
2023	(52,454)	(362)	29	(52,787)
2024	6,726	(149)	35	6,612
2025	(64,490)	(430)	26	(64,894)
Thereafter	-	(228)	112	(116)
Total	<u>\$ (108,295)</u>	<u>\$ (1,786)</u>	<u>\$ 262</u>	<u>\$ (109,819)</u>

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

Sensitivity of the Health Department's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the Health Department's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the Health Department's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Department's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 1,130,733	\$ 685,574	\$ 285,389
Combined Plan	(4,128)	(6,832)	(8,780)
Member-Directed Plan	(44)	(82)	(109)

Defined Benefit OPEB Plan

Plan descriptions and actuarial information for the Health Department's defined benefit OPEB plan are the same as the City's (see Note 13 for detail).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health Department's contractually required contribution was \$423 for 2020. Of this amount, \$35 is reported as due to other governments.

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The Health Department's proportion of the net OPEB liability was based on the Health Departments's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the net OPEB liability prior measurement date	0.00343000%
Proportion of the net OPEB liability current measurement date	<u>0.00341300%</u>
Change in proportionate share	<u>-0.00001700%</u>
Proportionate share of the net OPEB liability	\$ 471,359
OPEB expense	\$ 44,397

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

At December 31, 2020, the Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred outflows of resources	
Differences between expected and actual experience	\$ 13
Changes of assumptions	74,611
Changes in employer's proportionate percentage/ difference between employer contributions	1,925
Contributions subsequent to the measurement date	423
Total deferred outflows of resources	<u>\$ 76,972</u>

	<u>OPERS</u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 43,108
Net difference between projected and actual earnings on OPEB plan investments	24,001
Changes in employer's proportionate percentage/ difference between employer contributions	2,446
Total deferred inflows of resources	<u>\$ 69,555</u>

\$423 reported as deferred outflows of resources related to OPEB resulting from Health Department contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

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

	<u>OPERS</u>	
Year Ending December 31:		
2021	\$	4,017
2022		1,839
2023		1,135
2024		<u>3</u>
Total	\$	<u>6,994</u>

Sensitivity of the Health Department's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the Health Department's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the Health Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Department's proportionate share of the net OPEB liability	\$ 616,848	\$ 471,359	\$ 354,869

Sensitivity of the Health Department's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
Department's proportionate share of the net OPEB liability	\$ 457,449	\$ 471,359	\$ 485,091

CITY OF ALLIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

Contingencies

Grants - The Health Department received financial assistance from federal and state agencies in the form of grants. The expenditure 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, if any, on the financial condition of the Health Department.

Litigation - The Health Department is not party to any legal proceedings that, in the opinion of management, will have a material adverse effect on the financial condition of the Health Department.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.045045%	0.046253%	0.045608%	0.048872%
City's proportionate share of the net pension liability	\$ 8,217,876	\$ 11,711,738	\$ 7,155,011	\$ 11,097,999
City's covered payroll	\$ 5,864,329	\$ 5,779,421	\$ 5,746,500	\$ 6,345,067
City's proportionate share of the net pension liability as a percentage of its covered payroll	140.13%	202.65%	124.51%	174.91%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.042546%	0.043291%	0.042204%	0.045284%
City's proportionate share of the net pension asset	\$ 81,888	\$ 44,755	\$ 57,453	\$ 25,204
City's covered payroll	\$ 175,100	\$ 171,243	\$ 172,846	\$ 176,275
City's proportionate share of the net pension asset as a percentage of its covered payroll	46.77%	26.14%	33.24%	14.30%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.028319%	0.027864%	0.030049%	0.043375%
City's proportionate share of the net pension asset	\$ 988	\$ 587	\$ 1,049	\$ 181
City's covered payroll	\$ 155,640	\$ 146,370	\$ 164,700	\$ 178,258
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.63%	0.40%	0.64%	0.10%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.45%	103.40%

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

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

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2016	2015	2014
	0.048789%	0.048044%	0.048044%
\$	8,450,870	\$ 5,794,643	\$ 5,663,762
\$	6,022,642	\$ 5,899,225	\$ 5,845,338
	140.32%	98.23%	96.89%
	81.08%	86.45%	86.36%
	0.043680%	0.043697%	0.043697%
\$	21,256	\$ 16,824	\$ 4,585
\$	158,975	\$ 153,433	\$ 119,669
	13.37%	10.97%	3.83%
	116.90%	114.83%	104.56%
	0.043228%	n/a	n/a
\$	165	n/a	n/a
\$	240,742	n/a	n/a
	0.07%	n/a	n/a
	103.91%	n/a	n/a

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net pension liability	0.18989990%	0.20053100%	0.19721500%	0.20455100%
City's proportionate share of the net pension liability	\$ 12,792,672	\$ 16,368,628	\$ 12,103,989	\$ 12,956,102
City's covered payroll	\$ 4,581,775	\$ 4,598,780	\$ 4,093,300	\$ 4,552,466
City's proportionate share of the net pension liability as a percentage of its covered payroll	279.21%	355.93%	295.70%	284.60%
Plan fiduciary net position as a percentage of the total pension liability	69.89%	63.07%	70.91%	68.36%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.20491200%	0.21463130%	0.21463130%
\$ 13,182,132	\$ 11,118,796	\$ 10,453,218
\$ 4,233,608	\$ 4,341,884	\$ 4,175,541
311.37%	256.08%	250.34%
66.77%	72.20%	73.00%

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 806,210	\$ 821,006	\$ 874,838	\$ 747,045
Contributions in relation to the contractually required contribution	<u>(806,210)</u>	<u>(821,006)</u>	<u>(874,838)</u>	<u>(747,045)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,758,643	\$ 5,864,329	\$ 5,779,421	\$ 5,746,500
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 24,140	\$ 24,514	\$ 25,921	\$ 22,470
Contributions in relation to the contractually required contribution	<u>(24,140)</u>	<u>(24,514)</u>	<u>(25,921)</u>	<u>(22,470)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 172,429	\$ 175,100	\$ 171,243	\$ 172,846
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 12,660	\$ 15,564	\$ 15,826	\$ 16,470
Contributions in relation to the contractually required contribution	<u>(12,660)</u>	<u>(15,564)</u>	<u>(15,826)</u>	<u>(16,470)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 126,600	\$ 155,640	\$ 146,370	\$ 164,700
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 761,408	\$ 722,717	\$ 707,907	\$ 759,894	\$ 599,490	\$ 606,260
<u>(761,408)</u>	<u>(722,717)</u>	<u>(707,907)</u>	<u>(759,894)</u>	<u>(599,490)</u>	<u>(606,260)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,345,067	\$ 6,022,642	\$ 5,899,225	\$ 5,845,338	\$ 5,994,900	\$ 6,062,600
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 21,153	\$ 19,077	\$ 18,412	\$ 15,557	\$ 9,462	\$ 8,447
<u>(21,153)</u>	<u>(19,077)</u>	<u>(18,412)</u>	<u>(15,557)</u>	<u>(9,462)</u>	<u>(8,447)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 176,275	\$ 158,975	\$ 153,433	\$ 119,669	\$ 119,019	\$ 106,252
12.00%	12.00%	12.00%	13.00%	7.95%	7.95%
\$ 21,391	\$ 28,889				
<u>(21,391)</u>	<u>(28,889)</u>				
<u>\$ -</u>	<u>\$ -</u>				
\$ 178,258	\$ 240,742				
12.00%	12.00%				

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 491,779	\$ 504,789	\$ 509,379	\$ 439,734
Contributions in relation to the contractually required contribution	<u>(491,779)</u>	<u>(504,789)</u>	<u>(509,379)</u>	<u>(439,734)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,588,311	\$ 2,656,784	\$ 2,680,942	\$ 2,314,389
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 450,867	\$ 452,373	\$ 450,692	\$ 418,044
Contributions in relation to the contractually required contribution	<u>(450,867)</u>	<u>(452,373)</u>	<u>(450,692)</u>	<u>(418,044)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,918,583	\$ 1,924,991	\$ 1,917,838	\$ 1,778,911
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

Note: although the OP&F Pension Fund is a single pension plan, the City has elected to present contributions information for Police and Fire separately.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 524,512	\$ 475,279	\$ 497,799	\$ 397,100	\$ 294,093	\$ 310,923
<u>(524,512)</u>	<u>(475,279)</u>	<u>(497,799)</u>	<u>(397,100)</u>	<u>(294,093)</u>	<u>(310,923)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,760,589	\$ 2,501,468	\$ 2,619,995	\$ 2,500,105	\$ 2,306,612	\$ 2,438,612
19.00%	19.00%	19.00%	15.88%	12.75%	12.75%
\$ 421,091	\$ 407,053	\$ 404,644	\$ 341,347	\$ 287,740	\$ 294,805
<u>(421,091)</u>	<u>(407,053)</u>	<u>(404,644)</u>	<u>(341,347)</u>	<u>(287,740)</u>	<u>(294,805)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,791,877	\$ 1,732,140	\$ 1,721,889	\$ 1,674,638	\$ 1,668,058	\$ 1,709,014
23.50%	23.50%	23.50%	20.38%	17.25%	17.25%

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.044318%	0.045453%	0.044930%	0.048448%
City's proportionate share of the net OPEB liability	\$ 5,650,109	\$ 5,478,770	\$ 4,879,067	\$ 4,893,407
City's covered payroll	\$ 6,195,069	\$ 6,097,034	\$ 6,084,046	\$ 6,699,600
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	91.20%	89.86%	80.19%	73.04%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.18989990%	0.20053100%	0.19721500%	0.20455100%
City's proportionate share of the net OPEB liability	\$ 1,875,780	\$ 1,826,142	\$ 11,173,943	\$ 9,709,576
City's covered payroll	\$ 4,581,775	\$ 4,598,780	\$ 4,093,300	\$ 4,552,466
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.94%	39.71%	272.98%	213.28%
Plan fiduciary net position as a percentage of the total OPEB liability	47.08%	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>
Contractually required contribution	\$ 5,064	\$ 6,225	\$ 6,331	\$ 65,781
Contributions in relation to the contractually required contribution	<u>(5,064)</u>	<u>(6,225)</u>	<u>(6,331)</u>	<u>(65,781)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,057,672	\$ 6,195,069	\$ 6,097,034	\$ 6,084,046
Contributions as a percentage of covered payroll	0.08%	0.10%	0.10%	1.08%

(1) Amounts for 2018 have been restated to reflect the removal of the Health Department's proportionate share.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 140,558	\$ 123,632	\$ 120,949	\$ 59,624	\$ 246,997	\$ 248,932
<u>(140,558)</u>	<u>(123,632)</u>	<u>(120,949)</u>	<u>(59,624)</u>	<u>(246,997)</u>	<u>(248,932)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,699,600	\$ 6,422,359	\$ 6,052,658	\$ 5,965,007	\$ 6,113,919	\$ 6,168,852
2.10%	1.93%	2.00%	1.00%	4.04%	4.04%

CITY OF ALLIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 12,942	\$ 13,284	\$ 13,405	\$ 11,572
Contributions in relation to the contractually required contribution	<u>(12,942)</u>	<u>(13,284)</u>	<u>(13,405)</u>	<u>(11,572)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,588,311	\$ 2,656,784	\$ 2,680,942	\$ 2,314,389
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 9,593	\$ 9,625	\$ 9,589	\$ 8,895
Contributions in relation to the contractually required contribution	<u>(9,593)</u>	<u>(9,625)</u>	<u>(9,589)</u>	<u>(8,895)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,918,583	\$ 1,924,991	\$ 1,917,838	\$ 1,778,911
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Note: although the OP&F Pension Fund is a single pension plan, the City has elected to present contributions information for Police and Fire separately.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 14,176	\$ 12,845	\$ 13,036	\$ 85,960	\$ 155,697	\$ 164,607
<u>(14,176)</u>	<u>(12,845)</u>	<u>(13,036)</u>	<u>(85,960)</u>	<u>(155,697)</u>	<u>(164,607)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,760,589	\$ 2,501,468	\$ 2,619,995	\$ 2,500,105	\$ 2,306,612	\$ 2,438,612
0.50%	0.50%	0.50%	3.44%	6.75%	6.75%
\$ 8,959	\$ 8,661	\$ 8,564	\$ 61,940	\$ 112,594	\$ 115,359
<u>(8,959)</u>	<u>(8,661)</u>	<u>(8,564)</u>	<u>(61,940)</u>	<u>(112,594)</u>	<u>(115,359)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,791,877	\$ 1,732,140	\$ 1,721,889	\$ 1,674,638	\$ 1,668,058	\$ 1,709,014
0.50%	0.50%	0.50%	3.70%	6.75%	6.75%

CITY OF ALLIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%. There were no changes in assumptions for 2020.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019-2020.

(Continued)

CITY OF ALLIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model. There were no changes in benefit terms for 2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,504,539	\$ 43,850	\$ 1,241,019	\$ 3,789,408
Receivables (net of allowances for uncollectibles):				
Municipal income taxes.	-	-	126,434	126,434
Property and other taxes	1,136,660	-	-	1,136,660
Accounts.	9,811	-	2,273	12,084
Intergovernmental.	772,915	-	-	772,915
Special assessments	-	1,805	722	2,527
Prepayments	29,911	-	-	29,911
Materials and supplies inventory.	60,938	-	-	60,938
Total assets	<u>\$ 4,514,774</u>	<u>\$ 45,655</u>	<u>\$ 1,370,448</u>	<u>\$ 5,930,877</u>
Liabilities:				
Accounts payable	\$ 159,243	\$ -	\$ 382	\$ 159,625
Accrued wages and benefits payable.	14,497	-	-	14,497
Interfund loans payable	40,009	-	-	40,009
Due to other funds	65,316	-	-	65,316
Due to other governments	16,996	-	-	16,996
Advances to other funds	5,626	-	-	5,626
Total liabilities.	<u>301,687</u>	<u>-</u>	<u>382</u>	<u>302,069</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	979,941	-	-	979,941
Income tax revenue not available	-	-	59,917	59,917
Delinquent property tax revenue not available	156,719	-	-	156,719
Special assessments revenue not available.	-	1,805	722	2,527
Intergovernmental revenue not available	397,498	-	-	397,498
Total deferred inflows of resources	<u>1,534,158</u>	<u>1,805</u>	<u>60,639</u>	<u>1,596,602</u>
Total liabilities and deferred inflows of resources	<u>1,835,845</u>	<u>1,805</u>	<u>61,021</u>	<u>1,898,671</u>
Fund balances:				
Nonspendable	90,849	-	-	90,849
Restricted	2,596,797	43,850	55,024	2,695,671
Committed	9,493	-	1,254,403	1,263,896
Unassigned (deficit)	(18,210)	-	-	(18,210)
Total fund balances	<u>2,678,929</u>	<u>43,850</u>	<u>1,309,427</u>	<u>4,032,206</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,514,774</u>	<u>\$ 45,655</u>	<u>\$ 1,370,448</u>	<u>\$ 5,930,877</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 497,784	\$ 497,784
Property and other taxes	1,052,079	-	-	1,052,079
Charges for services	117,765	-	-	117,765
Licenses, permits and fees	-	-	20,367	20,367
Fines and forfeitures	166,580	-	-	166,580
Intergovernmental	3,918,811	-	1,539,997	5,458,808
Investment income	23,918	-	-	23,918
Other	236,526	-	82,673	319,199
Total revenues	5,515,679	-	2,140,821	7,656,500
Expenditures:				
Current:				
General government	318,210	-	-	318,210
Security of persons and property	2,576,009	-	-	2,576,009
Public health and welfare	150,271	-	-	150,271
Transportation	1,211,319	-	-	1,211,319
Community environment.	894,922	-	-	894,922
Leisure time activities	741,445	-	-	741,445
Capital outlay	158,265	-	2,071,241	2,229,506
Debt service:				
Principal retirement	12,758	-	35,215	47,973
Interest and fiscal charges	11,387	-	2,585	13,972
Total expenditures.	6,074,586	-	2,109,041	8,183,627
Excess (deficiency) of revenues over (under) expenditures	(558,907)	-	31,780	(527,127)
Other financing sources:				
Transfers in	877,454	-	600,000	1,477,454
Total other financing sources	877,454	-	600,000	1,477,454
Net change in fund balances	318,547	-	631,780	950,327
Fund balances at beginning of year (restated) .	2,360,382	43,850	677,647	3,081,879
Fund balances at end of year.	\$ 2,678,929	\$ 43,850	\$ 1,309,427	\$ 4,032,206

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.

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.

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.

(continued)

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - continued

Police Pension Fund

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

Park Levy Fund

This fund accounts for proceeds of a voted 5 year property tax levy to be used for the expenses of the parks and recreation department. This fund did not have any budgetary basis activity in 2018.

FEMA Fund

This fund accounts for grants from the Federal Emergency Management Agency (FEMA): Staffing for Adequate Fire and Emergency Response (SAFER) Grant and Fire Prevention and Safety (FP&S) Grant.

Local Coronavirus Relief Fund

This fund accounts for proceeds of grants received to mitigate the impact of the COVID-19 Pandemic.

Special Project Fund

This fund accounts for proceeds of a State grant to clean up an abandoned gas station.

