

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

*SUPPLEMENTAL REPORTS*

FOR THE YEAR ENDED  
DECEMBER 31, 2018



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of 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, 2018 through December 31, 2018. 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 cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 17, 2019

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**CITY OF ALLAINCE  
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, 2018**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program / Cluster Title	Pass Through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through City of Canton Health Department</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	76-2-011-WA1118	10.557	\$ -	\$ 115,755
<b>Total U.S. Department of Agriculture</b>			-	115,755
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Direct</i>				
<b>CDBG - Entitlement Grants Cluster:</b>				
Community Development Block Grants/Entitlement Grants	N/A	14.218	228,720	600,799
<b>Total CDBG - Entitlement Grants Cluster</b>			228,720	600,799
<b>Total U.S. Department of Housing and Urban Development</b>			228,720	600,799
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Direct</i>				
Bulletproof Vest Partnership Program	N/A	16.607	-	1,493
<i>Passed Through Ohio Office of Criminal Justice Services</i>				
Edward Byrne Memorial Justice Assistance Grant Program	2017-JG-LIE-5963	16.738	-	4,215
<b>Total U.S. Department of Justice</b>			-	5,708
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through City of Canton Health Department</i>				
Immunization Cooperative Agreements	76-2-001-2-GV0119	93.268	-	18,718
HIV Prevention Activities - Health Department Based	76-2-001-2-HP1118	93.940	-	18,120
<b>Total U.S. Department of Health and Human Services</b>			-	36,838
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Direct</i>				
Assistance to Firefighters Grants	N/A	97.044	-	53,460
<b>Total U.S. Department of Homeland Security</b>			-	53,460
<b>Total</b>			<b>\$ 228,720</b>	<b>\$ 812,560</b>

*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, 2018**

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Alliance (the "City") under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C - SUBRECIPIENTS**

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

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

**NOTE D - 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.





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2018, 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 date July 30, 2019, wherein we noted as discussed in Note 3, the City of Alliance adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

***Compliance and Other Matters***

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

***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 schedule of findings and corrective action plan. We did not subject the City of Alliance's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



Julian & Grube, Inc.  
July 30, 2019



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance with Requirements Applicable to  
The Major Federal Program and on Internal Control Over Compliance and 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 the Major Federal Program***

We have audited the City of Alliance's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Alliance's major federal program for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Alliance's major federal program.

***Management's Responsibility***

The City of Alliance's Management is responsible for complying 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 opine on the City of Alliance's compliance for the City of Alliance's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Alliance's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the City of Alliance complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2018.

***Report on Internal Control Over Compliance***

The City of Alliance's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Alliance's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Alliance as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements. We issued our unmodified report thereon dated July 30, 2019. Our opinion also explained that the City of Alliance adopted Governmental Accounting Standard No. 75 during the year. We conducted our audit to opine on the City of Alliance's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
July 30, 2019

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2018**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<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>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<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 Program (listed):</i>	CDBG – Entitlement Grants 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>	Yes

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2018**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2018-001

Material Weakness - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

Certain adjustments were made to the financial statements and related note disclosures to properly state the components of net position.

The audited financial statements and note disclosures have been adjusted for the misstatements identified during the audit.

Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made.

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.

<b>3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS</b>
--

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, 2018**

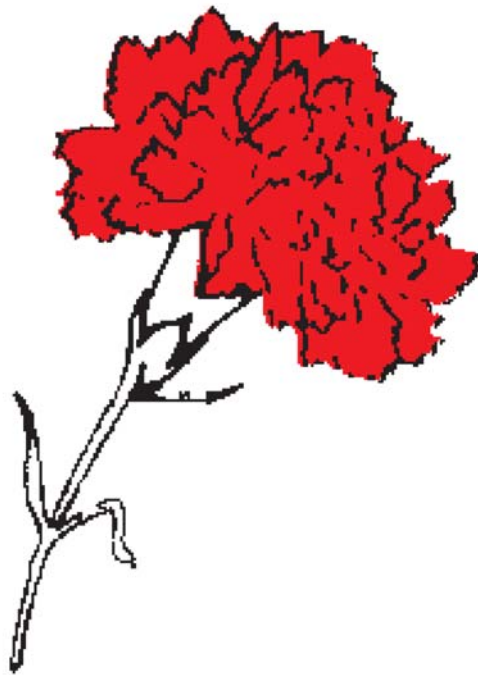
<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2018-001	The City will implement a more detailed review of draft statements by the Auditor and Deputy Auditor in conjunction with our GAAP preparer to aid in the financial statement presentation.	2019	Kevin Knowles, City Auditor

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# **City of Alliance, Ohio**

“The Carnation City”



## **Comprehensive Annual Financial Report**

For the Year Ended December 31, 2018



**CITY OF ALLIANCE, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018**

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The City of

**Alliance,** OHIO, 44601-2415

"The Carnation City"

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KEVIN KNOWLES

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July 30, 2019

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

#### Transmittal Letter

The Comprehensive Annual Financial Report (CAFR) of the City of Alliance, Ohio (the "City") is hereby presented. This CAFR represents the official report of the City of Alliance's operations and financial position for the year ended December 31, 2018, and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

#### **Reporting Entity**

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

## **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 128<sup>th</sup> 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 2018 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.

### **Financial Outlook**

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

### **Long-Term Financial Planning**

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

### **Demolitions through Neighborhood Initiative Program (NIP)**

The City of Alliance demolished 57 structures through grant funds to address blighted homes throughout the community. Program included: acquisition, asbestos survey and abatement, demolition, grading & greening, tree removal, and sidewalk replacement. The program was led by Michelle Cutler and Randall Flint of the City of Alliance.

### **Sludge Dewatering**

Construction was completed on a sludge dewatering facility. The facility dewateres the bio solids that are produced as a result of the wastewater treatment process. These recycled bio solids have beneficial use as a fertilizer and dewatering assists in reducing the weight and cost of removing this material. Funding was supplied through the EPA Water Pollution Control Fund and the final cost is being tallied.

### **Water - Sewer Rates**

The City increased water rates by 3% and sewer rates by 3%. The City's is required to meet the rate covenant of the trust indenture made by the City for the series 2008 water works system revenue refunding bonds (these bonds were sold to refund and retire the series 1990, 1991 and 1998 waterworks bonds) to provide adequate funds to operate and maintain, perform replacements and capital improvements, and to make timely payments on debt service. The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving projects, and general infrastructure improvements.

### **Park Levy Passed**

Alliance voters passed a 3.0 mill Parks and Recreation property tax levy in 2018. The levy is for 5 years and will generate an estimated \$865,000 annually to support the Parks operating and capital needs. The City will begin collecting in 2019 and Park expenses will be removed from the City's general fund.

### **City of Alliance recognized for Excellence in Financial Reporting**

The Government Finance Officers Association (GFOA) recognized the city of Alliance for its 2017 Comprehensive Annual Financial Report (CAFR). The city's CAFR 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 CAFR.

### **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 will continue to be upgraded. Improvements include 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).

### **City of Alliance/Marlington Schools Waterline**

The City of Alliance is working cooperatively to extend water services to the Marlinton Local School District. The project will be completed in 3 phases and includes an EPA loan to the City which will be repaid on a pro-rated basis by Alliance and Marlinton. The City will contribute labor and materials for a portion of this project.

### **SAFER Grant**

In 2018 the City was awarded 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.

### **State Street Corridor Rehabilitation**

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

### **Paving Program**

Main Street from Bonneview to Union Avenue (SR183) will be paved and ADA curb ramps will be installed. The project will be funded through SCATS grants, Municipal Road Grants, and a small City contribution.

## **Demolitions**

The City of Alliance anticipates demolishing as many as 21 structures in 2019 through the Neighborhood Initiative Program (NIP). Some additional funding will be provided through the Community Development Block Grant program, a Federal Housing and Urban Development grant program which provides funding to jurisdictions in order to serve the low-moderate income residents within the city.

## **23<sup>rd</sup> Street Water Tower**

The exterior of the tower will be coated between April and September 2019. All towers will be part of a regular maintenance schedule as part of the agreement signed in 2018, with Carnation Mall exterior coating to be done in 2020.

## **Enhanced City website**

The City will roll out an enhanced website in 2019. The site will provide 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](http://www.cityofalliance.com).

## **Water Line Extension to Smith Township**

The City of Alliance will finish extending water service to nearby Smith Township. This project will begin to supply water to a commercial area east of the city along Oyster Rd. and help facilitate new commercial development. The cost is estimated at \$250,000.

## **Iron Horse Trail**

The City of Alliance will be finishing linking the Iron Horse Bike trail through the center of town. The City has partnered cooperatively with representatives from Stark Parks and will complete the remainder with an ODNR grant in 2019.

## **Contract Negotiations**

The City has completed negotiations with 12 out of 13 bargaining units. The City of Alliance expects to wrap up contract negotiations with the last contract in 2019, the IAFF480 Firefighters.

## **Financial Information**

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

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



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

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

### **Internal Accounting and Reporting Control**

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

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

### **Awards**

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Alliance, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2017. 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 nineteen consecutive years (1999-2017). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

### **Independent Audit**

The financial records, books of accounts and transactions of the City of Alliance, Ohio, for the year ended December 31, 2018 have been audited by Julian & Grube, Inc. The Auditor's opinion has been included in this report.

## **Acknowledgments**

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

Also, the City would like to express its appreciation to Julian & Grube, 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, 2018

Mayor	Alan Andreani
President of Council	Art Garnes
Councilman - Ward I	Sheila K. Cherry
Councilman - Ward II	Cindy King
Councilman - Ward III	Frank Minear
Councilman - Ward IV	Jim Edwards
Council-at-Large	Andrew Grove
Council-at-Large	Brian Simeone
Council-at-Large	Roger Rhome
Clerk of Council	Gerald T. Yost
Law Director	Jennifer Arnold
Judge	Andrew Zumbar
Clerk of Court	Mary Anne Carper
Civil Service	Joyce Lamb, W. John Gross, Renee Young

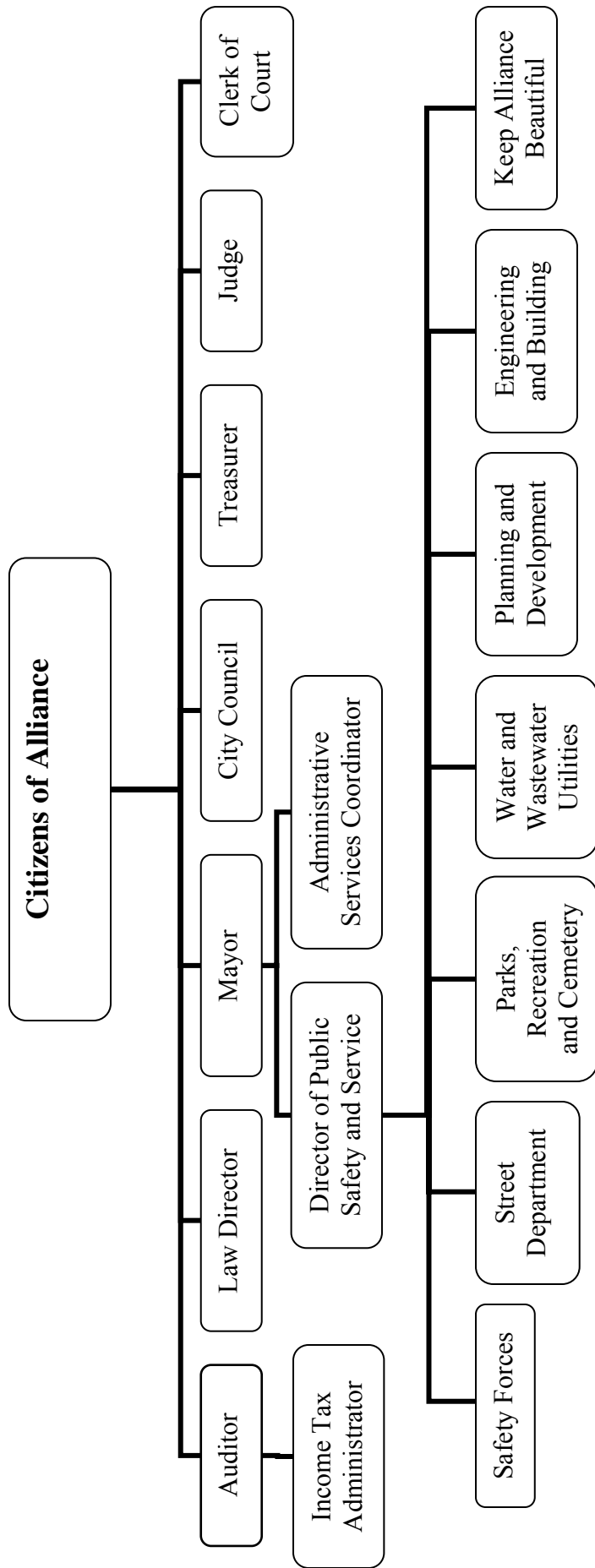
### Finance

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	Joe Amabeli
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, 2017**

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL SECTION

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**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, 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, 2018, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City 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 to the extent needed to opine 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 management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Revolving Loan funds, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2018, the City of Alliance adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2019, on our consideration of the City of Alliance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alliance's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
July 30, 2019

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## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The management's discussion and analysis of the City of Alliance's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. 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 2018 are as follows:

- The total net position of the City decreased \$468,446. Net position of governmental activities decreased \$1,807,815 or 103.95% from 2017's restated net position and net position of business-type activities increased \$1,339,369 or 5.39% over 2017's restated net position.
- General revenues accounted for \$12,490,745 or 69.26% of total governmental activities revenue. Program specific revenues accounted for \$5,543,213 or 30.74% of total governmental activities revenue.
- The City had \$19,841,773 in expenses related to governmental activities; \$5,543,213 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$14,298,560 were partially offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,490,745.
- The general fund had revenues and other financing sources of \$13,386,322 in 2018. This represents an increase of \$1,089,896 from 2017. The expenditures and other financing uses of the general fund, which totaled \$12,856,022 in 2018, increased \$404,330 from 2017. The net increase in fund balance for the general fund was \$530,300 or 42.89%, from \$1,236,345 in 2017 to \$1,766,645 in 2018.
- The revolving loan major fund had \$1,080,229 in revenues and \$694,931 in expenditures in 2018. The fund balance for the revolving loan fund increased \$385,298 or 13.54%, from \$2,846,210 in 2017 to \$3,231,508 in 2018.
- Net position for the business-type activities, which are made up of the water, sewer, Robertson Community Center, and community improvement funds, increased \$1,339,369 from a restated net position balance of \$24,866,182 in 2017 to a net position balance of \$26,205,551 in 2018.
- The water fund had \$5,692,737 in operating revenues and \$4,774,400 in operating expenses in 2018. The water fund also had non-operating revenues of \$473,349, non-operating expenses of \$296,222 and transfers out of \$154,969. The net position of the water fund increased \$940,495 or 7.94%.
- The sewer fund had \$4,964,122 in operating revenues and \$5,013,873 in operating expenses in 2018. The sewer fund also had non-operating revenues of \$90,644, transfers in of \$154,969, capital contributions of \$269,500, and non-operating expenses of \$83,177. The net position of the sewer fund increased \$382,185 or 3.05%.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

#### **Using this Comprehensive Annual Financial Report**

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

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

#### **Reporting the City as a Whole**

##### *Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" 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 43-45 of this report.

#### **Reporting the City's Most Significant Funds**

##### *Fund Financial Statements*

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

## **CITY OF ALLIANCE, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)**

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 31.

#### ***Governmental Funds***

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund, and the revolving loan fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 46-49 of this report, budgetary comparison for the general fund and the revolving loan fund (a major special revenue fund) can be found on pages 50-55 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 56-60 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has two agency funds to account for segregated cash for the municipal court and monies received from cable franchise fees. The statement of fiduciary assets and liabilities can be found on page 61 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 63-120 of this report.

**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
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***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 122-134 of this report.

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2018 compared to December 31, 2017. The net position at December 31, 2017 has been restated as described in Note 3.

**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
<b><u>Assets</u></b>						
Current assets	\$ 13,983,302	\$ 12,006,526	\$ 14,057,375	\$ 13,599,552	\$ 28,040,677	\$ 25,606,078
Capital assets, net	18,379,403	19,334,025	30,140,148	28,220,226	48,519,551	47,554,251
Total assets	32,362,705	31,340,551	44,197,523	41,819,778	76,560,228	73,160,329
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	-	-	224,659	344,476	224,659	344,476
Pensions	2,709,599	4,600,730	155,137	1,808,127	2,864,736	6,408,857
OPEB	1,323,576	58,616	771,984	27,632	2,095,560	86,248
Total deferred outflows of resources	4,033,175	4,659,346	1,151,780	2,180,235	5,184,955	6,839,581
<b><u>Liabilities</u></b>						
Current liabilities	1,316,705	1,241,213	599,486	349,102	1,916,191	1,590,315
Long-term liabilities:						
Due within one year	857,894	839,124	1,927,756	1,710,494	2,785,650	2,549,618
Net pension liability	16,221,066	19,392,288	3,037,933	4,661,813	19,258,999	24,054,101
Net OPEB liability	13,981,415	12,547,464	2,071,595	2,055,519	16,053,010	14,602,983
Other amounts	2,467,277	2,432,881	10,391,015	10,292,093	12,858,292	12,724,974
Total liabilities	34,844,357	36,452,970	18,027,785	19,069,021	52,872,142	55,521,991
<b><u>Deferred inflows of resources</u></b>						
Property taxes	1,756,528	874,079	-	-	1,756,528	874,079
Pension	2,310,196	412,000	873,154	64,810	3,183,350	476,810
OPEB	1,031,766	-	242,813	-	1,274,579	-
Total deferred inflows of resources	5,098,490	1,286,079	1,115,967	64,810	6,214,457	1,350,889
<b><u>Net Position</u></b>						
Net investment in capital assets	17,926,582	18,803,807	18,528,115	17,053,900	36,454,697	35,857,707
Restricted	4,964,884	4,661,709	1,471,659	1,572,040	6,436,543	6,233,749
Unrestricted (deficit)	(26,438,433)	(25,204,668)	6,205,777	6,240,242	(20,232,656)	(18,964,426)
Total net position (deficit)	\$ (3,546,967)	\$ (1,739,152)	\$ 26,205,551	\$ 24,866,182	\$ 22,658,584	\$ 23,127,030



## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District'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.

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 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 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.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

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 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. This implementation also had the effect of restating net position at December 31, 2017, from \$10,749,696 to (\$1,739,152) for governmental activities and \$26,894,069 to \$24,866,182 for business-type activities.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2018, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$22,658,584. At year-end, net position for governmental activities was a deficit of \$3,546,967 and net position for business-type activities was a balance of \$26,205,551.

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, 2018 of \$25,930,638 for governmental activities and \$31,479,085 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 and increased property taxes receivable as a result of the new parks levy. The increase in property taxes receivable is offset by a similar increase in deferred inflows since the taxes are levied to finance the subsequent year. Net capital assets decreased as depreciation expense exceeded current year additions. Current liabilities increased due to higher accruals for wages and benefits and other accounts payable.

The business-type activities also had higher cash balances at year-end leading to an increase in current assets. The increase in net capital assets is primarily due to the completion of a sludge dewatering facility in 2018. As with the governmental activities, current liabilities for the business-type activities increased due to higher accruals for wages and benefits and other accounts and also contracts payable. Long-term liabilities (other than pension and OPEB) increased as the sewer and water fund entered into additional OPWC and OWDA loans to finance various construction projects.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2018, capital assets represented 63.37% 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, 2018, was \$17,926,582 and \$18,528,115 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, \$4,964,884, 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 \$26,438,433.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The table below shows the changes in net position for 2017 and 2018. The net position at December 31, 2017 has been restated as described in Note 3.

**Change in Net Position**

	Governmental Activities 2018	Restated Governmental Activities 2017	Business-type Activities 2018	Restated Business-type Activities 2017	Total 2018	Restated Total 2017
<b>Revenues:</b>						
Program revenues:						
Charges for services and sales	\$ 2,155,001	\$ 1,534,095	\$ 11,960,765	\$ 10,000,342	\$ 14,115,766	\$ 11,534,437
Operating grants and contributions	3,154,892	2,603,393	-	-	3,154,892	2,603,393
Capital grants and contributions	233,320	672,375	269,500	675,292	502,820	1,347,667
Total program revenues	<u>5,543,213</u>	<u>4,809,863</u>	<u>12,230,265</u>	<u>10,675,634</u>	<u>17,773,478</u>	<u>15,485,497</u>
General revenues:						
Property taxes	1,057,126	934,726	-	-	1,057,126	934,726
Income taxes	10,366,624	9,728,707	405,720	380,242	10,772,344	10,108,949
Unrestricted grants	659,829	547,218	-	-	659,829	547,218
Interest	26,599	23,077	158,273	128,274	184,872	151,351
Gain (loss) on fair value of investments	17,869	(68,725)	-	-	17,869	(68,725)
Miscellaneous	362,698	329,524	-	-	362,698	329,524
Total general revenues	<u>12,490,745</u>	<u>11,494,527</u>	<u>563,993</u>	<u>508,516</u>	<u>13,054,738</u>	<u>12,003,043</u>
Total revenues	<u>18,033,958</u>	<u>16,304,390</u>	<u>12,794,258</u>	<u>11,184,150</u>	<u>30,828,216</u>	<u>27,488,540</u>
<b>Expenses:</b>						
General government	3,617,085	3,688,938	-	-	3,617,085	3,688,938
Security of persons and property	10,483,887	9,688,773	-	-	10,483,887	9,688,773
Public health services	1,058,035	1,099,398	-	-	1,058,035	1,099,398
Transportation	2,295,904	2,411,821	-	-	2,295,904	2,411,821
Community environment	1,583,160	1,699,760	-	-	1,583,160	1,699,760
Basic utility services	47,541	65,837	-	-	47,541	65,837
Leisure time activities	739,664	777,138	-	-	739,664	777,138
Interest and fiscal charges	16,497	19,154	-	-	16,497	19,154
Water	-	-	5,060,457	4,721,033	5,060,457	4,721,033
Sewer	-	-	5,086,176	4,729,283	5,086,176	4,729,283
Robertson Community Center	-	-	65,137	80,802	65,137	80,802
Community Improvement	-	-	1,243,119	350,405	1,243,119	350,405
Total expenses	<u>19,841,773</u>	<u>19,450,819</u>	<u>11,454,889</u>	<u>9,881,523</u>	<u>31,296,662</u>	<u>29,332,342</u>
Change in net position	<u>(1,807,815)</u>	<u>(3,146,429)</u>	<u>1,339,369</u>	<u>1,302,627</u>	<u>(468,446)</u>	<u>(1,843,802)</u>
Net position at beginning year (restated)	<u>(1,739,152)</u>	<u>N/A</u>	<u>24,866,182</u>	<u>N/A</u>	<u>23,127,030</u>	<u>N/A</u>
Net position at end of year	<u>\$ (3,546,967)</u>	<u>\$ (1,739,152)</u>	<u>\$ 26,205,551</u>	<u>\$ 24,866,182</u>	<u>\$ 22,658,584</u>	<u>\$ 23,127,030</u>

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The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$86,248 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,361,466.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total 2018 program expenses under GASB 75	\$ 19,841,773	\$ 11,454,889
Less OPEB expense under GASB 75	(1,227,394)	(134,072)
Add 2018 contractually required contributions	<u>26,637</u>	<u>2,688</u>
Adjusted 2018 program expenses	18,641,016	11,323,505
Total 2017 program expenses under GASB 45	<u>19,450,819</u>	<u>9,881,523</u>
Increase (decrease) in program expenses not related to OPEB	<u>\$ (809,803)</u>	<u>\$ 1,441,982</u>

**Governmental Activities**

Governmental activities net position decreased \$1,807,815 in 2018.

Total revenues increased mostly as a result of an increase in charges for services, operating grants and contributions, and taxes revenue. The increase in charges for services is primarily due to fines and forfeitures from the Municipal Court and various licenses, permits and fees. Most of the increase in operating grants and contributions came from grants for the City's Neighborhood Improvement Program. Property taxes increased slightly due to collections on a new 3 mill parks levy which began in 2018. After falling off somewhat in 2017, income taxes revenue rebounded and ended 2018 slightly above 2016 levels due to higher collections on both individual and business taxes.

As the table above shows, total expenses not related to OPEB decreased slightly in 2018. This was mostly the result of a decrease in pension expense, which was \$2,086,649 in 2018 and \$2,923,190 in 2017.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$10,483,887 of the total expenses of the City. These expenses were partially funded by \$220,814 in direct charges to users of the services. General government expenses totaled \$3,617,085. General government expenses were partially funded by \$1,554,322 in direct charges to users of the services.

The State and federal government contributed to the City a total of \$3,154,892 in operating grants and contributions and \$233,320 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Capital grants and contributions in 2018 subsidized transportation and security of persons and property programs.

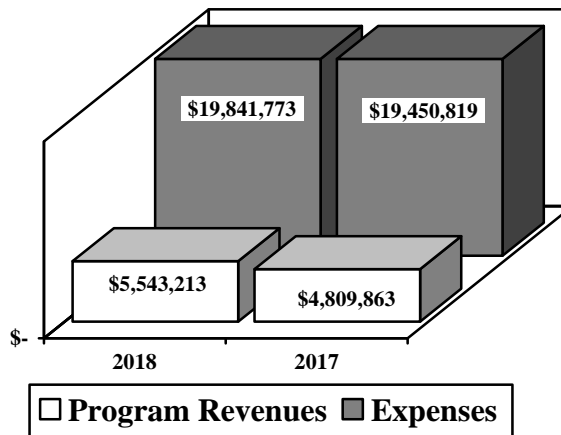
General revenues totaled \$12,490,745 and amounted to 69.26% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$11,423,750. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and homestead and rollback, making up \$659,829.

**CITY OF ALLIANCE, OHIO**

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

**Governmental Activities – Program Revenues vs. Total Expenses**



**Governmental Activities**

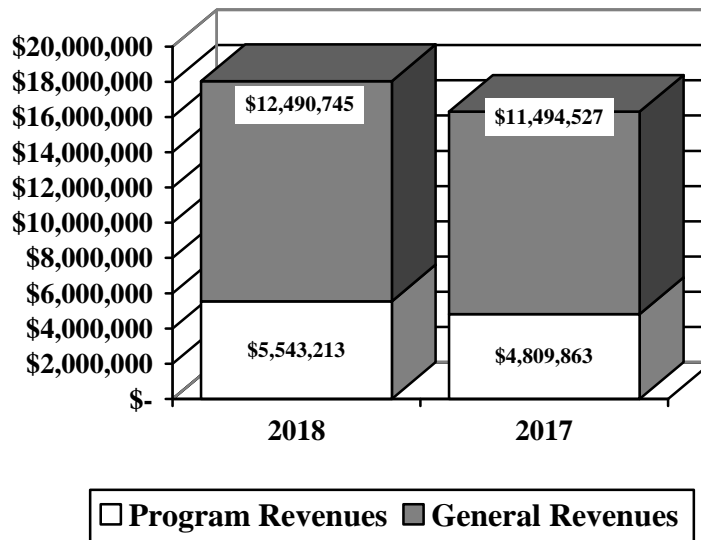
	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
<b>Program expenses:</b>				
General government	\$ 3,617,085	\$ 2,022,528	\$ 3,688,938	\$ 2,545,457
Security of persons and property	10,483,887	10,131,346	9,688,773	9,469,698
Public health services	1,058,035	712,070	1,099,398	793,522
Transportation	2,295,904	1,087,766	2,411,821	982,189
Community environment	1,583,160	(427,509)	1,699,760	320,523
Basic utility services	47,541	47,541	65,837	65,837
Leisure time activities	739,664	708,321	777,138	444,576
Interest and fiscal charges	16,497	16,497	19,154	19,154
<b>Total expenses</b>	<u>\$ 19,841,773</u>	<u>\$ 14,298,560</u>	<u>\$ 19,450,819</u>	<u>\$ 14,640,956</u>

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The dependence upon general revenues for governmental activities is apparent, with only 27.94% of expenses supported through program revenues. The graph below shows the City's general revenues and program revenues for 2017 and 2018.