Carnation Cable Channel Fund

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

Other

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

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

Funds Included in the General Fund

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

City Income Tax Fund

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

Supply Revolving Fund

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

Auditor Transfer Fund

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

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	<u>Street Repair and Maintenance</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>	<u>Motor Vehicle License</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 309,877	\$ 25,663	\$ 50,759	\$ 92,469
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts.	-	-	-	-
Intergovernmental	493,704	40,030	-	15,788
Prepayments	-	-	-	17,493
Materials and supplies inventory	60,938	-	-	-
Total assets	<u>\$ 864,519</u>	<u>\$ 65,693</u>	<u>\$ 50,759</u>	<u>\$ 125,750</u>
Liabilities:				
Accounts payable	\$ 35,633	\$ -	\$ 459	\$ 529
Accrued wages and benefits payable.	6,166	-	-	-
Interfund loans payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	8,021	-	-	652
Advances to other funds	-	-	-	-
Total liabilities	<u>49,820</u>	<u>-</u>	<u>459</u>	<u>1,181</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	326,878	26,504	-	-
Total deferred inflows of resources	<u>326,878</u>	<u>26,504</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	60,938	-	-	17,493
Restricted	426,883	39,189	50,300	107,076
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>487,821</u>	<u>39,189</u>	<u>50,300</u>	<u>124,569</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 864,519</u>	<u>\$ 65,693</u>	<u>\$ 50,759</u>	<u>\$ 125,750</u>

Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Cemetery	HUD Grant
\$ 111,225	\$ 4,423	\$ 8,268	\$ 10,568	\$ 825,780	\$ -
-	-	-	-	-	-
3,689	-	-	-	-	-
-	-	10,867	-	-	79,080
-	-	232	-	1,803	1,908
-	-	-	-	-	-
<u>\$ 114,914</u>	<u>\$ 4,423</u>	<u>\$ 19,367</u>	<u>\$ 10,568</u>	<u>\$ 827,583</u>	<u>\$ 80,988</u>
\$ 1,704	\$ -	\$ -	\$ -	\$ 831	\$ 27,582
-	-	397	-	654	2,638
-	-	11,000	-	-	-
-	-	-	-	-	65,316
-	-	352	-	1,057	1,754
-	-	-	-	-	-
<u>1,704</u>	<u>-</u>	<u>11,749</u>	<u>-</u>	<u>2,542</u>	<u>97,290</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	232	-	1,803	1,908
113,210	4,423	7,386	10,568	823,238	-
-	-	-	-	-	-
-	-	-	-	-	(18,210)
<u>113,210</u>	<u>4,423</u>	<u>7,618</u>	<u>10,568</u>	<u>825,041</u>	<u>(16,302)</u>
<u>\$ 114,914</u>	<u>\$ 4,423</u>	<u>\$ 19,367</u>	<u>\$ 10,568</u>	<u>\$ 827,583</u>	<u>\$ 80,988</u>

Continued

CITY OF ALLIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2020

	<u>Community Development Block Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Park Levy</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 34,894	\$ 10,000	\$ 10,000	\$ 123,713
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	89,632	89,632	957,396
Accounts.	-	-	-	-
Intergovernmental	-	4,035	4,035	36,046
Prepayments	-	-	-	6,076
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 34,894</u>	<u>\$ 103,667</u>	<u>\$ 103,667</u>	<u>\$ 1,123,231</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 8,057
Accrued wages and benefits payable.	-	-	-	4,513
Interfund loans payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	4,725
Advances to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,295</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	89,632	89,632	800,677
Delinquent property tax revenue not available	-	-	-	156,719
Intergovernmental revenue not available	-	4,035	4,035	36,046
Total deferred inflows of resources	<u>-</u>	<u>93,667</u>	<u>93,667</u>	<u>993,442</u>
Fund balances:				
Nonspendable	-	-	-	6,076
Restricted	34,894	10,000	10,000	106,418
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>34,894</u>	<u>10,000</u>	<u>10,000</u>	<u>112,494</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,894</u>	<u>\$ 103,667</u>	<u>\$ 103,667</u>	<u>\$ 1,123,231</u>

FEMA	Local Coronavirus Relief	Special Project	Carnation Cable Channel	Other	Total
\$ 87,307	\$ 216,252	\$ 35,353	\$ -	\$ 547,988	\$ 2,504,539
-	-	-	-	-	1,136,660
-	-	-	914	5,208	9,811
84,695	-	-	-	4,635	772,915
-	-	-	-	2,399	29,911
-	-	-	-	-	60,938
<u>\$ 172,002</u>	<u>\$ 216,252</u>	<u>\$ 35,353</u>	<u>\$ 914</u>	<u>\$ 560,230</u>	<u>\$ 4,514,774</u>
\$ -	\$ 48,204	\$ 35,353	\$ -	\$ 891	\$ 159,243
-	-	-	-	129	14,497
30,000	-	-	-	(991)	40,009
-	-	-	-	-	65,316
-	-	-	-	435	16,996
-	-	-	-	5,626	5,626
<u>30,000</u>	<u>48,204</u>	<u>35,353</u>	<u>-</u>	<u>6,090</u>	<u>301,687</u>
-	-	-	-	-	979,941
-	-	-	-	-	156,719
-	-	-	-	-	397,498
-	-	-	-	-	1,534,158
-	-	-	-	2,399	90,849
142,002	168,048	-	914	542,248	2,596,797
-	-	-	-	9,493	9,493
-	-	-	-	-	(18,210)
<u>142,002</u>	<u>168,048</u>	<u>-</u>	<u>914</u>	<u>554,140</u>	<u>2,678,929</u>
<u>\$ 172,002</u>	<u>\$ 216,252</u>	<u>\$ 35,353</u>	<u>\$ 914</u>	<u>\$ 560,230</u>	<u>\$ 4,514,774</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, 2020

	Street Repair and Maintenance	State Highway	Law Enforcement Block Grant	Motor Vehicle License
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	22,230	-
Intergovernmental	1,030,795	83,578	-	258,835
Investment income.	6,868	642	1,184	-
Other	3,529	-	-	-
Total revenues	1,041,192	84,220	23,414	258,835
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	87,540	-	32,716	-
Public health and welfare	-	-	-	-
Transportation	903,001	91,564	-	216,754
Community environment.	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	990,541	91,564	32,716	216,754
Excess (deficiency) of revenues over (under) expenditures	50,651	(7,344)	(9,302)	42,081
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	50,651	(7,344)	(9,302)	42,081
Fund balances (deficit) at beginning of year	437,170	46,533	59,602	82,488
Fund balances (deficit) at end of year	\$ 487,821	\$ 39,189	\$ 50,300	\$ 124,569

Municipal Court Computerization	Health	Litter Control	State Misdemeanant Grant	Cemetery	HUD Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
50,797	-	-	-	37,190	-
-	-	41,933	-	-	492,065
-	-	-	-	13,183	-
-	-	558	-	37,410	148
<u>50,797</u>	<u>-</u>	<u>42,491</u>	<u>-</u>	<u>87,783</u>	<u>492,213</u>
66,168	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	150,271	-
-	-	-	-	-	-
-	-	55,708	-	-	787,226
-	-	-	-	-	-
-	-	-	-	-	-
<u>66,168</u>	<u>-</u>	<u>55,708</u>	<u>-</u>	<u>150,271</u>	<u>787,226</u>
(15,371)	-	(13,217)	-	(62,488)	(295,013)
-	-	-	-	100,000	-
-	-	-	-	100,000	-
(15,371)	-	(13,217)	-	37,512	(295,013)
128,581	4,423	20,835	10,568	787,529	278,711
<u>\$ 113,210</u>	<u>\$ 4,423</u>	<u>\$ 7,618</u>	<u>\$ 10,568</u>	<u>\$ 825,041</u>	<u>\$ (16,302)</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, 2020

	<u>Community Development Block Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Park Levy</u>
Revenues:				
Property and other taxes	\$ -	\$ 96,535	\$ 96,535	\$ 859,009
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	718	-	-	-
Other	58,730	-	-	8,496
Total revenues	<u>59,448</u>	<u>96,535</u>	<u>96,535</u>	<u>867,505</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	448,949	497,430	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment	51,988	-	-	-
Leisure time activities	-	-	-	739,952
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	7,241	5,517	-
Interest and fiscal charges	-	6,463	4,924	-
Total expenditures	<u>51,988</u>	<u>462,653</u>	<u>507,871</u>	<u>739,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,460</u>	<u>(366,118)</u>	<u>(411,336)</u>	<u>127,553</u>
Other financing sources:				
Transfers in	-	366,118	411,336	-
Total other financing sources	<u>-</u>	<u>366,118</u>	<u>411,336</u>	<u>-</u>
Net change in fund balances	7,460	-	-	127,553
Fund balances (deficit) at beginning of year	27,434	10,000	10,000	(15,059)
Fund balances (deficit) at end of year	<u>\$ 34,894</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 112,494</u>

FEMA	Local Coronavirus Relief	Special Project	Carnation Cable Channel	Other	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,052,079
-	-	-	-	117,765	117,765
-	-	-	-	56,363	166,580
200,269	1,631,284	103,897	-	76,155	3,918,811
-	-	-	-	1,323	23,918
-	-	-	90,169	37,486	236,526
<u>200,269</u>	<u>1,631,284</u>	<u>103,897</u>	<u>90,169</u>	<u>289,092</u>	<u>5,515,679</u>
-	-	103,897	90,326	57,819	318,210
35,287	1,304,971	-	-	169,116	2,576,009
-	-	-	-	-	150,271
-	-	-	-	-	1,211,319
-	-	-	-	-	894,922
-	-	-	-	1,493	741,445
-	158,265	-	-	-	158,265
-	-	-	-	-	12,758
-	-	-	-	-	11,387
<u>35,287</u>	<u>1,463,236</u>	<u>103,897</u>	<u>90,326</u>	<u>228,428</u>	<u>6,074,586</u>
<u>164,982</u>	<u>168,048</u>	<u>-</u>	<u>(157)</u>	<u>60,664</u>	<u>(558,907)</u>
-	-	-	-	-	877,454
-	-	-	-	-	877,454
164,982	168,048	-	(157)	60,664	318,547
(22,980)	-	-	1,071	493,476	2,360,382
<u>\$ 142,002</u>	<u>\$ 168,048</u>	<u>\$ -</u>	<u>\$ 914</u>	<u>\$ 554,140</u>	<u>\$ 2,678,929</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,045,000	\$ 1,042,697	\$ (2,303)
Investment income.	1,800	6,868	5,068
Other	6,300	3,529	(2,771)
Total revenues.	<u>1,053,100</u>	<u>1,053,094</u>	<u>(6)</u>
Expenditures:			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages.	39,979	37,413	2,566
Fringe benefits	7,098	6,420	678
Contractual services	12,868	9,620	3,248
Materials and supplies.	132	132	-
Total security of persons and property . .	<u>60,077</u>	<u>53,585</u>	<u>6,492</u>
Transportation:			
Street transportation:			
Salaries and wages.	606,675	574,343	32,332
Fringe benefits	112,311	100,263	12,048
Contractual services	8,550	5,795	2,755
Materials and supplies	71,599	52,252	19,347
Capital outlay.	375,000	203,888	171,112
Total transportation.	<u>1,174,135</u>	<u>936,541</u>	<u>237,594</u>
Total expenditures	<u>1,234,212</u>	<u>990,126</u>	<u>244,086</u>
Net change in fund balance	(181,112)	62,968	244,080
Fund balance at beginning of year.	202,420	202,420	-
Prior year encumbrances appropriated . . .	4,136	4,136	-
Fund balance at end of year.	<u>\$ 25,444</u>	<u>\$ 269,524</u>	<u>\$ 244,080</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 84,800	\$ 84,544	\$ (256)
Investment income.	-	642	642
Total revenues	<u>84,800</u>	<u>85,186</u>	<u>386</u>
Expenditures:			
Current:			
Transportation:			
Capital outlay	99,500	91,564	7,936
Total expenditures	<u>99,500</u>	<u>91,564</u>	<u>7,936</u>
Net change in fund balance	(14,700)	(6,378)	8,322
Fund balance at beginning of year	22,541	22,541	-
Prior year encumbrances appropriated	<u>9,500</u>	<u>9,500</u>	-
Fund balance at end of year.	<u>\$ 17,341</u>	<u>\$ 25,663</u>	<u>\$ 8,322</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 30,000	\$ 22,230	\$ (7,770)
Investment income.	1,100	1,184	84
Total revenues.	<u>31,100</u>	<u>23,414</u>	<u>(7,686)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	65,986	33,646	32,340
Total expenditures	<u>65,986</u>	<u>33,646</u>	<u>32,340</u>
Net change in fund balance.	(34,886)	(10,232)	24,654
Fund balance at beginning of year	53,616	53,616	-
Prior year encumbrances appropriated	<u>5,986</u>	<u>5,986</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 24,716</u>	<u>\$ 49,370</u>	<u>\$ 24,654</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 260,962	\$ 261,875	\$ 913
Total revenues.	<u>260,962</u>	<u>261,875</u>	<u>913</u>
Expenditures:			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits	18,380	17,338	1,042
Contractual services	124,302	100,753	23,549
Capital outlay.	121,732	107,668	14,064
Total expenditures	<u>264,414</u>	<u>225,759</u>	<u>38,655</u>
Net change in fund balance	(3,452)	36,116	39,568
Fund balance at beginning of year	41,319	41,319	-
Prior year encumbrances appropriated	<u>5,034</u>	<u>5,034</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,901</u>	<u>\$ 82,469</u>	<u>\$ 39,568</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 60,000	\$ 52,078	\$ (7,922)
Total revenues.	<u>60,000</u>	<u>52,078</u>	<u>(7,922)</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Contractual services	64,964	39,586	25,378
Materials and supplies	21,000	12,492	8,508
Capital outlay	26,704	12,541	14,163
Total expenditures	<u>112,668</u>	<u>64,619</u>	<u>48,049</u>
Net change in fund balance	(52,668)	(12,541)	40,127
Fund balance at beginning of year	109,098	109,098	-
Prior year encumbrances appropriated . .	<u>14,668</u>	<u>14,668</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 71,098</u>	<u>\$ 111,225</u>	<u>\$ 40,127</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 4,423	\$ 4,423	\$ -
Fund balance at end of year.	<u>\$ 4,423</u>	<u>\$ 4,423</u>	<u>\$ -</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 42,000	\$ 42,041	\$ 41
Other.	-	558	558
Total revenues	<u>42,000</u>	<u>42,599</u>	<u>599</u>
Expenditures:			
Current:			
Community environment:			
Litter control:			
Salaries and wages.	27,979	27,937	42
Fringe benefits.	4,656	4,530	126
Contractual services.	1,000	27	973
Materials and supplies.	30,150	25,348	4,802
Total expenditures.	<u>63,785</u>	<u>57,842</u>	<u>5,943</u>
Net change in fund balance.	(21,785)	(15,243)	6,542
Fund balance at beginning of year	<u>23,135</u>	<u>23,135</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,350</u>	<u>\$ 7,892</u>	<u>\$ 6,542</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, 2020