**Governmental Activities – General and Program Revenues**

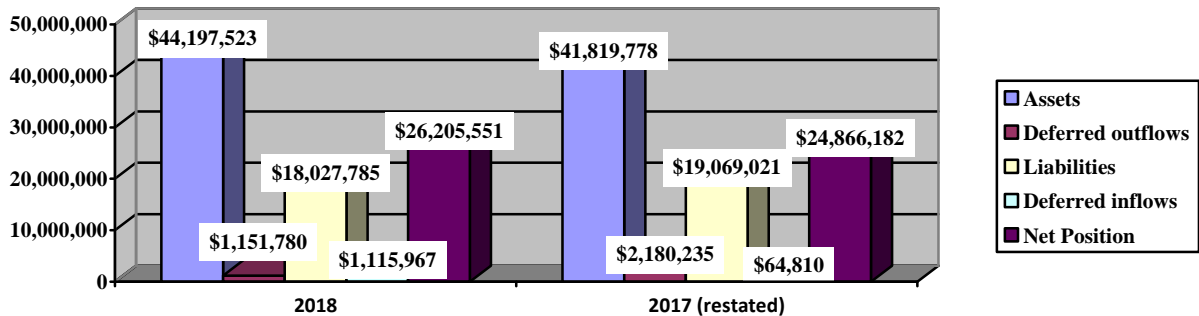


**Business-Type Activities**

Business-type activities include the water, sewer, community center, and community improvement enterprise funds. These programs had program revenues of \$12,230,265, general revenues of \$563,993 and expenses of \$11,454,889 for 2018.

The graph that follows shows the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at year-end. The net position at December 31, 2017 has been restated as described in Note 3.

**Net Position in Business - Type Activities**



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**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.

The City's governmental funds reported a combined fund balance of \$7,430,305 which is \$642,473 greater than last year's total of \$6,787,832. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2018 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/2018</u>	<u>Fund Balances</u> <u>12/31/2017</u>	<u>Change</u>
Major funds:			
General	\$ 1,766,645	\$ 1,236,345	\$ 530,300
Revolving loan	3,231,508	2,846,210	385,298
Other nonmajor governmental funds	<u>2,432,152</u>	<u>2,705,277</u>	<u>(273,125)</u>
Total	<u>\$ 7,430,305</u>	<u>\$ 6,787,832</u>	<u>\$ 642,473</u>

**General Fund**

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

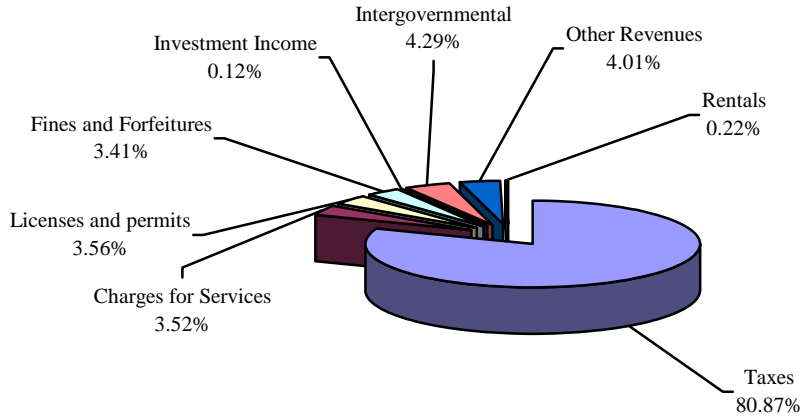
	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues:</b>				
Taxes	\$ 10,750,564	\$ 10,183,525	\$ 567,039	5.57 %
Charges for services	468,472	416,634	51,838	12.44 %
Licenses and permits	473,778	338,170	135,608	40.10 %
Fines and forfeitures	453,660	374,755	78,905	21.06 %
Investment income	16,088	20,511	(4,423)	(21.56) %
Intergovernmental	569,795	533,355	36,440	6.83 %
Rentals	29,486	36,586	(7,100)	(19.41) %
Other	<u>533,125</u>	<u>380,442</u>	<u>152,683</u>	40.13 %
Total	<u>\$ 13,294,968</u>	<u>\$ 12,283,978</u>	<u>\$ 1,010,990</u>	8.23 %

Revenues of the general fund increased \$1,010,990 or 8.23%. Taxes revenue consists of income taxes and property and other taxes, both of which increased in 2018 as discussed on page 28. Fines and forfeitures revenue increased \$78,905 or 21.06% due mainly to an increase in municipal court revenues. The increase of \$135,608 or 40.10% in licenses and permits is due mainly to an increase in building permits and bank foreclosure registration fees. Other revenues increased as a result of increased engineering and planning fees and cable franchise fees. The general fund also reported a gain on fair value of investments in 2018 after reporting a loss in 2017.

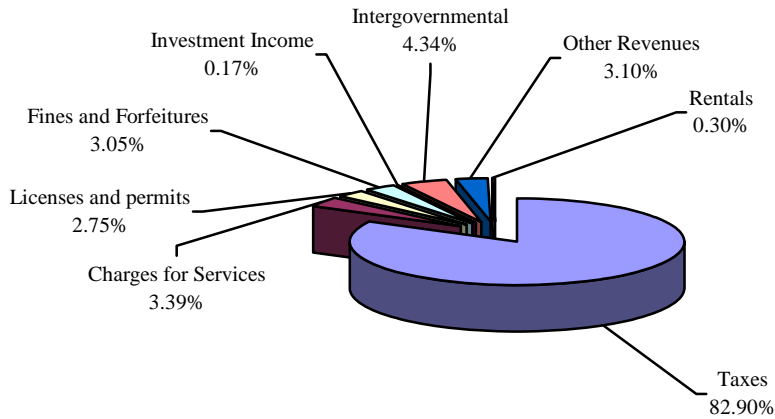
**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

**Revenues – 2018**



**Revenues –2017**





**CITY OF ALLIANCE, OHIO**

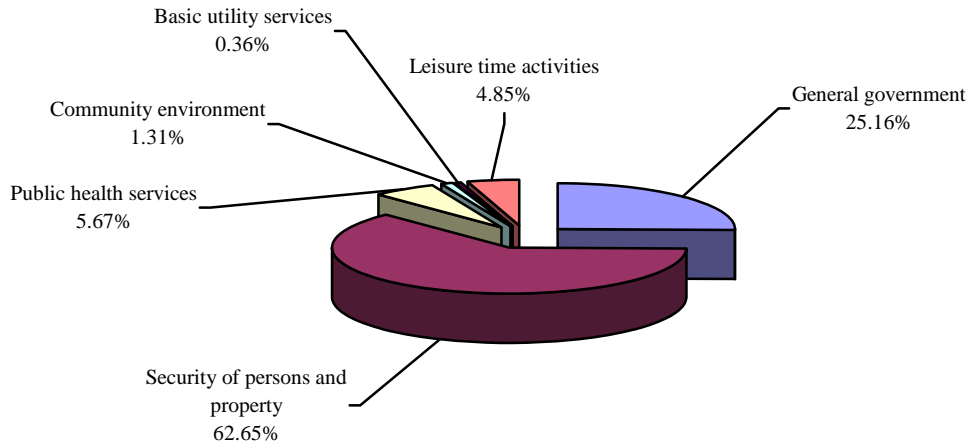
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

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

	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Expenditures:</b>				
General government	\$ 2,994,031	\$ 2,889,378	\$ 104,653	3.62 %
Security of persons and property	7,454,088	7,271,258	182,830	2.51 %
Public health services	675,087	648,068	27,019	4.17 %
Community environment	155,972	158,148	(2,176)	(1.38) %
Leisure time activities	576,601	587,521	(10,920)	(1.86) %
Basic utility services	<u>42,758</u>	<u>55,032</u>	<u>(12,274)</u>	<u>(22.30) %</u>
<b>Total</b>	<u><u>\$ 11,898,537</u></u>	<u><u>\$ 11,609,405</u></u>	<u><u>\$ 289,132</u></u>	<u><u>2.49 %</u></u>

Expenditures of the general fund increased \$289,132 or 2.49% which is primarily due to a slight increase in payroll expenditures, including costs for employee benefits.

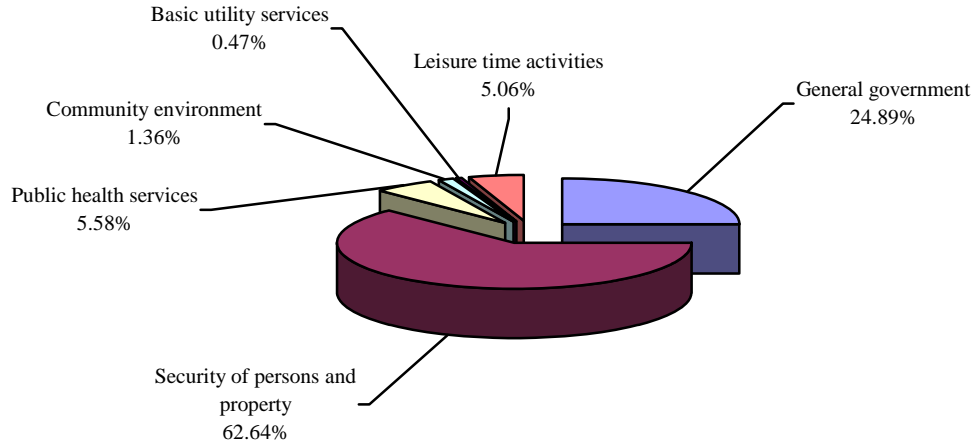
**Expenditures – 2018**



**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

**Expenditures – 2017**



***Revolving Loan Fund***

The revolving loan fund is reported as a major fund and had \$1,080,229 in revenues and \$694,931 in expenditures in 2018. Activity in this fund increased in 2018 as a result of the City’s expanding Neighborhood Initiative Program, which focuses on improving blighted neighborhoods. The City is reimbursed for a majority of the costs through State grants. The fund balance for the revolving loan fund increased \$385,298 or 13.54%, from \$2,846,210 in 2017 to \$3,231,508 in 2018.

**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 \$12,248,974 were less than the final budget amount of \$12,251,183. Actual expenditures and other financing uses of \$12,074,497 were lower than the final budget amount of \$12,376,964. The decrease of \$302,467 from final budgeted amounts to actual expenditures and other financing uses is due mainly to decreased spending for general government and security of persons and property. Budgeted expenditures and other financing uses were increased \$258,794 from the original to the final budget, mostly to account for additional transfers and advances to other funds. Budgeted revenues were increased \$905,580 from the original to the final budget in order to more closely reflect higher collections of income taxes and property taxes.

***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.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

The City's business-type funds (as presented on the statement of net position on pages 56-57) reported a combined net position of \$26,173,325, which is \$1,318,330 more than last year's restated total of \$24,854,995.

The schedule below indicates the net position and the total change in net position as of December 31, 2018 for all major and nonmajor business-type funds. The net position at December 31, 2017 has been restated as described in Note 3.

	<u>Net Position</u> <u>12/31/18</u>	<u>Restated</u> <u>Net Position</u> <u>12/31/17</u>	<u>Change</u>
Major funds:			
Water	\$ 12,783,196	\$ 11,842,701	\$ 940,495
Sewer	12,926,932	12,544,747	382,185
Nonmajor funds	<u>463,197</u>	<u>467,547</u>	<u>(4,350)</u>
Total	<u>\$ 26,173,325</u>	<u>\$ 24,854,995</u>	<u>\$ 1,318,330</u>

***Water***

The City's water fund increased \$940,495 or 7.94% during 2018 from a restated net position balance of \$11,842,701 in 2017 to \$12,783,196 in 2018.

	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Operating revenues</u></b>				
Charges for services	\$ 5,574,485	\$ 4,952,150	\$ 622,335	12.57 %
Other	<u>118,252</u>	<u>74,686</u>	<u>43,566</u>	58.33 %
Total operating revenues	<u>5,692,737</u>	<u>5,026,836</u>	<u>665,901</u>	13.25 %
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,441,272	1,330,928	110,344	8.29 %
Fringe benefits	767,053	821,321	(54,268)	(6.61) %
Contractual services	723,112	687,813	35,299	5.13 %
Materials and supplies	1,191,557	1,081,478	110,079	10.18 %
Depreciation	500,692	492,681	8,011	1.63 %
Other	<u>150,714</u>	<u>5,610</u>	<u>145,104</u>	2,586.52 %
Total operating expenses	<u>4,774,400</u>	<u>4,419,831</u>	<u>354,569</u>	8.02 %
<b><u>Other revenues (expenses)</u></b>				
Municipal income tax	405,720	380,242	25,478	6.70 %
Capital contributions	-	602,256	(602,256)	(100.00) %
Interest and fiscal charges	(296,222)	(312,898)	16,676	(5.33) %
Transfer out	(154,969)	-	(154,969)	(100.00) %
Investment income	<u>67,629</u>	<u>47,587</u>	<u>20,042</u>	42.12 %
Total other revenues (expenses)	<u>22,158</u>	<u>717,187</u>	<u>(695,029)</u>	(96.91) %

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

Operating revenues of the water fund increased \$665,901 or 13.25%. This increase is the result of an increase in water consumption during the year and an increase in water rates. Operating expenses increased \$354,569 or 8.02% due mainly to an increase in salaries and benefits, materials and supplies, and other expenses. Capital contributions in 2017 were primarily related to grants from the OWDA for the City's Marlinton-Alliance waterline project which were received in 2017. Transfers in 2018 consisted of capital asset purchases from the water fund that were transferred to the sewer fund.

***Sewer***

The City's sewer fund increased \$382,185 or 3.05% during 2018 from a restated net position balance of \$12,544,747 in 2017 to \$12,926,932 in 2018.

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>		<u>Change</u>
<b><u>Operating revenues</u></b>				
Charges for services	\$ 4,913,442	\$ 4,344,654	\$ 568,788	13.09 %
Licenses and permits	19,868	23,382	(3,514)	(15.03) %
Other	<u>30,812</u>	<u>30,678</u>	<u>134</u>	0.44 %
Total operating revenues	<u>4,964,122</u>	<u>4,398,714</u>	<u>565,408</u>	12.85 %
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,490,169	1,368,476	121,693	8.89 %
Fringe benefits	764,336	937,416	(173,080)	(18.46) %
Contractual services	1,189,951	987,710	202,241	20.48 %
Materials and supplies	816,119	703,304	112,815	16.04 %
Depreciation	750,587	654,779	95,808	14.63 %
Other	<u>2,711</u>	<u>54,773</u>	<u>(52,062)</u>	(95.05) %
Total operating expenses	<u>5,013,873</u>	<u>4,706,458</u>	<u>307,415</u>	6.53 %
<b><u>Other revenues (expenses)</u></b>				
Transfers in	154,969	-	154,969	100.00 %
Investment income	90,644	80,687	9,957	12.34 %
Interest and fiscal charges	(83,177)	(35,719)	(47,458)	132.86 %
Capital contributions	<u>269,500</u>	<u>73,036</u>	<u>196,464</u>	269.00 %
Total other revenues (expenses)	<u>431,936</u>	<u>118,004</u>	<u>313,932</u>	266.04 %

Operating revenues of the sewer fund increased \$565,408 or 12.85%. This increase can mainly be attributed to a usage increase from the prior year as well as an increase in sewer rates. Operating expenses increased \$307,415 or 6.53% due mainly to an increase in spending for salaries and benefits, contractual services, and materials and supplies.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2018, the City had \$48,519,551 (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, \$18,379,403 was reported in governmental activities and \$30,140,148 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosures.

The following table shows December 31, 2018 balances compared to December 31, 2017:

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

	Governmental Activities <u>2018</u>	Governmental Activities <u>2017</u>	Business-type Activities <u>2018</u>	Business-type Activities <u>2017</u>	Total <u>2018</u>	Total <u>2017</u>
Land	\$ 2,688,987	\$ 2,688,987	\$ 1,159,437	\$ 1,159,437	\$ 3,848,424	\$ 3,848,424
Easements and right of ways	116,018	116,018	-	-	116,018	116,018
Buildings, structures and improvements	4,696,852	4,907,715	11,822,046	5,706,310	16,518,898	10,614,025
Furniture, fixtures and equipment	1,628,425	1,773,736	4,579,247	4,486,015	6,207,672	6,259,751
Vehicles	1,836,999	1,865,633	-	-	1,836,999	1,865,633
Infrastructure	5,079,623	6,059,033	-	-	5,079,623	6,059,033
Land improvements	-	-	150,047	174,069	150,047	174,069
Water and sewer lines	-	-	9,207,188	9,691,289	9,207,188	9,691,289
Construction in progress	<u>2,332,499</u>	<u>1,922,903</u>	<u>3,222,183</u>	<u>7,003,106</u>	<u>5,554,682</u>	<u>8,926,009</u>
Total	<u>\$ 18,379,403</u>	<u>\$ 19,334,025</u>	<u>\$ 30,140,148</u>	<u>\$ 28,220,226</u>	<u>\$ 48,519,551</u>	<u>\$ 47,554,251</u>

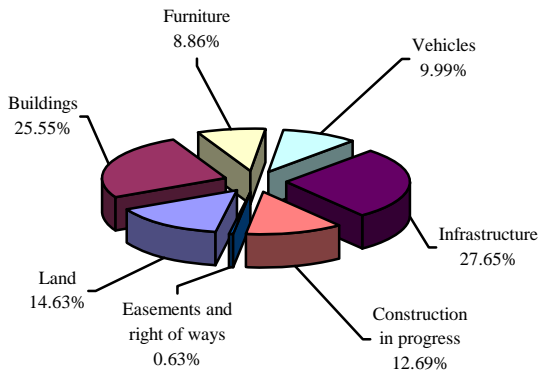
The overall decrease for governmental activities is a result of depreciation expense of \$1,596,299 and net capital asset disposals of \$4,461 exceeding capital asset additions of \$646,138. For the business-type activities, the overall increase is a result of net capital asset additions of \$3,185,502 exceeding depreciation expense of \$1,265,580.

**CITY OF ALLIANCE, OHIO**

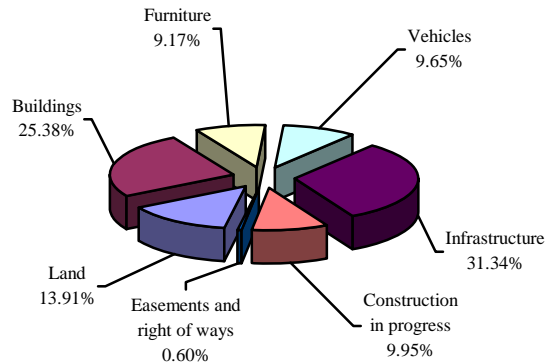
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

The following graphs show the breakdown of governmental capital assets by category at December 31, 2017 and December 31, 2018.

**Capital Assets - Governmental Activities 2018**



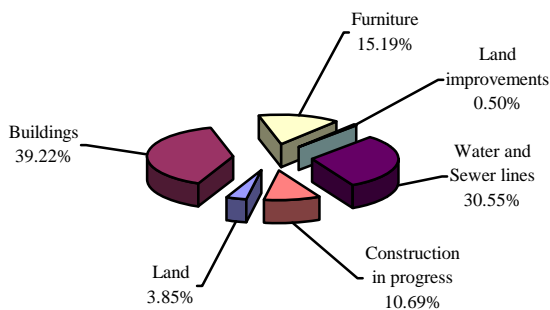
**Capital Assets - Governmental Activities 2017**



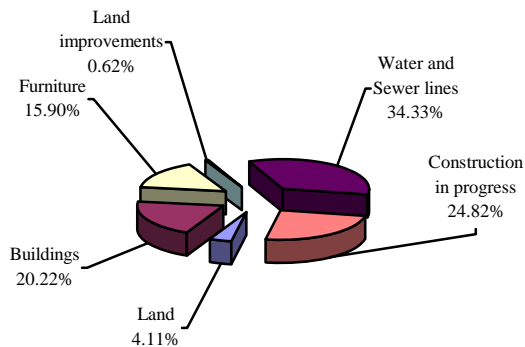
The City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 27.65% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category at December 31, 2017 and December 31, 2018.

**Capital Assets - Business-type Activities 2018**



**Capital Assets - Business-type Activities 2017**



**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)

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 39.22% of the City's total business-type capital assets. The City completed work on a sludge dewatering facility in 2018, 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, 2017 and 2018:

	Governmental Activities 2018	Governmental Activities 2017
Police and fire pension liability	\$ 283,521	\$ 295,250
SIB Loan	112,820	133,437
OPWC loan	<u>340,001</u>	<u>353,334</u>
Total long-term obligations	<u>\$ 736,342</u>	<u>\$ 782,021</u>
	Business-type Activities 2018	Business-type Activities 2017
Revenue bonds	\$ 2,840,553	\$ 4,178,848
General obligation bonds	<u>860,131</u>	<u>915,141</u>
Total bonds	<u>3,700,684</u>	<u>5,093,989</u>
OPWC loans	1,626,088	1,436,678
OWDA loans	<u>6,382,842</u>	<u>4,918,213</u>
Total long-term obligations	<u>\$ 11,709,614</u>	<u>\$ 11,448,880</u>

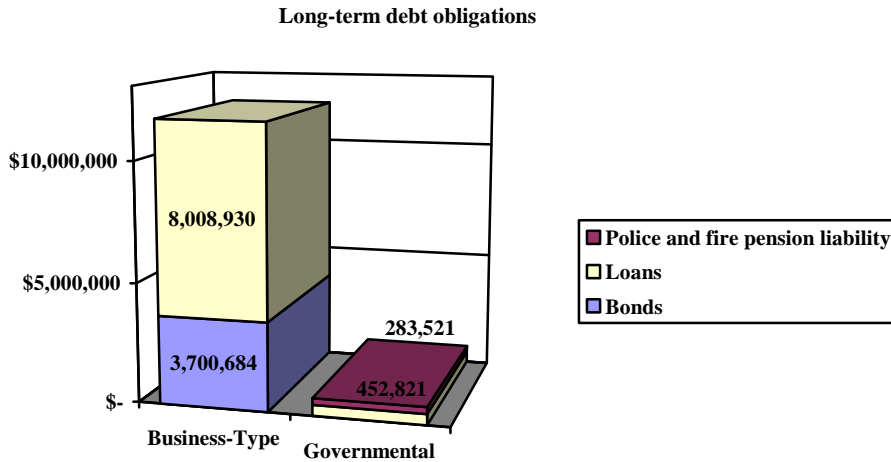
The only additions to long-term debt in 2018 were an OPWC loan in the amount of \$269,500 for a biosolid treatment project and three OWDA loans in the amount of \$1,464,629 for a carbon feed system, sludge dewatering facility, and the Marlinton-Alliance Waterline.

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, 2018 (UNAUDITED)

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.

The City has experienced a continual decline in its general fund cash balance, in part due to a structural deficit as expenses have consistently exceeded revenues. The general fund balance has shrunk from a high of \$3.9 million in 2011 to a cash carryover of \$445,233 at December 31, 2018. 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 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 4<sup>th</sup> largest employer in terms of withholding.

The City is examining current and potential revenue streams as well as analyzing ways to reduce expenditures in light of revenue reductions and increasing operating costs. Alliance residents approved a 3.0 mill, 5-year parks levy on May 8, 2018. It is estimated to provide \$865,000 annually. The Parks and Recreation Department will be removed from the general fund beginning in 2019.

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. In 2019, Alliance City Council voted to approve reallocating income tax revenues to increase the percentage received from 79% to 91% for the third consecutive year. This has the effect of reducing funds normally reserved for master capital and street funds.



**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)**

**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](mailto:auditor@allianceoh.gov).

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CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 6,322,113	\$ 9,635,262	\$ 15,957,375
Receivables:			
Municipal income taxes . . . . .	2,089,120	87,046	2,176,166
Property and other taxes . . . . .	2,010,212	-	2,010,212
Accounts . . . . .	150,983	1,053,709	1,204,692
Special assessments . . . . .	1,329,665	-	1,329,665
Intergovernmental . . . . .	992,717	-	992,717
Accrued interest . . . . .	61,653	-	61,653
Loans . . . . .	750,685	-	750,685
Internal balance . . . . .	(32,226)	32,226	-
Prepayments . . . . .	204,438	83,555	287,993
Materials and supplies inventory . . . . .	70,279	381,162	451,441
Net pension asset . . . . .	33,663	24,840	58,503
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	-	1,063,822	1,063,822
Cash and cash equivalents with fiscal agents . . . . .	-	1,695,753	1,695,753
Capital assets:			
Non-depreciable capital assets . . . . .	5,137,504	4,381,620	9,519,124
Depreciable capital assets, net . . . . .	13,241,899	25,758,528	39,000,427
Total capital assets, net . . . . .	<u>18,379,403</u>	<u>30,140,148</u>	<u>48,519,551</u>
Total assets . . . . .	<u>32,362,705</u>	<u>44,197,523</u>	<u>76,560,228</u>
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refunding . . . . .	-	224,659	224,659
Pension . . . . .	2,709,599	771,984	3,481,583
OPEB . . . . .	1,323,576	155,137	1,478,713
Total deferred outflows of resources . . . . .	<u>4,033,175</u>	<u>1,151,780</u>	<u>5,184,955</u>
Total assets and deferred outflows of resources . . . . .	<u>36,395,880</u>	<u>45,349,303</u>	<u>81,745,183</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	180,617	236,928	417,545
Contracts payable . . . . .	-	127,078	127,078
Accrued wages and benefits payable . . . . .	387,218	123,024	510,242
Claims payable . . . . .	190,479	-	190,479
Due to other governments . . . . .	196,167	47,466	243,633
Accrued interest payable . . . . .	1,026	64,990	66,016
Deposits held and due to others . . . . .	361,198	-	361,198
Long-term liabilities:			
Due within one year . . . . .	857,894	1,927,756	2,785,650
Due in more than one year:			
Net pension liability . . . . .	16,221,066	3,037,933	19,258,999
Net OPEB liability . . . . .	13,981,415	2,071,595	16,053,010
Other amounts due in more than one year . . . . .	<u>2,467,277</u>	<u>10,391,015</u>	<u>12,858,292</u>
Total liabilities . . . . .	<u>34,844,357</u>	<u>18,027,785</u>	<u>52,872,142</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	1,756,528	-	1,756,528
Pension . . . . .	2,310,196	873,154	3,183,350
OPEB . . . . .	1,031,766	242,813	1,274,579
Total deferred inflows of resources . . . . .	<u>5,098,490</u>	<u>1,115,967</u>	<u>6,214,457</u>
Total liabilities and deferred inflows of resources . . . . .	<u>39,942,847</u>	<u>19,143,752</u>	<u>59,086,599</u>
<b>Net position:</b>			
Net investment in capital assets . . . . .	17,926,582	18,528,115	36,454,697
Restricted for:			
Debt service . . . . .	66,216	407,837	474,053
Capital projects . . . . .	15,879	-	15,879
Transportation projects . . . . .	206,857	-	206,857
Public service programs . . . . .	843,181	-	843,181
Community development programs . . . . .	3,233,795	-	3,233,795
Police and fire pension . . . . .	20,000	-	20,000
Security programs . . . . .	290,587	-	290,587
Other purposes . . . . .	288,369	-	288,369
Replacement and surplus reserve . . . . .	-	1,063,822	1,063,822
Unrestricted (deficit) . . . . .	<u>(26,438,433)</u>	<u>6,205,777</u>	<u>(20,232,656)</u>
Total net position . . . . .	<u>\$ (3,546,967)</u>	<u>\$ 26,205,551</u>	<u>\$ 22,658,584</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government . . . . .	\$ 3,617,085	\$ 1,554,322	\$ 40,235	\$ -
Security of persons and property . . . . .	10,483,887	220,814	116,727	15,000
Public health and welfare . . . . .	1,058,035	180,031	165,934	-
Transportation . . . . .	2,295,904	-	989,818	218,320
Community environment . . . . .	1,583,160	168,491	1,842,178	-
Basic utility services . . . . .	47,541	-	-	-
Leisure time activities . . . . .	739,664	31,343	-	-
Interest and fiscal charges. . . . .	16,497	-	-	-
<b>Total governmental activities . . . . .</b>	<b>19,841,773</b>	<b>2,155,001</b>	<b>3,154,892</b>	<b>233,320</b>
<b>Business-type activities:</b>				
Water . . . . .	5,060,457	5,692,737	-	-
Sewer . . . . .	5,086,176	4,964,122	-	269,500
Robertson Community Center . . . . .	65,137	48,031	-	-
Community Improvement . . . . .	1,243,119	1,255,875	-	-
<b>Total business-type activities . . . . .</b>	<b>11,454,889</b>	<b>11,960,765</b>	<b>-</b>	<b>269,500</b>
<b>Total primary government . . . . .</b>	<b>\$ 31,296,662</b>	<b>\$ 14,115,766</b>	<b>\$ 3,154,892</b>	<b>\$ 502,820</b>