	<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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 25,000	\$ 37,190	\$ 12,190
Investment income	13,000	13,183	183
Other	20,200	37,410	17,210
Total revenues	<u>58,200</u>	<u>87,783</u>	<u>29,583</u>
Expenditures:			
Current:			
Public health services:			
Cemetery:			
Salaries and wages.	101,934	100,491	1,443
Fringe benefits.	32,021	30,605	1,416
Contractual services.	23,198	21,386	1,812
Materials and supplies.	6,875	4,313	2,562
Total expenditures	<u>164,028</u>	<u>156,795</u>	<u>7,233</u>
Excess of expenditures over revenues.	<u>(105,828)</u>	<u>(69,012)</u>	<u>36,816</u>
Other financing sources:			
Transfers in	112,236	100,000	(12,236)
Total other financing sources.	<u>112,236</u>	<u>100,000</u>	<u>(12,236)</u>
Net change in fund balance	6,408	30,988	24,580
Fund balance at beginning of year	790,462	790,462	-
Prior year encumbrances appropriated	<u>638</u>	<u>638</u>	<u>-</u>
Fund balance at end of year	<u>\$ 797,508</u>	<u>\$ 822,088</u>	<u>\$ 24,580</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,882,119	\$ 713,417	\$ (1,168,702)
Other	-	148	148
Total revenues	<u>1,882,119</u>	<u>713,565</u>	<u>(1,168,554)</u>
Expenditures:			
Current:			
Community environment:			
HUD:			
Salaries and wages.	264,454	108,666	155,788
Fringe benefits.	245,151	60,739	184,412
Contractual services.	586,419	376,701	209,718
Materials and supplies.	32,265	16,979	15,286
Capital outlay	389,332	326,786	62,546
Other	354,720	70,871	283,849
Total expenditures	<u>1,872,341</u>	<u>960,742</u>	<u>911,599</u>
 Net change in fund balance	 9,778	 (247,177)	 (256,955)
 Fund balance (deficit) at beginning of year.	 (221,294)	 (221,294)	 -
Prior year encumbrances appropriated. . .	<u>211,650</u>	<u>211,650</u>	<u>-</u>
 Fund balance (deficit) at end of year	 <u>\$ 134</u>	 <u>\$ (256,821)</u>	 <u>\$ (256,955)</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 300	\$ 718	\$ 418
Other	26,003	58,730	32,727
Total revenues.	<u>26,303</u>	<u>59,448</u>	<u>33,145</u>
Expenditures:			
Current:			
Community environment:			
CDBG:			
Contractual services.	52,839	51,988	851
Total expenditures.	<u>52,839</u>	<u>51,988</u>	<u>851</u>
 Net change in fund balance	 (26,536)	 7,460	 33,996
 Fund balance at beginning of year	 <u>27,434</u>	 <u>27,434</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ 898</u>	 <u>\$ 34,894</u>	 <u>\$ 33,996</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes.	\$ 98,000	\$ 96,535	\$ (1,465)
Total revenues	<u>98,000</u>	<u>96,535</u>	<u>(1,465)</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	461,129	461,129	-
Contractual services	1,700	1,524	176
Total expenditures	<u>462,829</u>	<u>462,653</u>	<u>176</u>
Excess of expenditures over revenues	<u>(364,829)</u>	<u>(366,118)</u>	<u>(1,289)</u>
Other financing sources:			
Transfers in.	390,000	366,118	(23,882)
Total other financing sources.	<u>390,000</u>	<u>366,118</u>	<u>(23,882)</u>
Net change in fund balance.	25,171	-	(25,171)
Fund balance at beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 35,171</u>	<u>\$ 10,000</u>	<u>\$ (25,171)</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes	\$ 98,000	\$ 96,535	\$ (1,465)
Total revenues	<u>98,000</u>	<u>96,535</u>	<u>(1,465)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Fringe benefits.	506,347	506,347	-
Contractual services.	1,699	1,524	175
Total expenditures.	<u>508,046</u>	<u>507,871</u>	<u>175</u>
Excess of expenditures over revenues.	<u>(410,046)</u>	<u>(411,336)</u>	<u>(1,290)</u>
Other financing sources:			
Transfers in.	425,000	411,336	(13,664)
Total other financing sources.	<u>425,000</u>	<u>411,336</u>	<u>(13,664)</u>
Net change in fund balance.	14,954	-	(14,954)
Fund balance at beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 24,954</u>	<u>\$ 10,000</u>	<u>\$ (14,954)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other taxes	\$ 818,051	\$ 859,009	\$ 40,958
Intergovernmental	-	8,496	8,496
Total revenues	<u>818,051</u>	<u>867,505</u>	<u>49,454</u>
Expenditures:			
Current:			
Leisure time activities:			
Park Levy:			
Salaries and wages.	488,922	413,891	75,031
Fringe benefits.	143,465	130,996	12,469
Contractual services.	95,171	90,857	4,314
Materials and supplies.	43,717	36,948	6,769
Capital outlay.	76,379	72,765	3,614
Other.	75	75	-
Total expenditures	<u>847,729</u>	<u>745,532</u>	<u>102,197</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,678)</u>	<u>121,973</u>	<u>151,651</u>
Other financing uses:			
Advance out.	<u>(33,000)</u>	<u>(33,000)</u>	-
Total other financing uses	<u>(33,000)</u>	<u>(33,000)</u>	-
Net change in fund balance.	(62,678)	88,973	151,651
Fund balance at beginning of year	28,229	28,229	-
Prior year encumbrances appropriated	<u>1,450</u>	<u>1,450</u>	-
Fund balance at end of year.	<u><u>\$ (32,999)</u></u>	<u><u>\$ 118,652</u></u>	<u><u>\$ 151,651</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 115,573	\$ 115,574	\$ 1
Total revenues	<u>115,573</u>	<u>115,574</u>	<u>1</u>
Expenditures:			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits.	45,130	35,287	9,843
Total expenditures.	<u>45,130</u>	<u>35,287</u>	<u>9,843</u>
Excess of revenues over expenditures	<u>70,443</u>	<u>80,287</u>	<u>9,844</u>
Net change in fund balance	70,443	80,287	9,844
Fund balance at beginning of year	<u>7,020</u>	<u>7,020</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 77,463</u></u>	<u><u>\$ 87,307</u></u>	<u><u>\$ 9,844</u></u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL CORONAVIRUS RELIEF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,563,535	\$ 1,631,284	\$ 67,749
Total revenues.	<u>1,563,535</u>	<u>1,631,284</u>	<u>67,749</u>
Expenditures:			
Current:			
General government:			
Coronavirus Relief:			
Salaries and wages.	1,263,535	1,193,436	70,099
Materials and supplies.	65,370	65,331	39
Capital outlay.	234,630	234,244	386
Total expenditures.	<u>1,563,535</u>	<u>1,493,011</u>	<u>70,524</u>
Net change in fund balance	-	138,273	138,273
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 138,273</u>	<u>\$ 138,273</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 68,544	\$ 103,897	\$ 35,353
Total revenues.	<u>68,544</u>	<u>103,897</u>	<u>35,353</u>
Expenditures:			
Capital outlay:			
Capital outlay	68,544	68,544	-
Total expenditures	<u>68,544</u>	<u>68,544</u>	<u>-</u>
Net change in fund balance.	-	35,353	35,353
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 35,353</u>	<u>\$ 35,353</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CARNATION CABLE CHANNEL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 105,000	\$ 90,326	\$ (14,674)
Total revenues.	<u>105,000</u>	<u>90,326</u>	<u>(14,674)</u>
Expenditures:			
Current:			
General government:			
Carnation Cable:			
Other.	90,326	90,326	-
Total expenditures.	<u>90,326</u>	<u>90,326</u>	<u>-</u>
Net change in fund balance	14,674	-	(14,674)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,674</u>	<u>\$ -</u>	<u>\$ (14,674)</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services.	\$ 115,000	\$ 117,765	\$ 2,765
Other.	-	3,471	3,471
Total revenues.	<u>115,000</u>	<u>121,236</u>	<u>6,236</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Salaries and wages.	134,000	115,539	18,461
Fringe benefits.	3,600	3,281	319
Contractual services.	15,800	11,403	4,397
Materials and supplies.	6,000	3,378	2,622
Total expenditures	<u>159,400</u>	<u>133,601</u>	<u>25,799</u>
Net change in fund balance.	(44,400)	(12,365)	32,035
Fund balance at beginning of year	50,503	50,503	-
Prior year encumbrances appropriated	<u>800</u>	<u>800</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,903</u>	<u>\$ 38,938</u>	<u>\$ 32,035</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Capital outlay	\$ 4,635	\$ 4,635	\$ -
Total expenditures	<u>4,635</u>	<u>4,635</u>	<u>-</u>
Excess of expenditures over revenues.	<u>(4,635)</u>	<u>(4,635)</u>	<u>-</u>
Other financing sources:			
Advances in.	4,635	4,635	-
Total other financing sources	<u>4,635</u>	<u>4,635</u>	<u>-</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	<u>19</u>	<u>19</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 19</u></u>	<u><u>\$ 19</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)
FEDERAL EQUITABLE SHARING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ -	\$ 9,044	\$ 9,044
Investment income	1,800	1,323	(477)
Total revenues.	<u>1,800</u>	<u>10,367</u>	<u>8,567</u>
Expenditures:			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	70,000	30,649	39,351
Total expenditures	<u>70,000</u>	<u>30,649</u>	<u>39,351</u>
Net change in fund balance.	(68,200)	(20,282)	47,918
Fund balance at beginning of year	<u>70,116</u>	<u>70,116</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,916</u>	<u>\$ 49,834</u>	<u>\$ 47,918</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 25,300	\$ 21,005	\$ (4,295)
Total revenues	<u>25,300</u>	<u>21,005</u>	<u>(4,295)</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies	226,000	7,494	218,506
Total expenditures	<u>226,000</u>	<u>7,494</u>	<u>218,506</u>
Net change in fund balance	(200,700)	13,511	214,211
Fund balance at beginning of year.	<u>251,584</u>	<u>251,584</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,884</u>	<u>\$ 265,095</u>	<u>\$ 214,211</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other.	\$ 3,600	\$ 2,304	\$ (1,296)
Total revenues.	<u>3,600</u>	<u>2,304</u>	<u>(1,296)</u>
Expenditures:			
Current:			
General government:			
Clerk of courts:			
Materials and supplies.	4,000	-	4,000
Total expenditures	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net change in fund balance.	(400)	2,304	2,704
Fund balance at beginning of year	<u>10,172</u>	<u>10,172</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,772</u>	<u>\$ 12,476</u>	<u>\$ 2,704</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 16,200	\$ 14,080	\$ (2,120)
Total revenues.	<u>16,200</u>	<u>14,080</u>	<u>(2,120)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Materials and supplies	9,000	6,737	2,263
Capital outlay.	<u>25,000</u>	<u>135</u>	<u>24,865</u>
Total expenditures	<u>34,000</u>	<u>6,872</u>	<u>27,128</u>
Net change in fund balance.	(17,800)	7,208	25,008
Fund balance at beginning of year	<u>43,512</u>	<u>43,512</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,712</u>	<u>\$ 50,720</u>	<u>\$ 25,008</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures.	\$ 1,800	\$ 2,261	\$ 461
Total revenues.	<u>1,800</u>	<u>2,261</u>	<u>461</u>
Expenditures:			
Current:			
General government:			
Judge:			
Materials and supplies.	3,000	899	2,101
Total expenditures	<u>3,000</u>	<u>899</u>	<u>2,101</u>
Net change in fund balance.	(1,200)	1,362	2,562
Fund balance at beginning of year	<u>11,468</u>	<u>11,468</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,268</u>	<u>\$ 12,830</u>	<u>\$ 2,562</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALLIANCE AREA SENIOR CITIZENS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 4,000	\$ -	\$ (4,000)
Other	-	4,500	4,500
Total revenues	<u>4,000</u>	<u>4,500</u>	<u>500</u>
Expenditures:			
Current:			
General government:			
Senior center:			
Salaries and wages	3,500	-	3,500
Fringe benefits	500	18	482
Total expenditures	<u>4,000</u>	<u>18</u>	<u>3,982</u>
Net change in fund balance	-	4,482	4,482
Fund balance at beginning of year	<u>900</u>	<u>900</u>	<u>-</u>
Fund balance at end of year	<u>\$ 900</u>	<u>\$ 5,382</u>	<u>\$ 4,482</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, 2020**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 4,491	\$ 4,491	\$ -
Fund balance at end of year.	<u>\$ 4,491</u>	<u>\$ 4,491</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, 2020

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAND USE STUDY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 9,700	\$ 7,600	\$ (2,100)
Total revenues.	<u>9,700</u>	<u>7,600</u>	<u>(2,100)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Contractual services.	12,000	1,200	10,800
Total expenditures	<u>12,000</u>	<u>1,200</u>	<u>10,800</u>
Net change in fund balance.	(2,300)	6,400	8,700
Fund balance at beginning of year	<u>7,120</u>	<u>7,120</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 4,820</u>	<u>\$ 13,520</u>	<u>\$ 8,700</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, 2020**

	<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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 27,000	\$ 24,298	\$ (2,702)
Other.	-	1,376	1,376
Total revenues.	<u>27,000</u>	<u>25,674</u>	<u>(1,326)</u>
Expenditures:			
Current:			
General government:			
Municipal court:			
Salaries and wages	35,000	33,588	1,412
Fringe benefits	6,330	5,790	540
Contractual services	419	419	-
Capital outlay	2,698	2,698	-
Total expenditures	<u>44,447</u>	<u>42,495</u>	<u>1,952</u>
Net change in fund balance.	(17,447)	(16,821)	626
Fund balance at beginning of year	<u>85,533</u>	<u>85,533</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 68,086</u>	<u>\$ 68,712</u>	<u>\$ 626</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures.	\$ 500	\$ -	\$ (500)
Total revenues.	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures:			
Current:			
General government:			
Contractual services.	10,000	-	10,000
Total expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance.	(9,500)	-	9,500
Fund balance at beginning of year	<u>15,476</u>	<u>15,476</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,976</u>	<u>\$ 15,476</u>	<u>\$ 9,500</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 1,200	\$ 1,506	\$ 306
Total revenues	<u>1,200</u>	<u>1,506</u>	<u>306</u>
Expenditures:			
Current:			
General Government:			
Parking facilities:			
Contractual services	3,800	-	3,800
Total expenditures	<u>3,800</u>	<u>-</u>	<u>3,800</u>
Net change in fund balance	(2,600)	1,506	4,106
Fund balance at beginning of year	<u>2,761</u>	<u>2,761</u>	<u>-</u>
Fund balance at end of year	<u>\$ 161</u>	<u>\$ 4,267</u>	<u>\$ 4,106</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ -	\$ 30	\$ 30
Total revenues.	<u>-</u>	<u>30</u>	<u>30</u>
Expenditures:			
Current:			
Leisure time activities:			
Land reutilization:			
Contractual services	2,446	1,493	953
Total expenditures	<u>2,446</u>	<u>1,493</u>	<u>953</u>
Net change in fund balance.	(2,446)	(1,463)	983
Fund balance at beginning of year	<u>2,446</u>	<u>2,446</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 983</u></u>	<u><u>\$ 983</u></u>

CITY OF ALLIANCE, OHIO

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

BROWNFIELD GRANT FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 77,190	\$ 71,520	\$ (5,670)
Total revenues.	<u>77,190</u>	<u>71,520</u>	<u>(5,670)</u>
Other financing sources uses:			
Advances out.	(77,190)	(77,191)	(1)
Total other financing uses.	<u>(77,190)</u>	<u>(77,191)</u>	<u>(1)</u>
Net change in fund balance.	-	(5,671)	(5,671)
Fund balance at beginning of year	<u>5,671</u>	<u>5,671</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,671</u>	<u>\$ -</u>	<u>\$ (5,671)</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, 2020

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

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY INCOME TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal income taxes	\$ 10,271,200	\$ 10,268,332	\$ (2,868)
Other	2,500	8,367	5,867
Total revenues	<u>10,273,700</u>	<u>10,276,699</u>	<u>2,999</u>
Expenditures:			
Current:			
General government:			
Income tax:			
Salaries and wages.	143,500	143,498	2
Fringe benefits.	56,230	53,558	2,672
Contractual services	52,100	41,836	10,264
Materials and supplies.	6,500	4,975	1,525
Capital outlay	1,005	1,004	1
Other.	307,995	307,503	492
Total expenditures	<u>567,330</u>	<u>552,374</u>	<u>14,956</u>
Excess of revenues over expenditures.	<u>9,706,370</u>	<u>9,724,325</u>	<u>17,955</u>
Other financing (uses):			
Transfers (out)	(9,694,000)	(9,694,000)	-
Total other financing (uses)	<u>(9,694,000)</u>	<u>(9,694,000)</u>	<u>-</u>
Net change in fund balance.	12,370	30,325	17,955
Fund balance at beginning of year	<u>95,714</u>	<u>95,714</u>	<u>-</u>
Fund balance at end of year	<u>\$ 108,084</u>	<u>\$ 126,039</u>	<u>\$ 17,955</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other.	\$ 191,013	\$ 219,578	\$ 28,565
Total revenues.	<u>191,013</u>	<u>219,578</u>	<u>28,565</u>
Expenditures:			
Current:			
General government:			
Maintenance:			
Contractual services	305,000	214,927	90,073
Materials and supplies	36,000	6,723	29,277
Capital outlay	15,000	1,992	13,008
Total expenditures	<u>356,000</u>	<u>223,642</u>	<u>132,358</u>
Net change in fund balance.	(164,987)	(4,064)	160,923
Fund balance at beginning of year	<u>164,987</u>	<u>164,987</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 160,923</u>	<u>\$ 160,923</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits and fees.	\$ 100,000	\$ 117,000	\$ 17,000
Other	27,300	57,734	30,434
Total revenues	<u>127,300</u>	<u>174,734</u>	<u>47,434</u>
Expenditures:			
Current:			
General government:			
Auditor:			
Materials and supplies.	12,000	5,202	6,798
Other	385,000	245,340	139,660
Total expenditures	<u>397,000</u>	<u>250,542</u>	<u>146,458</u>
Net change in fund balance.	(269,700)	(75,808)	193,892
Fund balance at beginning of year	<u>531,295</u>	<u>531,295</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 261,595</u>	<u>\$ 455,487</u>	<u>\$ 193,892</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Debt service:			
Principal retirement:			
Bond	\$ 1,009,000	\$ 1,008,010	\$ 990
Interest and fiscal charges:			
Bond	145,000	138,215	6,785
Total expenditures	<u>1,154,000</u>	<u>1,146,225</u>	<u>7,775</u>
Excess of expenditures over revenues.	<u>(1,154,000)</u>	<u>(1,146,225)</u>	<u>7,775</u>
Other financing sources:			
Transfers in	<u>1,146,225</u>	<u>1,146,225</u>	<u>-</u>
Total other financing sources	<u>1,146,225</u>	<u>1,146,225</u>	<u>-</u>
Net change in fund balance.	(7,775)	-	7,775
Fund balance at beginning of year.	<u>43,850</u>	<u>43,850</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 36,075</u></u>	<u><u>\$ 43,850</u></u>	<u><u>\$ 7,775</u></u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION - NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

Capital Improvements Fund

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

Street Income Tax Construction Fund

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

Municipal Road Fund

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

Municipal Court Special Projects Fund

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

CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2020

	Street Income Tax Construction	Capital Improvements	Muni. Court Special Projects	Total
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 20,220	\$ 1,167,023	\$ 53,776	\$ 1,241,019
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	50,573	75,861	-	126,434
Intergovernmental	-	925	1,348	2,273
Special assessments	47	675	-	722
Total assets	<u>\$ 70,840</u>	<u>\$ 1,244,484</u>	<u>\$ 55,124</u>	<u>\$ 1,370,448</u>
Liabilities:				
Accounts payable	\$ -	\$ 282	\$ 100	\$ 382
Total liabilities	<u>-</u>	<u>282</u>	<u>100</u>	<u>382</u>
Deferred inflows of resources:				
Income tax revenue not available.	23,967	35,950	-	59,917
Special assessments revenue not available	47	675	-	722
Total liabilities and deferred inflows of resources. .	<u>24,014</u>	<u>36,907</u>	<u>100</u>	<u>61,021</u>
Fund balances:				
Restricted	-	-	55,024	55,024
Committed	46,826	1,207,577	-	1,254,403
Total fund balances	<u>46,826</u>	<u>1,207,577</u>	<u>55,024</u>	<u>1,309,427</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70,840</u>	<u>\$ 1,244,484</u>	<u>\$ 55,124</u>	<u>\$ 1,370,448</u>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Street Income Tax Construction	Municipal Road	Capital Improvements	Muni. Court Special Projects	Total
Revenues:					
Municipal income taxes	\$ 199,112	\$ -	\$ 298,672	\$ -	\$ 497,784
Licenses, permits and fees	-	-	-	20,367	20,367
Intergovernmental	-	117,500	1,422,497	-	1,539,997
Other	-	-	82,673	-	82,673
Total revenues	<u>199,112</u>	<u>117,500</u>	<u>1,803,842</u>	<u>20,367</u>	<u>2,140,821</u>
Expenditures:					
Capital outlay	198,352	117,500	1,751,656	3,733	2,071,241
Debt service:					
Principal retirement	-	-	35,215	-	35,215
Interest and fiscal charges.	-	-	2,585	-	2,585
Total expenditures.	<u>198,352</u>	<u>117,500</u>	<u>1,789,456</u>	<u>3,733</u>	<u>2,109,041</u>
Excess (deficiency) of revenues over (under) expenditures	<u>760</u>	<u>-</u>	<u>14,386</u>	<u>16,634</u>	<u>31,780</u>
Other financing sources (uses):					
Transfers in	-	-	600,000	-	600,000
Total other financing sources (uses).	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Net change in fund balances	760	-	614,386	16,634	631,780
Fund balances (deficit) at beginning of year. .	<u>46,066</u>	<u>-</u>	<u>593,191</u>	<u>38,390</u>	<u>677,647</u>
Fund balances at end of year	<u>\$ 46,826</u>	<u>\$ -</u>	<u>\$ 1,207,577</u>	<u>\$ 55,024</u>	<u>\$ 1,309,427</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET INCOME TAX CONSTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Capital outlay:			
Street income tax:			
Capital outlay.	\$ 216,000	\$ 204,735	\$ 11,265
Total expenditures.	<u>216,000</u>	<u>204,735</u>	<u>11,265</u>
 Other financing sources:			
Transfers in.	195,000	193,880	(1,120)
Total other financing sources:	<u>195,000</u>	<u>193,880</u>	<u>(1,120)</u>
 Net change in fund balance.	(21,000)	(10,855)	10,145
 Fund balance at beginning of year.	<u>24,692</u>	<u>24,692</u>	<u>-</u>
 Fund balance at end of year.	<u><u>\$ 3,692</u></u>	<u><u>\$ 13,837</u></u>	<u><u>\$ 10,145</u></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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 117,500	\$ 117,500	\$ -
Total revenues.	<u>117,500</u>	<u>117,500</u>	<u>-</u>
Expenditures:			
Current:			
Capital outlay:			
Capital outlay	117,500	117,500	-
Total expenditures	<u>117,500</u>	<u>117,500</u>	<u>-</u>
Net change in fund balance.	-	-	-
Fund balance at beginning of year	-	-	-
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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,537,491	\$ 1,537,492	\$ 1
Other	1,000	79,491	78,491
Total revenues	<u>1,538,491</u>	<u>1,616,983</u>	<u>78,492</u>
Expenditures:			
Current:			
Capital outlay:			
Capital improvements:			
Materials and supplies.	2,300	2,054	246
Capital outlay	2,373,290	1,919,426	453,864
Total expenditures	<u>2,375,590</u>	<u>1,921,480</u>	<u>454,110</u>
Excess of expenditures over revenues	<u>(837,099)</u>	<u>(304,497)</u>	<u>532,602</u>
Other financing sources (uses):			
Proceeds from sale of assets.	-	3,182	3,182
Transfers in.	910,000	890,821	(19,179)
Transfers (out).	(37,801)	(37,800)	1
Total other financing sources (uses)	<u>872,199</u>	<u>856,203</u>	<u>(15,996)</u>
Net change in fund balance.	35,100	551,706	516,606
Fund balance at beginning of year	42,906	42,906	-
Prior year encumbrances appropriated	<u>443,921</u>	<u>443,921</u>	<u>-</u>
Fund balance at end of year	<u>\$ 521,927</u>	<u>\$ 1,038,533</u>	<u>\$ 516,606</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses, permits, and fees	\$ 23,000	\$ 21,085	\$ (1,915)
Total revenues	<u>23,000</u>	<u>21,085</u>	<u>(1,915)</u>
Expenditures:			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay	120,000	3,633	116,367
Total expenditures	<u>120,000</u>	<u>3,633</u>	<u>116,367</u>
Net change in fund balance.	(97,000)	17,452	114,452
Fund balance at beginning of year	<u>36,324</u>	<u>36,324</u>	<u>-</u>
Fund (deficit) at end of year	<u>\$ (60,676)</u>	<u>\$ 53,776</u>	<u>\$ 114,452</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTIONS

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.

Major Enterprise Funds

Water Fund

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

Sewer Fund

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

Nonmajor Enterprise Funds

Robertson Community Center Fund

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

Community Improvement Fund

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

CITY OF ALLIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Robertson Community Center	Community Improvement	Totals
Assets:			
Equity in pooled cash and cash equivalents.	\$ 84,317	\$ 228,930	\$ 313,247
Prepayments.	581	-	581
Capital assets (net of accumulated depreciation)	177,277	-	177,277
Total assets	262,175	228,930	491,105
Deferred outflows of resources:			
Pension	\$ 1,263	\$ -	\$ 1,263
OPEB	841	-	841
Total assets and deferred outflows of resources.	\$ 264,279	\$ 228,930	\$ 493,209
Liabilities:			
Accounts payable	\$ 79	\$ 108,853	\$ 108,932
Total liabilities.	79	108,853	108,932
Deferred inflows of resources:			
Pension	\$ 17,349	\$ -	\$ 17,349
OPEB	9,890	-	9,890
Total liabilities and deferred inflows of resources.	27,318	108,853	136,171
Net position:			
Net investment in capital assets.	177,277	-	177,277
Unrestricted	59,684	120,077	179,761
Total net position.	236,961	120,077	357,038
Total liabilities, deferred inflows of resources, and net position.	\$ 264,279	\$ 228,930	\$ 493,209

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Robertson Community Center	Community Improvement	Totals
Operating revenues:			
Charges for services.	\$ -	\$ 1,346,259	\$ 1,346,259
Other	11,169	4,852	16,021
	<hr/>	<hr/>	<hr/>
Total operating revenues.	11,169	1,351,111	1,362,280
	<hr/>	<hr/>	<hr/>
Operating expenses:			
Personal services	5	-	5
Fringe benefits.	(12,115)	-	(12,115)
Contractual services.	7,379	1,431,904	1,439,283
Materials and supplies.	3,507	56,431	59,938
Depreciation.	13,235	-	13,235
Other	2,550	212	2,762
	<hr/>	<hr/>	<hr/>
Total operating expenses.	14,561	1,488,547	1,503,108
	<hr/>	<hr/>	<hr/>
Operating income (loss)	(3,392)	(137,436)	(140,828)
	<hr/>	<hr/>	<hr/>
Net position at beginning of year	240,353	257,513	497,866
	<hr/>	<hr/>	<hr/>
Net position at end of year	\$ 236,961	\$ 120,077	\$ 357,038
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF ALLIANCE, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Robertson Community Center	Community Improvement	Totals
Cash flows from operating activities:			
Cash received from customers	\$ -	\$ 1,346,259	\$ 1,346,259
Cash received from other operations	11,169	4,852	16,021
Cash payments for fringe benefits	(331)	-	(331)
Cash payments for contractual services.	(8,636)	(1,323,051)	(1,331,687)
Cash payments for materials and supplies	(3,507)	(56,431)	(59,938)
Cash payments for other expenses	(2,550)	(212)	(2,762)
Net cash provided by (used in) operating activities.	(3,855)	(28,583)	(32,438)
Net increase (decrease) in cash and cash equivalents. . .	(3,855)	(28,583)	(32,438)
Cash and cash equivalents at beginning of year	88,172	257,513	345,685
Cash and cash equivalents at end of year.	<u>\$ 84,317</u>	<u>\$ 228,930</u>	<u>\$ 313,247</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (3,392)	\$ (137,436)	\$ (140,828)
Adjustments:			
Depreciation.	13,235	-	13,235
Changes in assets and liabilities:			
Prepayments.	(10)	-	(10)
Net pension asset	141	-	141
Deferred outflows - OPEB	12,661	-	12,661
Deferred outflows - pension	2,169	-	2,169
Accounts payable	39	108,853	108,892
Due to other governments.	(1,281)	-	(1,281)
Net pension liability.	(36,359)	-	(36,359)
Net OPEB liability.	(17,009)	-	(17,009)
Deferred outflows - pension	16,400	-	16,400
Deferred outflows - OPEB	9,551	-	9,551
Net cash provided by (used in) operating activities	<u>\$ (3,855)</u>	<u>\$ (28,583)</u>	<u>\$ (32,438)</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services	\$ 5,402,000	\$ 5,407,601	\$ 5,601
Other	99,000	1,038,351	939,351
Total operating revenues	<u>5,501,000</u>	<u>6,445,952</u>	<u>944,952</u>
Operating expenses:			
Salaries and benefits	1,495,268	1,386,539	108,729
Fringe benefits.	619,697	567,067	52,630
Contract services	1,077,752	618,803	458,949
Materials and supplies	1,121,836	951,604	170,232
Capital outlay	2,921,006	1,313,156	1,607,850
Other.	47,155	14,385	32,770
Total operating expenses	<u>7,282,714</u>	<u>4,851,554</u>	<u>2,431,160</u>
Operating income (loss).	<u>(1,781,714)</u>	<u>1,594,398</u>	<u>3,376,112</u>
Nonoperating revenues:			
Proceeds from sale of capital assets . . .	-	11,635	11,635
Interest revenue	52,000	81,248	29,248
Total nonoperating revenues	<u>52,000</u>	<u>92,883</u>	<u>40,883</u>
Income (loss) before transfers.	<u>(1,729,714)</u>	<u>1,687,281</u>	<u>3,416,995</u>
Transfers in.	1,205,000	1,187,760	(17,240)
Transfers (out)	<u>(2,347,000)</u>	<u>(1,469,553)</u>	<u>877,447</u>
Net change in net position.	(2,871,714)	1,405,488	4,277,202
Net position beginning of year	4,336,381	4,336,381	-
Prior year encumbrances appropriated . .	<u>241,721</u>	<u>241,721</u>	-
Net position end of year.	<u>\$ 1,706,388</u>	<u>\$ 5,983,590</u>	<u>\$ 4,277,202</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services	\$ 4,600,000	\$ 5,028,302	\$ 428,302
Licenses, permits and fees	19,000	50,606	31,606
Other	10,500	69,679	59,179
Total operating revenues	<u>4,629,500</u>	<u>5,148,587</u>	<u>519,087</u>
Operating expenses:			
Salaries and benefits	1,626,562	1,519,017	107,545
Fringe benefits.	671,514	622,668	48,846
Contract services	1,179,392	711,808	467,584
Materials and supplies.	720,222	422,613	297,609
Capital outlay	2,599,001	2,133,490	465,511
Other.	8,282	8,229	53
Total operating expenses	<u>6,804,973</u>	<u>5,417,825</u>	<u>1,387,148</u>
Operating loss	<u>(2,175,473)</u>	<u>(269,238)</u>	<u>1,906,235</u>
Nonoperating revenues:			
Interest revenue	90,000	120,626	30,626
Total nonoperating revenues	<u>90,000</u>	<u>120,626</u>	<u>30,626</u>
Income (loss) before transfers.	<u>(2,085,473)</u>	<u>(148,612)</u>	<u>1,936,861</u>
Transfers in	1,747,000	1,400,000	(347,000)
Transfers (out).	<u>(1,839,500)</u>	<u>(1,838,872)</u>	<u>628</u>
Net change in net position.	<u>(2,177,973)</u>	<u>(587,484)</u>	<u>1,590,489</u>
Net position beginning of year	4,674,385	4,674,385	-
Prior year encumbrances appropriated . .	<u>1,254,516</u>	<u>1,254,516</u>	<u>-</u>
Net position end of year.	<u>\$ 3,750,928</u>	<u>\$ 5,341,417</u>	<u>\$ 1,590,489</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Other.	\$ 46,400	\$ 11,169	\$ (35,231)
Total operating revenues.	<u>46,400</u>	<u>11,169</u>	<u>(35,231)</u>
Operating expenses:			
Salaries and benefits	24,125	-	24,125
Fringe benefits.	4,088	331	3,757
Contract services	17,363	8,636	8,727
Materials and supplies	7,437	3,507	3,930
Capital outlay.	2,000	-	2,000
Other.	2,550	2,550	-
Total operating expenses	<u>57,563</u>	<u>15,024</u>	<u>42,539</u>
Net change in net position	(11,163)	(3,855)	7,308
Net position beginning of year	<u>88,172</u>	<u>88,172</u>	<u>-</u>
Net position end of year.	<u>\$ 77,009</u>	<u>\$ 84,317</u>	<u>\$ 7,308</u>

CITY OF ALLIANCE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services.	\$ 1,265,618	\$ 1,346,259	\$ 80,641
Other.	2,000	4,852	2,852
Total operating revenues.	<u>1,267,618</u>	<u>1,351,111</u>	<u>83,493</u>
Operating expenses:			
Contract services	1,324,500	1,323,051	1,449
Materials and supplies	4,000	2,074	1,926
Capital outlay.	196,416	54,357	142,059
Other.	215	212	3
Total operating expenses	<u>1,525,131</u>	<u>1,379,694</u>	<u>145,437</u>
 Net change in net position	 (257,513)	 (28,583)	 228,930
 Net position beginning of year	 131,382	 131,382	 -
Prior year encumbrances appropriated . .	<u>126,131</u>	<u>126,131</u>	<u>-</u>
 Net position end of year.	 <u>\$ -</u>	 <u>\$ 228,930</u>	 <u>\$ 228,930</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services	\$ 2,650,000	\$ 2,815,478	\$ 165,478
Other	305,304	254,315	(50,989)
Total operating revenues	<u>2,955,304</u>	<u>3,069,793</u>	<u>114,489</u>
Operating expenses:			
Claims	3,122,366	2,820,490	301,876
Total operating expenses	<u>3,122,366</u>	<u>2,820,490</u>	<u>301,876</u>
Net change in net position.	(167,062)	249,303	416,365
Net position beginning of year	165,247	165,247	-
Prior year encumbrances appropriated . .	<u>1,816</u>	<u>1,816</u>	<u>-</u>
Net position end of year.	<u>\$ 1</u>	<u>\$ 416,366</u>	<u>\$ 416,365</u>

CITY OF ALLIANCE, OHIO

FUND DESCRIPTION

Custodial Fund

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. This fund does not account for the City's own source revenue. The following is a description of the City's custodial fund.

Municipal Court Fund

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

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STATISTICAL SECTION

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CITY OF ALLIANCE, OHIO
STATISTICAL SECTION

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

Contents

Page

Financial Trends

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

218-227

Revenue Capacity

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

228

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.

229-235

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.

236-237

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.