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (2,022,528)	\$ -	\$ (2,022,528)
(10,131,346)	-	(10,131,346)
(712,070)	-	(712,070)
(1,087,766)	-	(1,087,766)
427,509	-	427,509
(47,541)	-	(47,541)
(708,321)	-	(708,321)
(16,497)	-	(16,497)
<u>(14,298,560)</u>	<u>-</u>	<u>(14,298,560)</u>
-	632,280	632,280
-	147,446	147,446
-	(17,106)	(17,106)
-	12,756	12,756
<u>-</u>	<u>775,376</u>	<u>775,376</u>
<u>(14,298,560)</u>	<u>775,376</u>	<u>(13,523,184)</u>
901,974	-	901,974
77,576	-	77,576
77,576	-	77,576
9,859,471	-	9,859,471
202,863	-	202,863
304,290	-	304,290
-	405,720	405,720
659,829	-	659,829
26,599	158,273	184,872
17,869	-	17,869
362,698	-	362,698
<u>12,490,745</u>	<u>563,993</u>	<u>13,054,738</u>
(1,807,815)	1,339,369	(468,446)
<u>(1,739,152)</u>	<u>24,866,182</u>	<u>23,127,030</u>
<u>\$ (3,546,967)</u>	<u>\$ 26,205,551</u>	<u>\$ 22,658,584</u>

**CITY OF ALLIANCE, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	<u>General</u>	<u>Revolving Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 1,148,903	\$ 2,516,508	\$ 2,267,074	\$ 5,932,485
Receivables (net of allowances for uncollectibles):				
Municipal income taxes . . . . .	1,980,311	-	108,809	2,089,120
Property and other taxes . . . . .	1,036,934	-	973,278	2,010,212
Accounts . . . . .	102,339	-	16,583	118,922
Intergovernmental . . . . .	272,456	4,947	715,314	992,717
Special assessments . . . . .	1,306,635	-	23,030	1,329,665
Accrued interest . . . . .	61,653	-	-	61,653
Due from other funds . . . . .	12,824	-	-	12,824
Loans . . . . .	-	750,685	-	750,685
Advances from other funds . . . . .	5,626	-	-	5,626
Interfund loans receivable . . . . .	202,564	-	-	202,564
Prepayments . . . . .	177,380	416	26,642	204,438
Materials and supplies inventory . . . . .	9,421	-	60,858	70,279
Total assets . . . . .	<u>\$ 6,317,046</u>	<u>\$ 3,272,556</u>	<u>\$ 4,191,588</u>	<u>\$ 13,781,190</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 88,448	\$ 40,000	\$ 52,169	\$ 180,617
Accrued wages and benefits payable . . . . .	324,959	755	61,504	387,218
Compensated absences payable . . . . .	-	-	22,315	22,315
Interfund loans payable . . . . .	-	-	202,564	202,564
Due to other funds . . . . .	-	-	12,824	12,824
Due to other governments . . . . .	173,683	293	22,191	196,167
Advances to other funds . . . . .	-	-	5,626	5,626
Deposits held and due to others . . . . .	361,198	-	-	361,198
Total liabilities . . . . .	<u>948,288</u>	<u>41,048</u>	<u>379,193</u>	<u>1,368,529</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . .	822,436	-	934,092	1,756,528
Income tax revenue not available . . . . .	1,058,333	-	58,150	1,116,483
Delinquent property tax revenue not available . .	186,388	-	39,186	225,574
Accrued interest not available . . . . .	31,976	-	-	31,976
Special assessments revenue not available . . . .	1,306,635	-	23,030	1,329,665
Intergovernmental revenue not available . . . . .	196,345	-	325,785	522,130
Total deferred inflows of resources . . . . .	<u>3,602,113</u>	<u>-</u>	<u>1,380,243</u>	<u>4,982,356</u>
Total liabilities and deferred inflows of resources.	<u>4,550,401</u>	<u>41,048</u>	<u>1,759,436</u>	<u>6,350,885</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	246,779	416	87,500	334,695
Restricted . . . . .	10,710	3,231,092	2,237,332	5,479,134
Committed . . . . .	180,757	-	223,888	404,645
Assigned . . . . .	245,393	-	-	245,393
Unassigned (deficit) . . . . .	1,083,006	-	(116,568)	966,438
Total fund balances . . . . .	<u>1,766,645</u>	<u>3,231,508</u>	<u>2,432,152</u>	<u>7,430,305</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 6,317,046</u>	<u>\$ 3,272,556</u>	<u>\$ 4,191,588</u>	<u>\$ 13,781,190</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, 2018

<b>Total governmental fund balances</b>		\$	7,430,305
<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.			18,379,403
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	\$	1,116,483	
Property and other taxes receivable		225,574	
Interest receivable		31,976	
Special assessments receivable		1,329,665	
Intergovernmental receivable		522,130	
Total		3,225,828	3,225,828
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, less internal balances of \$32,226, is:			198,984
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(1,026)
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		33,663	
Deferred outflows of resources		2,709,599	
Deferred inflows of resources		(2,310,196)	
Net pension liability		(16,221,066)	
Total		(15,788,000)	(15,788,000)
The net OPEB liability is not available to pay for current-period expenditures and are 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		1,323,576	
Deferred inflows of resources		(1,031,766)	
Net OPEB liability		(13,981,415)	
Total		(13,689,605)	(13,689,605)
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		(283,521)	
Loans payable		(452,821)	
Compensated absences		(2,566,514)	
Total		(3,302,856)	(3,302,856)
<b>Net position of governmental activities</b>		\$	(3,546,967)

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, 2018

	<b>General</b>	<b>Revolving Loan Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 9,851,267	\$ -	\$ 506,700	\$ 10,357,967
Property and other taxes. . . . .	899,297	-	154,102	1,053,399
Charges for services. . . . .	468,472	-	139,940	608,412
Licenses, permits and fees . . . . .	473,778	-	100,093	573,871
Fines and forfeitures . . . . .	453,660	-	201,136	654,796
Intergovernmental. . . . .	569,795	940,037	2,153,028	3,662,860
Investment income. . . . .	16,088	48,859	19,559	84,506
Rental income . . . . .	29,486	-	-	29,486
Contributions and donations. . . . .	1,100	-	3,742	4,842
Loss on fair value adjustment . . . . .	17,869	-	-	17,869
Other . . . . .	514,156	91,333	148,681	754,170
Total revenues . . . . .	<u>13,294,968</u>	<u>1,080,229</u>	<u>3,426,981</u>	<u>17,802,178</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	2,994,031	-	243,019	3,237,050
Security of persons and property . . . . .	7,454,088	-	1,273,722	8,727,810
Public health and welfare. . . . .	675,087	-	322,664	997,751
Transportation . . . . .	-	-	1,029,882	1,029,882
Community environment . . . . .	155,972	694,931	683,214	1,534,117
Leisure time activities. . . . .	576,601	-	21,134	597,735
Basic utility services. . . . .	42,758	-	-	42,758
Capital outlay . . . . .	-	-	944,556	944,556
Debt service:				
Principal retirement. . . . .	-	-	45,679	45,679
Interest and fiscal charges . . . . .	-	-	16,540	16,540
Total expenditures . . . . .	<u>11,898,537</u>	<u>694,931</u>	<u>4,580,410</u>	<u>17,173,878</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,396,431</u>	<u>385,298</u>	<u>(1,153,429)</u>	<u>628,300</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets . . . . .	-	-	14,173	14,173
Transfers in . . . . .	91,354	-	965,276	1,056,630
Transfers (out). . . . .	(957,485)	-	(99,145)	(1,056,630)
Total other financing sources (uses) . . . . .	<u>(866,131)</u>	<u>-</u>	<u>880,304</u>	<u>14,173</u>
Net change in fund balances . . . . .	530,300	385,298	(273,125)	642,473
<b>Fund balances at beginning of year . . . . .</b>	<u>1,236,345</u>	<u>2,846,210</u>	<u>2,705,277</u>	<u>6,787,832</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 1,766,645</u>	<u>\$ 3,231,508</u>	<u>\$ 2,432,152</u>	<u>\$ 7,430,305</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, 2018**

<b>Net change in fund balances - total governmental funds</b>	\$	642,473
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	\$ 646,138	
Current year depreciation	<u>(1,596,299)</u>	
Total		(950,161)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(4,461)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	8,654	
Property taxes	3,727	
Intergovernmental revenues	81,828	
Investment income	10,511	
Special assessments	<u>112,060</u>	
Total		216,780
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.		
		45,679
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		43
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	1,487,485	
OPEB	<u>26,637</u>	
Total		1,514,122
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	(2,086,649)	
OPEB	<u>(1,227,394)</u>	
Total		(3,314,043)
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.		
		(101,023)
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 internal balances of \$21,039, is allocated among the governmental activities.		
		<u>142,776</u>
<b>Change in net position of governmental activities</b>	\$	<u><u>(1,807,815)</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 8,511,108	\$ 9,195,959	\$ 9,192,634	\$ (3,325)
Property and other taxes . . . . .	816,681	882,396	882,106	(290)
Charges for services . . . . .	421,121	455,007	455,543	536
Licenses, permits and fees . . . . .	213,437	230,611	230,778	167
Fines and forfeitures . . . . .	414,896	448,281	448,119	(162)
Intergovernmental . . . . .	527,917	570,396	570,190	(206)
Investment income . . . . .	9,630	10,405	11,174	769
Rental income . . . . .	30,318	32,758	32,806	48
Contributions and donations . . . . .	1,018	1,100	1,100	-
Other. . . . .	308,122	332,915	333,169	254
Total revenues . . . . .	<u>11,254,248</u>	<u>12,159,828</u>	<u>12,157,619</u>	<u>(2,209)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Mayor:				
Salaries and wages . . . . .	90,000	90,000	89,506	494
Fringe benefits. . . . .	23,887	23,887	23,523	364
Contractual services . . . . .	2,100	2,100	1,837	263
Materials and supplies. . . . .	1,600	1,600	1,411	189
Total mayor. . . . .	<u>117,587</u>	<u>117,587</u>	<u>116,277</u>	<u>1,310</u>
Senior center:				
Salaries and wages . . . . .	39,000	39,000	35,581	3,419
Fringe benefits. . . . .	20,404	20,404	19,757	647
Total senior center . . . . .	<u>59,404</u>	<u>59,404</u>	<u>55,338</u>	<u>4,066</u>
Auditor:				
Salaries and wages . . . . .	95,000	95,000	91,329	3,671
Fringe benefits. . . . .	31,366	31,366	30,349	1,017
Contractual services . . . . .	16,400	16,400	13,833	2,567
Materials and supplies. . . . .	6,200	6,200	5,662	538
Total auditor. . . . .	<u>148,966</u>	<u>148,966</u>	<u>141,173</u>	<u>7,793</u>
Treasurer:				
Salaries and wages . . . . .	4,032	4,032	3,949	83
Fringe benefits. . . . .	769	769	745	24
Materials and supplies. . . . .	610	610	610	-
Total treasurer . . . . .	<u>5,411</u>	<u>5,411</u>	<u>5,304</u>	<u>107</u>
Law director:				
Salaries and wages . . . . .	201,000	201,000	200,082	918
Fringe benefits. . . . .	56,480	56,480	55,215	1,265
Contractual services . . . . .	4,600	4,600	4,051	549
Materials and supplies. . . . .	2,500	2,500	2,365	135
Total law director. . . . .	<u>264,580</u>	<u>264,580</u>	<u>261,713</u>	<u>2,867</u>
City council:				
Salaries and wages . . . . .	32,600	32,600	31,315	1,285
Fringe benefits. . . . .	6,145	6,145	5,873	272
Total city council . . . . .	<u>38,745</u>	<u>38,745</u>	<u>37,188</u>	<u>1,557</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, 2018

	<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 . . . . .	\$ 9,030	\$ 9,030	\$ 8,277	\$ 753
Fringe benefits. . . . .	1,690	1,690	1,496	194
Contractual services . . . . .	6,890	6,890	6,818	72
Materials and supplies. . . . .	150	150	146	4
Total clerk of council. . . . .	<u>17,760</u>	<u>17,760</u>	<u>16,737</u>	<u>1,023</u>
Judge and probation:				
Salaries and wages . . . . .	222,413	222,413	210,894	11,519
Fringe benefits. . . . .	83,713	83,713	79,805	3,908
Contractual services . . . . .	10,212	10,212	6,410	3,802
Materials and supplies. . . . .	4,800	4,800	2,872	1,928
Total judge and probation. . . . .	<u>321,138</u>	<u>321,138</u>	<u>299,981</u>	<u>21,157</u>
Clerk of courts:				
Salaries and wages . . . . .	219,922	219,922	219,835	87
Fringe benefits. . . . .	123,349	123,349	117,484	5,865
Contractual services . . . . .	43,825	43,825	37,474	6,351
Materials and supplies. . . . .	16,592	16,592	11,871	4,721
Total clerk of courts. . . . .	<u>403,688</u>	<u>403,688</u>	<u>386,664</u>	<u>17,024</u>
Civil service:				
Salaries and wages . . . . .	15,602	15,602	15,419	183
Fringe benefits. . . . .	2,810	2,810	2,296	514
Materials and supplies. . . . .	5,000	5,000	1,702	3,298
Total civil service. . . . .	<u>23,412</u>	<u>23,412</u>	<u>19,417</u>	<u>3,995</u>
Engineering:				
Salaries and wages . . . . .	86,000	86,000	80,264	5,736
Fringe benefits. . . . .	32,120	32,120	27,980	4,140
Contractual services . . . . .	16,583	16,583	14,345	2,238
Materials and supplies. . . . .	4,727	4,727	4,110	617
Total engineering. . . . .	<u>139,430</u>	<u>139,430</u>	<u>126,699</u>	<u>12,731</u>
State examiner:				
Contractual services . . . . .	15,000	15,000	14,818	182
Total state examiner . . . . .	<u>15,000</u>	<u>15,000</u>	<u>14,818</u>	<u>182</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Land and buildings:				
Salaries and wages . . . . .	\$ 49,800	\$ 49,800	\$ 48,711	\$ 1,089
Fringe benefits. . . . .	29,934	29,934	29,511	423
Contractual services . . . . .	315,532	315,532	294,485	21,047
Materials and supplies. . . . .	7,500	7,500	-	7,500
Total land and buildings. . . . .	<u>402,766</u>	<u>402,766</u>	<u>372,707</u>	<u>30,059</u>
General administration:				
Salaries and wages . . . . .	36,465	36,465	36,465	-
Fringe benefits. . . . .	14,793	14,793	11,748	3,045
Contractual services . . . . .	144,761	144,761	140,446	4,315
Materials and supplies. . . . .	16,681	16,681	16,520	161
Other . . . . .	100	100	83	17
Total general administration. . . . .	<u>212,800</u>	<u>212,800</u>	<u>205,262</u>	<u>7,538</u>
Total general government. . . . .	<u>2,170,687</u>	<u>2,170,687</u>	<u>2,059,278</u>	<u>111,409</u>
Security of persons and property:				
Police:				
Salaries and wages . . . . .	2,834,862	2,834,862	2,834,461	401
Fringe benefits. . . . .	700,381	700,381	695,767	4,614
Contractual services . . . . .	195,747	195,747	194,416	1,331
Materials and supplies. . . . .	145,300	145,300	133,419	11,881
Total police. . . . .	<u>3,876,290</u>	<u>3,876,290</u>	<u>3,858,063</u>	<u>18,227</u>
Fire:				
Salaries and wages . . . . .	2,039,499	2,039,499	1,998,450	41,049
Fringe benefits. . . . .	464,132	464,132	455,591	8,541
Contractual services . . . . .	119,584	119,584	114,896	4,688
Materials and supplies. . . . .	36,400	36,400	31,126	5,274
Total fire . . . . .	<u>2,659,615</u>	<u>2,659,615</u>	<u>2,600,063</u>	<u>59,552</u>
Safety administration:				
Salaries and wages . . . . .	429,032	429,032	428,507	525
Fringe benefits. . . . .	171,552	171,552	170,422	1,130
Contractual services . . . . .	379,030	379,030	357,906	21,124
Total safety administration. . . . .	<u>979,614</u>	<u>979,614</u>	<u>956,835</u>	<u>22,779</u>
Prisoner support:				
Contractual services . . . . .	7,798	7,798	6,650	1,148
Total prisoner support. . . . .	<u>7,798</u>	<u>7,798</u>	<u>6,650</u>	<u>1,148</u>
Total security of persons and property . . . . .	<u>7,523,317</u>	<u>7,523,317</u>	<u>7,421,611</u>	<u>101,706</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public health services:				
Health control and prevention:				
Salaries and wages . . . . .	\$ 52,854	\$ 52,854	\$ 52,121	\$ 733
Fringe benefits. . . . .	33,507	33,507	32,117	1,390
Contractual services . . . . .	45,759	45,759	36,686	9,073
Materials and supplies. . . . .	300	300	298	2
Other . . . . .	1,155	1,155	1,155	-
Total health control and prevention . . . . .	<u>133,575</u>	<u>133,575</u>	<u>122,377</u>	<u>11,198</u>
Health administration:				
Salaries and wages . . . . .	351,504	351,504	350,944	560
Fringe benefits. . . . .	122,123	122,123	116,487	5,636
Contractual services . . . . .	10,300	13,530	9,442	4,088
Materials and supplies. . . . .	26,140	26,140	23,739	2,401
Other . . . . .	45,000	45,000	39,919	5,081
Total health administration . . . . .	<u>555,067</u>	<u>558,297</u>	<u>540,531</u>	<u>17,766</u>
Total public health services . . . . .	<u>688,642</u>	<u>691,872</u>	<u>662,908</u>	<u>28,964</u>
Zoning and building:				
Salaries and wages . . . . .	125,000	125,000	121,927	3,073
Fringe benefits. . . . .	25,390	25,390	20,610	4,780
Contractual services . . . . .	9,526	9,526	6,648	2,878
Materials and supplies. . . . .	4,293	4,293	3,474	819
Other . . . . .	77	77	77	-
Total zoning and building. . . . .	<u>164,286</u>	<u>164,286</u>	<u>152,736</u>	<u>11,550</u>
Total community environment . . . . .	<u>164,286</u>	<u>164,286</u>	<u>152,736</u>	<u>11,550</u>
Basic utility services:				
Storm sewer:				
Salaries and wages . . . . .	34,943	34,943	27,716	7,227
Fringe benefits. . . . .	19,391	19,391	13,500	5,891
Total storm sewer . . . . .	<u>54,334</u>	<u>54,334</u>	<u>41,216</u>	<u>13,118</u>
Total basic utility services. . . . .	<u>54,334</u>	<u>54,334</u>	<u>41,216</u>	<u>13,118</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Leisure time activities:				
Parks:				
Salaries and wages . . . . .	\$ 299,000	\$ 299,000	\$ 291,282	\$ 7,718
Fringe benefits. . . . .	90,916	90,916	86,293	4,623
Contractual services . . . . .	65,401	65,401	60,158	5,243
Materials and supplies. . . . .	20,762	20,762	20,244	518
Total parks. . . . .	<u>476,079</u>	<u>476,079</u>	<u>457,977</u>	<u>18,102</u>
Recreation:				
Salaries and wages . . . . .	90,000	90,000	83,658	6,342
Fringe benefits. . . . .	36,430	36,430	34,269	2,161
Contractual services . . . . .	3,620	3,620	2,888	732
Materials and supplies. . . . .	11,500	11,500	10,907	593
Total recreation . . . . .	<u>141,550</u>	<u>141,550</u>	<u>131,722</u>	<u>9,828</u>
Total leisure time activities. . . . .	<u>617,629</u>	<u>617,629</u>	<u>589,699</u>	<u>27,930</u>
Total expenditures . . . . .	<u>11,218,895</u>	<u>11,222,125</u>	<u>10,927,448</u>	<u>294,677</u>
Excess of revenues over expenditures. . . . .	<u>35,353</u>	<u>937,703</u>	<u>1,230,171</u>	<u>292,468</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	91,355	91,355	91,355	-
Transfers out . . . . .	(899,275)	(965,275)	(957,485)	7,790
Advances out . . . . .	-	(189,564)	(189,564)	-
Total other financing sources (uses). . . . .	<u>(807,920)</u>	<u>(1,063,484)</u>	<u>(1,055,694)</u>	<u>7,790</u>
Net change in fund balance. . . . .	(772,567)	(125,781)	174,477	300,258
<b>Fund balance at beginning of year . . . .</b>	204,671	204,671	204,671	-
<b>Prior year encumbrances appropriated .</b>	<u>25,372</u>	<u>25,372</u>	<u>25,372</u>	<u>-</u>
<b>Fund balance (deficit) at end of year. . . . .</b>	<u><u>\$ (542,524)</u></u>	<u><u>\$ 104,262</u></u>	<u><u>\$ 404,520</u></u>	<u><u>\$ 300,258</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)  
 REVOLVING LOAN FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 120,000	\$ 193,000	\$ 1,098,113	\$ 905,113
Investment income . . . . .	40,000	40,000	48,859	8,859
Other. . . . .	250,000	250,000	224,709	(25,291)
<b>Total revenues . . . . .</b>	<b>410,000</b>	<b>483,000</b>	<b>1,371,681</b>	<b>888,681</b>
<b>Expenditures:</b>				
Current:				
Community environment:				
Salaries and wages . . . . .	17,800	17,800	17,279	521
Fringe benefits. . . . .	8,215	8,215	6,808	1,407
Contractual services . . . . .	864,673	864,673	631,408	233,265
Capital outlay . . . . .	1,420,000	1,420,000	70,382	1,349,618
<b>Total expenditures. . . . .</b>	<b>2,310,688</b>	<b>2,310,688</b>	<b>725,877</b>	<b>1,584,811</b>
Net change in fund balance . . . . .	(1,900,688)	(1,827,688)	645,804	2,473,492
<b>Fund balance at beginning of year . . . . .</b>	<b>1,647,423</b>	<b>1,647,423</b>	<b>1,647,423</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>180,673</b>	<b>180,673</b>	<b>180,673</b>	<b>-</b>
<b>Fund balance (deficit) at end of year . . . . .</b>	<b>\$ (72,592)</b>	<b>\$ 408</b>	<b>\$ 2,473,900</b>	<b>\$ 2,473,492</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 3,352,776	\$ 5,999,589	\$ 282,897	\$ 9,635,262	\$ 389,628
Restricted assets:					
Cash and cash equivalents with fiscal agents .	1,287,916	-	-	1,287,916	-
Receivables (net of allowance for uncollectibles):					
Accounts . . . . .	632,164	421,545	-	1,053,709	32,061
Municipal income taxes . . . . .	87,046	-	-	87,046	-
Prepayments . . . . .	41,276	41,700	579	83,555	-
Materials and supplies inventory . . . . .	321,177	59,985	-	381,162	-
Total current assets . . . . .	<u>5,722,355</u>	<u>6,522,819</u>	<u>283,476</u>	<u>12,528,650</u>	<u>421,689</u>
Noncurrent assets:					
Net pension asset . . . . .	12,159	12,541	140	24,840	-
Restricted assets:					
Equity in pooled cash and cash equivalents. .	1,063,822	-	-	1,063,822	-
Cash and cash equivalents with fiscal agents .	407,837	-	-	407,837	-
Total restricted assets. . . . .	<u>1,471,659</u>	<u>-</u>	<u>-</u>	<u>1,471,659</u>	<u>-</u>
Capital assets:					
Non-depreciable capital assets. . . . .	1,907,592	2,474,028	-	4,381,620	-
Depreciable capital assets, net . . . . .	11,699,941	13,853,774	204,813	25,758,528	-
Total capital assets, net. . . . .	<u>13,607,533</u>	<u>16,327,802</u>	<u>204,813</u>	<u>30,140,148</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>15,091,351</u>	<u>16,340,343</u>	<u>204,953</u>	<u>31,636,647</u>	<u>-</u>
Total assets . . . . .	<u>20,813,706</u>	<u>22,863,162</u>	<u>488,429</u>	<u>44,165,297</u>	<u>421,689</u>
<b>Deferred outflows of resources:</b>					
Unamortized deferred charges on debt refunding . .	224,659	-	-	224,659	-
OPEB . . . . .	75,938	78,324	875	155,137	-
Pension . . . . .	379,090	383,476	9,418	771,984	-
Total deferred outflows of resources . . . . .	<u>679,687</u>	<u>461,800</u>	<u>10,293</u>	<u>1,151,780</u>	<u>-</u>
Total assets and deferred outflows of resources .	<u>\$ 21,493,393</u>	<u>\$ 23,324,962</u>	<u>\$ 498,722</u>	<u>\$ 45,317,077</u>	<u>\$ 421,689</u>

- Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS (CONTINUED)  
 DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	\$ 74,385	\$ 162,198	\$ 345	\$ 236,928	\$ -
Contracts payable . . . . .	-	127,078	-	127,078	-
Accrued wages and benefits payable . . . . .	59,298	63,726	-	123,024	-
Compensated absences . . . . .	110,559	126,835	-	237,394	-
Due to other governments . . . . .	23,580	23,886	-	47,466	-
Accrued interest payable . . . . .	2,000	48,551	-	50,551	-
Claims payable . . . . .	-	-	-	-	190,479
Payable from restricted assets:					
Revenue bonds payable - current . . . . .	1,393,295	-	-	1,393,295	-
Accrued interest payable . . . . .	14,439	-	-	14,439	-
General obligation bonds payable - current . . . . .	55,010	-	-	55,010	-
OWDA loans payable - current . . . . .	12,575	142,654	-	155,229	-
OPWC loans payable - current . . . . .	37,105	49,723	-	86,828	-
Total current liabilities . . . . .	<u>1,782,246</u>	<u>744,651</u>	<u>345</u>	<u>2,527,242</u>	<u>190,479</u>
Long-term liabilities:					
Revenue bonds payable . . . . .	1,447,258	-	-	1,447,258	-
General obligation bonds payable . . . . .	805,121	-	-	805,121	-
OPWC loans payable . . . . .	946,167	593,093	-	1,539,260	-
Compensated absences payable . . . . .	208,109	163,654	-	371,763	-
OWDA loans payable . . . . .	483,635	5,743,978	-	6,227,613	-
Net pension liability . . . . .	1,487,036	1,533,762	17,135	3,037,933	-
Net OPEB liability . . . . .	1,014,024	1,045,887	11,684	2,071,595	-
Total long-term liabilities . . . . .	<u>6,391,350</u>	<u>9,080,374</u>	<u>28,819</u>	<u>15,500,543</u>	<u>-</u>
Total liabilities . . . . .	<u>8,173,596</u>	<u>9,825,025</u>	<u>29,164</u>	<u>18,027,785</u>	<u>190,479</u>
<b>Deferred inflows of resources:</b>					
OPEB . . . . .	118,229	123,152	1,432	242,813	-
Pension . . . . .	418,372	449,853	4,929	873,154	-
Total deferred inflows of resources . . . . .	<u>536,601</u>	<u>573,005</u>	<u>6,361</u>	<u>1,115,967</u>	<u>-</u>
<b>Net position:</b>					
Net investment in capital assets . . . . .	8,652,026	9,671,276	204,813	18,528,115	-
Restricted for:					
Debt service . . . . .	407,837	-	-	407,837	-
Replacement and surplus reserve . . . . .	1,063,822	-	-	1,063,822	-
Unrestricted . . . . .	<u>2,659,511</u>	<u>3,255,656</u>	<u>258,384</u>	<u>6,173,551</u>	<u>231,210</u>
Total net position . . . . .	<u>\$ 12,783,196</u>	<u>\$ 12,926,932</u>	<u>\$ 463,197</u>	<u>26,173,325</u>	<u>\$ 231,210</u>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				<u>32,226</u>	
Net position of business-type activities				<u>\$ 26,205,551</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, 2018