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

CITY OF ALLIANCE, OHIO

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 18,214,085	\$ 17,381,872	\$ 17,926,582	\$ 18,803,807
Restricted for:				
Capital projects	55,024	38,390	15,879	-
Debt service	45,655	66,957	66,216	65,369
Transportation projects	190,262	143,503	206,857	156,417
Public service programs	555,986	548,571	843,181	982,136
Community environment programs	3,447,536	3,327,370	3,233,795	2,854,058
Police and fire pension	-	-	20,000	66,555
Security programs	209,657	218,959	290,587	347,508
Other purposes	837,277	466,429	288,369	189,666
Unrestricted (deficit)	<u>(13,936,240)</u>	<u>(16,370,181)</u>	<u>(26,438,433)</u>	<u>(25,204,668)</u>
Total governmental activities net position	<u>\$ 9,619,242</u>	<u>\$ 5,821,870</u>	<u>\$ (3,546,967)</u>	<u>\$ (1,739,152)</u>
 Business-type activities				
Net investment in capital assets	\$ 23,113,403	\$ 20,478,007	\$ 18,528,115	\$ 17,053,900
Restricted:				
Debt service	4	225,734	407,837	439,150
Replacement and surplus reserve	1,866,743	1,652,595	1,063,822	1,132,890
Unrestricted	<u>4,346,860</u>	<u>5,310,928</u>	<u>6,205,777</u>	<u>6,240,242</u>
Total business-type activities net position	<u>\$ 29,327,010</u>	<u>\$ 27,667,264</u>	<u>\$ 26,205,551</u>	<u>\$ 24,866,182</u>
 Total primary government				
Net investment in capital assets	\$ 41,327,488	\$ 37,859,879	\$ 36,454,697	\$ 35,857,707
Restricted for:				
Capital projects	55,024	38,390	15,879	-
Debt service	45,659	292,691	474,053	504,519
Replacement and surplus reserve	1,866,743	1,652,595	1,063,822	1,132,890
Transportation projects	190,262	143,503	206,857	156,417
Public service programs	555,986	548,571	843,181	982,136
Community environment programs	3,447,536	3,327,370	3,233,795	2,854,058
Security programs	209,657	218,959	290,587	347,508
Police and fire pension	-	-	20,000	66,555
Other purposes	837,277	466,429	288,369	189,666
Unrestricted (deficit)	<u>(9,589,380)</u>	<u>(11,059,253)</u>	<u>(20,232,656)</u>	<u>(18,964,426)</u>
Total primary government net position	<u>\$ 38,946,252</u>	<u>\$ 33,489,134</u>	<u>\$ 22,658,584</u>	<u>\$ 23,127,030</u>

Source: City financial records.

Notes: The net position at December 31, 2014 has been restated for the implementation of GASB Statement No. 68 and 71.
The net position at December 31, 2017 has been restated for the implementation of GASB Statement No. 75.
The net position at December 31, 2019 has been restated for the implementation of GASB Statement No. 84.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 19,802,449	\$ 19,340,616	\$ 19,325,774	\$ 19,528,061	\$ 19,194,878	\$ 19,233,554
-	-	86,105	936,012	1,286,549	31,763
64,617	145,057	425,849	191,036	322,426	346,139
89,780	117,694	357,951	375,369	386,247	285,686
1,016,857	1,048,390	1,175,610	759,389	760,258	737,980
3,184,299	3,184,160	3,329,142	3,318,742	3,859,082	3,976,347
34,220	24,686	38,397	69,984	72,662	76,794
344,515	355,439	392,320	232,414	175,111	235,720
302,795	148,897	119,585	903,606	604,772	367,747
(10,943,407)	(8,403,601)	(7,859,134)	2,743,270	2,717,776	5,348,341
<u>\$ 13,896,125</u>	<u>\$ 15,961,338</u>	<u>\$ 17,391,599</u>	<u>\$ 29,057,883</u>	<u>\$ 29,379,761</u>	<u>\$ 30,640,071</u>
\$ 15,854,399	\$ 14,314,561	\$ 13,620,315	\$ 12,266,157	\$ 11,655,997	\$ 9,633,092
449,748	520,304	548,950	573,116	592,084	618,439
866,353	878,195	522,362	1,152,065	1,903,787	616,385
8,420,942	8,390,452	7,305,450	9,757,719	8,314,065	8,897,636
<u>\$ 25,591,442</u>	<u>\$ 24,103,512</u>	<u>\$ 21,997,077</u>	<u>\$ 23,749,057</u>	<u>\$ 22,465,933</u>	<u>\$ 19,765,552</u>
\$ 35,656,848	\$ 33,655,177	\$ 32,946,089	\$ 31,794,218	\$ 30,850,875	\$ 28,866,646
-	-	86,105	936,012	1,286,549	31,763
514,365	665,361	974,799	764,152	914,510	964,578
866,353	878,195	522,362	1,152,065	1,903,787	616,385
89,780	117,694	357,951	375,369	386,247	285,686
1,016,857	1,048,390	1,175,610	759,389	760,258	737,980
3,184,299	3,184,160	3,329,142	3,318,742	3,859,082	3,976,347
344,515	355,439	392,320	232,414	175,111	235,720
34,220	24,686	38,397	69,984	72,662	76,794
302,795	148,897	119,585	903,606	604,772	367,747
(2,522,465)	(13,149)	(553,684)	12,500,989	11,031,841	14,245,977
<u>\$ 39,487,567</u>	<u>\$ 40,064,850</u>	<u>\$ 39,388,676</u>	<u>\$ 52,806,940</u>	<u>\$ 51,845,694</u>	<u>\$ 50,405,623</u>

CITY OF ALLIANCE, OHIO

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,435,730	\$ 1,401,813	\$ 1,554,322	\$ 1,043,042
Security of persons and property	156,181	180,066	220,814	164,757
Public health and welfare	87,783	77,246	180,031	169,774
Transportation	-	-	-	-
Community environment	113,156	168,148	168,491	129,587
Leisure time activities	15,594	30,502	31,343	26,935
Subtotal - charges for services	<u>1,808,444</u>	<u>1,857,775</u>	<u>2,155,001</u>	<u>1,534,095</u>
Operating grants and contributions:				
General government	32,639	31,100	40,235	100,439
Security of persons and property	1,940,143	205,603	116,727	54,318
Public health and welfare	-	-	165,934	136,102
Transportation	1,439,406	1,156,195	989,818	1,062,884
Community environment	839,337	1,522,364	1,842,178	1,249,650
Subtotal - operating grants and contributions	<u>4,251,525</u>	<u>2,915,262</u>	<u>3,154,892</u>	<u>2,603,393</u>
Capital grants and contributions:				
General government	-	-	-	-
Security of persons and property	-	-	15,000	-
Transportation	1,622,699	350,218	218,320	366,748
Leisure time activities	-	212,700	-	305,627
Subtotal - capital grants and contributions	<u>1,622,699</u>	<u>562,918</u>	<u>233,320</u>	<u>672,375</u>
Total governmental activities program revenues	<u>7,682,668</u>	<u>5,335,955</u>	<u>5,543,213</u>	<u>4,809,863</u>
Business-type activities:				
Charges for services:				
Water	5,547,357	5,682,228	5,692,737	5,026,836
Sewer	5,047,117	5,096,377	4,964,122	4,398,714
Robertson Community Center	11,169	49,807	48,031	48,188
Community Improvement	1,351,111	1,302,326	1,255,875	526,604
Capital grants and contributions	-	-	269,500	675,292
Total business-type activities program revenues	<u>11,956,754</u>	<u>12,130,738</u>	<u>12,230,265</u>	<u>10,675,634</u>
Total primary government	<u>\$ 19,639,422</u>	<u>\$ 17,466,693</u>	<u>\$ 17,773,478</u>	<u>\$ 15,485,497</u>
Expenses:				
Governmental activities:				
General government	\$ 3,794,432	\$ 4,094,336	\$ 3,617,085	\$ 3,688,938
Security of persons and property	9,749,781	1,187,041	10,483,887	9,688,773
Public health and welfare	907,648	724,395	1,058,035	1,099,398
Transportation	2,414,065	2,824,884	2,295,904	2,411,821
Community environment	1,054,128	1,138,812	1,583,160	1,699,760
Basic utility services	74,544	79,816	47,541	65,837
Leisure time activities	875,940	1,009,135	739,664	777,138
Interest and fiscal charges	13,924	15,093	16,497	19,154
Total governmental activities expenses	<u>18,884,462</u>	<u>11,073,512</u>	<u>19,841,773</u>	<u>19,450,819</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,282,857	\$ 1,657,019	\$ 1,572,870	\$ 1,090,395	\$ 1,061,567	\$ 974,521
107,598	76,764	65,939	464,505	50,980	68,727
179,096	200,787	161,864	162,282	168,495	162,688
-	-	272	-	-	-
124,538	158,407	59,609	64,284	78,811	72,433
28,699	7,420	26,106	24,022	145,468	50,926
<u>1,722,788</u>	<u>2,100,397</u>	<u>1,886,660</u>	<u>1,805,488</u>	<u>1,505,321</u>	<u>1,329,295</u>
520,850	49,925	56,207	199,541	166,290	32,043
68,815	88,367	119,213	185,490	178,676	131,084
127,350	122,410	133,115	148,884	186,825	200,510
939,324	986,928	975,748	997,472	997,806	935,710
1,086,050	731,338	999,489	645,228	679,300	1,544,671
<u>2,742,389</u>	<u>1,978,968</u>	<u>2,283,772</u>	<u>2,176,615</u>	<u>2,208,897</u>	<u>2,844,018</u>
-	12,500	263	-	-	-
-	-	-	-	-	-
1,279,658	331,606	543,314	660,617	115,061	483,045
-	-	-	-	-	-
<u>1,279,658</u>	<u>344,106</u>	<u>543,577</u>	<u>660,617</u>	<u>115,061</u>	<u>483,045</u>
<u>5,744,835</u>	<u>4,423,471</u>	<u>4,714,009</u>	<u>4,642,720</u>	<u>3,829,279</u>	<u>4,656,358</u>
5,336,229	5,244,227	5,027,585	5,080,395	4,935,880	4,380,453
4,446,894	4,546,914	4,245,435	4,516,682	3,716,822	3,980,135
54,348	44,928	47,494	43,062	46,873	46,682
-	-	-	-	-	-
-	-	-	-	1,741,568	-
<u>9,837,471</u>	<u>9,836,069</u>	<u>9,320,514</u>	<u>9,640,139</u>	<u>10,441,143</u>	<u>8,407,270</u>
<u>\$ 15,582,306</u>	<u>\$ 14,259,540</u>	<u>\$ 14,034,523</u>	<u>\$ 14,282,859</u>	<u>\$ 14,270,422</u>	<u>\$ 13,063,628</u>
\$ 4,360,652	\$ 3,786,152	\$ 3,530,481	\$ 3,429,427	\$ 3,293,515	\$ 3,280,078
9,647,261	9,005,619	8,983,758	8,727,248	9,121,557	9,033,362
1,038,202	952,886	944,102	961,188	1,069,283	1,034,561
2,582,067	2,584,976	1,946,535	1,852,335	1,727,130	2,015,461
1,410,889	941,453	1,132,317	1,419,894	942,663	1,856,513
61,731	41,870	68,828	72,018	62,457	60,904
765,229	748,255	741,638	711,074	785,750	770,365
26,933	28,195	39,947	45,757	50,615	71,335
<u>19,892,964</u>	<u>18,089,406</u>	<u>17,387,606</u>	<u>17,218,941</u>	<u>17,052,970</u>	<u>18,122,579</u>

CITY OF ALLIANCE, OHIO

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Business-type activities:				
Water	\$ 4,373,005	\$ 4,576,875	\$ 5,060,457	\$ 4,721,033
Sewer	5,020,317	5,409,140	5,086,176	4,729,283
Robertson Community Center	14,561	83,696	65,137	350,405
Community Improvement	1,488,547	1,233,768	1,243,119	80,802
Total business-type activities expenses	<u>10,896,430</u>	<u>11,303,479</u>	<u>11,454,889</u>	<u>9,881,523</u>
Total primary government	<u>\$ 29,780,892</u>	<u>\$ 22,376,991</u>	<u>\$ 31,296,662</u>	<u>\$ 29,332,342</u>
Net (expense) revenue:				
Governmental activities	\$ (11,201,794)	\$ (5,737,557)	\$ (14,298,560)	\$ (14,640,956)
Business-type activities	1,060,324	827,259	775,376	794,111
Total primary government net expense	<u>\$ (10,141,470)</u>	<u>\$ (4,910,298)</u>	<u>\$ (13,523,184)</u>	<u>\$ (13,846,845)</u>
General revenues and other changes in net position:				
Governmental activities:				
Municipal income taxes	\$ 10,136,657	\$ 10,702,325	\$ 10,366,624	\$ 9,728,707
Property and other local taxes	2,020,389	1,988,388	1,057,126	934,726
Grants and entitlements				
not restricted to specific programs	546,126	649,164	659,829	547,218
Investment earnings	30,624	22,766	26,599	23,077
Gain (loss) on fair value adjustment	206,711	199,082	17,869	(68,725)
Miscellaneous	2,058,659	518,124	362,698	329,524
Transfers	-	-	-	-
Special item	-	1,025,474	-	-
Total governmental activities	<u>14,999,166</u>	<u>15,105,323</u>	<u>12,490,745</u>	<u>11,494,527</u>
Business-type activities:				
Municipal income taxes	397,548	432,114	405,720	380,242
Investment earnings	201,874	202,340	158,273	128,274
Transfers	-	-	-	-
Total business-type activities	<u>599,422</u>	<u>634,454</u>	<u>563,993</u>	<u>508,516</u>
Total primary government	<u>\$ 15,598,588</u>	<u>\$ 15,739,777</u>	<u>\$ 13,054,738</u>	<u>\$ 12,003,043</u>
Change in net position:				
Governmental activities	\$ 3,797,372	\$ 9,367,766	\$ (1,807,815)	\$ (3,146,429)
Business-type activities	1,659,746	1,461,713	1,339,369	1,302,627
Total primary government	<u>\$ 5,457,118</u>	<u>\$ 10,829,479</u>	<u>\$ (468,446)</u>	<u>\$ (1,843,802)</u>

Source: City financial records.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 4,574,627	\$ 4,222,774	\$ 4,490,494	\$ 4,518,463	\$ 4,415,238	\$ 4,834,781
4,194,853	3,932,292	4,364,930	4,186,816	3,650,814	3,739,990
63,466	54,428	60,546	55,503	56,050	60,278
-	-	-	-	-	-
<u>8,832,946</u>	<u>8,209,494</u>	<u>8,915,970</u>	<u>8,760,782</u>	<u>8,122,102</u>	<u>8,635,049</u>
<u>\$ 28,725,910</u>	<u>\$ 26,298,900</u>	<u>\$ 26,303,576</u>	<u>\$ 25,979,723</u>	<u>\$ 25,175,072</u>	<u>\$ 26,757,628</u>
\$ (14,148,129)	\$ (13,665,935)	\$ (12,673,597)	\$ (12,576,221)	\$ (13,223,691)	\$ (13,466,221)
1,004,525	1,626,575	404,544	879,357	2,319,041	(227,779)
<u>\$ (13,143,604)</u>	<u>\$ (12,039,360)</u>	<u>\$ (12,269,053)</u>	<u>\$ (11,696,864)</u>	<u>\$ (10,904,650)</u>	<u>\$ (13,694,000)</u>
\$ 10,156,552	\$ 10,305,849	\$ 10,739,033	\$ 10,118,478	\$ 9,769,613	\$ 9,776,370
955,825	893,577	905,285	917,317	1,071,476	929,774
606,027	630,859	592,068	967,436	880,730	1,103,878
18,684	18,707	25,442	4,166	4,428	8,435
(8,977)	14,262	-	-	-	-
354,805	372,420	537,100	246,946	287,368	835,956
-	-	546,889	-	-	(200,000)
-	-	-	-	-	-
<u>12,082,916</u>	<u>12,235,674</u>	<u>13,345,817</u>	<u>12,254,343</u>	<u>12,013,615</u>	<u>12,454,413</u>
399,981	404,207	420,332	394,602	374,081	386,543
83,424	75,653	115,162	9,165	7,259	5,279
-	-	(546,889)	-	-	200,000
<u>483,405</u>	<u>479,860</u>	<u>(11,395)</u>	<u>403,767</u>	<u>381,340</u>	<u>591,822</u>
<u>\$ 12,566,321</u>	<u>\$ 12,715,534</u>	<u>\$ 13,334,422</u>	<u>\$ 12,658,110</u>	<u>\$ 12,394,955</u>	<u>\$ 13,046,235</u>
\$ (2,065,213)	\$ (1,430,261)	\$ 672,220	\$ (321,878)	\$ (1,210,076)	\$ (1,011,808)
1,487,930	2,106,435	393,149	1,283,124	2,700,381	364,043
<u>\$ (577,283)</u>	<u>\$ 676,174</u>	<u>\$ 1,065,369</u>	<u>\$ 961,246</u>	<u>\$ 1,490,305</u>	<u>\$ (647,765)</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General fund:				
Nondisposable	\$ 296,770	\$ 329,865	\$ 246,779	\$ 262,989
Restricted	13,243	8,193	10,710	7,719
Committed	121,422	87,828	180,757	87,966
Assigned	2,090,115	799,469	245,393	877,671
Unassigned	<u>2,715,212</u>	<u>1,702,053</u>	<u>1,083,006</u>	<u>-</u>
Total general fund	<u>5,236,762</u>	<u>2,927,408</u>	<u>1,766,645</u>	<u>1,236,345</u>
All other governmental funds:				
Nondisposable	91,247	117,310	87,916	75,111
Restricted	6,102,424	5,769,013	5,468,424	5,033,095
Committed	1,263,896	648,707	223,888	455,388
Assigned	-	-	-	-
Unassigned (deficit)	<u>(18,210)</u>	<u>(119,965)</u>	<u>(116,568)</u>	<u>(12,107)</u>
Total all other governmental funds	<u>7,439,357</u>	<u>6,415,065</u>	<u>5,663,660</u>	<u>5,551,487</u>
Total governmental funds	<u>\$ 12,676,119</u>	<u>\$ 9,342,473</u>	<u>\$ 7,430,305</u>	<u>\$ 6,787,832</u>

Source: City financial records.

Note: The City implemented GASB 54 in 2011.

Note: The City implemented GASB 84 in 2020.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 256,700	\$ 386,149	\$ 98,029	\$ 100,473	\$ 90,479	\$ 88,225
4,586	-	-	-	-	-
27,592	59,451	103,593	86,927	134,581	10,289
186,256	1,299,804	1,566,149	1,380,734	135,180	64,886
916,477	1,159,618	1,130,672	1,237,121	2,672,552	3,789,207
<u>1,391,611</u>	<u>2,905,022</u>	<u>2,898,443</u>	<u>2,805,255</u>	<u>3,032,792</u>	<u>3,952,607</u>
109,983	53,784	31,068	15,867	41,511	38,929
5,125,523	5,372,753	5,859,314	5,671,080	5,891,152	5,797,381
787,042	760,187	1,057,921	825,390	1,099,759	1,575,115
-	-	1,000	1,000	1,000	1,000
(203,737)	(352,810)	-	(3,292)	-	(3,142)
<u>5,818,811</u>	<u>5,833,914</u>	<u>6,949,303</u>	<u>6,510,045</u>	<u>7,033,422</u>	<u>7,409,283</u>
<u>\$ 7,210,422</u>	<u>\$ 8,738,936</u>	<u>\$ 9,847,746</u>	<u>\$ 9,315,300</u>	<u>\$ 10,066,214</u>	<u>\$ 11,361,890</u>

CITY OF ALLIANCE, OHIO

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues				
Municipal income taxes	\$ 10,152,933	\$ 10,652,126	\$ 10,357,967	\$ 9,808,805
Property and other taxes	1,975,539	1,880,731	1,053,399	948,761
Charges for services	515,061	620,870	608,412	515,589
Licenses, permits and fees	292,027	373,359	573,871	429,225
Fines and forfeitures	576,797	651,658	654,796	543,521
Intergovernmental	6,029,425	3,831,182	3,662,860	3,629,004
Special assessments	-	-	-	-
Investment income	336,694	314,876	102,375	18,485
Rental income	14,794	24,446	29,486	36,586
Contributions and donations	-	6,457	4,842	4,645
Other	2,374,391	719,049	754,170	599,485
Total revenues	<u>22,267,661</u>	<u>19,074,754</u>	<u>17,802,178</u>	<u>16,534,106</u>
Expenditures				
Current:				
General government	3,414,288	3,394,151	3,237,050	3,069,659
Security of persons and property	8,898,206	8,728,149	8,727,810	8,368,210
Public health and welfare	894,058	679,361	997,751	955,889
Transportation	1,535,638	1,596,567	1,029,882	848,817
Community environment	1,092,996	1,095,380	1,534,117	1,620,921
Leisure time activities	741,445	770,218	597,735	588,435
Basic utility services	67,004	64,144	42,758	55,032
Capital outlay	2,229,506	697,734	944,556	1,331,645
Debt service:				
Principal retirement	47,973	53,474	45,679	119,591
Interest and fiscal charges	13,972	15,138	16,540	18,854
Bond issuance cost	-	-	-	-
Total expenditures	<u>18,935,086</u>	<u>17,094,316</u>	<u>17,173,878</u>	<u>16,977,053</u>
Excess (deficiency) of revenues over (under) expenditures	3,332,575	1,980,438	628,300	(442,947)
Other financing sources (uses)				
Sale of capital assets	-	-	14,173	20,357
Sale of refunded bond	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Premium on refunded bond issuance	-	-	-	-
General obligation bonds issued	-	-	-	-
Premium on bond issuance	-	-	-	-
SIB loan proceeds	-	-	-	-
OPWC loan proceeds	-	-	-	-
Transfers in	1,477,454	1,206,019	1,056,630	890,824
Transfers (out)	<u>(1,477,454)</u>	<u>(1,206,019)</u>	<u>(1,056,630)</u>	<u>(890,824)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,173</u>	<u>20,357</u>
Special item				
Transfer of operations	-	(68,270)	-	-
Net change in fund balances	<u>\$ 3,332,575</u>	<u>\$ 1,912,168</u>	<u>\$ 642,473</u>	<u>\$ (422,590)</u>
Capital expenditures	\$ 2,342,706	\$ 1,076,787	\$ 646,138	\$ 1,087,878
Debt service as a percentage of noncapital expenditures	0.37%	0.43%	0.38%	0.87%

Source: City financial records.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 10,183,234	\$ 10,272,590	\$ 10,701,172	\$ 10,065,525	\$ 9,768,208	\$ 9,670,227
954,561	897,035	897,977	916,991	986,268	955,054
376,950	325,908	378,773	428,359	313,836	251,838
396,001	658,533	225,825	226,663	241,853	219,834
638,352	831,263	851,808	977,143	554,343	461,502
4,153,323	2,758,634	2,796,166	3,390,528	3,058,631	4,349,101
-	-	67,295	69,216	74,029	62,204
58,434	61,429	44,593	44,886	47,283	74,730
26,313	44,546	74,834	99,211	88,653	101,858
17,812	10,498	13,092	42,346	5,617	4,384
943,409	678,148	1,095,294	657,936	608,534	1,039,446
<u>17,748,389</u>	<u>16,538,584</u>	<u>17,146,829</u>	<u>16,918,804</u>	<u>15,747,255</u>	<u>17,190,178</u>
3,912,589	3,279,554	3,104,014	3,085,737	2,736,209	2,749,939
8,582,751	8,420,148	8,618,050	8,548,046	8,375,312	8,220,965
964,767	960,431	926,077	949,521	979,756	956,336
1,287,637	1,304,365	897,753	867,372	789,652	1,106,279
1,366,506	929,267	1,129,378	1,412,050	859,742	1,759,825
614,440	626,454	613,020	627,704	653,096	631,225
55,108	61,384	64,775	68,584	59,583	55,238
2,234,305	1,778,871	1,382,029	1,833,204	2,957,264	2,089,454
283,542	263,673	551,581	324,507	329,115	308,740
23,503	32,081	42,434	48,033	53,201	73,267
-	-	-	-	50,234	-
<u>19,325,148</u>	<u>17,656,228</u>	<u>17,329,111</u>	<u>17,764,758</u>	<u>17,843,164</u>	<u>17,951,268</u>
(1,576,759)	(1,117,644)	(182,282)	(845,954)	(2,095,909)	(761,090)
48,245	8,834	-	-	-	-
-	-	-	-	455,000	-
-	-	-	-	(444,652)	-
-	-	-	-	8,169	-
-	-	-	-	775,000	-
-	-	-	-	6,716	-
-	-	167,839	-	-	-
-	-	-	95,040	-	304,960
975,197	823,331	1,734,266	1,243,765	1,130,886	1,393,096
(975,197)	(823,331)	(1,187,377)	(1,243,765)	(1,130,886)	(1,593,096)
<u>48,245</u>	<u>8,834</u>	<u>714,728</u>	<u>95,040</u>	<u>800,233</u>	<u>104,960</u>
-	-	-	-	-	-
<u>\$ (1,528,514)</u>	<u>\$ (1,108,810)</u>	<u>\$ 532,446</u>	<u>\$ (750,914)</u>	<u>\$ (1,295,676)</u>	<u>\$ (656,130)</u>
\$ 2,153,633	\$ 1,625,458	\$ 1,189,258	\$ 1,871,185	\$ 1,991,679	\$ 1,605,167
1.79%	1.84%	3.68%	2.34%	2.41%	2.34%

CITY OF ALLIANCE, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

Tax Year (1)	Individual		Total Individual	Business	Total	Tax Rate
	Withholding	Non-withholding				
2020	\$ 7,969,484	\$ 1,375,886	\$ 9,345,369	\$ 886,809	\$ 10,232,179	2.00%
2019	8,223,459	1,489,420	9,712,879	1,240,004	10,952,883	2.00%
2018	8,106,422	1,349,692	9,456,114	1,201,548	10,657,662	2.00%
2017	7,945,320	1,360,127	9,305,447	985,722	10,291,169	2.00%
2016	8,960,233	927,033	9,887,266	1,490,436	11,377,702	2.00%
2015	8,065,388	1,474,251	9,539,640	1,116,699	10,656,339	2.00%
2014	8,049,056	1,443,002	9,492,058	1,470,963	10,963,021	2.00%
2013	7,678,323	1,377,277	9,055,600	1,227,886	10,283,486	2.00%
2012	7,682,227	1,351,720	9,033,947	1,240,725	10,274,672	2.00%
2011	7,136,465	1,352,612	8,489,077	1,447,690	9,936,767	2.00%

Source: City of Alliance Income Tax Department.

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

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

CITY OF ALLIANCE, OHIO

INCOME TAX WITHHOLDINGS BY SECTOR
LAST TEN YEARS

Sector	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Industrial	45%	43%	43%	45%	48%	47%	47%	46%	42%	40%
Medical	18%	18%	17%	18%	17%	17%	17%	17%	20%	21%
Education	15%	15%	14%	14%	13%	13%	12%	12%	13%	14%
Retail	6%	7%	7%	6%	5%	6%	6%	8%	6%	5%
Service	5%	5%	6%	5%	5%	5%	5%	5%	6%	6%
Food/Restaurant	3%	4%	3%	3%	4%	4%	3%	4%	4%	4%
Carnation Mall Area	4%	3%	4%	5%	4%	4%	4%	4%	5%	5%
Financial	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Construction	1%	2%	2%	1%	1%	1%	1%	1%	1%	1%
Other	1%	1%	2%	1%	1%	1%	3%	1%	1%	2%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: City of Alliance Income Tax Department.

CITY OF ALLIANCE, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	Special Assessment Bonds	OPWC Loans	SIB Loans	General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans			
2020	\$ -	\$ -	\$ 306,668	\$ 69,697	\$ 745,111	\$ -	\$ 6,731,394	\$ 1,421,735	\$ 9,274,605	2.36%	\$ 412
2019	-	-	320,001	91,579	805,121	1,447,258	6,967,255	1,515,303	11,146,517	2.84%	495
2018	-	-	340,001	112,820	860,131	2,840,553	6,382,842	1,626,088	12,162,435	3.10%	540
2017	-	-	353,334	133,437	915,141	4,178,848	4,918,213	1,436,678	11,935,651	3.04%	530
2016	75,000	-	366,667	153,449	970,151	5,467,143	744,614	1,516,768	9,293,792	2.37%	413
2015	315,000	-	380,000	167,839	1,025,161	6,715,438	-	1,596,858	10,200,296	2.60%	453
2014	555,000	-	393,333	167,839	1,080,171	7,923,733	-	1,581,084	11,701,160	2.98%	520
2013	1,029,591	70,000	400,000	-	2,197,181	9,092,028	-	1,555,078	14,343,878	3.65%	637
2012	1,270,000	135,000	304,960	-	2,287,000	10,160,000	-	631,224	14,788,184	3.77%	657
2011	735,000	195,000	304,960	-	1,142,000	11,255,000	-	674,209	14,306,169	3.64%	635

Source: City financial records.

Note: See the Demographics and Economic Statistics table for population and personal income data.

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		
2020	22,522	\$ 325,394,320	\$ 745,111	\$ 43,850	\$ 701,261	0.22%	\$ 31.14
2019	22,522	328,137,090	805,121	43,850	761,271	0.23%	33.80
2018	22,522	285,398,790	860,131	43,850	816,281	0.29%	36.24
2017	22,522	280,881,810	915,141	43,850	871,291	0.31%	38.69
2016	22,522	280,881,810	1,045,151	43,850	1,001,301	0.36%	44.46
2015	22,522	278,005,220	1,340,161	126,550	1,213,611	0.44%	53.89
2014	22,522	264,521,390	1,635,171	396,305	1,238,866	0.47%	55.01
2013	22,522	259,506,760	3,226,772	96,408	3,130,364	1.21%	138.99
2012	22,522	262,059,330	3,557,000	98,461	3,458,539	1.32%	153.56
2011	22,522	288,001,100	1,877,000	118,616	1,758,384	0.61%	78.07

Sources:

(1) U.S. Census Bureau.

(2) County Auditor.

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

CITY OF ALLIANCE, OHIO

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020**

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to City
Direct - City of Alliance			
OPWC loans	\$ 306,668	100.00%	\$ 306,668
SIB loans	69,697	100.00%	69,697
	<u>376,365</u>		<u>376,365</u>
Overlapping debt:			
Alliance City Schools	2,507,400	87.70%	2,198,990
Marlington Local School District	333,736	18.82%	62,809
Stark County	16,236,726	3.74%	607,254
Mahoning County	33,160,000	0.01%	3,316
	<u>52,237,862</u>		<u>2,872,369</u>
Total direct and overlapping debt	<u>\$ 52,614,227</u>		<u>\$ 3,248,734</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total assessed property value	\$ 325,394,320	\$ 328,137,090	\$ 285,398,790	\$ 280,881,810
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>34,166,404</u>	<u>34,454,394</u>	<u>29,966,873</u>	<u>29,492,590</u>
Debt outstanding:				
General obligation bonds	-	-	-	-
Special assessment bonds	-	-	-	-
SIB loans	69,697	91,579	112,820	133,437
Enterprise general obligation bonds	745,111	805,121	860,131	915,141
OPWC loans	1,421,735	1,515,303	1,626,088	1,790,012
Revenue bonds	-	1,447,258	2,840,553	4,178,848
Total gross indebtedness	<u>2,236,543</u>	<u>3,859,261</u>	<u>5,439,592</u>	<u>7,017,438</u>
Less:				
Special assessment bonds	-	-	-	-
SIB loans	69,697	91,579	112,820	133,437
Enterprise general obligation bonds	745,111	805,121	860,131	915,141
OPWC loans	1,421,735	1,515,303	1,626,088	1,790,012
Revenue bonds	-	1,447,258	2,840,553	4,178,848
Total net debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 34,166,404</u>	<u>\$ 34,454,394</u>	<u>\$ 29,966,873</u>	<u>\$ 29,492,590</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>\$ 17,896,688</u>	<u>\$ 18,047,540</u>	<u>\$ 15,696,933</u>	<u>\$ 15,448,500</u>
Total gross indebtedness	2,236,543	3,859,261	5,439,592	7,017,438
Less:				
Special assessment bonds	-	-	-	-
SIB loans	69,697	91,579	112,820	133,437
Enterprise general obligation bonds	745,111	805,121	860,131	915,141
OPWC loans	1,421,735	1,515,303	1,626,088	1,790,012
Revenue bonds	-	1,447,258	2,840,553	4,178,848
Net debt within 5 1/2 % limitations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 17,896,688</u>	<u>\$ 18,047,540</u>	<u>\$ 15,696,933</u>	<u>\$ 15,448,500</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	100.00%	100.00%	100.00%	100.00%

Source: City financial records.