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 5,574,485	\$ 4,913,442	\$ 1,251,347	\$ 11,739,274	\$ 2,478,778
Licenses, permits and fees . . . . .	-	19,868	-	19,868	-
Other . . . . .	118,252	30,812	52,559	201,623	143,778
<b>Total operating revenues.</b> . . . . .	<b>5,692,737</b>	<b>4,964,122</b>	<b>1,303,906</b>	<b>11,960,765</b>	<b>2,622,556</b>
<b>Operating expenses:</b>					
Salaries and benefits . . . . .	1,441,272	1,490,169	15,668	2,947,109	-
Fringe benefits . . . . .	767,053	764,336	9,334	1,540,723	-
Contract services. . . . .	723,112	1,189,951	1,250,046	3,163,109	-
Materials and supplies . . . . .	1,191,557	816,119	18,907	2,026,583	-
Depreciation. . . . .	500,692	750,587	14,301	1,265,580	-
Claims. . . . .	-	-	-	-	2,458,741
Other . . . . .	150,714	2,711	-	153,425	-
<b>Total operating expenses.</b> . . . . .	<b>4,774,400</b>	<b>5,013,873</b>	<b>1,308,256</b>	<b>11,096,529</b>	<b>2,458,741</b>
<b>Operating income (loss).</b> . . . . .	<b>918,337</b>	<b>(49,751)</b>	<b>(4,350)</b>	<b>864,236</b>	<b>163,815</b>
<b>Nonoperating revenues (expenses):</b>					
Interest revenue . . . . .	67,629	90,644	-	158,273	-
Interest expense and fiscal charges . . . . .	(296,222)	(83,177)	-	(379,399)	-
Municipal income tax revenue . . . . .	405,720	-	-	405,720	-
<b>Total nonoperating revenues (expenses)</b> . . . . .	<b>177,127</b>	<b>7,467</b>	<b>-</b>	<b>184,594</b>	<b>-</b>
<b>Income (loss) before transfers and capital contributions</b> . . . . .	<b>1,095,464</b>	<b>(42,284)</b>	<b>(4,350)</b>	<b>1,048,830</b>	<b>163,815</b>
Transfer in . . . . .	-	154,969	-	154,969	-
Transfer out . . . . .	(154,969)	-	-	(154,969)	-
Capital contributions. . . . .	-	269,500	-	269,500	-
<b>Change in net position</b> . . . . .	<b>940,495</b>	<b>382,185</b>	<b>(4,350)</b>	<b>1,318,330</b>	<b>163,815</b>
<b>Net position at beginning of year (restated) .</b>	<b>11,842,701</b>	<b>12,544,747</b>	<b>467,547</b>		<b>67,395</b>
<b>Net position at end of year</b> . . . . .	<b>\$ 12,783,196</b>	<b>\$ 12,926,932</b>	<b>\$ 463,197</b>		<b>\$ 231,210</b>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds.				21,039	
<b>Change in net position of business-type activities.</b>				<b>\$ 1,339,369</b>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
<b>Cash flows from operating activities:</b>					
Cash received from customers . . . . .	\$ 5,598,409	\$ 5,136,028	\$ 1,251,347	\$ 11,985,784	\$ -
Cash received from licenses and permits . . . . .	-	19,868	-	19,868	-
Cash received from other operations . . . . .	116,923	33,196	52,559	202,678	130,004
Cash received from interfund services provided . . . . .	-	-	-	-	2,482,703
Cash payments for salaries and benefits . . . . .	(1,424,691)	(1,466,492)	(15,733)	(2,906,916)	-
Cash payments for fringe benefits . . . . .	(270,978)	(274,742)	(2,777)	(548,497)	-
Cash payments for interfund services . . . . .	(280,118)	(318,620)	-	(598,738)	-
Cash payments for contractual services . . . . .	(688,802)	(1,085,249)	(1,250,779)	(3,024,830)	-
Cash payments for materials and supplies . . . . .	(1,187,016)	(812,072)	(18,907)	(2,017,995)	-
Cash payments for claims . . . . .	-	-	-	-	(2,483,872)
Cash payments for other expenses . . . . .	(150,714)	(2,711)	-	(153,425)	-
Net cash provided by operating activities . . . . .	1,713,013	1,229,206	15,710	2,957,929	128,835
<b>Cash flows from noncapital financing activities:</b>					
Cash received from municipal income taxes . . . . .	404,072	-	-	404,072	-
Net cash provided by noncapital financing activities . . . . .	404,072	-	-	404,072	-
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets . . . . .	(676,971)	(2,443,375)	-	(3,120,346)	-
Cash received from capital contributions . . . . .	-	269,500	-	269,500	-
Proceeds from OWDA and OPWC loans . . . . .	130,603	1,603,526	-	1,734,129	-
Principal retirement on general obligation bonds . . . . .	(55,000)	-	-	(55,000)	-
Principal retirement on revenue bonds . . . . .	(1,330,000)	-	-	(1,330,000)	-
Principal retirement on OPWC loans . . . . .	(37,105)	(42,985)	-	(80,090)	-
Interest and fiscal charges . . . . .	(191,600)	(34,626)	-	(226,226)	-
Net cash used in capital and related financing activities . . . . .	(2,160,073)	(647,960)	-	(2,808,033)	-
<b>Cash flows from investing activities:</b>					
Interest received . . . . .	67,629	90,644	-	158,273	-
Net cash provided by investing activities . . . . .	67,629	90,644	-	158,273	-
Net increase in cash and cash equivalents . . . . .	24,641	671,890	15,710	712,241	128,835
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>6,087,710</b>	<b>5,327,699</b>	<b>267,187</b>	<b>11,682,596</b>	<b>260,793</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b>\$ 6,112,351</b>	<b>\$ 5,999,589</b>	<b>\$ 282,897</b>	<b>\$ 12,394,837</b>	<b>\$ 389,628</b>

- Continued

**CITY OF ALLIANCE, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<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>	
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss) . . . . .	\$ 918,337	\$ (49,751)	\$ (4,350)	\$ 864,236	\$ 163,815
Adjustments:					
Depreciation . . . . .	500,692	750,587	14,301	1,265,580	-
Changes in assets and liabilities:					
Accounts receivable . . . . .	22,595	224,970	-	247,565	(9,849)
Materials and supplies inventory . . . . .	31,036	1,605	-	32,641	-
Prepayments . . . . .	3,376	7,765	(66)	11,075	-
Net pension asset . . . . .	(6,944)	(7,153)	(79)	(14,176)	-
Deferred outflows - pension . . . . .	507,437	518,150	10,556	1,036,143	-
Deferred outflows - OPEB . . . . .	(62,425)	(64,362)	(718)	(127,505)	-
Accounts payable . . . . .	10,604	107,310	345	118,259	-
Accrued wages and benefits. . . . .	10,416	15,746	-	26,162	-
Intergovernmental payable . . . . .	(237)	460	(1,077)	(854)	-
Compensated absences payable. . . . .	41,722	13,728	-	55,450	-
Net pension liability . . . . .	(792,775)	(821,734)	(9,371)	(1,623,880)	-
Net OPEB liability . . . . .	8,794	7,285	(3)	16,076	-
Deferred inflows - pension . . . . .	402,156	401,448	4,740	808,344	-
Deferred inflows - OPEB . . . . .	118,229	123,152	1,432	242,813	-
Claims payable . . . . .	-	-	-	-	(25,131)
Net cash provided by operating activities . . . . .	<u>\$ 1,713,013</u>	<u>\$ 1,229,206</u>	<u>\$ 15,710</u>	<u>\$ 2,957,929</u>	<u>\$ 128,835</u>

**Noncash capital and related financing activities:**

At December 31, 2018 and December 31, 2017, capital assets purchased on account for the Sewer fund amounted to \$127,078 and \$61,922, respectively.

During 2018 the Water fund transferred capital assets in the amount of \$154,969 to the Sewer fund.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ALLIANCE, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2018

	<u>Agency</u>
<b>Assets:</b>	
Cash and cash equivalents in segregated accounts . . . . .	\$ 13,557
Receivables:	
Accounts . . . . .	<u>880</u>
Total assets . . . . .	<u>\$ 14,437</u>
<b>Liabilities:</b>	
Due to others . . . . .	<u>\$ 14,437</u>
Total liabilities . . . . .	<u>\$ 14,437</u>

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, 2018**

**NOTE 1 - DESCRIPTION OF THE CITY**

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

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

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

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

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 2018, the Mayor was an Ex-Officio non-voting member. The Foundation's goal is to retain companies, enhance company growth and capture new business for the Alliance area. The Foundation has been excluded from the reporting entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

**B. Fund Accounting**

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

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

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



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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.

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

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

**D. Basis of Accounting**

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 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, 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.

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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

**E. Budgetary Data**

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

**F. Cash and Cash Equivalents**

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

During 2018, investments were limited to federal agency securities, a U.S. Government money market account, commercial paper accounts, the State Treasury Asset Reserve of Ohio (STAR Ohio) and First American U.S. Treasury Reserve Fund (a U.S. government money market mutual fund). Investments are reported at fair value which is based on quoted market prices.

During 2018, 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.

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

For 2018, 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 \$25 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.

Investment procedures are restricted by provisions of the Ohio Revised Code. Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2018 amounted to \$16,088, which includes \$1,149 assigned from other City funds.

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

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

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

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.

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**I. Restricted Assets**

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

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

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

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

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

On the governmental-wide financial statements and proprietary fund financial statements, bond premiums are recognized in the current period. The reconciliation between the bond's face value and the amount reported on the statement of net position is presented in Note 11.B.

**K. Prepayments**

Payments made to vendors for services that will benefit beyond December 31, 2018 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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

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

**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.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

*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.

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**Q. Estimates**

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

**R. 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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

**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.

**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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles/Restatement of Net Position**

For 2018, the City has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the City's postemployment benefit plan disclosures, as presented in Note 13 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 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, 2018

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

	Governmental Activities	Business-Type Activities	Business-type Activities - Enterprise Funds		
			Water	Sewer	Nonmajor Funds
Net position as previously reported	\$ 10,749,696	\$ 26,894,069	\$ 12,834,418	\$ 13,569,387	\$ 479,077
Deferred outflows - payments subsequent to measurement date	58,616	27,632	13,513	13,962	157
Net OPEB liability	<u>(12,547,464)</u>	<u>(2,055,519)</u>	<u>(1,005,230)</u>	<u>(1,038,602)</u>	<u>(11,687)</u>
Restated net position at January 1, 2018	<u>\$ (1,739,152)</u>	<u>\$ 24,866,182</u>	<u>\$ 11,842,701</u>	<u>\$ 12,544,747</u>	<u>\$ 467,547</u>

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

**B. Deficit Fund Balances**

Fund balances at December 31, 2018 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Park Levy	\$ 20,374
Brownfield Grant	77,190
Municipal Road	19,004

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

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING – (Continued)**

- (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).

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:

<b>Net Change in Fund Balance</b>		
	<u>General fund</u>	<u>Revolving loan fund</u>
Budget basis	\$ 174,477	\$ 645,804
Net adjustment for revenue accruals	66,184	(291,452)
Net adjustment for expenditure accruals	(23,370)	(11,662)
Net adjustments for other financing sources and uses	189,563	-
Funds budgeted elsewhere	82,733	-
Adjustments for encumbrances	40,713	42,608
GAAP basis	\$ 530,300	\$ 385,298

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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

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

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

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash and Cash Equivalents with Fiscal Agents**

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

**B. Cash and Cash Equivalents in Segregated Accounts**

At year end, the City had \$13,557 in cash held in segregated accounts for Municipal Court operations. This amount is not included in deposits with financial institutions below.

**C. Deposits with Financial Institutions**

At December 31, 2018, the carrying amount of all City deposits was \$3,398,930 and the bank balance of all City deposits was \$3,950,343. Of the bank balance, \$361,324 was covered by the FDIC and \$3,589,019 was covered by the Ohio Pooled Collateral System.

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 market 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, 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, 2018, 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 to 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	\$ 2,779,253	\$ 1,527,849	\$ 1,251,404	\$ -	\$ -	\$ -
FFCB	2,225,595	-	439,945	270,699	878,182	636,769
FHLB	2,410,805	-	814,694	903,165	241,526	451,420
FNMA	3,509,608	1,744,556	-	294,693	650,745	819,614
FHLMC	2,472,138	-	-	494,390	1,486,353	491,395
U.S. Government money market mutual funds	1,713,891	1,713,891	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>206,730</u>	<u>206,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,318,020</u>	<u>\$ 5,193,026</u>	<u>\$ 2,506,043</u>	<u>\$ 1,962,947</u>	<u>\$ 3,256,806</u>	<u>\$ 2,399,198</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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 and commercial paper) 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.

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.

*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, 2018:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Commercial Paper	\$ 2,779,253	18.14
FFCB	2,225,595	14.53
FHLB	2,410,805	15.74
FNMA	3,509,608	22.91
FHLMC	2,472,138	16.14
U.S. Government money market funds	1,713,891	11.19
<i>Amortized cost:</i>		
STAR Ohio	<u>206,730</u>	<u>1.35</u>
Total	<u>\$ 15,318,020</u>	<u>100.00</u>



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,398,930
Investments	15,318,020
Cash in segregated accounts	<u>13,557</u>
 Total	 <u>\$ 18,730,507</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 6,322,113
Business-type activities	12,394,837
Agency	<u>13,557</u>
 Total	 <u>\$ 18,730,507</u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2018 consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues, accrued interest and special assessments. All receivables are deemed collectible in full.

**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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 6 - RECEIVABLES - (Continued)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Alliance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2018 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 2018 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2018 was \$6.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 169,378,720
Commercial/industrial/mineral	102,175,700
Public utility	<u>13,844,370</u>
Total assessed value	<u>\$ 285,398,790</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, 2018 were \$750,685.

**C. Income Taxes**

Employers within the City are required to withhold income taxes on employee compensation and remit the taxes to the City either monthly or quarterly, as required. Corporations are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds in 2018, 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, 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 2018 was \$2,089,120 in the governmental funds and \$87,046 in the water fund.

**D. Special Assessments**

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 6 - RECEIVABLES - (Continued)**

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, 2018, the total special assessments receivable was \$1,329,665, all of which were delinquent receivables.

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for 2018 is as follows:

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
<b><u>Governmental activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,688,987	\$ -	\$ -	\$ 2,688,987
Easements and right of ways	116,018	-	-	116,018
Construction in progress	<u>1,922,903</u>	<u>409,596</u>	-	<u>2,332,499</u>
Total capital assets, not being depreciated	<u>4,727,908</u>	<u>409,596</u>	-	<u>5,137,504</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	8,948,449	39,470	-	8,987,919
Furniture, fixtures and equipment	5,399,389	40,564	-	5,439,953
Vehicles	4,328,771	156,508	(44,610)	4,440,669
Infrastructure	<u>34,123,678</u>	-	-	<u>34,123,678</u>
Total capital assets, being depreciated	<u>52,800,287</u>	<u>236,542</u>	<u>(44,610)</u>	<u>52,992,219</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(4,040,734)	(250,333)	-	(4,291,067)
Furniture, fixtures and equipment	(3,625,653)	(185,875)	-	(3,811,528)
Vehicles	(2,463,138)	(180,681)	40,149	(2,603,670)
Infrastructure	<u>(28,064,645)</u>	<u>(979,410)</u>	-	<u>(29,044,055)</u>
Total accumulated depreciation	<u>(38,194,170)</u>	<u>(1,596,299)</u>	<u>40,149</u>	<u>(39,750,320)</u>
Total capital assets, being depreciated net	<u>14,606,117</u>	<u>(1,359,757)</u>	<u>(4,461)</u>	<u>13,241,899</u>
Governmental activities capital assets, net	<u>\$ 19,334,025</u>	<u>\$ (950,161)</u>	<u>\$ (4,461)</u>	<u>\$ 18,379,403</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 7 - CAPITAL ASSETS - (Continued)**

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

**Governmental activities:**

General government	\$ 242,782
Security of persons and property	300,381
Public health services	4,852
Transportation	936,053
Community environment	12,723
Basic utility services	2,241
Leisure time activities	<u>97,267</u>
Total depreciation expense - governmental activities	<u>\$ 1,596,299</u>

	Balance 12/31/2017	Additions	Deductions	Balance 12/31/2018
<b><u>Business-type activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,159,437	\$ -	\$ -	\$ 1,159,437
Construction in progress	<u>7,003,106</u>	<u>2,818,903</u>	<u>(6,599,826)</u>	<u>3,222,183</u>
Total capital assets, not being depreciated	<u>8,162,543</u>	<u>2,818,903</u>	<u>(6,599,826)</u>	<u>4,381,620</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,502,896	-	-	1,502,896
Buildings, structures and improvements	13,147,288	6,467,094	-	19,614,382
Water and sewer lines	25,928,750	-	-	25,928,750
Furniture, fixtures and equipment	<u>9,944,946</u>	<u>499,331</u>	-	<u>10,444,277</u>
Total capital assets, being depreciated	<u>50,523,880</u>	<u>6,966,425</u>	-	<u>57,490,305</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,328,827)	(24,022)	-	(1,352,849)
Buildings, structures and improvements	(7,440,978)	(351,358)	-	(7,792,336)
Water and sewer lines	(16,237,461)	(484,101)	-	(16,721,562)
Furniture, fixtures and equipment	<u>(5,458,931)</u>	<u>(406,099)</u>	-	<u>(5,865,030)</u>
Total accumulated depreciation	<u>(30,466,197)</u>	<u>(1,265,580)</u>	-	<u>(31,731,777)</u>
Total capital assets, being depreciated net	<u>20,057,683</u>	<u>5,700,845</u>	-	<u>25,758,528</u>
Business-type activities capital assets, net	<u>\$ 28,220,226</u>	<u>\$ 8,519,748</u>	<u>\$ (6,599,826)</u>	<u>\$ 30,140,148</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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 2018, the City contracted with Ohio Municipal Joint Self-Insurance Pool for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Occurrence</u>	<u>Limit - Aggregate</u>
General Liability	None	\$1,000,000	\$ 3,000,000
Wrongful Acts	\$ 5,000	1,000,000	1,000,000
Law Enforcement	5,000	1,000,000	1,000,000
Automobile Liability	250-500	1,000,000	1,000,000
Bond	250	None	50,000
Crime - Theft	250	None	100,000
Crime - Forgery/Computer Fraud	250	None	100,000
Property	2,500	None	68,939,643
Inland Marine	1,000	None	2,990,343
Electronic Data Processing	1,000	None	593,816
Excess Liability	10,000	2,000,000	2,000,000

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

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

**B. Workers' Compensation**

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 8 - RISK MANAGEMENT - (Continued)**

**C. Health Insurance**

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

The claims liability of \$190,479 reported in the self-insurance fund at December 31, 2018, is estimated by the third-party administrator and is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Current</u> <u>Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>at End</u> <u>of Year</u>
2016	\$ 239,902	\$ 2,714,772	\$ (2,799,435)	\$ 155,239
2017	155,239	2,560,111	(2,499,740)	215,610
2018	215,610	2,458,741	(2,483,872)	190,479

**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	\$ 957,485
Nonmajor governmental funds	General fund	91,354
Nonmajor governmental funds	Nonmajor governmental funds	7,791
Water fund	Sewer fund	<u>154,969</u>
Total		<u>\$ 1,211,599</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 9 - INTERFUND TRANSACTIONS - (Continued)**

Transfers between governmental funds are eliminated on the government-wide financial statements. All transfers made in 2018 were in accordance with Ohio Revised Code sections 5705.14, 5705.15 and 5705.16. The transfer from the water fund to the sewer fund was a transfer of capital assets originally purchased by the water fund for sewer operations. This transfer is also eliminated on the government-wide financial statements.

**B. Due to/from other funds**

Interfund balances at December 31, 2018 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 funds	<u>\$ 12,824</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, 2018, as reported on the fund financial statements.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 202,564</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.

**D. Advances to/from other funds**

The City had long-term interfund loans at December 31, 2018. 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 District 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>

**CITY OF ALLIANCE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 10 - TAX ABATEMENTS**

As of December 31, 2018, 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 2018 the City's property tax revenues were reduced by \$15,682 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, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS**

**A. Governmental activities**

A schedule of changes in long-term obligations of the City during 2018 follows. The long-term obligations at December 31, 2017 have been restated as described in Note 3.

	Restated Balance Outstanding 12/31/17	Additions	Reductions	Balance Outstanding 12/31/18	Amounts Due Within One Year
<b><u>Governmental activities</u></b>					
<b><i>OPWC loans:</i></b>					
MLK bridge rehabilitation	353,334	-	(13,333)	340,001	13,333
Total OPWC loans	<u>353,334</u>	<u>-</u>	<u>(13,333)</u>	<u>340,001</u>	<u>13,333</u>
<b><i>SIB loans:</i></b>					
MLK bridge project	133,437	-	(20,617)	112,820	21,241
Total SIB loans	<u>133,437</u>	<u>-</u>	<u>(20,617)</u>	<u>112,820</u>	<u>21,241</u>
<b><i>Other long-term obligations:</i></b>					
Police and fire pension liability	295,250	-	(11,729)	283,521	12,233
Net pension liability	19,392,288	-	(3,171,222)	16,221,066	-
Net OPEB liability	12,547,464	1,464,367	(30,416)	13,981,415	-
Compensated absences	2,489,984	155,752	(56,907)	2,588,829	811,087
Total governmental activities	<u>\$ 35,211,757</u>	<u>\$ 1,620,119</u>	<u>\$ (3,304,224)</u>	<u>\$ 33,527,652</u>	<u>\$ 857,894</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 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.

**State Infrastructure Bank (SIB) Loan**

The City has entered into SIB Loan agreements to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These loans bear a 3.00% interest rate and mature in 2023. Principal and interest payments will be made from the capital improvements fund. During 2018, the City made a principal payment of \$20,617.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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, 2018 are as follows:

Year Ending December 31,	<u>Police and Fire Pension Liability</u>		<u>OPWC Loan - MLK Bridge</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 12,233	\$ 12,199	\$ 13,333	\$ -
2020	12,758	11,686	13,333	-
2021	13,305	11,151	13,333	-
2022	13,877	10,593	13,333	-
2023	14,472	10,012	13,333	-
2024 - 2028	82,229	40,420	66,665	-
2029 - 2033	101,457	21,641	66,665	-
2034 - 2038	33,190	2,462	66,665	-
2039 - 2043	-	-	66,665	-
2044	-	-	6,676	-
	<u>-</u>	<u>-</u>	<u>6,676</u>	<u>-</u>
Total	\$ 283,521	\$ 120,164	\$ 340,001	\$ -

Year Ending December 31,	<u>2014 SIB Loan - MLK Project</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 21,241	\$ 3,226
2020	21,882	2,584
2021	22,544	1,923
2022	23,225	1,242
2023	23,928	540
	<u>23,928</u>	<u>540</u>
Total	\$ 112,820	\$ 9,515

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-type activities**

A schedule of changes in long-term obligations of the City during 2018 follows. The long-term obligations at December 31, 2017 have been restated as described in Note 3.

	Restated Balance Outstanding 12/31/17	Additions	Reductions	Balance Outstanding 12/31/18	Amounts Due Within One Year
<b><u>Business-type activities:</u></b>					
<b><i>Revenue bonds:</i></b>					
2008 water refunding	\$ 4,155,000	\$ -	\$ (1,330,000)	\$ 2,825,000	\$ 1,385,000
Unamortized premium	23,848	-	(8,295)	15,553	8,295
Total revenue bonds	<u>4,178,848</u>	<u>-</u>	<u>(1,338,295)</u>	<u>2,840,553</u>	<u>1,393,295</u>
<b><i>General obligation bonds:</i></b>					
2012 water works improvement bonds	915,000	-	(55,000)	860,000	55,000
Unamortized premium	141	-	(10)	131	10
Total general obligation bonds	<u>915,141</u>	<u>-</u>	<u>(55,010)</u>	<u>860,131</u>	<u>55,010</u>
<b><i>OPWC loans:</i></b>					
OPWC loan - Gaskill (2002)	7,992	-	(2,663)	5,329	2,663
OPWC loan - Beeson St. (2004)	96,492	-	(13,785)	82,707	13,785
OPWC loan - WWTP clarifier (2006)	51,156	-	(5,684)	45,472	5,684
OPWC loan - raw influent pump replacement (2009)	260,661	-	(20,853)	239,808	20,853
OPWC loan - Water UV Light Oxidation (2013)	1,020,377	-	(37,105)	983,272	37,105
OPWC loan - WWTP Class A Biosolids (2018)	-	269,500	-	269,500	6,738
Total OPWC loans	<u>1,436,678</u>	<u>269,500</u>	<u>(80,090)</u>	<u>1,626,088</u>	<u>86,828</u>
<b><i>OWDA loans:</i></b>					
OWDA loan - Sludge dewatering facility (2016)	4,552,606	1,334,026	-	5,886,632	142,654
OWDA loan - Marlinton-Alliance Waterline (2017)	365,607	117,177	-	482,784	12,575
OWDA loan - Carbon Feed System (2018)	-	13,426	-	13,426	-
Total OWDA loans	<u>4,918,213</u>	<u>1,464,629</u>	<u>-</u>	<u>6,382,842</u>	<u>155,229</u>
<b><i>Other long-term obligations:</i></b>					
Net pension liability	4,661,813	-	(1,623,880)	3,037,933	-
Net OPEB liability	2,055,519	16,076	-	2,071,595	-
Compensated absences	553,707	100,928	(45,478)	609,157	237,394
Total business-type activities	<u>\$ 18,719,919</u>	<u>\$ 1,851,133</u>	<u>\$ (3,142,753)</u>	<u>\$ 17,428,299</u>	<u>\$ 1,927,756</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 balance of the refunded series 1998 current interest bonds at December 31, 2018 is \$2,965,000.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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.

The City has pledged future water customer revenues, net of specified operating expenses, to repay the series 2008 water refunding revenue bonds that were used for the purchase and repair of water lines in the City. The series 2008 water refunding revenue bonds are payable solely from water customer net revenues and are payable through 2020. Annual principal and interest payments on the bonds are expected to require approximately 48.04% percent of net revenues. The total principal and interest remaining to be paid on the series 2008 water refunding revenue bonds is \$2,995,600. Principal and interest paid for the current year and total customer net revenues (including cash and cash equivalents with a fiscal agent) were \$1,496,200 and \$3,114,782, respectively.

Series 2012 Various Purpose Improvement and Refunding Bonds

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

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

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

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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.

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, 2018, the loans are still open and amortization schedules are not yet available.

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, 2018 are as follows:

Year Ending December 31,	2012 Water			
	2008 Water Refunding		Works Improvement	
	Principal	Interest	Principal	Interest
2019	\$ 1,385,000	\$ 113,000	\$ 55,000	\$ 24,000
2020	1,440,000	57,600	60,000	22,900
2021	-	-	60,000	21,700
2022	-	-	60,000	20,200
2023	-	-	60,000	18,700
2024 - 2028	-	-	335,000	67,650
2029 - 2031	-	-	230,000	15,112
Total	<u>\$ 2,825,000</u>	<u>\$ 170,600</u>	<u>\$ 860,000</u>	<u>\$ 190,262</u>

Year Ending December 31,	OPWC - Gaskill Street		OPWC - Beeson Street		OPWC - WWTP Clarifer	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 2,663	\$ -	\$ 13,785	\$ -	\$ 5,684	\$ -
2020	2,666	-	13,785	-	5,684	-
2021	-	-	13,785	-	5,684	-
2022	-	-	13,785	-	5,684	-
2023	-	-	13,785	-	5,684	-
2024 - 2025	-	-	13,782	-	17,052	-
Total	<u>\$ 5,329</u>	<u>\$ -</u>	<u>\$ 82,707</u>	<u>\$ -</u>	<u>\$ 45,472</u>	<u>\$ -</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Year Ending December 31,	OPWC - Raw		OPWC - WTP Ultraviolet		OPWC - WWTP Class A	
	Influent Pump Replacement		Light Oxidation		Biosolids	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 20,853	\$ -	\$ 37,105	\$ -	\$ 6,738	\$ -
2020	20,853	-	37,105	-	13,475	-
2021	20,853	-	37,105	-	13,475	-
2022	20,853	-	37,105	-	13,475	-
2023	20,853	-	37,105	-	13,475	-
2024 - 2028	104,265	-	185,525	-	67,375	-
2029 - 2033	31,278	-	185,525	-	67,375	-
2034 - 2038	-	-	185,525	-	67,375	-
2039 - 2043	-	-	185,525	-	6,737	-
2044 - 2045	-	-	55,647	-	-	-
Total	<u>\$ 239,808</u>	<u>\$ -</u>	<u>\$ 983,272</u>	<u>\$ -</u>	<u>\$ 269,500</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, 2018, the City's total debt margin was \$29,966,873 and the unvoted debt margin was \$15,696,933.

**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, 2018, \$62,210,000 had been issued and \$39,690,000 was still outstanding.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

#### NOTE 12 - DEFINED BENEFIT PENSION PLANS

##### *Net Pension Liability/Asset*

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

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

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

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

##### *Plan Description – Ohio Public Employees Retirement System (OPERS)*

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 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.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

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

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
<b>2018 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2018 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	<u>0.0 %</u>	<u>0.0 %</u>	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

\* 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.

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$916,585 for 2018. Of this amount, \$110,924 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 OPF website at [www.op-f.org](http://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 after 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 2.50% 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.

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2018 Actual Contribution Rates</b>		
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 \$960,071 for 2018. Of this amount, \$119,166 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, 2018, the specific liability of the City was \$283,521 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 Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. 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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.04887200%	0.04528400%	0.04337500%	0.20455100%	
Proportion of the net pension liability/asset current measurement date	<u>0.04560800%</u>	<u>0.04220400%</u>	<u>0.03004900%</u>	<u>0.19721500%</u>	
Change in proportionate share	<u>-0.00326400%</u>	<u>-0.00308000%</u>	<u>-0.01332600%</u>	<u>-0.00733600%</u>	
Proportionate share of the net pension liability	\$ 7,155,010	\$ -	\$ -	\$ 12,103,989	\$ 19,258,999
Proportionate share of the net pension asset	-	(57,454)	(1,049)	-	(58,503)
Pension expense	1,386,439	9,275	(341)	1,286,878	2,682,251

At December 31, 2018, the City 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>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 7,307	\$ -	\$ 2,041	\$ 183,686	\$ 193,034
Changes of assumptions	855,071	5,021	125	527,435	1,387,652
Changes in employer's proportionate percentage/difference between employer contributions	22,720	-	-	1,521	24,241
City contributions subsequent to the measurement date	874,838	25,921	15,826	960,071	1,876,656
Total deferred outflows of resources	<u>\$ 1,759,936</u>	<u>\$ 30,942</u>	<u>\$ 17,992</u>	<u>\$ 1,672,713</u>	<u>\$ 3,481,583</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 141,003	\$ 17,114	\$ -	\$ 21,897	\$ 180,014
Net difference between projected and actual earnings on pension plan investments	1,536,085	9,066	295	418,707	1,964,153
Changes in employer's proportionate percentage/ difference between employer contributions	384,986	-	-	654,197	1,039,183
Total deferred inflows of resources	<u>\$ 2,062,074</u>	<u>\$ 26,180</u>	<u>\$ 295</u>	<u>\$ 1,094,801</u>	<u>\$ 3,183,350</u>

\$1,876,656 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, 2019.

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
2019	\$ 458,322	\$ (2,882)	\$ 233	\$ 149,194	\$ 604,867
2020	(327,688)	(3,131)	225	39,111	(291,483)
2021	(676,408)	(5,161)	185	(395,072)	(1,076,456)
2022	(631,200)	(4,948)	194	(248,828)	(884,782)
2023	(2)	(1,764)	283	59,214	57,731
Thereafter	-	(3,273)	751	14,221	11,699
Total	<u>\$ (1,176,976)</u>	<u>\$ (21,159)</u>	<u>\$ 1,871</u>	<u>\$ (382,160)</u>	<u>\$ (1,578,424)</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*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, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

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: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

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 for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

During 2017, 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 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
<b>Total</b>	<b>100.00 %</b>	<b>5.66 %</b>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 12,705,477	\$ 7,155,010	\$ 2,527,595
Combined Plan	(31,231)	(57,454)	(75,545)
Member-Directed Plan	(601)	(1,049)	(1,502)

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below. The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the investment rate of return from 8.25% to 8.00%, (b) projected salary increases decreased from 4.25% - 11.00% to 3.75% - 10.50%, (c) payroll increases decreased from 3.75% to 3.25%, (d) inflation assumptions decreased from 3.25% to 2.75% and (e) Cost of Living Adjustments (COLAs) decreased from 2.60% to 2.20%.

Valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

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 OPF's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.22 %	5.39 %
Non-US Equity	16.00	4.41	5.59
Private Markets	8.00	6.67	8.08
Core Fixed Income *	23.00	1.57	2.71
High Yield Fixed Income	7.00	2.94	4.71
Private Credit	5.00	6.93	7.26
Global Inflation			
Protected Securities *	17.00	0.98	2.52
Master Limited Partnerships	8.00	7.50	7.93
Real Assets	8.00	6.88	7.24
Private Real Estate	12.00	5.58	6.34
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, 2018

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.00%. A discount rate of 8.25% was used in the prior measurement period. 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 (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 16,779,283	\$ 12,103,989	\$ 8,290,833

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” was effective. This GASB pronouncement had no effect on beginning net position as reported January 1, 2018, as the net OPEB liability is not reported in the accompanying financial statements. The net OPEB liability has been disclosed below.

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 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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 net OPEB liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the modified cash basis framework.

***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' CAFR 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 requiring 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, health care is not being funded.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both 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 2018 was 4.0 percent.

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

The City's contractually required contribution was \$6,331 for 2018. Of this amount, \$766 is reported as due to other governments.

**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 healthcare 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. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government 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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent 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 and is limited by the provisions of Sections 115 and 401(h).

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.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$22,994 for 2018. Of this amount, \$2,854 is reported due to other governments.

***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, 2016, rolled forward to the measurement date of December 31, 2017, 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, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. 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:

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.04844800%	0.20455100%	
Proportion of the net OPEB liability current measurement date	<u>0.04493000%</u>	<u>0.19721500%</u>	
Change in proportionate share	<u>-0.00351800%</u>	<u>-0.00733600%</u>	
Proportionate share of the net OPEB liability	\$ 4,879,067	\$ 11,173,943	\$ 16,053,010
OPEB expense	\$ 299,588	\$ 1,061,878	\$ 1,361,466

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 3,801	\$ -	\$ 3,801
Changes of assumptions	355,248	1,090,339	1,445,587
City contributions subsequent to the measurement date	6,331	22,994	29,325
Total deferred outflows of resources	<u>\$ 365,380</u>	<u>\$ 1,113,333</u>	<u>\$ 1,478,713</u>

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 56,357	\$ 56,357
Net difference between projected and actual earnings on pension plan investments	363,458	73,552	437,010
Changes in employer's proportionate percentage/ difference between employer contributions	243,739	537,473	781,212
Total deferred inflows of resources	<u>\$ 607,197</u>	<u>\$ 667,382</u>	<u>\$ 1,274,579</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$29,325 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, 2019.

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	OP&F	Total
Year Ending December 31:			
2019	\$ (35,735)	\$ 13,216	\$ (22,519)
2020	(35,735)	13,216	(22,519)
2021	(85,812)	13,216	(72,596)
2022	(90,864)	86,220	(4,644)
2023	(2)	104,608	104,606
Thereafter	-	192,481	192,481
Total	\$ (248,148)	\$ 422,957	\$ 174,809

***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 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, 2016, rolled forward to the measurement date of December 31, 2017. 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 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

During 2017, 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 is 15.2 percent for 2017.

The allocation of investment assets with 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 table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
<b>Total</b>	<b>100.00 %</b>	<b>4.98 %</b>



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Discount Rate** A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. 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 6.50 percent and a municipal bond rate of 3.31 percent. 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.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 6,482,051	\$ 4,879,067	\$ 3,582,269

**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 1.0 percent lower or 1.0 percent 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 2018 is 7.50 percent. 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 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 4,668,227	\$ 4,879,067	\$ 5,096,859

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Actuarial Assumptions – OP&F*

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, 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 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.

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, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 percent.

<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, the prior experience study was completed December 31, 2011.

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, 2017, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

\*levered 2x

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

**Discount Rate** - The total OPEB liability was calculated using the discount rate of 3.24 percent. 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 8 percent. 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 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

**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 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 13,967,542	\$ 11,173,943	\$ 9,024,361

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
Year					
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 8,680,106	\$ 11,173,943	\$ 14,534,750

**NOTE 14 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

Employees earn sick leave at the rate of 2.3 hours for every forty hours of service. Upon retirement or death, most employees receive up to 960 hours of such time on credit plus 25% of the next 600 hours on credit for a maximum not to exceed 1,110 hours. Several union contracts have additional language limiting employees hired within the past 15 years to either 960 hours or 25% of all hours on credit, whichever is less, or 25% of all hours on credit not to exceed 240 hours paid.

If any employee leaves the City for any reason, the City will pay the employee a maximum of 480 hours for the compensatory time. As of December 31, 2018, the total liability for unpaid compensated absences was \$2,588,829 for the governmental activities and \$609,157 for the business-type activities.

**B. Life Insurance**

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

**NOTE 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, 2018.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**NOTE 15 - COMMITMENTS AND CONTINGENCIES - (Continued)**

**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, 2018.

**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 2018, 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 2018, the City contributed \$33,269 to the Commission. Complete financial statements may be obtained from the Stark County Regional Planning Commission, 201 3<sup>rd</sup> 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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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	\$ 25,192
Revolving loan fund	2,608
Other governmental	<u>199,641</u>
 Total	 <u>\$ 227,441</u>

**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 23<sup>rd</sup> 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, 23<sup>rd</sup> 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>
2019	\$ 177,236	\$ 132,608	\$ 1,500	\$ 311,344
2020	177,236	132,608	130,051	439,895
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	<u>-</u>	<u>-</u>	<u>130,051</u>	<u>130,051</u>
 Total	 <u>\$ 708,944</u>	 <u>\$ 663,040</u>	 <u>\$ 651,755</u>	 <u>\$ 2,023,739</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

**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	\$ 9,421	\$ -	\$ 60,858	\$ 70,279
Prepays	177,380	416	26,642	204,438
Unclaimed monies	59,978	-	-	59,978
Total nonspendable	<u>246,779</u>	<u>416</u>	<u>87,500</u>	<u>334,695</u>
Restricted:				
Judicial operations	-	-	554,107	554,107
Security programs	-	-	296,877	296,877
K-9 collections	10,710	-	-	10,710
Public health service programs	-	-	842,404	842,404
Transportation projects	-	-	324,694	324,694
Community environment programs	-	2,480,407	175,400	2,655,807
Long-term loans	-	750,685	-	750,685
Debt service	-	-	43,850	43,850
Total restricted	<u>10,710</u>	<u>3,231,092</u>	<u>2,237,332</u>	<u>5,479,134</u>
Committed:				
Legislative and executive operations	180,757	-	-	180,757
Community environment programs	-	-	4,144	4,144
Leisure time activities programs	-	-	2,545	2,545
Transportation	-	-	8,375	8,375
Capital projects	-	-	208,824	208,824
Total committed	<u>180,757</u>	<u>-</u>	<u>223,888</u>	<u>404,645</u>
Assigned:				
Legislative and executive operations	245,393	-	-	245,393
Total assigned	<u>245,393</u>	<u>-</u>	<u>-</u>	<u>245,393</u>
Unassigned (deficit)	1,083,006	-	(116,568)	966,438
Total fund balances	<u>\$ 1,766,645</u>	<u>\$ 3,231,508</u>	<u>\$ 2,432,152</u>	<u>\$ 7,430,305</u>



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 FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>					
City's proportion of the net pension liability	0.045608%	0.048872%	0.048789%	0.048044%	0.048044%
City's proportionate share of the net pension liability	\$ 7,155,011	\$ 11,097,999	\$ 8,450,870	\$ 5,794,643	\$ 5,663,762
City's covered payroll	\$ 5,746,500	\$ 6,345,067	\$ 6,022,642	\$ 5,899,225	\$ 5,845,338
City's proportionate share of the net pension liability as a percentage of its covered payroll	124.51%	174.91%	140.32%	98.23%	96.89%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>					
City's proportion of the net pension asset	0.042204%	0.045284%	0.043680%	0.043697%	0.043697%
City's proportionate share of the net pension asset	\$ 57,453	\$ 25,204	\$ 21,256	\$ 16,824	\$ 4,585
City's covered payroll	\$ 172,846	\$ 176,275	\$ 158,975	\$ 153,433	\$ 119,669
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.24%	14.30%	13.37%	10.97%	3.83%
Plan fiduciary net position as a percentage of the total pension asset	137.28%	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>					
City's proportion of the net pension asset	0.030049%	0.043375%	0.043228%	n/a	n/a
City's proportionate share of the net pension asset	\$ 1,049	\$ 181	\$ 165	n/a	n/a
City's covered payroll	\$ 164,700	\$ 178,258	\$ 240,742	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.64%	0.10%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	124.45%	103.40%	103.91%	n/a	n/a

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

**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 FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.19721500%	0.20455100%	0.20491200%	0.21463130%	0.21463130%
City's proportionate share of the net pension liability	\$ 12,103,989	\$ 12,956,102	\$ 13,182,132	\$ 11,118,796	\$ 10,453,218
City's covered payroll	\$ 4,093,300	\$ 4,552,466	\$ 4,233,608	\$ 4,341,884	\$ 4,175,541
City's proportionate share of the net pension liability as a percentage of its covered payroll	295.70%	284.60%	311.37%	256.08%	250.34%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	68.36%	66.77%	72.20%	73.00%

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

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 874,838	\$ 747,045	\$ 761,408	\$ 722,717
Contributions in relation to the contractually required contribution	<u>(874,838)</u>	<u>(747,045)</u>	<u>(761,408)</u>	<u>(722,717)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,248,843	\$ 5,746,500	\$ 6,345,067	\$ 6,022,642
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 25,921	\$ 22,470	\$ 21,153	\$ 19,077
Contributions in relation to the contractually required contribution	<u>(25,921)</u>	<u>(22,470)</u>	<u>(21,153)</u>	<u>(19,077)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 185,150	\$ 172,846	\$ 176,275	\$ 158,975
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 15,826	\$ 16,470	\$ 21,391	\$ 28,889
Contributions in relation to the contractually required contribution	<u>(15,826)</u>	<u>(16,470)</u>	<u>(21,391)</u>	<u>(28,889)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 158,260	\$ 164,700	\$ 178,258	\$ 240,742
Contributions as a percentage of covered payroll	10.00%	10.00%	12.00%	12.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 707,907	\$ 759,894	\$ 599,490	\$ 606,260	\$ 239,852	\$ 497,389
<u>(707,907)</u>	<u>(759,894)</u>	<u>(599,490)</u>	<u>(606,260)</u>	<u>(239,852)</u>	<u>(497,389)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,899,225	\$ 5,845,338	\$ 5,994,900	\$ 6,062,600	\$ 2,688,924	\$ 6,117,946
12.00%	13.00%	10.00%	10.00%	8.92%	8.13%
\$ 18,412	\$ 15,557	\$ 9,462	\$ 8,447	\$ 9,946	
<u>(18,412)</u>	<u>(15,557)</u>	<u>(9,462)</u>	<u>(8,447)</u>	<u>(9,946)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 153,433	\$ 119,669	\$ 119,019	\$ 106,252	\$ 102,642	
12.00%	13.00%	7.95%	7.95%	9.69%	

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 509,379	\$ 439,734	\$ 524,512	\$ 475,279
Contributions in relation to the contractually required contribution	<u>(509,379)</u>	<u>(439,734)</u>	<u>(524,512)</u>	<u>(475,279)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,680,942	\$ 2,314,389	\$ 2,760,589	\$ 2,501,468
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 450,692	\$ 418,044	\$ 421,091	\$ 407,053
Contributions in relation to the contractually required contribution	<u>(450,692)</u>	<u>(418,044)</u>	<u>(421,091)</u>	<u>(407,053)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,917,838	\$ 1,778,911	\$ 1,791,877	\$ 1,732,140
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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 497,799	\$ 397,100	\$ 294,093	\$ 310,923	\$ 304,125	\$ 301,492
<u>(497,799)</u>	<u>(397,100)</u>	<u>(294,093)</u>	<u>(310,923)</u>	<u>(304,125)</u>	<u>(301,492)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,619,995	\$ 2,500,105	\$ 2,306,612	\$ 2,438,612	\$ 2,385,294	\$ 2,364,643
19.00%	15.88%	12.75%	12.75%	12.75%	12.75%
\$ 404,644	\$ 341,347	\$ 287,740	\$ 294,805	\$ 289,105	\$ 282,125
<u>(404,644)</u>	<u>(341,347)</u>	<u>(287,740)</u>	<u>(294,805)</u>	<u>(289,105)</u>	<u>(282,125)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,721,889	\$ 1,674,638	\$ 1,668,058	\$ 1,709,014	\$ 1,675,971	\$ 1,635,507
23.50%	20.38%	17.25%	17.25%	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 TWO YEARS**

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.044930%	0.048448%
City's proportionate share of the net OPEB liability	\$ 4,879,067	\$ 4,893,407
City's covered payroll	\$ 6,084,046	\$ 6,699,600
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	80.19%	73.04%
Plan fiduciary net position as a percentage of the total OPEB liability	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.

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 TWO YEARS**

	<u><b>2018</b></u>	<u><b>2017</b></u>
City's proportion of the net OPEB liability	0.19721500%	0.20455100%
City's proportionate share of the net OPEB liability	\$ 11,173,943	\$ 9,709,576
City's covered payroll	\$ 4,093,300	\$ 4,552,466
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	272.98%	213.28%
Plan fiduciary net position as a percentage of the total OPEB liability	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 6,331	\$ 65,781	\$ 140,558	\$ 123,632
Contributions in relation to the contractually required contribution	<u>(6,331)</u>	<u>(65,781)</u>	<u>(140,558)</u>	<u>(123,632)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,592,253	\$ 6,084,046	\$ 6,699,600	\$ 6,422,359
Contributions as a percentage of covered payroll	0.10%	1.08%	2.10%	1.93%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 120,949	\$ 59,624	\$ 246,997	\$ 248,932	\$ 312,195	\$ 359,650
<u>(120,949)</u>	<u>(59,624)</u>	<u>(246,997)</u>	<u>(248,932)</u>	<u>(312,195)</u>	<u>(359,650)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,052,658	\$ 5,965,007	\$ 6,113,919	\$ 6,168,852	\$ 2,791,566	\$ 6,117,946
2.00%	1.00%	4.04%	4.04%	11.18%	5.88%

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 13,405	\$ 11,572	\$ 14,176	\$ 12,845
Contributions in relation to the contractually required contribution	<u>(13,405)</u>	<u>(11,572)</u>	<u>(14,176)</u>	<u>(12,845)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,680,942	\$ 2,314,389	\$ 2,760,589	\$ 2,501,468
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 9,589	\$ 8,895	\$ 8,959	\$ 8,661
Contributions in relation to the contractually required contribution	<u>(9,589)</u>	<u>(8,895)</u>	<u>(8,959)</u>	<u>(8,661)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,917,838	\$ 1,778,911	\$ 1,791,877	\$ 1,732,140
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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 13,036	\$ 85,960	\$ 155,697	\$ 164,607	\$ 161,008	\$ 145,100
<u>(13,036)</u>	<u>(85,960)</u>	<u>(155,697)</u>	<u>(164,607)</u>	<u>(161,008)</u>	<u>(145,100)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,619,995	\$ 2,500,105	\$ 2,306,612	\$ 2,438,612	\$ 2,385,294	\$ 2,364,643
0.50%	3.44%	6.75%	6.75%	6.75%	6.14%
\$ 8,564	\$ 61,940	\$ 112,594	\$ 115,359	\$ 113,128	\$ 112,328
<u>(8,564)</u>	<u>(61,940)</u>	<u>(112,594)</u>	<u>(115,359)</u>	<u>(113,128)</u>	<u>(112,328)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,721,889	\$ 1,674,638	\$ 1,668,058	\$ 1,709,014	\$ 1,675,971	\$ 1,635,507
0.50%	3.70%	6.75%	6.75%	6.75%	6.87%

CITY OF ALLIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2018

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2018.

*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.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2018.

*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.

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2017-2018.

*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%.

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.

*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%, (e) payroll growth was reduced from 3.75% to 3.25% and (f) the discount rate (interest rate) was reduced from 3.79% to 3.24%.

**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,047,229	\$ 43,850	\$ 175,995	\$ 2,267,074
Receivables (net of allowances for uncollectibles):				
Municipal income taxes. . . . .	-	-	108,809	108,809
Property and other taxes . . . . .	973,278	-	-	973,278
Accounts. . . . .	14,598	-	1,985	16,583
Intergovernmental. . . . .	612,922	-	102,392	715,314
Special assessments . . . . .	-	22,366	664	23,030
Prepayments . . . . .	26,642	-	-	26,642
Materials and supplies inventory. . . . .	60,858	-	-	60,858
Total assets . . . . .	<u>\$ 3,735,527</u>	<u>\$ 66,216</u>	<u>\$ 389,845</u>	<u>\$ 4,191,588</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 46,837	\$ -	\$ 5,332	\$ 52,169
Accrued wages and benefits payable. . . . .	61,504	-	-	61,504
Compensated absences payable . . . . .	22,315	-	-	22,315
Interfund loans payable . . . . .	82,564	-	120,000	202,564
Due to other funds . . . . .	12,824	-	-	12,824
Due to other governments . . . . .	22,191	-	-	22,191
Advances to other funds . . . . .	5,626	-	-	5,626
Total liabilities. . . . .	<u>253,861</u>	<u>-</u>	<u>125,332</u>	<u>379,193</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	934,092	-	-	934,092
Income tax revenue not available . . . . .	-	-	58,150	58,150
Delinquent property tax revenue not available . . . . .	39,186	-	-	39,186
Special assessments revenue not available. . . . .	-	22,366	664	23,030
Intergovernmental revenue not available . . . . .	325,785	-	-	325,785
Total deferred inflows of resources . . . . .	<u>1,299,063</u>	<u>22,366</u>	<u>58,814</u>	<u>1,380,243</u>
Total liabilities and deferred inflows of resources . . . . .	<u>1,552,924</u>	<u>22,366</u>	<u>184,146</u>	<u>1,759,436</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	87,500	-	-	87,500
Restricted . . . . .	2,177,603	43,850	15,879	2,237,332
Committed . . . . .	15,064	-	208,824	223,888
Unassigned (deficit) . . . . .	<u>(97,564)</u>	<u>-</u>	<u>(19,004)</u>	<u>(116,568)</u>
Total fund balances . . . . .	<u>2,182,603</u>	<u>43,850</u>	<u>205,699</u>	<u>2,432,152</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 3,735,527</u>	<u>\$ 66,216</u>	<u>\$ 389,845</u>	<u>\$ 4,191,588</u>



**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ -	\$ -	\$ 506,700	\$ 506,700
Property and other taxes . . . . .	154,102	-	-	154,102
Charges for services . . . . .	139,940	-	-	139,940
Licenses, permits and fees . . . . .	73,935	-	26,158	100,093
Fines and forfeitures . . . . .	201,136	-	-	201,136
Intergovernmental . . . . .	1,985,227	-	167,801	2,153,028
Investment income . . . . .	19,559	-	-	19,559
Contributions and donations . . . . .	2,342	-	1,400	3,742
Other . . . . .	99,583	-	49,098	148,681
<b>Total revenues . . . . .</b>	<b>2,675,824</b>	<b>-</b>	<b>751,157</b>	<b>3,426,981</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	243,019	-	-	243,019
Security of persons and property . . . . .	1,273,722	-	-	1,273,722
Public health and welfare . . . . .	322,664	-	-	322,664
Transportation . . . . .	1,029,882	-	-	1,029,882
Community environment . . . . .	683,214	-	-	683,214
Leisure time activities . . . . .	21,134	-	-	21,134
Capital outlay . . . . .	-	-	944,556	944,556
Debt service:				
Principal retirement . . . . .	11,729	-	33,950	45,679
Interest and fiscal charges . . . . .	12,690	-	3,850	16,540
<b>Total expenditures . . . . .</b>	<b>3,598,054</b>	<b>-</b>	<b>982,356</b>	<b>4,580,410</b>
Excess of expenditures over revenues . . . . .	(922,230)	-	(231,199)	(1,153,429)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets . . . . .	14,173	-	-	14,173
Transfers in . . . . .	965,276	-	-	965,276
Transfers (out) . . . . .	(99,145)	-	-	(99,145)
<b>Total other financing sources (uses) . . . . .</b>	<b>880,304</b>	<b>-</b>	<b>-</b>	<b>880,304</b>
Net change in fund balances . . . . .	(41,926)	-	(231,199)	(273,125)
<b>Fund balances at beginning of year . . . . .</b>	<b>2,224,529</b>	<b>43,850</b>	<b>436,898</b>	<b>2,705,277</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 2,182,603</b>	<b>\$ 43,850</b>	<b>\$ 205,699</b>	<b>\$ 2,432,152</b>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds**

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

***Street Repair and Maintenance Fund***

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

***Federal COPS Fast Program Fund***

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

***State Highway Fund***

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

***Law Enforcement Block Grant Fund***

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

***Motor Vehicle License Fund***

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

***Municipal Court Computerization Fund***

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

***Health Fund***

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

***Litter Control Fund***

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

***State Misdemeanant Grant Fund***

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

***Cemetery Fund***

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

***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.

***Special Project Fund***

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

***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.

***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*
- Downtown Special Events 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, 2018

	<u>Street Repair and Maintenance</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>	<u>Motor Vehicle License</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 105,667	\$ 33,315	\$ 57,414	\$ 111,916
Receivables (net of allowances for uncollectibles):				
Property and other taxes . . . . .	-	-	-	-
Accounts. . . . .	-	-	-	-
Intergovernmental . . . . .	360,298	29,214	-	17,180
Prepayments . . . . .	-	-	-	17,604
Materials and supplies inventory . . . . .	60,858	-	-	-
Total assets . . . . .	<u>\$ 526,823</u>	<u>\$ 62,529</u>	<u>\$ 57,414</u>	<u>\$ 146,700</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 4,010	\$ -	\$ 1,665	\$ 2,372
Accrued wages and benefits payable. . . . .	29,281	-	-	-
Compensated absences payable . . . . .	22,315	-	-	-
Interfund loans payable . . . . .	-	-	-	-
Due to other funds . . . . .	-	-	-	-
Due to other governments . . . . .	12,219	-	-	-
Advances to other funds . . . . .	-	-	-	-
Total liabilities . . . . .	<u>67,825</u>	<u>-</u>	<u>1,665</u>	<u>2,372</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available . . . . .	242,996	19,703	-	-
Total deferred inflows of resources . . . . .	<u>242,996</u>	<u>19,703</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	60,858	-	-	17,604
Restricted . . . . .	155,144	42,826	55,749	126,724
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances . . . . .	<u>216,002</u>	<u>42,826</u>	<u>55,749</u>	<u>144,328</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 526,823</u>	<u>\$ 62,529</u>	<u>\$ 57,414</u>	<u>\$ 146,700</u>

<b>Municipal Court Computerization</b>	<b>Health</b>	<b>Litter Control</b>	<b>State Misdemeanant Grant</b>	<b>Cemetery</b>	<b>HUD Grant</b>
\$ 117,576	\$ 86,335	\$ 24,593	\$ 10,568	\$ 755,088	\$ -
-	-	-	-	-	-
4,566	-	-	-	-	-
-	13,341	15,637	-	-	114,166
-	2,431	242	-	1,866	1,993
-	-	-	-	-	-
<u>\$ 122,142</u>	<u>\$ 102,107</u>	<u>\$ 40,472</u>	<u>\$ 10,568</u>	<u>\$ 756,954</u>	<u>\$ 116,159</u>
\$ -	\$ 19	\$ -	\$ -	\$ 976	\$ 32,880
-	5,478	324	-	2,927	5,094
-	-	-	-	-	-
-	-	11,000	-	-	-
-	-	-	-	-	12,824
-	1,642	139	-	1,318	3,636
-	-	-	-	-	-
<u>-</u>	<u>7,139</u>	<u>11,463</u>	<u>-</u>	<u>5,221</u>	<u>54,434</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,431	242	-	1,866	1,993
122,142	92,537	28,767	10,568	749,867	59,732
-	-	-	-	-	-
-	-	-	-	-	-
<u>122,142</u>	<u>94,968</u>	<u>29,009</u>	<u>10,568</u>	<u>751,733</u>	<u>61,725</u>
<u>\$ 122,142</u>	<u>\$ 102,107</u>	<u>\$ 40,472</u>	<u>\$ 10,568</u>	<u>\$ 756,954</u>	<u>\$ 116,159</u>

Continued

**CITY OF ALLIANCE, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2018

	<b>Community Development Block Grant</b>	<b>Fire Pension</b>	<b>Police Pension</b>	<b>Park Levy</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 24,763	\$ 10,000	\$ 10,000	\$ -
Receivables (net of allowances for uncollectibles):				
Property and other taxes . . . . .	-	106,047	106,047	761,184
Accounts . . . . .	-	-	-	-
Intergovernmental . . . . .	-	5,839	5,839	51,408
Prepayments . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
<b>Total assets . . . . .</b>	<b>\$ 24,763</b>	<b>\$ 121,886</b>	<b>\$ 121,886</b>	<b>\$ 812,592</b>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ 3,503
Accrued wages and benefits payable . . . . .	-	-	-	14,613
Interfund loans payable . . . . .	-	-	-	-
Interfund loans payable . . . . .	-	-	-	-
Due to other funds . . . . .	-	-	-	-
Due to other governments . . . . .	-	-	-	2,258
Advances to other funds . . . . .	-	-	-	-
<b>Total liabilities . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,374</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	86,454	86,454	761,184
Delinquent property tax revenue not available . . . . .	-	19,593	19,593	-
Intergovernmental revenue not available . . . . .	-	5,839	5,839	51,408
<b>Total deferred inflows of resources . . . . .</b>	<b>-</b>	<b>111,886</b>	<b>111,886</b>	<b>812,592</b>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted . . . . .	24,763	10,000	10,000	-
Committed . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	(20,374)
<b>Total fund balances . . . . .</b>	<b>24,763</b>	<b>10,000</b>	<b>10,000</b>	<b>(20,374)</b>
<b>Total liabilities, deferred inflows of resources and fund balances . . . . .</b>	<b>\$ 24,763</b>	<b>\$ 121,886</b>	<b>\$ 121,886</b>	<b>\$ 812,592</b>

<b>Special Projects</b>	<b>Other</b>	<b>Total</b>
\$ 56,024	\$ 643,970	\$ 2,047,229
-	-	973,278
-	10,032	14,598
-	-	612,922
-	2,506	26,642
-	-	60,858
<u>\$ 56,024</u>	<u>\$ 656,508</u>	<u>\$ 3,735,527</u>
\$ -	\$ 1,412	\$ 46,837
-	3,787	61,504
-	-	22,315
-	71,564	82,564
-	979	13,803
-	-	21,212
-	5,626	5,626
<u>-</u>	<u>83,368</u>	<u>253,861</u>
-	-	934,092
-	-	39,186
-	-	325,785
<u>-</u>	<u>-</u>	<u>1,299,063</u>
-	2,506	87,500
56,024	632,760	2,177,603
-	15,064	15,064
-	(77,190)	(97,564)
<u>56,024</u>	<u>573,140</u>	<u>2,182,603</u>
<u>\$ 56,024</u>	<u>\$ 656,508</u>	<u>\$ 3,735,527</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, 2018

	<b>Street Repair and Maintenance</b>	<b>Federal COPS Fast Program</b>	<b>State Highway</b>	<b>Law Enforcement Block Grant</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Licenses, permits and fees . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	45,041
Intergovernmental . . . . .	734,508	-	59,554	-
Investment income . . . . .	2,304	1,030	605	693
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	22,485	-	43	-
<b>Total revenues . . . . .</b>	<b>759,297</b>	<b>1,030</b>	<b>60,202</b>	<b>45,734</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	77,113	-	-	23,972
Public health and welfare . . . . .	-	-	-	-
Transportation . . . . .	787,561	-	66,586	-
Community environment . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>864,674</b>	<b>-</b>	<b>66,586</b>	<b>23,972</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(105,377)	1,030	(6,384)	21,762
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets . . . . .	-	-	-	-
Transfers in . . . . .	60,000	-	-	-
Transfers (out) . . . . .	-	(79,713)	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>60,000</b>	<b>(79,713)</b>	<b>-</b>	<b>-</b>
Net change in fund balances . . . . .	(45,377)	(78,683)	(6,384)	21,762
<b>Fund balances at beginning of year . . . . .</b>	<b>261,379</b>	<b>78,683</b>	<b>49,210</b>	<b>33,987</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 216,002</b>	<b>\$ -</b>	<b>\$ 42,826</b>	<b>\$ 55,749</b>



<u>Motor Vehicle License</u>	<u>Municipal Court Computerization</u>	<u>Health</u>	<u>Litter Control</u>	<u>State Misdemeanant Grant</u>	<u>Cemetery</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	46,045	-	-	27,890
-	63,072	-	-	-	-
227,902	-	165,934	49,877	-	-
-	-	-	-	-	12,225
-	-	-	-	-	-
-	-	-	11	-	8,618
<u>227,902</u>	<u>63,072</u>	<u>211,979</u>	<u>49,888</u>	<u>-</u>	<u>48,733</u>
-	67,964	-	-	-	-
-	-	-	-	-	-
-	-	180,750	-	-	141,914
175,725	-	-	-	-	-
-	-	-	32,145	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>175,725</u>	<u>67,964</u>	<u>180,750</u>	<u>32,145</u>	<u>-</u>	<u>141,914</u>
<u>52,177</u>	<u>(4,892)</u>	<u>31,229</u>	<u>17,743</u>	<u>-</u>	<u>(93,181)</u>
-	-	-	-	-	13,304
-	-	-	-	-	96,000
-	-	(11,641)	-	-	-
-	-	(11,641)	-	-	109,304
52,177	(4,892)	19,588	17,743	-	16,123
92,151	127,034	75,380	11,266	10,568	735,610
<u>\$ 144,328</u>	<u>\$ 122,142</u>	<u>\$ 94,968</u>	<u>\$ 29,009</u>	<u>\$ 10,568</u>	<u>\$ 751,733</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, 2018

	<b>HUD Grant</b>	<b>Community Development Block Grant</b>	<b>Fire Pension</b>	<b>Police Pension</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ 77,051	\$ 77,051
Charges for services . . . . .	-	-	-	-
Licenses, permits and fees . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	627,281	-	9,464	9,464
Investment income . . . . .	-	375	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	-	28,381	-	-
<b>Total revenues . . . . .</b>	<b>627,281</b>	<b>28,756</b>	<b>86,515</b>	<b>86,515</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	-	-	451,026	506,861
Public health and welfare . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	640,413	10,656	-	-
Leisure time activities . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	5,072	6,657
Interest and fiscal charges . . . . .	-	-	5,369	7,321
<b>Total expenditures . . . . .</b>	<b>640,413</b>	<b>10,656</b>	<b>461,467</b>	<b>520,839</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(13,132)	18,100	(374,952)	(434,324)
<b>Other financing sources:</b>				
Proceeds from sale of capital assets . . . . .	-	-	-	-
Transfers in . . . . .	-	-	374,952	434,324
Transfers (out) . . . . .	-	-	-	-
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>374,952</b>	<b>434,324</b>
Net change in fund balances . . . . .	(13,132)	18,100	-	-
<b>Fund balances at beginning of year . . . . .</b>	<b>74,857</b>	<b>6,663</b>	<b>10,000</b>	<b>10,000</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 61,725</b>	<b>\$ 24,763</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>

<b>Park Levy</b>	<b>Special Projects</b>	<b>FEMA</b>	<b>Other</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 154,102
-	-	-	139,940	139,940
-	-	-	-	73,935
-	-	-	93,023	201,136
-	56,024	41,004	4,215	1,985,227
-	-	-	2,327	19,559
-	-	-	2,342	2,342
-	-	-	40,045	99,583
-	56,024	41,004	281,892	2,675,824
-	-	-	175,055	243,019
-	-	33,213	181,537	1,273,722
-	-	-	-	322,664
-	-	-	10	1,029,882
-	-	-	-	683,214
20,374	-	-	760	21,134
-	-	-	-	11,729
-	-	-	-	12,690
20,374	-	33,213	357,362	3,598,054
(20,374)	56,024	7,791	(75,470)	(922,230)
-	-	-	869	14,173
-	-	-	-	965,276
-	-	(7,791)	-	(99,145)
-	-	(7,791)	869	880,304
(20,374)	56,024	-	(74,601)	(41,926)
-	-	-	647,741	2,224,529
\$ (20,374)	\$ 56,024	\$ -	\$ 573,140	\$ 2,182,603

**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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 738,000	\$ 736,969	\$ (1,031)
Investment income. . . . .	800	2,304	1,504
Other . . . . .	41,387	23,007	(18,380)
<b>Total revenues.</b> . . . .	<u>780,187</u>	<u>762,280</u>	<u>(17,907)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages. . . . .	42,500	40,857	1,643
Fringe benefits . . . . .	7,218	7,191	27
Contractual services . . . . .	12,269	11,232	1,037
<b>Total security of persons and property . .</b>	<u>61,987</u>	<u>59,280</u>	<u>2,707</u>
Transportation:			
Street transportation:			
Salaries and wages. . . . .	548,162	544,089	4,073
Fringe benefits . . . . .	102,279	97,497	4,782
Contractual services . . . . .	7,492	6,625	867
Materials and supplies . . . . .	67,387	59,289	8,098
Capital outlay. . . . .	95,000	95,000	-
<b>Total transportation.</b> . . . .	<u>820,320</u>	<u>802,500</u>	<u>17,820</u>
<b>Total expenditures</b> . . . . .	<u>882,307</u>	<u>861,780</u>	<u>20,527</u>
Excess of expenditures over revenues. . . . .	<u>(102,120)</u>	<u>(99,500)</u>	<u>2,620</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	60,000	60,000	-
<b>Total other financing sources.</b> . . . .	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance . . . . .	(42,120)	(39,500)	2,620
<b>Fund balance at beginning of year.</b> . . . .	131,522	131,522	-
<b>Prior year encumbrances appropriated . . .</b>	7,510	7,510	-
<b>Fund balance at end of year.</b> . . . .	<u>\$ 96,912</u>	<u>\$ 99,532</u>	<u>\$ 2,620</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FEDERAL COPS FAST PROGRAM FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 79,531	\$ -	\$ (79,531)
Investment income. . . . .	500	1,030	530
Total revenues . . . . .	<u>80,031</u>	<u>1,030</u>	<u>(79,001)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Salaries and wages . . . . .	<u>79,000</u>	<u>-</u>	<u>79,000</u>
Total expenditures. . . . .	<u>79,000</u>	<u>-</u>	<u>79,000</u>
Excess of revenues over expenditures . . . . .	<u>1,031</u>	<u>1,030</u>	<u>(1)</u>
<b>Other financing uses:</b>			
Transfers (out) . . . . .	<u>(79,713)</u>	<u>(79,713)</u>	<u>-</u>
Total other financing uses . . . . .	<u>(79,713)</u>	<u>(79,713)</u>	<u>-</u>
Net change in fund balance . . . . .	(78,682)	(78,683)	(1)
<b>Fund balance at beginning of year . . . . .</b>	<u>78,683</u>	<u>78,683</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 59,900	\$ 59,754	\$ (146)
Investment income. . . . .	400	605	205
Other. . . . .	-	43	43
<b>Total revenues . . . . .</b>	<u>60,300</u>	<u>60,402</u>	<u>102</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Capital outlay . . . . .	70,000	67,266	2,734
<b>Total expenditures . . . . .</b>	<u>70,000</u>	<u>67,266</u>	<u>2,734</u>
<b>Net change in fund balance . . . . .</b>	(9,700)	(6,864)	2,836
<b>Fund balance at beginning of year . . . . .</b>	35,030	35,030	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>5,149</u>	<u>5,149</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 30,479</u>	<u>\$ 33,315</u>	<u>\$ 2,836</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 18,000	\$ 45,041	\$ 27,041
Investment income. . . . .	600	693	93
Total revenues. . . . .	<u>18,600</u>	<u>45,734</u>	<u>27,134</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies . . . . .	25,849	24,059	1,790
Total expenditures . . . . .	<u>25,849</u>	<u>24,059</u>	<u>1,790</u>
Net change in fund balance. . . . .	(7,249)	21,675	28,924
<b>Fund balance at beginning of year . . . . .</b>	33,906	33,906	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>849</u>	<u>849</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 27,506</u>	<u>\$ 56,430</u>	<u>\$ 28,924</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 225,000	\$ 229,148	\$ 4,148
Total revenues. . . . .	<u>225,000</u>	<u>229,148</u>	<u>4,148</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits . . . . .	25,900	23,403	2,497
Contractual services . . . . .	107,000	85,661	21,339
Capital outlay. . . . .	<u>110,000</u>	<u>97,679</u>	<u>12,321</u>
Total expenditures . . . . .	<u>242,900</u>	<u>206,743</u>	<u>36,157</u>
Net change in fund balance . . . . .	(17,900)	22,405	40,305
<b>Fund balance at beginning of year . . . . .</b>	<u>54,465</u>	<u>54,465</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 36,565</u></u>	<u><u>\$ 76,870</u></u>	<u><u>\$ 40,305</u></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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 52,000	\$ 62,270	\$ 10,270
Total revenues. . . . .	<u>52,000</u>	<u>62,270</u>	<u>10,270</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Contractual services . . . . .	67,205	42,632	24,573
Materials and supplies . . . . .	21,253	16,671	4,582
Capital outlay . . . . .	<u>15,000</u>	<u>9,541</u>	<u>5,459</u>
Total expenditures . . . . .	<u>103,458</u>	<u>68,844</u>	<u>34,614</u>
Net change in fund balance . . . . .	(51,458)	(6,574)	44,884
<b>Fund balance at beginning of year . . . . .</b>	119,692	119,692	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>4,458</u>	<u>4,458</u>	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 72,692</u>	<u>\$ 117,576</u>	<u>\$ 44,884</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees. . . . .	\$ 43,000	\$ 46,045	\$ 3,045
Intergovernmental . . . . .	135,150	152,593	17,443
<b>Total revenues . . . . .</b>	<u>178,150</u>	<u>198,638</u>	<u>20,488</u>
<b>Expenditures:</b>			
Current:			
Public health services:			
Public health and welfare:			
Salaries and wages. . . . .	116,349	111,550	4,799
Fringe benefits . . . . .	51,156	49,536	1,620
Contractual services . . . . .	3,020	1,051	1,969
Materials and supplies . . . . .	17,700	14,022	3,678
Capital outlay . . . . .	5,000	120	4,880
Other . . . . .	5,000	4,692	308
<b>Total expenditures . . . . .</b>	<u>198,225</u>	<u>180,971</u>	<u>17,254</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(20,075)</u>	<u>17,667</u>	<u>37,742</u>
<b>Other financing (uses):</b>			
Transfers (out). . . . .	<u>(12,445)</u>	<u>(11,641)</u>	<u>804</u>
<b>Total other financing (uses) . . . . .</b>	<u>(12,445)</u>	<u>(11,641)</u>	<u>804</u>
Net change in fund balance. . . . .	(32,520)	6,026	38,546
<b>Fund balance at beginning of year . . . . .</b>	80,289	80,289	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>20</u>	<u>20</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 47,789</u>	<u>\$ 86,335</u>	<u>\$ 38,546</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 37,000	\$ 47,526	\$ 10,526
Other. . . . .	-	11	11
<b>Total revenues . . . . .</b>	<u>37,000</u>	<u>47,537</u>	<u>10,537</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
Litter control:			
Salaries and wages. . . . .	17,998	11,572	6,426
Fringe benefits. . . . .	3,314	2,005	1,309
Materials and supplies. . . . .	25,000	18,962	6,038
<b>Total expenditures. . . . .</b>	<u>46,312</u>	<u>32,539</u>	<u>13,773</u>
<b>Net change in fund balance. . . . .</b>	(9,312)	14,998	24,310
<b>Fund balance at beginning of year . . . . .</b>	<u>9,595</u>	<u>9,595</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 283</u>	<u>\$ 24,593</u>	<u>\$ 24,310</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Fund balance at beginning of year . . . . .</b>	<u>\$ 10,568</u>	<u>\$ 10,568</u>	<u>\$ -</u>
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees . . . . .	\$ 34,650	\$ 27,890	\$ (6,760)
Investment income . . . . .	4,000	12,225	8,225
Other . . . . .	5,800	8,618	2,818
<b>Total revenues . . . . .</b>	<u>44,450</u>	<u>48,733</u>	<u>4,283</u>
<b>Expenditures:</b>			
Current:			
Public health services:			
Cemetery:			
Salaries and wages . . . . .	87,426	87,426	-
Fringe benefits . . . . .	27,090	26,422	668
Contractual services . . . . .	21,434	20,820	614
Materials and supplies . . . . .	6,780	6,466	314
<b>Total expenditures . . . . .</b>	<u>142,730</u>	<u>141,134</u>	<u>1,596</u>
Excess of expenditures over revenues . . . .	<u>(98,280)</u>	<u>(92,401)</u>	<u>5,879</u>
<b>Other financing sources:</b>			
Proceeds from sale of fixed assets . . . . .	15,000	13,304	(1,696)
Transfers in . . . . .	95,000	96,000	1,000
<b>Total other financing sources . . . . .</b>	<u>110,000</u>	<u>109,304</u>	<u>(696)</u>
Net change in fund balance . . . . .	11,720	16,903	5,183
<b>Fund balance at beginning of year . . . . .</b>	<u>738,042</u>	<u>738,042</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 749,762</u>	<u>\$ 754,945</u>	<u>\$ 5,183</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 857,158	\$ 617,982	\$ (239,176)
Total revenues . . . . .	<u>857,158</u>	<u>617,982</u>	<u>(239,176)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
HUD:			
Salaries and wages . . . . .	107,017	103,723	3,294
Fringe benefits. . . . .	105,918	80,547	25,371
Contractual services. . . . .	287,225	141,197	146,028
Materials and supplies. . . . .	9,462	6,178	3,284
Other . . . . .	531,979	347,091	184,888
Total expenditures . . . . .	<u>1,041,601</u>	<u>678,736</u>	<u>362,865</u>
Net change in fund balance . . . . .	(184,443)	(60,754)	123,689
<b>Fund balance (deficit) at beginning of year.</b>	(226,805)	(226,805)	-
<b>Prior year encumbrances appropriated. . .</b>	<u>205,624</u>	<u>205,624</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . .</b>	<u>\$ (205,624)</u>	<u>\$ (81,935)</u>	<u>\$ 123,689</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Investment income . . . . .	\$ 3	\$ 375	\$ 372
Other . . . . .	33,333	28,431	(4,902)
Total revenues. . . . .	<u>33,336</u>	<u>28,806</u>	<u>(4,530)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
CDBG:			
Contractual services. . . . .	34,478	10,824	23,654
Total expenditures. . . . .	<u>34,478</u>	<u>10,824</u>	<u>23,654</u>
Net change in fund balance . . . . .	(1,142)	17,982	19,124
<b>Fund balance at beginning of year . . . . .</b>	6,551	6,551	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>106</u>	<u>106</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,515</u>	<u>\$ 24,639</u>	<u>\$ 19,124</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes. . . . .	\$ 73,000	\$ 77,051	\$ 4,051
Intergovernmental. . . . .	10,550	9,464	(1,086)
Total revenues . . . . .	<u>83,550</u>	<u>86,515</u>	<u>2,965</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits. . . . .	465,000	459,986	5,014
Contractual services . . . . .	1,500	1,481	19
Total expenditures . . . . .	<u>466,500</u>	<u>461,467</u>	<u>5,033</u>
Excess of expenditures over revenues . . . . .	<u>(382,950)</u>	<u>(374,952)</u>	<u>7,998</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	390,000	374,952	(15,048)
Total other financing sources. . . . .	<u>390,000</u>	<u>374,952</u>	<u>(15,048)</u>
Net change in fund balance. . . . .	7,050	-	(7,050)
<b>Fund balance at beginning of year . . . . .</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 17,050</u>	<u>\$ 10,000</u>	<u>\$ (7,050)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ 73,000	\$ 77,051	\$ 4,051
Intergovernmental . . . . .	10,550	9,464	(1,086)
<b>Total revenues . . . . .</b>	<u>83,550</u>	<u>86,515</u>	<u>2,965</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Fringe benefits. . . . .	519,357	519,358	(1)
Contractual services. . . . .	1,500	1,481	19
<b>Total expenditures. . . . .</b>	<u>520,857</u>	<u>520,839</u>	<u>18</u>
Excess of expenditures over revenues. . . . .	<u>(437,307)</u>	<u>(434,324)</u>	<u>2,983</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	440,000	434,324	(5,676)
<b>Total other financing sources. . . . .</b>	<u>440,000</u>	<u>434,324</u>	<u>(5,676)</u>
Net change in fund balance. . . . .	2,693	-	(2,693)
<b>Fund balance at beginning of year . . . . .</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 12,693</u>	<u>\$ 10,000</u>	<u>\$ (2,693)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 82,100	\$ 56,024	\$ (26,076)
Total revenues. . . . .	<u>82,100</u>	<u>56,024</u>	<u>(26,076)</u>
<b>Expenditures:</b>			
Capital outlay:			
Capital outlay . . . . .	\$ 82,100	\$ -	\$ 82,100
Total expenditures . . . . .	<u>82,100</u>	<u>-</u>	<u>82,100</u>
Net change in fund balance. . . . .	-	56,024	56,024
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ 56,024</u>	<u>\$ 56,024</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 41,004	\$ 41,004	\$ -
Total revenues . . . . .	<u>41,004</u>	<u>41,004</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Fire:			
Salaries and wages . . . . .	33,213	33,213	-
Total expenditures . . . . .	<u>33,213</u>	<u>33,213</u>	<u>-</u>
Excess of revenues over expenditures . . . .	<u>7,791</u>	<u>7,791</u>	<u>-</u>
<b>Other financing uses:</b>			
Transfers out . . . . .	<u>(7,791)</u>	<u>(7,791)</u>	<u>-</u>
Total other financing uses . . . . .	<u>(7,791)</u>	<u>(7,791)</u>	<u>-</u>
Net change in fund balance . . . . .	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<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)

**L.E. PROFESSIONAL TRAINING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services. . . . .	\$ 125,000	\$ 139,940	\$ 14,940
Contributions and donations . . . . .	-	2,152	2,152
<b>Total revenues. . . . .</b>	<u>125,000</u>	<u>142,092</u>	<u>17,092</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Salaries and wages. . . . .	133,411	131,463	1,948
Fringe benefits. . . . .	3,633	3,562	71
Contractual services. . . . .	25,000	12,256	12,744
Materials and supplies. . . . .	13,470	6,334	7,136
<b>Total expenditures . . . . .</b>	<u>175,514</u>	<u>153,615</u>	<u>21,899</u>
<b>Net change in fund balance. . . . .</b>	(50,514)	(11,523)	38,991
<b>Fund balance at beginning of year . . . . .</b>	82,969	82,969	-
<b>Prior year encumbrances appropriated . . . . .</b>	244	244	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 32,699</u>	<u>\$ 71,690</u>	<u>\$ 38,991</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 12,649	\$ 4,215	\$ (8,434)
Investment income . . . . .	-	21	21
<b>Total revenues . . . . .</b>	<u>12,649</u>	<u>4,236</u>	<u>(8,413)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Capital outlay . . . . .	19,846	11,415	8,431
<b>Total expenditures . . . . .</b>	<u>19,846</u>	<u>11,415</u>	<u>8,431</u>
<b>Net change in fund balance. . . . .</b>	(7,197)	(7,179)	18
<b>Fund balance at beginning of year . . . . .</b>	<u>7,198</u>	<u>7,198</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 1</u>	<u>\$ 19</u>	<u>\$ 18</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures . . . . .	\$ 42,559	\$ 42,559	\$ -
Investment income . . . . .	1,200	2,306	1,106
<b>Total revenues.</b> . . . .	<u>43,759</u>	<u>44,865</u>	<u>1,106</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies . . . . .	100,000	16,224	83,776
<b>Total expenditures</b> . . . . .	<u>100,000</u>	<u>16,224</u>	<u>83,776</u>
<b>Net change in fund balance.</b> . . . .	(56,241)	28,641	84,882
<b>Fund balance at beginning of year</b> . . . .	<u>112,117</u>	<u>112,117</u>	<u>-</u>
<b>Fund balance at end of year.</b> . . . .	<u>\$ 55,876</u>	<u>\$ 140,758</u>	<u>\$ 84,882</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ 31,000	\$ 26,007	\$ (4,993)
Total revenues . . . . .	<u>31,000</u>	<u>26,007</u>	<u>(4,993)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies . . . . .	228,000	17,362	210,638
Total expenditures . . . . .	<u>228,000</u>	<u>17,362</u>	<u>210,638</u>
Net change in fund balance . . . . .	(197,000)	8,645	205,645
<b>Fund balance at beginning of year. . . . .</b>	<u>230,767</u>	<u>230,767</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 33,767</u>	<u>\$ 239,412</u>	<u>\$ 205,645</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other. . . . .	\$ 3,500	\$ 3,698	\$ 198
Total revenues. . . . .	<u>3,500</u>	<u>3,698</u>	<u>198</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies. . . . .	4,000	4,000	-
Total expenditures . . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance. . . . .	(500)	(302)	198
<b>Fund balance at beginning of year . . . . .</b>	<u>10,920</u>	<u>10,920</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 10,420</u>	<u>\$ 10,618</u>	<u>\$ 198</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 14,000	\$ 17,089	\$ 3,089
Total revenues. . . . .	<u>14,000</u>	<u>17,089</u>	<u>3,089</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Materials and supplies . . . . .	15,000	7,062	7,938
Capital outlay. . . . .	20,000	11,355	8,645
Total expenditures . . . . .	<u>35,000</u>	<u>18,417</u>	<u>16,583</u>
Net change in fund balance. . . . .	(21,000)	(1,328)	19,672
<b>Fund balance at beginning of year . . . . .</b>	<u>35,600</u>	<u>35,600</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 14,600</u>	<u>\$ 34,272</u>	<u>\$ 19,672</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 900	\$ 2,489	\$ 1,589
Total revenues. . . . .	<u>900</u>	<u>2,489</u>	<u>1,589</u>
<b>Expenditures:</b>			
Current:			
General government:			
Judge:			
Materials and supplies. . . . .	3,000	1,529	1,471
Total expenditures . . . . .	<u>3,000</u>	<u>1,529</u>	<u>1,471</u>
Net change in fund balance. . . . .	(2,100)	960	3,060
<b>Fund balance at beginning of year . . . . .</b>	<u>8,541</u>	<u>8,541</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 6,441</u>	<u>\$ 9,501</u>	<u>\$ 3,060</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 4,000	\$ -	\$ (4,000)
Other . . . . .	-	4,000	4,000
Total revenues . . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
General government:			
Senior center:			
Salaries and wages . . . . .	7,030	6,246	784
Fringe benefits . . . . .	970	925	45
Total expenditures . . . . .	<u>8,000</u>	<u>7,171</u>	<u>829</u>
Net change in fund balance . . . . .	(4,000)	(3,171)	829
<b>Fund balance at beginning of year . . . . .</b>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 829</u>	<u>\$ 829</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
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, 2018

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

**CITY OF ALLIANCE, OHIO**

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

**LAND USE STUDY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year . . . . .</b>	\$ 4,144	\$ 4,144	\$ -
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 9,950	\$ 9,935	\$ (15)
Total revenues. . . . .	<u>9,950</u>	<u>9,935</u>	<u>(15)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Contractual services. . . . .	10,000	6,900	3,100
Total expenditures . . . . .	<u>10,000</u>	<u>6,900</u>	<u>3,100</u>
Net change in fund balance. . . . .	(50)	3,035	3,085
<b>Fund balance at beginning of year . . . . .</b>	<u>55</u>	<u>55</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5</u>	<u>\$ 3,090</u>	<u>\$ 3,085</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year . . . . .</b>	\$ 2	\$ 2	\$ -
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ 25,800	\$ 28,899	\$ 3,099
Total revenues. . . . .	<u>25,800</u>	<u>28,899</u>	<u>3,099</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Salaries and wages . . . . .	33,004	32,258	746
Fringe benefits . . . . .	6,310	5,945	365
Capital outlay . . . . .	<u>35,000</u>	<u>6,887</u>	<u>28,113</u>
Total expenditures . . . . .	<u>74,314</u>	<u>45,090</u>	<u>29,224</u>
Net change in fund balance. . . . .	(48,514)	(16,191)	32,323
<b>Fund balance at beginning of year . . . . .</b>	<u>113,105</u>	<u>113,105</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 64,591</u></u>	<u><u>\$ 96,914</u></u>	<u><u>\$ 32,323</u></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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures. . . . .	\$ -	\$ 500	\$ 500
Total revenues. . . . .	<u>-</u>	<u>500</u>	<u>500</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Materials and supplies . . . . .	14,623	811	13,812
Total expenditures . . . . .	<u>14,623</u>	<u>811</u>	<u>13,812</u>
Net change in fund balance. . . . .	(14,623)	(311)	14,312
<b>Fund balance at beginning of year . . . . .</b>	<u>14,623</u>	<u>14,623</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ 14,312</u>	<u>\$ 14,312</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ 1,800	\$ 2,261	\$ 461
Total revenues . . . . .	<u>1,800</u>	<u>2,261</u>	<u>461</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Parking facilities:			
Contractual services . . . . .	5,990	-	5,990
Other . . . . .	<u>10</u>	<u>10</u>	<u>-</u>
Total general government . . . . .	<u>6,000</u>	<u>10</u>	<u>5,990</u>
Net change in fund balance . . . . .	(4,200)	2,251	6,451
<b>Fund balance at beginning of year . . . . .</b>	<u>6,124</u>	<u>6,124</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,924</u>	<u>\$ 8,375</u>	<u>\$ 6,451</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ -	\$ 440	\$ 440
Total revenues. . . . .	<u>-</u>	<u>440</u>	<u>440</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities:			
Land reutilization:			
Contractual services . . . . .	\$ 1,897	\$ 760	\$ 1,137
Total expenditures . . . . .	<u>1,897</u>	<u>760</u>	<u>1,137</u>
Excess of expenditures over revenues. . . . .	<u>(1,897)</u>	<u>(320)</u>	<u>1,577</u>
<b>Other financing sources:</b>			
Proceeds from sale of capital assets . . . . .	-	869	869
Total other financing sources . . . . .	<u>-</u>	<u>869</u>	<u>869</u>
Net change in fund balance. . . . .	(1,897)	549	2,446
<b>Fund balance at beginning of year . . . . .</b>	<u>1,897</u>	<u>1,897</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ 2,446</u>	<u>\$ 2,446</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 69,565	\$ -	\$ (69,565)
Total revenues. . . . .	<u>69,565</u>	<u>-</u>	<u>(69,565)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Administration:			
Contractual services . . . . .	<u>71,520</u>	<u>71,519</u>	<u>1</u>
Total expenditures . . . . .	<u>71,520</u>	<u>71,519</u>	<u>1</u>
Excess of expenditures over revenues . . . . .	<u>(1,955)</u>	<u>(71,519)</u>	<u>(69,564)</u>
<b>Other financing sources (uses):</b>			
Advances in. . . . .	<u>-</u>	<u>69,564</u>	<u>69,564</u>
Total other financing sources (uses). . . . .	<u>-</u>	<u>69,564</u>	<u>69,564</u>
Net change in fund balance. . . . .	(1,955)	(1,955)	-
<b>Fund balance at beginning of year . . . . .</b>	<u>1,955</u>	<u>1,955</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<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)

**PARK RESOURCES FUND**

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year . . . . .</b>	\$ 99	\$ 99	\$ -
<b>Fund balance at end of year. . . . .</b>	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ -</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DOWNTOWN SPECIAL EVENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Contributions and donations . . . . .	\$ 3,000	\$ 190	\$ (2,810)
Total revenues. . . . .	<u>3,000</u>	<u>190</u>	<u>(2,810)</u>
<b>Expenditures:</b>			
Current:			
General government:			
General administration:			
Contractual services. . . . .	<u>2,400</u>	<u>1,826</u>	<u>574</u>
Total expenditures . . . . .	<u>2,400</u>	<u>1,826</u>	<u>574</u>
Net change in fund balance. . . . .	600	(1,636)	(2,236)
<b>Fund balance at beginning of year . . . . .</b>	<u>2,534</u>	<u>2,534</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 3,134</u></u>	<u><u>\$ 898</u></u>	<u><u>\$ (2,236)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Municipal income taxes . . . . .	\$ 10,722,641	\$ 10,731,123	\$ 8,482
Other . . . . .	10,000	3,644	(6,356)
<b>Total revenues . . . . .</b>	<u>10,732,641</u>	<u>10,734,767</u>	<u>2,126</u>
<b>Expenditures:</b>			
Current:			
General government:			
Income tax:			
Salaries and wages . . . . .	175,000	130,980	44,020
Fringe benefits. . . . .	67,520	57,331	10,189
Contractual services . . . . .	48,404	32,721	15,683
Materials and supplies. . . . .	6,500	5,752	748
Other . . . . .	318,146	312,520	5,626
<b>Total expenditures . . . . .</b>	<u>615,570</u>	<u>539,304</u>	<u>76,266</u>
Excess of revenues over expenditures. . . . .	<u>10,117,071</u>	<u>10,195,463</u>	<u>78,392</u>
<b>Other financing (uses):</b>			
Transfers (out) . . . . .	(10,101,796)	(10,101,796)	-
<b>Total other financing (uses) . . . . .</b>	<u>(10,101,796)</u>	<u>(10,101,796)</u>	<u>-</u>
Net change in fund balance. . . . .	15,275	93,667	78,392
<b>Fund balance at beginning of year . . . . .</b>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 110,275</u>	<u>\$ 188,667</u>	<u>\$ 78,392</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other. . . . .	\$ 161,200	\$ 199,034	\$ 37,834
Total revenues. . . . .	<u>161,200</u>	<u>199,034</u>	<u>37,834</u>
<b>Expenditures:</b>			
Current:			
General government:			
Maintenance:			
Contractual services . . . . .	228,678	190,595	38,083
Materials and supplies . . . . .	5,400	3,807	1,593
Capital outlay . . . . .	10,000	8,848	1,152
Total expenditures . . . . .	<u>244,078</u>	<u>203,250</u>	<u>40,828</u>
Net change in fund balance. . . . .	(82,878)	(4,216)	78,662
<b>Fund balance at beginning of year . . . . .</b>	167,912	167,912	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>8,678</u>	<u>8,678</u>	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 93,712</u>	<u>\$ 172,374</u>	<u>\$ 78,662</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees . . . . .	\$ 120,000	\$ 243,000	\$ 123,000
Other . . . . .	32,200	9,129	(23,071)
<b>Total revenues . . . . .</b>	<u>152,200</u>	<u>252,129</u>	<u>99,929</u>
<b>Expenditures:</b>			
Current:			
General government:			
Auditor:			
Materials and supplies . . . . .	8,000	208	7,792
Other . . . . .	280,000	214,800	65,200
<b>Total expenditures . . . . .</b>	<u>288,000</u>	<u>215,008</u>	<u>72,992</u>
<b>Net change in fund balance . . . . .</b>	(135,800)	37,121	172,921
<b>Fund balance at beginning of year . . . . .</b>	<u>394,765</u>	<u>394,765</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 258,965</u>	<u>\$ 431,886</u>	<u>\$ 172,921</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal retirement:			
Bond . . . . .	\$ 1,550,000	\$ 1,507,606	\$ 42,394
Interest and fiscal charges:			
Bond . . . . .	187,000	186,884	116
Total expenditures . . . . .	<u>1,737,000</u>	<u>1,694,490</u>	<u>42,510</u>
Excess of expenditures over revenues. . . . .	<u>(1,737,000)</u>	<u>(1,694,490)</u>	<u>42,510</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	<u>2,000,000</u>	<u>1,694,490</u>	<u>(305,510)</u>
Total other financing sources . . . . .	<u>2,000,000</u>	<u>1,694,490</u>	<u>(305,510)</u>
Net change in fund balance. . . . .	263,000	-	(263,000)
<b>Fund balance at beginning of year. . . . .</b>	<u>43,850</u>	<u>43,850</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 306,850</u></u>	<u><u>\$ 43,850</u></u>	<u><u>\$ (263,000)</u></u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - CAPITAL PROJECT 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, 2018**

	<b>Street Income Tax Construction</b>	<b>Municipal Road</b>	<b>Capital Improvements</b>	<b>Muni. Court Special Projects</b>	<b>Total</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . . .	\$ 42,570	\$ -	\$ 119,531	\$ 13,894	\$ 175,995
Receivables (net of allowances for uncollectibles):					
Municipal income taxes . . . . .	43,524	-	65,285	-	108,809
Accounts . . . . .	-	-	-	1,985	1,985
Intergovernmental . . . . .	-	100,996	1,396	-	102,392
Special assessments . . . . .	43	-	621	-	664
Total assets . . . . .	<u>\$ 86,137</u>	<u>\$ 100,996</u>	<u>\$ 186,833</u>	<u>\$ 15,879</u>	<u>\$ 389,845</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 1,700	\$ -	\$ 3,632	\$ -	\$ 5,332
Interfund loans payable . . . . .	-	120,000	-	-	120,000
Total liabilities . . . . .	<u>1,700</u>	<u>120,000</u>	<u>3,632</u>	<u>-</u>	<u>125,332</u>
<b>Deferred inflows of resources:</b>					
Income tax revenue not available . . . . .	23,260	-	34,890	-	58,150
Special assessments revenue not available . . . . .	43	-	621	-	664
Total liabilities and deferred inflows of resources . .	<u>25,003</u>	<u>120,000</u>	<u>39,143</u>	<u>-</u>	<u>184,146</u>
<b>Fund balances:</b>					
Restricted . . . . .	-	-	-	15,879	15,879
Committed . . . . .	61,134	-	147,690	-	208,824
Unassigned (deficit) . . . . .	-	(19,004)	-	-	(19,004)
Total fund balances . . . . .	<u>61,134</u>	<u>(19,004)</u>	<u>147,690</u>	<u>15,879</u>	<u>205,699</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 86,137</u>	<u>\$ 100,996</u>	<u>\$ 186,833</u>	<u>\$ 15,879</u>	<u>\$ 389,845</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, 2018

	<b>Street Income Tax Construction</b>	<b>Municipal Road</b>	<b>Capital Improvements</b>	<b>Muni. Court Special Projects</b>	<b>Total</b>
<b>Revenues:</b>					
Municipal income taxes . . . . .	\$ 202,680	\$ -	\$ 304,020	\$ -	\$ 506,700
Licenses, permits and fees . . . . .	-	-	-	26,158	26,158
Intergovernmental . . . . .	-	100,996	66,805	-	167,801
Contributions and donations . . . . .	-	-	1,400	-	1,400
Other . . . . .	2	-	49,096	-	49,098
Total revenues . . . . .	<u>202,682</u>	<u>100,996</u>	<u>421,321</u>	<u>26,158</u>	<u>751,157</u>
<b>Expenditures:</b>					
Capital outlay . . . . .	230,918	120,000	589,555	4,083	944,556
Debt service:					
Principal retirement . . . . .	-	-	33,950	-	33,950
Interest and fiscal charges. . . . .	-	-	3,850	-	3,850
Total expenditures. . . . .	<u>230,918</u>	<u>120,000</u>	<u>627,355</u>	<u>4,083</u>	<u>982,356</u>
Net change in fund balances . . . . .	(28,236)	(19,004)	(206,034)	22,075	(231,199)
<b>Fund balances (deficit) at beginning of year. . . . .</b>	89,370	-	353,724	(6,196)	436,898
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 61,134</u>	<u>\$ (19,004)</u>	<u>\$ 147,690</u>	<u>\$ 15,879</u>	<u>\$ 205,699</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other . . . . .	\$ -	\$ 2	\$ 2
Total revenues. . . . .	<u>-</u>	<u>2</u>	<u>2</u>
 <b>Expenditures:</b>			
Current:			
Capital outlay:			
Street income tax:			
Capital outlay. . . . .	252,200	231,922	20,278
Total expenditures. . . . .	<u>252,200</u>	<u>231,922</u>	<u>20,278</u>
 Excess of expenditures over revenues. . . . .	<u>(252,200)</u>	<u>(231,920)</u>	<u>20,280</u>
 <b>Other financing sources:</b>			
Transfers in. . . . .	180,250	202,036	21,786
Total other financing sources: . . . . .	<u>180,250</u>	<u>202,036</u>	<u>21,786</u>
 Net change in fund balance. . . . .	(71,950)	(29,884)	42,066
 <b>Fund balance at beginning of year. . . . .</b>	41,954	41,954	-
<b>Prior year encumbrances appropriated . .</b>	30,000	30,000	-
 <b>Fund balance at end of year. . . . .</b>	<u>\$ 4</u>	<u>\$ 42,070</u>	<u>\$ 42,066</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 160,000	\$ -	\$ (160,000)
Total revenues. . . . .	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital outlay . . . . .	\$ 120,000	\$ 120,000	\$ -
Total expenditures . . . . .	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>40,000</u>	<u>(120,000)</u>	<u>(160,000)</u>
<b>Other financing sources:</b>			
Advance in . . . . .	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Total other financing sources . . . . .	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Net change in fund balance. . . . .	40,000	-	(40,000)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ (40,000)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 65,450	\$ 65,409	\$ (41)
Contributions and donations . . . . .	1,400	1,400	-
Other . . . . .	70,089	70,089	-
<b>Total revenues . . . . .</b>	<u>136,939</u>	<u>136,898</u>	<u>(41)</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital improvements:			
Materials and supplies . . . . .	2,226	2,156	70
Capital outlay . . . . .	727,642	737,009	(9,367)
<b>Total expenditures . . . . .</b>	<u>729,868</u>	<u>739,165</u>	<u>(9,297)</u>
Excess of expenditures over revenues . . . . .	<u>(592,929)</u>	<u>(602,267)</u>	<u>(9,338)</u>
<b>Other financing (uses):</b>			
Transfers in . . . . .	283,118	303,054	19,936
Transfers (out) . . . . .	(37,801)	(37,800)	1
<b>Total other financing (uses) . . . . .</b>	<u>245,317</u>	<u>265,254</u>	<u>19,937</u>
Net change in fund balance . . . . .	(347,612)	(337,013)	10,599
<b>Fund balance at beginning of year . . . . .</b>	230,987	230,987	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>116,625</u>	<u>116,625</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 10,599</u>	<u>\$ 10,599</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits, and fees . . . . .	\$ 23,300	\$ 25,689	\$ 2,389
Total revenues . . . . .	<u>23,300</u>	<u>25,689</u>	<u>2,389</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay . . . . .	80,000	4,083	75,917
Total expenditures . . . . .	<u>80,000</u>	<u>4,083</u>	<u>75,917</u>
Net change in fund balance. . . . .	(56,700)	21,606	78,306
<b>Fund balance (deficit) at beginning of year .</b>	<u>(7,712)</u>	<u>(7,712)</u>	<u>-</u>
<b>Fund (deficit) at end of year . . . . .</b>	<u>\$ (64,412)</u>	<u>\$ 13,894</u>	<u>\$ 78,306</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, 2018**

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 93,942	\$ 188,955	\$ 282,897
Prepayments. . . . .	579	-	579
Net pension asset. . . . .	140	-	140
Capital assets (net of accumulated depreciation) . . . . .	204,813	-	204,813
Total assets . . . . .	<u>299,474</u>	<u>188,955</u>	<u>488,429</u>
<b>Deferred outflows of resources:</b>			
Pension . . . . .	\$ 875	\$ -	\$ 875
OPEB . . . . .	9,418	-	9,418
Total assets and deferred outflows of resources. . . . .	<u>\$ 309,767</u>	<u>\$ 188,955</u>	<u>\$ 498,722</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 345	\$ -	\$ 345
Net pension liability . . . . .	11,684	-	11,684
Net OPEB liability . . . . .	17,135	-	17,135
Total liabilities. . . . .	<u>29,164</u>	<u>-</u>	<u>29,164</u>
<b>Deferred inflows of resources:</b>			
Pension . . . . .	\$ 4,929	\$ -	\$ 4,929
OPEB . . . . .	1,432	-	1,432
Total liabilities and deferred inflows of resources. . . . .	<u>35,525</u>	<u>-</u>	<u>35,525</u>
<b>Net position:</b>			
Net investment in capital assets. . . . .	204,813	-	204,813
Unrestricted . . . . .	69,429	188,955	258,384
Total net position. . . . .	<u>274,242</u>	<u>188,955</u>	<u>463,197</u>
Total liabilities, deferred inflows of resources, and net position. . . . .	<u>\$ 309,767</u>	<u>\$ 188,955</u>	<u>\$ 498,722</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Robertson Community Center</u>	<u>Community Improvement</u>	<u>Totals</u>
<b>Operating revenues:</b>			
Charges for services. . . . .	\$ -	\$ 1,251,347	\$ 1,251,347
Other operating revenues . . . . .	48,031	4,528	52,559
	<hr/>	<hr/>	<hr/>
Total operating revenues. . . . .	48,031	1,255,875	1,303,906
	<hr/>	<hr/>	<hr/>
<b>Operating expenses:</b>			
Personal services . . . . .	15,668	-	15,668
Fringe benefits. . . . .	9,334	-	9,334
Contractual services. . . . .	10,868	1,239,178	1,250,046
Materials and supplies. . . . .	14,966	3,941	18,907
Depreciation. . . . .	14,301	-	14,301
	<hr/>	<hr/>	<hr/>
Total operating expenses. . . . .	65,137	1,243,119	1,308,256
	<hr/>	<hr/>	<hr/>
Operating income (loss) . . . . .	(17,106)	12,756	(4,350)
	<hr/>	<hr/>	<hr/>
<b>Net position at beginning of year (restated) . . .</b>	291,348	176,199	467,547
	<hr/>	<hr/>	<hr/>
<b>Net position at end of year . . . . .</b>	<u>\$ 274,242</u>	<u>\$ 188,955</u>	<u>\$ 463,197</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ -	\$ 1,251,347	\$ 1,251,347
Cash received from other operations . . . . .	48,031	4,528	52,559
Cash payments for salaries and benefits . . . . .	(15,733)	-	(15,733)
Cash payments for fringe benefits . . . . .	(2,777)	-	(2,777)
Cash payments for contractual services. . . . .	(11,601)	(1,239,178)	(1,250,779)
Cash payments for materials and supplies . . . . .	(14,966)	(3,941)	(18,907)
Net cash provided by operating activities. . . . .	<u>2,954</u>	<u>12,756</u>	<u>15,710</u>
Net increase (decrease) in cash and cash equivalents. . .	2,954	12,756	15,710
<b>Cash and cash equivalents at beginning of year . . . .</b>	90,988	176,199	267,187
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 93,942</u>	<u>\$ 188,955</u>	<u>\$ 282,897</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss) . . . . .	\$ (17,106)	\$ 12,756	\$ (4,350)
Adjustments:			
Depreciation. . . . .	14,301	-	14,301
Changes in assets and liabilities:			
Prepayments. . . . .	(66)	-	(66)
Net pension asset . . . . .	(79)	-	(79)
Deferred outflows - pension . . . . .	10,556	-	10,556
Deferred outflows - OPEB . . . . .	(718)	-	(718)
Accounts payable . . . . .	345	-	345
Due to other governments. . . . .	(1,077)	-	(1,077)
Net pension liability. . . . .	(9,371)	-	(9,371)
Net OPEB liability. . . . .	(3)	-	(3)
Deferred outflows - pension . . . . .	4,740	-	4,740
Deferred outflows - OPEB . . . . .	1,432	-	1,432
<b>Net cash provided by operating activities . . . . .</b>	<u>\$ 2,954</u>	<u>\$ 12,756</u>	<u>\$ 15,710</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 5,277,500	\$ 5,598,409	\$ 320,909
Other . . . . .	46,000	176,574	130,574
<b>Total operating revenues . . . . .</b>	<u>5,323,500</u>	<u>5,774,983</u>	<u>451,483</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	1,482,267	1,424,691	57,576
Fringe benefits . . . . .	635,048	553,321	81,727
Contract services . . . . .	1,063,716	707,317	356,399
Materials and supplies . . . . .	1,177,392	984,414	192,978
Capital outlay . . . . .	2,031,271	1,092,557	938,714
Other . . . . .	224,500	184,456	40,044
<b>Total operating expenses . . . . .</b>	<u>6,614,194</u>	<u>4,946,756</u>	<u>1,667,438</u>
<b>Operating income (loss) . . . . .</b>	<u>(1,290,694)</u>	<u>828,227</u>	<u>2,118,921</u>
<b>Nonoperating revenues:</b>			
Interest revenue . . . . .	20,500	51,100	30,600
<b>Total nonoperating revenues . . . . .</b>	<u>20,500</u>	<u>51,100</u>	<u>30,600</u>
<b>Income (loss) before transfers . . . . .</b>	<u>(1,270,194)</u>	<u>879,327</u>	<u>2,149,521</u>
Transfers in . . . . .	780,000	804,072	24,072
Transfers (out) . . . . .	(2,294,000)	(2,013,705)	280,295
<b>Net change in net position . . . . .</b>	<u>(2,784,194)</u>	<u>(330,306)</u>	<u>2,453,888</u>
<b>Net position beginning of year . . . . .</b>	4,172,632	4,172,632	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>235,854</u>	<u>235,854</u>	<u>-</u>
<b>Net position end of year . . . . .</b>	<u>\$ 1,624,292</u>	<u>\$ 4,078,180</u>	<u>\$ 2,453,888</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 4,916,512	\$ 5,136,028	\$ 219,516
Licenses, permits and fees . . . . .	20,000	19,868	(132)
Other . . . . .	2,380	42,693	40,313
Total operating revenues . . . . .	<u>4,938,892</u>	<u>5,198,589</u>	<u>259,697</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	1,632,840	1,466,492	166,348
Fringe benefits. . . . .	661,230	593,362	67,868
Contract services . . . . .	1,392,754	1,212,928	179,826
Materials and supplies. . . . .	773,473	590,325	183,148
Capital outlay . . . . .	3,684,601	3,069,064	615,537
Other. . . . .	6,500	2,711	3,789
Total operating expenses . . . . .	<u>8,151,398</u>	<u>6,934,882</u>	<u>1,216,516</u>
Operating loss . . . . .	<u>(3,212,506)</u>	<u>(1,736,293)</u>	<u>1,476,213</u>
<b>Nonoperating revenues:</b>			
Interest revenue . . . . .	45,000	90,644	45,644
Intergovernmental. . . . .	-	269,500	269,500
Loan proceeds . . . . .	800,000	1,568,900	768,900
Total nonoperating revenues . . . . .	<u>845,000</u>	<u>1,929,044</u>	<u>1,084,044</u>
Income (loss) before transfers. . . . .	<u>(2,367,506)</u>	<u>192,751</u>	<u>2,560,257</u>
Transfers in . . . . .	1,000,000	700,000	(300,000)
Transfers (out). . . . .	<u>(1,550,500)</u>	<u>(742,985)</u>	<u>807,515</u>
Net change in net position. . . . .	(2,918,006)	149,766	3,067,772
<b>Net position beginning of year . . . . .</b>	4,133,371	4,133,371	-
<b>Prior year encumbrances appropriated . .</b>	<u>1,194,328</u>	<u>1,194,328</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 2,409,693</u>	<u>\$ 5,477,465</u>	<u>\$ 3,067,772</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Other. . . . .	\$ 46,600	\$ 48,031	\$ 1,431
Total operating revenues. . . . .	<u>46,600</u>	<u>48,031</u>	<u>1,431</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	15,936	15,733	203
Fringe benefits. . . . .	2,985	2,777	208
Contract services . . . . .	15,950	11,601	4,349
Materials and supplies . . . . .	10,000	9,782	218
Capital outlay. . . . .	5,468	5,184	284
Total operating expenses . . . . .	<u>50,339</u>	<u>45,077</u>	<u>5,262</u>
Net change in net position . . . . .	(3,739)	2,954	6,693
<b>Net position beginning of year . . . . .</b>	88,320	88,320	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>2,668</u>	<u>2,668</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 87,249</u>	<u>\$ 93,942</u>	<u>\$ 6,693</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services. . . . .	\$ 1,080,000	\$ 1,251,347	\$ 171,347
Other. . . . .	7,000	4,528	(2,472)
Total operating revenues. . . . .	<u>1,087,000</u>	<u>1,255,875</u>	<u>168,875</u>
<b>Operating expenses:</b>			
Salaries and benefits . . . . .	5,000	-	5,000
Contract services . . . . .	1,242,000	1,239,178	2,822
Materials and supplies . . . . .	10,000	3,941	6,059
Total operating expenses . . . . .	<u>1,257,000</u>	<u>1,243,119</u>	<u>13,881</u>
Net change in net position . . . . .	(170,000)	12,756	182,756
<b>Net position beginning of year . . . . .</b>	<u>176,199</u>	<u>176,199</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 6,199</u>	<u>\$ 188,955</u>	<u>\$ 182,756</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 2,680,000	\$ 2,482,703	\$ (197,297)
Other . . . . .	30,000	130,004	100,004
Total operating revenues . . . . .	<u>2,710,000</u>	<u>2,612,707</u>	<u>(97,293)</u>
<b>Operating expenses:</b>			
Claims . . . . .	<u>2,670,000</u>	<u>2,484,780</u>	<u>185,220</u>
Total operating expenses . . . . .	<u>2,670,000</u>	<u>2,484,780</u>	<u>185,220</u>
Net change in net position. . . . .	40,000	127,927	87,927
<b>Net position beginning of year . . . . .</b>	<u>260,793</u>	<u>260,793</u>	<u>-</u>
<b>Net position end of year. . . . .</b>	<u>\$ 300,793</u>	<u>\$ 388,720</u>	<u>\$ 87,927</u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTION**

**Agency Funds**

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

***Carnation Cable Channel Fund***

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

***Municipal Court Fund***

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

**CITY OF ALLIANCE, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2018</u>
<b>Carnation Cable Channel</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ -	\$ 90,888	\$ 90,888	\$ -
Receivables (net of allowances of uncollectibles):				
Accounts . . . . .	835	880	835	880
Total assets . . . . .	<u>\$ 835</u>	<u>\$ 91,768</u>	<u>\$ 91,723</u>	<u>\$ 880</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 835	\$ 91,768	\$ 91,723	\$ 880
Total liabilities . . . . .	<u>\$ 835</u>	<u>\$ 91,768</u>	<u>\$ 91,723</u>	<u>\$ 880</u>
<b>Municipal Court Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts	\$ 17,053	\$ 1,824,047	\$ 1,827,543	\$ 13,557
Total assets . . . . .	<u>\$ 17,053</u>	<u>\$ 1,824,047</u>	<u>\$ 1,827,543</u>	<u>\$ 13,557</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 17,053	\$ 1,824,047	\$ 1,827,543	\$ 13,557
Total liabilities . . . . .	<u>\$ 17,053</u>	<u>\$ 1,824,047</u>	<u>\$ 1,827,543</u>	<u>\$ 13,557</u>
<b>All Agency Funds</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts	\$ 17,053	\$ 1,914,935	\$ 1,918,431	\$ 13,557
Receivables (net of allowances for uncollectibles):				
Accounts . . . . .	835	880	835	880
Total assets . . . . .	<u>\$ 17,888</u>	<u>\$ 1,915,815</u>	<u>\$ 1,919,266</u>	<u>\$ 14,437</u>
<b>Liabilities:</b>				
Due to others . . . . .	\$ 17,888	\$ 1,915,815	\$ 1,919,266	\$ 14,437
Total liabilities . . . . .	<u>\$ 17,888</u>	<u>\$ 1,915,815</u>	<u>\$ 1,919,266</u>	<u>\$ 14,437</u>

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# STATISTICAL SECTION

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**CITY OF ALLIANCE, OHIO**  
**STATISTICAL SECTION**

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

**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.

**210-219**

**Revenue Capacity**

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

**220**

**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.

**221-227**

**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.

**228-229**

**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.

**230-237**

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 17,926,582	\$ 18,803,807	\$ 19,802,449	\$ 19,340,616
Restricted for:				
Capital projects	15,879	-	-	-
Debt service	66,216	65,369	64,617	145,057
Transportation projects	206,857	156,417	89,780	117,694
Public service programs	843,181	982,136	1,016,857	1,048,390
Community environment programs	3,233,795	2,854,058	3,184,299	3,184,160
Police and fire pension	20,000	66,555	34,220	24,686
Security programs	290,587	347,508	344,515	355,439
Other purposes	288,369	189,666	302,795	148,897
Unrestricted (deficit)	<u>(26,438,433)</u>	<u>(25,204,668)</u>	<u>(10,943,407)</u>	<u>(8,403,601)</u>
Total governmental activities net position	<u>\$ (3,546,967)</u>	<u>\$ (1,739,152)</u>	<u>\$ 13,896,125</u>	<u>\$ 15,961,338</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 18,528,115	\$ 17,053,900	\$ 15,854,399	\$ 14,314,561
Restricted:				
Debt service	407,837	439,150	449,748	520,304
Replacement and surplus reserve	1,063,822	1,132,890	866,353	878,195
Unrestricted	<u>6,205,777</u>	<u>6,240,242</u>	<u>8,420,942</u>	<u>8,390,452</u>
Total business-type activities net position	<u>\$ 26,205,551</u>	<u>\$ 24,866,182</u>	<u>\$ 25,591,442</u>	<u>\$ 24,103,512</u>
<b>Total primary government</b>				
Net investment in capital assets	\$ 36,454,697	\$ 35,857,707	\$ 35,656,848	\$ 33,655,177
Restricted for:				
Capital projects	15,879	-	-	-
Debt service	474,053	504,519	514,365	665,361
Replacement and surplus reserve	1,063,822	1,132,890	866,353	878,195
Transportation projects	206,857	156,417	89,780	117,694
Public service programs	843,181	982,136	1,016,857	1,048,390
Community environment programs	3,233,795	2,854,058	3,184,299	3,184,160
Security programs	290,587	347,508	344,515	355,439
Police and fire pension	20,000	66,555	34,220	24,686
Other purposes	288,369	189,666	302,795	148,897
Unrestricted (deficit)	<u>(20,232,656)</u>	<u>(18,964,426)</u>	<u>(2,522,465)</u>	<u>(13,149)</u>
Total primary government net position	<u>\$ 22,658,584</u>	<u>\$ 23,127,030</u>	<u>\$ 39,487,567</u>	<u>\$ 40,064,850</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.

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$	19,325,774	\$ 19,528,061	\$ 19,194,878	\$ 19,233,554	\$ 19,217,527	\$ 18,500,286
	86,105	936,012	1,286,549	31,763	1,154,738	1,447,623
	425,849	191,036	322,426	346,139	401,200	661,027
	357,951	375,369	386,247	285,686	374,892	265,771
	1,175,610	759,389	760,258	737,980	737,032	728,398
	3,329,142	3,318,742	3,859,082	3,976,347	3,892,153	4,521,279
	38,397	69,984	72,662	76,794	60,133	59,322
	392,320	232,414	175,111	235,720	290,824	394,189
	119,585	903,606	604,772	367,747	365,774	291,652
	(7,859,134)	2,743,270	2,717,776	5,348,341	5,157,606	2,679,203
\$	<u>17,391,599</u>	<u>\$ 29,057,883</u>	<u>\$ 29,379,761</u>	<u>\$ 30,640,071</u>	<u>\$ 31,651,879</u>	<u>\$ 29,548,750</u>
\$	13,620,315	\$ 12,266,157	\$ 11,655,997	\$ 9,633,092	\$ 9,524,020	\$ 8,804,341
	548,950	573,116	592,084	618,439	609,249	637,561
	522,362	1,152,065	1,903,787	616,385	591,030	682,495
	7,305,450	9,757,719	8,314,065	8,897,636	8,899,493	9,162,368
\$	<u>21,997,077</u>	<u>\$ 23,749,057</u>	<u>\$ 22,465,933</u>	<u>\$ 19,765,552</u>	<u>\$ 19,623,792</u>	<u>\$ 19,286,765</u>
\$	32,946,089	\$ 31,794,218	\$ 30,850,875	\$ 28,866,646	\$ 28,741,547	\$ 27,304,627
	86,105	936,012	1,286,549	31,763	1,154,738	1,447,623
	974,799	764,152	914,510	964,578	1,010,449	1,298,588
	522,362	1,152,065	1,903,787	616,385	591,030	682,495
	357,951	375,369	386,247	285,686	374,892	265,771
	1,175,610	759,389	760,258	737,980	737,032	728,398
	3,329,142	3,318,742	3,859,082	3,976,347	3,892,153	4,521,279
	392,320	232,414	175,111	235,720	290,824	394,189
	38,397	69,984	72,662	76,794	60,133	59,322
	119,585	903,606	604,772	367,747	365,774	291,652
	(553,684)	12,500,989	11,031,841	14,245,977	14,057,099	11,841,571
\$	<u>39,388,676</u>	<u>\$ 52,806,940</u>	<u>\$ 51,845,694</u>	<u>\$ 50,405,623</u>	<u>\$ 51,275,671</u>	<u>\$ 48,835,515</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,554,322	\$ 1,043,042	\$ 1,282,857	\$ 1,657,019
Security of persons and property	220,814	164,757	107,598	76,764
Public health and welfare	180,031	169,774	179,096	200,787
Transportation	-	-	-	-
Community environment	168,491	129,587	124,538	158,407
Leisure time activities	31,343	26,935	28,699	7,420
Subtotal - charges for services	<u>2,155,001</u>	<u>1,534,095</u>	<u>1,722,788</u>	<u>2,100,397</u>
Operating grants and contributions:				
General government	40,235	100,439	520,850	49,925
Security of persons and property	116,727	54,318	68,815	88,367
Public health and welfare	165,934	136,102	127,350	122,410
Transportation	989,818	1,062,884	939,324	986,928
Community environment	1,842,178	1,249,650	1,086,050	731,338
Subtotal - operating grants and contributions	<u>3,154,892</u>	<u>2,603,393</u>	<u>2,742,389</u>	<u>1,978,968</u>
Capital grants and contributions:				
General government	-	-	-	12,500
Security of persons and property	15,000	-	-	-
Transportation	218,320	366,748	1,279,658	331,606
Leisure time activities	-	305,627	-	-
Subtotal - capital grants and contributions	<u>233,320</u>	<u>672,375</u>	<u>1,279,658</u>	<u>344,106</u>
Total governmental activities program revenues	<u>5,543,213</u>	<u>4,809,863</u>	<u>5,744,835</u>	<u>4,423,471</u>
Business-type activities:				
Charges for services:				
Water	5,692,737	5,026,836	5,336,229	5,244,227
Sewer	4,964,122	4,398,714	4,446,894	4,546,914
Robertson Community Center	48,031	48,188	54,348	44,928
Community Improvement	1,255,875	526,604	-	-
Capital grants and contributions	269,500	675,292	-	-
Total business-type activities program revenues	<u>12,230,265</u>	<u>10,675,634</u>	<u>9,837,471</u>	<u>9,836,069</u>
Total primary government	<u>\$ 17,773,478</u>	<u>\$ 15,485,497</u>	<u>\$ 15,582,306</u>	<u>\$ 14,259,540</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 3,617,085	\$ 3,688,938	\$ 4,360,652	\$ 3,786,152
Security of persons and property	10,483,887	9,688,773	9,647,261	9,005,619
Public health and welfare	1,058,035	1,099,398	1,038,202	952,886
Transportation	2,295,904	2,411,821	2,582,067	2,584,976
Community environment	1,583,160	1,699,760	1,410,889	941,453
Basic utility services	47,541	65,837	61,731	41,870
Leisure time activities	739,664	777,138	765,229	748,255
Interest and fiscal charges	16,497	19,154	26,933	28,195
Total governmental activities expenses	<u>19,841,773</u>	<u>19,450,819</u>	<u>19,892,964</u>	<u>18,089,406</u>

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 1,572,870	\$ 1,090,395	\$ 1,061,567	\$ 974,521	\$ 704,836	\$ 984,588
65,939	464,505	50,980	68,727	32,285	14,278
161,864	162,282	168,495	162,688	306,416	162,113
272	-	-	-	-	-
59,609	64,284	78,811	72,433	90,263	82,968
26,106	24,022	145,468	50,926	49,205	22,990
<u>1,886,660</u>	<u>1,805,488</u>	<u>1,505,321</u>	<u>1,329,295</u>	<u>1,183,005</u>	<u>1,266,937</u>
56,207	199,541	166,290	32,043	40,638	30,622
119,213	185,490	178,676	131,084	51,838	141,330
133,115	148,884	186,825	200,510	76,594	197,403
975,748	997,472	997,806	935,710	962,280	853,054
999,489	645,228	679,300	1,544,671	1,110,616	995,772
<u>2,283,772</u>	<u>2,176,615</u>	<u>2,208,897</u>	<u>2,844,018</u>	<u>2,241,966</u>	<u>2,218,181</u>
263	-	-	-	-	-
-	-	-	-	-	-
543,314	660,617	115,061	483,045	-	207,196
-	-	-	-	-	-
<u>543,577</u>	<u>660,617</u>	<u>115,061</u>	<u>483,045</u>	<u>-</u>	<u>207,196</u>
<u>4,714,009</u>	<u>4,642,720</u>	<u>3,829,279</u>	<u>4,656,358</u>	<u>3,424,971</u>	<u>3,692,314</u>
5,027,585	5,080,395	4,935,880	4,380,453	3,935,652	4,460,193
4,245,435	4,516,682	3,716,822	3,980,135	3,966,871	4,618,220
47,494	43,062	46,873	46,682	49,086	75,933
-	-	-	-	-	-
-	-	1,741,568	-	144,918	313,745
<u>9,320,514</u>	<u>9,640,139</u>	<u>10,441,143</u>	<u>8,407,270</u>	<u>8,096,527</u>	<u>9,468,091</u>
<u>\$ 14,034,523</u>	<u>\$ 14,282,859</u>	<u>\$ 14,270,422</u>	<u>\$ 13,063,628</u>	<u>\$ 11,521,498</u>	<u>\$ 13,160,405</u>
\$ 3,530,481	\$ 3,429,427	\$ 3,293,515	\$ 3,280,078	\$ 3,073,733	\$ 2,917,013
8,983,758	8,727,248	9,121,557	9,033,362	8,624,742	8,416,988
944,102	961,188	1,069,283	1,034,561	1,015,414	952,822
1,946,535	1,852,335	1,727,130	2,015,461	1,960,588	1,636,141
1,132,317	1,419,894	942,663	1,856,513	1,355,294	969,055
68,828	72,018	62,457	60,904	54,541	56,427
741,638	711,074	785,750	770,365	772,260	793,909
39,947	45,757	50,615	71,335	83,669	110,107
<u>17,387,606</u>	<u>17,218,941</u>	<u>17,103,204</u>	<u>18,122,579</u>	<u>16,940,241</u>	<u>15,852,462</u>

Continued

**CITY OF ALLIANCE, OHIO**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Business-type activities:				
Water	\$ 5,060,457	\$ 4,721,033	\$ 4,574,627	\$ 4,222,774
Sewer	5,086,176	4,729,283	4,194,853	3,932,292
Robertson Community Center	65,137	350,405	63,466	54,428
Community Improvement	<u>1,243,119</u>	<u>80,802</u>	<u>-</u>	<u>-</u>
Total business-type activities expenses	<u>11,454,889</u>	<u>9,881,523</u>	<u>8,832,946</u>	<u>8,209,494</u>
Total primary government	<u>\$ 31,296,662</u>	<u>\$ 29,332,342</u>	<u>\$ 28,725,910</u>	<u>\$ 26,298,900</u>
<b>Net (expense) revenue:</b>				
Governmental activities	\$ (14,298,560)	\$ (14,640,956)	\$ (14,148,129)	\$ (13,665,935)
Business-type activities	775,376	794,111	1,004,525	1,626,575
Total primary government net expense	<u>\$ (13,523,184)</u>	<u>\$ (13,846,845)</u>	<u>\$ (13,143,604)</u>	<u>\$ (12,039,360)</u>
<b>General revenues and other changes in net position:</b>				
Governmental activities:				
Municipal income taxes	\$ 10,366,624	\$ 9,728,707	\$ 10,156,552	\$ 10,305,849
Property and other local taxes	1,057,126	934,726	955,825	893,577
Grants and entitlements				
not restricted to specific programs	659,829	547,218	606,027	630,859
Investment earnings	26,599	23,077	18,684	18,707
Gain (loss) on fair value adjustment	17,869	(68,725)	(8,977)	14,262
Miscellaneous	362,698	329,524	354,805	372,420
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>12,490,745</u>	<u>11,494,527</u>	<u>12,082,916</u>	<u>12,235,674</u>
Business-type activities:				
Municipal income taxes	405,720	380,242	399,981	404,207
Investment earnings	158,273	128,274	83,424	75,653
Gain on sale of capital assets	-	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>563,993</u>	<u>508,516</u>	<u>483,405</u>	<u>479,860</u>
Total primary government	<u>\$ 13,054,738</u>	<u>\$ 12,003,043</u>	<u>\$ 12,566,321</u>	<u>\$ 12,715,534</u>
<b>Change in net position:</b>				
Governmental activities	\$ (1,807,815)	\$ (3,146,429)	\$ (2,065,213)	\$ (1,430,261)
Business-type activities	1,339,369	1,302,627	1,487,930	2,106,435
Total primary government	<u>\$ (468,446)</u>	<u>\$ (1,843,802)</u>	<u>\$ (577,283)</u>	<u>\$ 676,174</u>

Source: City financial records.



<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 4,490,494	\$ 4,518,463	\$ 4,415,238	\$ 4,834,781	\$ 4,616,259	\$ 4,498,029
4,364,930	4,186,816	3,650,814	3,739,990	3,436,932	3,523,095
60,546	55,503	56,050	60,278	56,745	54,174
-	-	-	-	-	-
8,915,970	8,760,782	8,122,102	8,635,049	8,109,936	8,075,298
<u>\$ 26,303,576</u>	<u>\$ 25,979,723</u>	<u>\$ 25,225,306</u>	<u>\$ 26,757,628</u>	<u>\$ 25,050,177</u>	<u>\$ 23,927,760</u>
\$ (12,673,597)	\$ (12,576,221)	\$ (13,273,925)	\$ (13,466,221)	\$ (13,515,270)	\$ (12,160,148)
404,544	879,357	2,319,041	(227,779)	(13,409)	1,392,793
<u>\$ (12,269,053)</u>	<u>\$ (11,696,864)</u>	<u>\$ (10,954,884)</u>	<u>\$ (13,694,000)</u>	<u>\$ (13,528,679)</u>	<u>\$ (10,767,355)</u>
\$ 10,739,033	\$ 10,118,478	\$ 9,769,613	\$ 9,776,370	\$ 8,713,256	\$ 8,540,876
905,285	917,317	1,071,476	929,774	956,359	984,883
592,068	967,436	880,730	1,103,878	4,524,885	1,714,806
25,442	4,166	4,428	8,435	10,202	21,096
-	-	-	-	-	-
537,100	246,946	287,368	835,956	504,111	747,714
546,889	-	-	(200,000)	-	-
13,345,817	12,254,343	12,013,615	12,454,413	14,708,813	12,009,375
420,332	394,602	374,081	386,543	343,668	340,765
115,162	9,165	7,259	5,279	6,768	15,215
-	-	-	-	-	109,180
(546,889)	-	-	200,000	-	-
(11,395)	403,767	381,340	591,822	350,436	465,160
<u>\$ 13,334,422</u>	<u>\$ 12,658,110</u>	<u>\$ 12,394,955</u>	<u>\$ 13,046,235</u>	<u>\$ 15,059,249</u>	<u>\$ 12,474,535</u>
\$ 672,220	\$ (321,878)	\$ (1,260,310)	\$ (1,011,808)	\$ 1,193,543	\$ (150,773)
393,149	1,283,124	2,700,381	364,043	337,027	1,857,953
<u>\$ 1,065,369</u>	<u>\$ 961,246</u>	<u>\$ 1,440,071</u>	<u>\$ (647,765)</u>	<u>\$ 1,530,570</u>	<u>\$ 1,707,180</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General fund:</b>				
Nonspendable	\$ 246,779	\$ 262,989	\$ 256,700	\$ 386,149
Restricted	10,710	7,719	4,586	-
Committed	180,757	87,966	27,592	59,451
Assigned	245,393	877,671	186,256	1,299,804
Unassigned	1,083,006	-	916,477	1,159,618
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>1,766,645</u>	<u>1,236,345</u>	<u>1,391,611</u>	<u>2,905,022</u>
<b>All other governmental funds:</b>				
Nonspendable	87,916	75,111	109,983	53,784
Restricted	5,468,424	5,033,095	5,125,523	5,372,753
Committed	223,888	455,388	787,042	760,187
Assigned	-	-	-	-
Unassigned (deficit)	(116,568)	(12,107)	(203,737)	(352,810)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service fund	-	-	-	-
Capital projects funds	-	-	-	-
Revolving loan fund	-	-	-	-
Total all other governmental funds	<u>5,663,660</u>	<u>5,551,487</u>	<u>5,818,811</u>	<u>5,833,914</u>
Total governmental funds	<u>\$ 7,430,305</u>	<u>\$ 6,787,832</u>	<u>\$ 7,210,422</u>	<u>\$ 8,738,936</u>

**Source:** City financial records.

**Note:** The City implemented GASB 54 in 2011.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 98,029	\$ 100,473	\$ 90,479	\$ 88,225	\$ -	\$ -
-	-	-	-	-	-
103,593	86,927	134,581	10,289	-	-
1,566,149	1,380,734	135,180	64,886	-	-
1,130,672	1,237,121	2,672,552	3,789,207	-	-
-	-	-	-	36,264	39,787
-	-	-	-	5,207,831	2,277,229
<u>2,898,443</u>	<u>2,805,255</u>	<u>3,032,792</u>	<u>3,952,607</u>	<u>5,244,095</u>	<u>2,317,016</u>
31,068	15,867	41,511	38,929	-	-
5,859,314	5,671,080	5,891,152	5,797,381	-	-
1,057,921	825,390	1,099,759	1,575,115	-	-
1,000	1,000	1,000	1,000	-	-
-	(3,292)	-	(3,142)	-	-
-	-	-	-	1,920,513	2,396,244
-	-	-	-	2,261,677	2,234,113
-	-	-	-	126,581	253,537
-	-	-	-	869,425	997,814
-	-	-	-	1,595,729	1,775,948
<u>6,949,303</u>	<u>6,510,045</u>	<u>7,033,422</u>	<u>7,409,283</u>	<u>6,773,925</u>	<u>7,657,656</u>
<u>\$ 9,847,746</u>	<u>\$ 9,315,300</u>	<u>\$ 10,066,214</u>	<u>\$ 11,361,890</u>	<u>\$ 12,018,020</u>	<u>\$ 9,974,672</u>

**CITY OF ALLIANCE, OHIO**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>				
Municipal income taxes	\$ 10,357,967	\$ 9,808,805	\$ 10,183,234	\$ 10,272,590
Property and other taxes	1,053,399	948,761	954,561	897,035
Charges for services	608,412	515,589	376,950	325,908
Licenses, permits and fees	573,871	429,225	396,001	658,533
Fines and forfeitures	654,796	543,521	638,352	831,263
Intergovernmental	3,662,860	3,629,004	4,153,323	2,758,634
Special assessments	-	-	-	-
Investment income	102,375	18,485	58,434	61,429
Rental income	29,486	36,586	26,313	44,546
Contributions and donations	4,842	4,645	17,812	10,498
Other	754,170	599,485	943,409	678,148
Total revenues	<u>17,802,178</u>	<u>16,534,106</u>	<u>17,748,389</u>	<u>16,538,584</u>
<b>Expenditures</b>				
Current:				
General government	3,237,050	3,069,659	3,912,589	3,279,554
Security of persons and property	8,727,810	8,368,210	8,582,751	8,420,148
Public health and welfare	997,751	955,889	964,767	960,431
Transportation	1,029,882	848,817	1,287,637	1,304,365
Community environment	1,534,117	1,620,921	1,366,506	929,267
Leisure time activities	597,735	588,435	614,440	626,454
Basic utility services	42,758	55,032	55,108	61,384
Capital outlay	944,556	1,331,645	2,234,305	1,778,871
Debt service:				
Principal retirement	45,679	119,591	283,542	263,673
Interest and fiscal charges	16,540	18,854	23,503	32,081
Bond issuance cost	-	-	-	-
Total expenditures	<u>17,173,878</u>	<u>16,977,053</u>	<u>19,325,148</u>	<u>17,656,228</u>
Excess (deficiency) of revenues over (under) expenditures	628,300	(442,947)	(1,576,759)	(1,117,644)
<b>Other financing sources (uses)</b>				
Sale of capital assets	14,173	20,357	48,245	8,834
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	1,056,630	890,824	975,197	823,331
Transfers (out)	(1,056,630)	(890,824)	(975,197)	(823,331)
Total other financing sources (uses)	<u>14,173</u>	<u>20,357</u>	<u>48,245</u>	<u>8,834</u>
Net change in fund balances	<u>\$ 642,473</u>	<u>\$ (422,590)</u>	<u>\$ (1,528,514)</u>	<u>\$ (1,108,810)</u>
Capital expenditures	\$ 646,138	\$ 1,087,878	\$ 2,153,633	\$ 1,625,458
Debt service as a percentage of noncapital expenditures	0.38%	0.87%	1.79%	1.84%

Source: City financial records.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	10,701,172	\$ 10,065,525	\$ 9,768,208	\$ 9,670,227	\$ 8,718,059	\$ 8,516,605
	897,977	916,991	986,268	955,054	969,712	980,354
	378,773	428,359	313,836	251,838	224,081	286,138
	225,825	226,663	241,853	219,834	336,829	177,116
	851,808	977,143	554,343	461,502	512,398	553,954
	2,796,166	3,390,528	3,058,631	4,349,101	6,833,514	4,248,142
	67,295	69,216	74,029	62,204	68,563	63,244
	44,593	44,886	47,283	74,730	64,763	109,236
	74,834	99,211	88,653	101,858	84,887	91,888
	13,092	42,346	5,617	4,384	6,231	8,660
	1,095,294	657,936	608,534	1,039,446	712,218	931,047
	<u>17,146,829</u>	<u>16,918,804</u>	<u>15,747,255</u>	<u>17,190,178</u>	<u>18,531,255</u>	<u>15,966,384</u>
	3,104,014	3,085,737	2,736,209	2,749,939	2,492,289	2,389,066
	8,618,050	8,548,046	8,375,312	8,220,965	7,857,210	7,821,330
	926,077	949,521	979,756	956,336	944,131	911,403
	897,753	867,372	789,652	1,106,279	966,818	963,850
	1,129,378	1,412,050	859,742	1,759,825	1,676,693	1,167,061
	613,020	627,704	653,096	631,225	657,273	687,874
	64,775	68,584	59,583	55,238	51,936	53,228
	1,382,029	1,833,204	2,957,264	2,089,454	1,335,972	2,194,333
	551,581	324,507	329,115	308,740	418,380	403,036
	42,434	48,033	53,201	73,267	87,205	108,690
	-	-	50,234	-	-	-
	<u>17,329,111</u>	<u>17,764,758</u>	<u>17,843,164</u>	<u>17,951,268</u>	<u>16,487,907</u>	<u>16,699,871</u>
	(182,282)	(845,954)	(2,095,909)	(761,090)	2,043,348	(733,487)
	-	-	-	-	-	-
	-	-	455,000	-	-	-
	-	-	(444,652)	-	-	-
	-	-	8,169	-	-	-
	-	-	775,000	-	-	-
	-	-	6,716	-	-	-
	167,839	-	-	-	-	-
	-	95,040	-	304,960	-	-
	1,734,266	1,243,765	1,130,886	1,393,096	1,066,718	1,030,531
	<u>(1,187,377)</u>	<u>(1,243,765)</u>	<u>(1,130,886)</u>	<u>(1,593,096)</u>	<u>(1,066,718)</u>	<u>(1,030,531)</u>
	<u>714,728</u>	<u>95,040</u>	<u>800,233</u>	<u>104,960</u>	<u>-</u>	<u>-</u>
\$	<u>532,446</u>	<u>(750,914)</u>	<u>(1,295,676)</u>	<u>(656,130)</u>	<u>2,043,348</u>	<u>(733,487)</u>
\$	1,189,258	\$ 1,871,185	\$ 1,991,679	\$ 1,605,167	\$ 982,102	\$ 1,891,704
	3.68%	2.34%	2.41%	2.34%	3.26%	3.46%

**CITY OF ALLIANCE, OHIO**

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

<b>Tax Year (1)</b>	<b>Individual</b>		<b>Total Individual</b>	<b>Business</b>	<b>Total</b>	<b>Tax Rate</b>
	<b>Withholding</b>	<b>Non-withholding</b>				
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%
2010	6,651,975	1,250,681	7,902,656	940,634	8,843,290	2.00%
2009	6,768,976	1,347,416	8,116,392	825,594	8,941,986	2.00%

**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**

<b>Sector</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Industrial	43%	45%	48%	47%	47%	46%	42%	40%	31%	33%
Medical	17%	18%	17%	17%	17%	17%	20%	21%	22%	24%
Education	14%	14%	13%	13%	12%	12%	13%	14%	15%	15%
Retail	7%	6%	5%	6%	6%	8%	6%	5%	7%	7%
Service	6%	5%	5%	5%	5%	5%	6%	6%	6%	6%
Food/Restaurant	3%	3%	4%	4%	3%	4%	4%	4%	5%	4%
Carnation Mall Area	4%	5%	4%	4%	4%	4%	5%	5%	5%	5%
Financial	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%
Construction	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other	2%	1%	1%	1%	3%	1%	1%	2%	6%	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			
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
2010	980,000	250,000	-	-	1,182,000	12,315,000	-	717,194	15,444,194	3.93%	686
2009	1,335,000	305,000	-	-	1,740,000	13,345,000	-	683,506	17,408,506	4.93%	749

**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		
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
2010	22,522	289,117,210	2,162,000	126,581	2,035,419	0.70%	90.37
2009	23,253	299,392,613	3,075,000	253,537	2,821,463	0.94%	121.34

**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, 2018**

<b>Governmental Unit</b>	<b>Governmental Activities Debt Outstanding</b>	<b>Estimated Percentage Applicable (1)</b>	<b>Amount Applicable to City</b>
<b>Direct - City of Alliance</b>			
OPWC loans	\$ 340,001	100.00%	\$ 340,001
SIB loans	112,820	100.00%	112,820
	<u>452,821</u>		<u>452,821</u>
<b>Overlapping debt:</b>			
Alliance City Schools	4,573,600	87.15%	3,985,892
Marlington Local School District	489,327	20.43%	99,970
Stark County	19,139,493	3.84%	734,957
Mahoning County	31,476,500	0.01%	3,148
	<u>55,678,920</u>		<u>4,823,967</u>
Total direct and overlapping debt	<u>\$ 56,131,741</u>		<u>\$ 5,276,788</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total assessed property value	\$ 285,398,790	\$ 280,881,810	\$ 280,881,810	\$ 278,005,220
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>29,966,873</u>	<u>29,492,590</u>	<u>29,492,590</u>	<u>29,190,548</u>
Debt outstanding:				
General obligation bonds	-	-	75,000	315,000
Special assessment bonds	-	-	-	-
SIB loans	112,820	133,437	153,449	167,839
Enterprise general obligation bonds	860,131	915,141	970,151	1,025,161
OPWC loans	1,626,088	1,790,012	1,883,435	1,976,858
Revenue bonds	<u>2,840,553</u>	<u>4,178,848</u>	<u>5,467,143</u>	<u>6,715,438</u>
Total gross indebtedness	<u>5,439,592</u>	<u>7,017,438</u>	<u>8,549,178</u>	<u>10,200,296</u>
Less:				
Special assessment bonds	-	-	-	-
SIB loans	112,820	133,437	153,449	167,839
Enterprise general obligation bonds	860,131	915,141	970,151	1,025,161
OPWC loans	1,626,088	1,790,012	1,883,435	1,976,858
Revenue bonds	<u>2,840,553</u>	<u>4,178,848</u>	<u>5,467,143</u>	<u>6,715,438</u>
Total net debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>315,000</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 29,966,873</u>	<u>\$ 29,492,590</u>	<u>\$ 29,417,590</u>	<u>\$ 28,875,548</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	99.75%	98.92%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>\$ 15,696,933</u>	<u>\$ 15,448,500</u>	<u>\$ 15,448,500</u>	<u>\$ 15,290,287</u>
Total gross indebtedness	5,439,592	7,017,438	8,549,178	10,200,296
Less:				
Special assessment bonds	-	-	-	-
SIB loans	112,820	133,437	153,449	167,839
Enterprise general obligation bonds	860,131	915,141	970,151	1,025,161
OPWC loans	1,626,088	1,790,012	1,883,435	1,976,858
Revenue bonds	<u>2,840,553</u>	<u>4,178,848</u>	<u>5,467,143</u>	<u>6,715,438</u>
Net debt within 5 1/2 % limitations	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>315,000</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 15,696,933</u>	<u>\$ 15,448,500</u>	<u>\$ 15,373,500</u>	<u>\$ 14,975,287</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	100.00%	100.00%	99.51%	97.94%

**Source:** City financial records.

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 264,521,390	\$ 259,506,760	\$ 262,059,330	\$ 288,001,100	\$ 288,748,770	\$ 299,234,860
<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>	<u>31,419,660</u>
555,000	1,029,591	1,270,000	735,000	980,000	1,335,000
-	70,000	135,000	195,000	250,000	305,000
167,839	-	-	-	-	-
1,080,171	2,197,181	2,287,000	1,142,000	1,182,000	1,740,000
1,974,417	1,955,078	936,184	979,169	717,194	683,506
7,923,733	9,092,028	10,160,000	11,255,000	12,315,000	13,345,000
<u>11,701,160</u>	<u>14,343,878</u>	<u>14,788,184</u>	<u>14,306,169</u>	<u>15,444,194</u>	<u>17,408,506</u>
-	70,000	135,000	195,000	250,000	305,000
167,839	-	-	-	-	-
1,080,171	2,197,181	2,287,000	1,142,000	1,182,000	1,740,000
1,974,417	1,955,078	936,184	979,169	717,194	683,506
7,923,733	9,092,028	10,160,000	11,255,000	12,315,000	13,345,000
<u>555,000</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>
\$ <u>27,219,746</u>	\$ <u>26,218,619</u>	\$ <u>26,246,230