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 278,005,220	\$ 264,521,390	\$ 259,506,760	\$ 262,059,330	\$ 288,001,100	\$ 288,748,770
<u>29,190,548</u>	<u>27,774,746</u>	<u>27,248,210</u>	<u>27,516,230</u>	<u>30,240,116</u>	<u>30,318,621</u>
75,000	315,000	555,000	1,029,591	1,270,000	735,000
-	-	-	70,000	135,000	195,000
153,449	167,839	167,839	-	-	-
970,151	1,025,161	1,080,171	2,197,181	2,287,000	1,142,000
1,883,435	1,976,858	1,974,417	1,955,078	936,184	979,169
5,467,143	6,715,438	7,923,733	9,092,028	10,160,000	11,255,000
<u>8,549,178</u>	<u>10,200,296</u>	<u>11,701,160</u>	<u>14,343,878</u>	<u>14,788,184</u>	<u>14,306,169</u>
-	-	-	70,000	135,000	195,000
153,449	167,839	167,839	-	-	-
970,151	1,025,161	1,080,171	2,197,181	2,287,000	1,142,000
1,883,435	1,976,858	1,974,417	1,955,078	936,184	979,169
5,467,143	6,715,438	7,923,733	9,092,028	10,160,000	11,255,000
<u>75,000</u>	<u>315,000</u>	<u>555,000</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>
<u>\$ 29,115,548</u>	<u>\$ 27,459,746</u>	<u>\$ 26,693,210</u>	<u>\$ 26,486,639</u>	<u>\$ 28,970,116</u>	<u>\$ 29,583,621</u>
99.74%	98.87%	97.96%	96.26%	95.80%	97.58%
<u>\$ 15,290,287</u>	<u>\$ 14,548,676</u>	<u>\$ 14,272,872</u>	<u>\$ 14,413,263</u>	<u>\$ 15,840,061</u>	<u>\$ 15,881,182</u>
8,549,178	10,200,296	11,701,160	14,343,878	14,788,184	14,306,169
-	-	-	70,000	135,000	195,000
153,449	167,839	-	-	-	-
970,151	1,025,161	1,080,171	2,197,181	2,287,000	1,142,000
1,883,435	1,976,858	1,974,417	1,955,078	936,184	979,169
5,467,143	6,715,438	7,923,733	9,092,028	10,160,000	11,255,000
<u>75,000</u>	<u>315,000</u>	<u>722,839</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>
<u>\$ 15,215,287</u>	<u>\$ 14,233,676</u>	<u>\$ 13,550,033</u>	<u>\$ 13,383,672</u>	<u>\$ 14,570,061</u>	<u>\$ 15,146,182</u>
99.51%	97.83%	94.94%	92.86%	91.98%	95.37%

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CITY OF ALLIANCE, OHIO

**PLEDGED REVENUE COVERAGE
WATER REVENUE BONDS
LAST TEN YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Cash and cash equivalents with fiscal agent	Net Revenues Available for Debt Service	Debt Service		Coverage
					Principal	Interest	
2020	\$ 5,547,357	\$ 3,648,940	\$ 4	\$ 1,898,421	\$ 1,440,000	\$ 57,600	1.27
2019	5,682,228	3,816,124	1,680,352	3,546,456	1,385,000	113,000	2.37
2018	5,692,737	4,273,708	1,695,753	3,114,782	1,330,000	166,200	2.08
2017	5,026,836	4,419,831	1,679,224	2,286,229	1,280,000	214,200	1.53
2016	5,336,229	4,223,454	1,226,707	2,339,482	1,240,000	257,600	1.56
2015	5,244,227	3,245,642	1,678,905	3,677,490	1,200,000	299,600	2.45
2014	5,027,585	3,406,534	1,678,985	3,300,036	1,160,000	338,750	2.20
2013	5,080,395	3,365,400	1,678,808	3,393,803	1,125,000	375,313	2.26
2012	4,935,880	3,282,009	1,677,730	3,331,601	1,095,000	407,688	2.22
2011	4,380,453	3,632,635	1,678,027	2,425,845	1,060,000	439,963	1.62

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>
2020	22,522	\$ 392,490,894	\$ 14,427	\$ 32,048	35.9	5.2%
2019	22,522	392,490,894	14,427	32,048	35.9	4.5%
2018	22,522	392,490,894	17,427	32,048	35.9	4.9%
2017	22,522	392,490,894	17,427	32,048	35.9	5.2%
2016	22,522	392,490,894	17,427	32,048	35.9	6.4%
2015	22,522	392,490,894	17,427	32,048	35.9	6.4%
2014	22,522	392,490,894	17,427	32,048	35.9	4.5%
2013	22,522	392,490,894	17,427	32,048	35.9	6.9%
2012	22,522	392,490,894	17,427	32,048	35.9	6.7%
2011	22,522	392,490,894	17,427	32,743	35.9	7.9%

Sources:

(1) U.S. Census - 2010.

(3) Ohio Department of Job and Family Services labor market information, annual average.

Notes:

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

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

CITY OF ALLIANCE, OHIO

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

December 31, 2019			
Employer	Employees	Rank	Percentage Employment
University of Mount Union	1,554	1	14.13%
Alliance Comm Hospital	1,189	2	10.81%
Coastal Pet Products	796	3	7.24%
Alliance City Schools	747	4	6.79%
Walmart Associates	430	5	3.91%
Mac Trailer	326	6	2.96%
City of Alliance	310	7	2.82%
Alliance Tubular Prod LLC	242	8	2.20%
Wally Armour	128	9	1.16%
Alliance Comm Medical	118	10	1.07%
			of Total City
Total	5,840		53.09%
Total City Employment (1)	11,000		

December 31, 2010			
Employer	Employees	Rank	Percentage of Total
University of Mount Union	1,875	1	15.63%
Alliance Community Hospital	1,173	2	9.78%
Alliance City Schools	853	3	7.11%
Alliance Tubular Products	750	4	6.25%
Coastal Pet	700	5	5.83%
WalMart	459	6	3.83%
City of Alliance	314	7	2.62%
Terry's Tire Town	158	8	1.32%
Robertson Heating	113	9	0.94%
Alliance Community Medical	61	10	0.51%
Total	6,456		53.80%
Total City Employment (1)	12,000		

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

Notes:

(1) Total City Employment is estimated by the City.

CITY OF ALLIANCE, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2020	2019	2018	2017
General Government				
Council and clerk				
Number of ordinances passed	84	73	62	61
Number of resolutions passed	11	9	12	8
Number of planning commission docket items	34	30	37	26
Zoning board of appeals docket items	18	8	13	17
Finance Department				
Number of checks/vouchers issued	4,198	4,180	4,184	4,012
Number of payroll checks issued (1)	8,223	9,102	9,142	7,830
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 322,116	\$ 316,160	\$ 206,284	\$ 180,622
Number of receipts issued	2,072	2,500	2,495	2,633
Number of journal entries issued	337	224	173	251
Number of budget adjustments issued	27	28	40	32
Agency ratings - Moody's Financial Services	A2	A2	A2	A2
Health insurance costs- Medical	\$ 2,147,362	\$ 2,345,207	\$ 1,862,967	\$ 1,897,930
Health insurance costs- Dental	\$ 86,056	\$ 113,205	\$ 111,442	\$ 106,401
Health insurance costs- Administration	\$ 585,718	\$ 483,822	\$ 509,462	\$ 495,409
Health insurance total	\$ 2,819,136	\$ 2,942,234	\$ 2,483,871	\$ 2,499,740
General fund receipts (budgetary-basis)	\$ 12,754,306	\$ 12,852,232	\$ 12,157,619	\$ 11,533,809
General fund expenditures (budgetary-basis)	\$ 9,733,338	\$ 10,919,501	\$ 10,927,448	\$ 10,941,075
General fund cash balance	\$ 3,069,464	\$ 1,390,089	\$ 445,233	\$ 230,043
Income Tax Department				
Number of individual returns	6,647	7,079	7,266	7,809
Number of business returns	1,262	1,247	1,281	1,328
Number of business withholding accounts	10,176	10,293	9,771	9,438
Annual number of corporate withholding forms processed	4,175	4,080	4,324	3,523
Annual number of estimated payment forms processed	3,353	2,584	1,048	2,700
Annual number of reconciliation of withholdings processed	3,423	3,572	5,204	3,621
Engineer Contracted Services				
Dollar amount of construction overseen by engineer	n/a	n/a	\$ 540,573	\$ 800,000
Private construction overseen/inspected	\$ 577,955	n/a	\$ 809,350	\$ 897,129
Engineering design contracts	n/a	n/a	\$ 104,649	\$ 160,000
Municipal Court				
Number of civil cases filed	1,019	1,494	1,443	1,317
Number of criminal cases filed	1,808	2,069	1,943	1,547
Number of traffic cases filed	2,370	3,234	3,475	2,285
Total cases filed	5,197	6,797	6,861	5,149
Number of civil cases disposed	1,101	1,414	1,410	1,204
Number of criminal cases disposed	1,863	2,136	2,022	1,667
Number of traffic cases disposed	2,379	3,245	3,523	2,350
Total cases disposed	5,343	6,795	6,955	5,221
Vital Statistics				
Certificates filed	436	345	336	314
Number of births (2)	-	-	-	-
Number of deaths	436	345	336	314
Certificates issued	3,264	3,383	2,993	2,942
Burial permits issued	n/a	363	398	364

2016	2015	2014	2013	2012	2011
69	69	80	75	96	101
13	2	6	11	13	6
35	32	11	27	25	34
32	22	22	4	17	20
4,188	3,961	3,593	3,830	3,802	4,013
2,126	2,242	2,577	2,522	2,463	2,801
\$ 127,697	\$ 104,325	\$ 14,844	\$ 17,116	\$ 14,581	\$ 16,328
289	292	284	329	2,513	2,461
283	201	212	326	360	424
15	20	29	20	13	10
A2	A1	Aaa	Aaa	Aaa	Aaa
\$ 2,227,464	\$ 2,283,972	\$ 1,759,447	\$ 2,202,445	\$ 1,929,298	\$ 1,994,330
\$ 116,824	\$ 111,121	\$ 124,595	\$ 123,818	\$ 116,435	\$ 100,563
\$ 455,148	\$ 368,918	\$ 358,408	\$ 310,190	\$ 275,995	\$ 242,136
\$ 2,799,436	\$ 2,764,011	\$ 2,242,450	\$ 2,636,453	\$ 2,337,029	\$ 2,337,029
\$ 12,057,771	\$ 11,796,835	\$ 11,713,463	\$ 11,188,999	\$ 10,397,109	\$ 10,450,333
\$ 11,585,501	\$ 12,361,924	\$ 10,870,256	\$ 10,663,936	\$ 10,778,843	\$ 11,533,844
\$ 373,777	\$ 651,973	\$ 1,197,685	\$ 1,249,079	\$ 1,651,750	\$ 2,854,512
8,045	8,418	8,372	8,070	8,141	8,024
1,389	1,259	1,224	1,304	1,314	1,234
9,238	4,459	4,683	4,989	4,817	4,785
3,447	3,422	3,612	3,451	3,544	3,659
2,851	2,735	2,898	2,680	2,793	2,682
3,608	3,925	3,612	3,550	3,441	3,632
\$ 898,839	\$ 953,981	\$ 550,000	\$ 954,950	n/a	\$ 613,528
\$ 931,250	\$ 857,900	\$ 1,056,500	n/a	n/a	\$ 834,500
\$ 650	\$ 52,975	\$ 28,600	\$ 20,625	n/a	\$ 33,395
1,290	1,389	1,476	1,371	1,694	1,717
2,237	1,995	2,042	2,290	2,338	2,262
3,407	4,544	5,528	4,844	4,644	2,733
6,934	7,928	9,046	8,505	8,676	6,712
1,324	1,396	1,453	1,402	1,667	1,727
2,307	2,058	2,127	2,402	2,311	2,147
3,462	4,581	5,537	4,858	4,585	2,728
7,093	8,035	9,117	8,662	8,563	6,602
459	714	694	754	772	734
140	387	385	416	430	402
319	309	309	338	342	332
2,877	3,176	3,172	3,255	3,100	3,270
n/a	323	365	n/a	364	304

CITY OF ALLIANCE, OHIO

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

Function/Program	2020	2019	2018	2017
Civil Service				
Number of police entry tests administered	1	-	-	1
Number of fire entry tests administered	-	1	-	1
Number of police promotional tests administered	-	-	-	2
Number of fire promotional tests administered	-	-	-	-
Number of hires of police officers from certified lists	-	3	2	1
Number of hires of fire/medics from certified lists	-	6	3	-
Number of promotions from police certified lists	-	-	-	4
Number of promotions from fire certified lists	-	-	4	-
Building Department Indicators				
Construction permits issued	117	170	223	242
Estimated value of construction	\$ 8,530,358	\$ 13,514,943	\$ 11,917,227	\$ 8,425,614
Number of permits issued	847	1,148	1,071	999
Amount of revenue generated from permits	\$ 96,084	\$ 14,769	\$ 120,933	\$ 104,138
Number of contract registrations issued	299	322	349	308
Security of Persons & Property				
Police				
Total calls for services	33,948	35,953	48,493	57,259
Number of traffic citations issued	2,359	2,556	2,959	1,345
Number of parking citations issued	345	321	333	87
Number of criminal arrests	3,226	3,341	3,671	3,057
Number of accident reports completed	405	458	535	515
Felony offenses (F1-F5)	734	807	691	536
Misdemeanor offenses (M1-MM)	2,492	2,534	2,980	1,836
Police dept. auxiliary hours worked	207	586	535	820
DUI arrests	198	108	124	125
Prisoners	1183	745	764	1,863
Motor vehicle accidents	405	458	535	543
Property damage accidents	405	458	535	543
Fatalities from motor vehicle accidents	-	-	1	-
Gasoline costs of fleet	\$ 64,145	\$ 76,184	\$ 76,352	\$ 70,038
Community diversion program - community service hours	n/a	n/a	n/a	n/a
Fire				
EMS/Rescue calls	982	911	1,881	2,209
Structure fires	29	31	23	20
Fires other than structure	65	50	46	55
Other fire calls (electrical, smoke/odor, hazardous mat.)	461	489	734	767
Total calls for services	1537	1,481	2,684	3,059
Fire with loss	54	54	31	32
Fires with losses exceeding \$10,000	6	9	12	5
Fire losses	\$ 225,650	\$ 1,528,530	\$ 329,520	\$ 138,420
Fire safety inspections	161	487	416	1,069
Number of times mutual aid given to fire and EMS	8	3	5	2
Number of times mutual aid received for fire and EMS	4	3	4	8
Fire department receipts from fees & permits	n/a	\$ 15,080	\$ 14,745	\$ 605
Fire department total receipts	n/a	\$ 24,773	\$ 14,745	\$ 5,349
Public Health and Welfare				
Number of health inspections	749	1,069	747	n/a
Cemetery burials	51	40	37	37
Cemetery cremations	44	28	24	32
Cemetery sale of lots	67	42	36	n/a
Cemetery receipts	\$ 71,260	\$ 60,355	\$ 46,880	\$ 52,350

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
-	1	-	1	-	1
-	1	-	-	1	-
1	1	2	-	-	-
-	1	1	1	1	1
2	3	4	1	1	3
1	2	1	-	-	-
1	3	-	-	-	-
-	3	-	2	1	-
260	252	278	295	317	296
\$ 12,082,854	\$ 14,100,000	\$ 18,635,280	\$ 26,214,855	\$ 9,368,510	\$ 13,075,583
939	967	894	720	818	802
\$ 105,491	\$ 103,103	\$ 86,670	\$ 52,130	\$ 47,969	\$ 56,748
272	253	290	308	286	209
<hr/>					
59,871	58,286	66,082	43,231	50,504	41,283
2,444	4,268	6,188	4,122	3,727	1,401
128	505	166	125	245	250
4,697	3,843	3,248	2,883	n/a	2,505
578	572	567	547	n/a	646
423	641	668	583	n/a	564
1,729	2,465	2,580	1,981	n/a	1,640
844	834	1,230	1,723	1,297	1,204
171	141	220	215	225	158
2,413	2,063	2,056	1,498	n/a	1,407
578	834	587	557	648	771
99	817	587	557	648	771
2	1	-	1	1	-
\$ 65,464	\$ 76,952	\$ 127,200	\$ 146,593	\$ 151,234	\$ 142,749
n/a	n/a	n/a	n/a	n/a	85
2,184	2,337	2,311	2,142	2,179	2,220
32	35	40	39	50	67
46	49	46	39	59	28
729	719	645	620	649	796
3,021	3,150	3,042	2,840	2,937	3,111
51	47	55	21	43	35
9	9	10	7	17	9
\$ 710,007	\$ 477,490	\$ 325,149	\$ 285,280	\$ 1,811,335	\$ 276,650
1,045	1,217	1,090	909	155	882
6	8	16	27	19	8
3	2	4	11	19	3
\$ 820	\$ 1,040	\$ 630	\$ 920	\$ 990	\$ 727
\$ 820	\$ 5,418	\$ 3,374	\$ 2,421	\$ 2,708	\$ 727
<hr/>					
1,009	678	633	910	1,085	1,423
46	53	59	80	64	78
18	34	17	22	21	21
74	75	35	48	61	30
\$ 48,782	\$ 62,855	\$ 58,665	\$ 52,300	\$ 49,306	\$ 49,306

CITY OF ALLIANCE, OHIO

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

Function/Program	2020	2019	2018	2017
Leisure Time Activities				
Recreation				
Recreation mens & womens league receipts	\$ -	\$ -	\$ -	\$ -
Other fees	\$ -	\$ -	\$ -	\$ -
Cabin rentals	\$ 5,845	\$ 21,630	\$ 19,200	\$ 18,905
Robertson community center facility rentals	\$ 10,425	\$ 13,574	\$ 14,165	\$ 12,458
Robertson community center swimming pool receipts	\$ -	\$ 36,232	\$ 33,866	\$ 35,730
Total recreation department receipts	\$ 16,270	\$ 71,436	\$ 67,231	\$ 67,093
Basic Utility Services				
Refuse disposal per year (in tons) January - December	8,861	8,754	8,092	7,353
Refuse disposal costs per year January - December	\$ 1,309,880	\$ 1,361,088	\$ 1,130,991	\$ 904,490
Annual recycling tonnage (excluding leaf and compost)	749	958	998	651
Percentage of waste recycled	8.45%	10.94%	12.33%	8.85%
Transportation				
Total area within corporation limit (square miles)	8,677	8,677	8,677	8,677
Total area within Stark County (square miles)	8,600	8,600	8,600	8,600
Total area within Mahoning County (square miles)	0,077	0,077	0,077	0,077
Total dedicated streets (miles)	106,462	106,462	106,462	106,462
Total paved street (miles)	79,343	79,343	79,343	79,343
Total unpaved street (miles)	27,119	27,119	27,119	27,119
Total number of street intersections	735	735	735	735
Street repair (curb, apron, berms, asphalt) (hours)	7,140	4,860	5,160	6,915
Guardrail repair (hours)	-	-	-	-
Paint striping (hours)	410	1,380	1,110	310
Street sweeper (hours)	135	402	1,314	409
Cold patch (hours)	1,800	2,500	2,812	409
Snow and ice removal regular hours	1,245	2,640	2,412	2,563
Snow and ice removal overtime hours	574	785	600	384
Tons of snow melting salt purchased (Nov-Mar)	900	631	2,079	1,603
Cost of salt purchased	\$ 66,816	\$ 46,845	\$ 123,696	\$ 65,825
Sewer and sanitary calls for service	n/a	26	18	n/a
After hours sewer calls (hours)	n/a	8	48	n/a
Sewer crew (hours)	n/a	11,315	13,636	n/a
Sewer jet, vac-all, other services (hours)	n/a	n/a	n/a	n/a
Landscaping, stump-chipper service (hours)	201	175	56	131
Leaf collection (hours)	1,142	1,655	2,176	811
Sign department (hours)	500	920	882	1,568
Water Department				
Water rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 6.36	\$ 6.36	\$ 6.36	\$ 6.35
Water rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 11.13	\$ 11.13	\$ 11.13	\$ 11.13
Avg. number of water accounts billed monthly (Cu. Ft.)	9,744	9,740	9,752	9,780
Total water collections annually (including P&I)	\$ 6,373,484	\$ 5,729,395	\$ 5,767,277	\$ 5,337,028
Payments for bulk water purchases	\$ 90,154	\$ 51,684	\$ 79,604	\$ 31,371
Wastewater Department				
	2020			
Wastewater rates per 1st 300 Cu. ft. of water used (inside City rate)	n/a	\$ 3.74	\$ 3.74	\$ 3.67
Wastewater rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 4.20	\$ 4.06	\$ 4.06	\$ 3.99
Total flow of wastewater treatment plant (billions of gallons)	1.71	1.60	1.72	1.46
Average daily flow (millions of gallons per day)	4.70	4.40	4.80	4.00
Tons of dry sludge removed	912	1,884	1,977	1,294

Source: Various City of Alliance departments.

Notes: (1) Beginning in 2017, this figure includes direct deposit checks.
(2) The Alliance Community Hospital ceased its birth center operations in 2016.

	2016	2015	2014	2013	2012	2011
\$	760	\$ -	\$ 1,115	\$ 1,470	\$ 3,050	\$ 4,750
\$	-	\$ -	\$ -	\$ -	\$ 975	\$ -
\$	23,055	\$ 18,920	\$ 30,565	\$ 8,160	\$ 8,110	\$ 17,822
\$	11,463	\$ 11,284	\$ 12,343	\$ 10,962	\$ 15,660	\$ 10,697
\$	42,886	\$ 33,643	\$ 34,976	\$ 32,077	\$ 31,213	\$ 35,985
\$	78,163	\$ 63,847	\$ 78,999	\$ 52,669	\$ 59,008	\$ 69,254
	7,974	6,828	8,095	6,887	7,571	n/a
\$	859,771	\$ 863,604	\$ 836,118	\$ 748,953	\$ 792,115	n/a
	559	583	730	579	601	n/a
	7.00%	8.54%	9.02%	8.41%	7.93	n/a
	8,677	8,677	8,677	8,677	8,677	8,677
	8,600	8,600	8,600	8,600	8,600	8,600
	0.077	0.077	0.077	0.077	0.077	0.077
	106.462	106.462	106.462	106.462	106.462	106.462
	79.343	79.343	79.343	79.343	79.343	79.343
	27.119	27.119	27.119	27.119	27.119	27.119
	735	735	735	735	735	735
	3,305	5,120	3,695	3,095	2,635	2,290
	3	-	-	37	-	-
	462	640	932	1,065	1,092	950
	213	623	485	378	650	633
	2,845	3,840	3,453	3,785	3,697	4,350
	3,012	3,915	3,820	4,865	3,735	4,980
	714	882	834	748	794	825
	2,300	2,742	2,990	2,603	2,407	4,229
\$	90,137	\$ 153,970	\$ 82,209	\$ 96,658	\$ 123,530	\$ 218,217
	51	84	86	100	115	86
	14	57	75	54	84	47
	21,005	21,490	18,391	19,055	18,284	17,615
	1,101	1,359	1,280	1,455	-	1,304
	101	193	89	171	376	241
	1,445	1,474	1,481	1,041	1,689	1,597
	1,782	1,165	943	1,295	1,025	1,160
\$	5.99	\$ 5.82	\$ 5.65	\$ 5.65	\$ 5.28	\$ 4.93
\$	10.49	\$ 10.18	\$ 9.89	\$ 9.89	\$ 9.24	\$ 8.63
	9,703	9,640	9,846	9,850	9,889	9,813
\$	5,400,479	\$ 5,175,035	\$ 5,014,397	\$ 5,091,119	\$ 4,900,519	\$ 4,316,764
\$	47,276	\$ 29,615	\$ 20,394	\$ 27,752	\$ 29,638	\$ 36,271
\$	3.46	\$ 3.36	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.44
\$	3.76	\$ 3.65	\$ 3.48	\$ 3.48	\$ 3.48	\$ 3.89
	1.42	1.90	1.93	1.10	1.10	1.71
	3.90	5.20	5.30	3.00	3.00	4.68
	730	840	993	960	1,111	669

CITY OF ALLIANCE, OHIO

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Square footage occupied	57,231	57,231	57,231	57,231	57,231	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	43	43	43	43	43	42	45	45	36	33
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	10	10	10	10	10	11	10
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	39	39	39	39	39	39	39	38	38
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	2020		2019		2018		2017		2016		2015		2014	2013	2012	2011
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT				
General Government																
Mayor	4.00	3.00	4.00	3.00	4.00	1.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	4.00	4.00	4.00
Auditor	4.50	0.00	4.50	0.00	3.50	0.00	4.50	0.00	4.50	0.00	4.50	0.00	4.50	4.50	4.50	4.50
Law Director	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	4.00	4.50	3.50	4.50
Council	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	4.50	4.50	4.50	4.50
Judge	6.00	3.00	6.00	3.00	6.00	1.50	6.00	2.00	6.00	2.00	5.00	2.00	6.50	5.50	5.50	5.50
Clerk of Courts	8.00	0.00	8.00	0.00	8.00	0.00	7.00	1.00	7.00	1.00	7.00	1.00	7.50	6.50	6.50	6.00
Civil Service	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	2.00	2.00	2.00	2.00
Engineering	4.00	3.00	4.00	3.00	4.00	0.50	6.00	3.00	6.00	3.00	6.00	1.50	8.00	6.50	6.50	7.00
City Hall Maintenance	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00
Income Tax	3.00	0.00	3.00	0.00	2.50	1.00	2.50	1.00	2.50	1.00	3.50	0.00	3.50	3.50	3.50	3.50
Treasurer	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.50	0.50	0.50	0.50
Senior Center & Agency on Aging	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	1.00	1.00	1.50
Security of Persons and Property																
Police	37.00	0.00	37.00	3.00	37.00	3.00	37.00	3.00	40.00	3.00	40.00	3.00	41.00	43.00	43.00	43.00
Police - auxiliary/guards	0.00	17.00	0.00	17.00	0.00	17.00	0.00	17.00	0.00	17.00	0.00	20.00	11.00	10.00	11.00	10.00
Police - dispatchers/office/other	12.00	4.00	12.00	4.00	12.00	5.00	12.00	5.00	12.00	5.00	13.00	5.00	14.50	14.00	14.50	14.00
Fire	32.00	1.00	33.00	0.00	32.00	0.00	26.00	0.00	28.00	0.00	28.00	0.00	31.00	31.00	31.00	31.00
Public Health Services																
Health	9.00	5.00	9.00	5.00	9.00	2.00	9.00	5.00	9.00	5.00	9.00	2.00	12.50	12.50	13.00	12.50
Cemetery	1.00	0.00	1.00	6.00	1.00	6.00	1.00	7.00	1.00	7.00	1.00	2.00	3.00	3.00	3.50	4.00
Leisure Time Activities																
Parks and recreation	5.00	12.00	5.00	13.00	5.00	14.00	5.00	25.00	5.00	25.00	5.00	4.50	23.00	21.00	21.50	24.50
Litter	0.00	0.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	0.50	0.50	0.50	0.50	1.00
Community Development																
Building (CDBG)	5.00	0.00	5.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	3.00	0.00	4.00	4.00	4.00	3.00
Transportation																
Street maintenance & repair	11.00	7.00	11.00	6.00	11.00	3.00	11.00	1.00	11.00	1.00	12.00	0.00	12.00	11.00	11.00	13.50
Basic Utility Services																
Sewer	23.00	6.00	24.00	7.00	24.00	5.00	23.00	0.25	23.00	0.25	28.00	0.00	28.50	29.00	29.00	29.00
Water	25.00	0.00	25.00	0.00	26.00	0.50	23.00	0.25	23.00	0.25	23.00	0.00	25.50	25.00	25.50	24.00
Billing and collection	5.00	3.00	5.00	3.00	5.00	2.00	8.00	0.00	8.00	0.00	6.00	0.00	5.50	5.50	5.50	8.00
Total	198.50	85.00	200.50	95.00	198.00	83.50	193.00	92.50	198.00	92.50	202.00	62.50	260.00	254.50	257.00	263.00

Source: City Payroll Department W-2 Audit Listing.

Note: In 2015, the City began accounting for full-time employees (FT) and part-time employees (PT) separately.

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CITY OF ALLIANCE
STARK COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

**CITY OF ALLIANCE
STARK COUNTY, OHIO**

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CITY OF ALLIANCE
STARK COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	FEDERAL CFDA NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through City of Canton Health Department</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	07620011WA1320	10.557	\$ -	\$ 96,895
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	07620011WA1421	10.557	-	27,872
Total Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)			-	124,767
Total U.S. Department of Agriculture			-	124,767
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct</i>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	B-17-MC-39-0031	14.218	21,462	91,932
Community Development Block Grants/Entitlement Grants	B-18-MC-39-0031	14.218	-	161,751
Community Development Block Grants/Entitlement Grants	B-19-MC-39-0031	14.218	59,217	253,451
Community Development Block Grants/Entitlement Grants	B-20-MC-39-0031	14.218	18,701	56,578
COVID-19 - Community Development Block Grants/Entitlement Grants	COVID-19 - B-20-MW-39-0031	14.218	187,685	208,724
Total CDBG - Entitlement Grants Cluster			287,065	772,436
Total U.S. Department of Housing and Urban Development			287,065	772,436
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through Ohio Department of Public Safety, Office of Criminal Justice Services</i>				
Edward Byrne Memorial Justice Assistance Grant Program	2017-JG-A02-6463F	16.738	-	4,635
<i>Direct</i>				
Equitable Sharing Program	OH0760100	16.922	-	30,648
Total U.S. Department of Justice			-	35,283
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation</i>				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction				
STA SR 0183 17.66 (Lighting)	PID 108551	20.205	-	871,000
Total Highway Planning and Construction Cluster			-	871,000
Total U.S. Department of Transportation			-	871,000
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through Ohio Office of Budget and Management</i>				
COVID-19 - Coronavirus Relief Fund	COVID-19 - HB481-CRF-Local	21.019	20,000	1,356,078
<i>Passed Through Stark County Commissioner's Office</i>				
COVID-19 - Coronavirus Relief Fund	COVID-19	21.019	-	58,954
<i>Passed Through Stark County Combined General Health District</i>				
COVID-19 - Coronavirus Relief Fund - FY20 Contact Tracing Grant	COVID-19 - 07610012CT0120	21.019	-	75,088
COVID-19 - Coronavirus Relief Fund - FY21 Coronavirus Response Supplemental Grant	COVID-19 - 07610012CO0121	21.019	-	46,643
Total Coronavirus Relief Fund			20,000	1,536,763
Total U.S. Department of Treasury			20,000	1,536,763

(Continued)

CITY OF ALLIANCE
STARK COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	FEDERAL CFDA NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through City of Canton Health Department</i>				
Immunization Cooperative Agreements	07620012GV0220	93.268	-	9,887
Immunization Cooperative Agreements	07620012GV0321	93.268	-	9,005
Total Immunization Cooperative Agreements			-	18,892
<i>Passed Through Stark County Combined General Health District</i>				
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - FY21 Contact Tracing Supplemental Grant	COVID-19 - 07610012CT0121	93.323	-	15,061
COVID-19 - Public Health Crisis Response - FY20 Coronavirus Response Grant	COVID-19 - 07610012CO0120	93.354	-	28,433
<i>Passed Through City of Canton Health Department</i>				
HIV Prevention Activities - Health Department Based	07620012HP1320	93.940	-	7,802
<i>Passed Through Stark County Combined General Health District</i>				
Preventive Health and Health Services Block Grant	07610014IC0220	93.991	-	2,475
Preventive Health and Health Services Block Grant	07610014IC0321	93.991	-	250
Total Preventive Health and Health Services Block Grant			-	2,725
<i>Passed Through City of Canton Health Department</i>				
Maternal and Child Health Services Block Grant to the States	07620011OE0220	93.994	-	8,744
Total U.S. Department of Health and Human Services			-	81,657
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct</i>				
Assistance to Firefighters Grant Program	EMW-2017-FO-06307	97.044	-	41,250
Assistance to Firefighters Grant Program	EMW-2018-FO-03446	97.044	-	46,384
COVID-19 - Assistance to Firefighters Grant Program - Supplemental	COVID-19 - EMW-2020-FG-00932	97.044	-	50,354
Total Assistance to Firefighters Grant Program			-	137,988
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	EMW-2017-FH-00447	97.083	-	188,592
Total U.S. Department of Homeland Security			-	326,580
Total Expenditures of Federal Awards			\$ 307,065	\$ 3,748,486

The accompanying notes are an integral part of this schedule.

**CITY OF ALLIANCE
STARK COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2020. 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 position, or cash flows of the City. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

The City passes certain federal awards received from U.S. Department of Housing and Urban Development and the Ohio Office of Budget and Management to other governments or not-for-profit agencies (subrecipients). As Note 1 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 4 – 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.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

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

To the Members of Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements, and have issued our report thereon dated July 30, 2021, wherein we noted as described in Note 3 to the financial statements, the City of Alliance adopted Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Furthermore, as described in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City of Alliance.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Alliance's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Alliance's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as item 2020-001 that we consider to be a significant deficiency.

City of Alliance

Stark County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Page 2

Compliance and Other Matters

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

City of Alliance's Response to Finding

The City of Alliance's response to the finding identified in our audit is described in the accompanying corrective action plan. The City of Alliance's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

July 30, 2021

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

To the Members of Council and Mayor:

Report on Compliance for Each Major Federal Program

We have audited the City of Alliance's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Alliance's major federal programs for the year ended December 31, 2020. The City of Alliance's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Alliance's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City of Alliance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Alliance's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Alliance's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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 audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements. We issued our report thereon dated July 30, 2021, which contained unmodified opinions on those financial statements. Our opinion also explained that the City of Alliance adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* during the year. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.
July 30, 2021

**CITY OF ALLIANCE
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	<ul style="list-style-type: none"> • COVID-19 – Coronavirus Relief Fund – CFDA #21.019 • Highway Planning and Construction Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

**CITY OF ALLIANCE
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2020-001

Significant Deficiency - Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the City, this could also include reviewing the year-end system reports to ensure activity is reported in the correct line items and fund balances are properly classified.

Adjustments were made to the financial statements to properly record significant transactions during the audit period.

City of Alliance

- An adjustment was necessary to decrease operating revenues-other revenues in the amount of \$458,647 and increase operating revenues-charges for services in the amount of \$458,647, on the Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds, for the Governmental Activities-Internal Service Fund. Additionally, the corresponding items on the Statement of Cash Flows-Proprietary Funds have been updated to reflect this adjustment.

Alliance City Health Department

- An adjustment was necessary to increase intergovernmental receivables in the amount of \$76,902, on the Statement of Net Position, and to increase the corresponding program revenues-operating grants and contributions on the Statement of Activities, in the amount of \$76,902, for the Discretely Presented Component Unit-Alliance City Health Department.
- An adjustment was necessary to decrease program revenues-charges for services and sales in the amount of \$145,138 and increase program revenues-operating grants and contributions in the amount of \$145,138, on the Statement of Activities, for the Discretely Presented Component Unit-Alliance City Health Department.

The financial statements and related notes have been adjusted to properly report the activity.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the City's activity.

We recommend the City implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the basic financial statements prior to filing them in the Hinkle system.

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS
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None.



The City of

Alliance, OHIO, 44601-2415

"The Carnation City"

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CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

DECEMBER 31, 2020

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	The City will implement a more detailed review of draft statements by the Auditor and Deputy Auditor in conjunction with our GAAP preparer to aid in the financial statement presentation.	2021	Kevin Knowles, City Auditor

OHIO AUDITOR OF STATE KEITH FABER



CITY OF ALLIANCE

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/19/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov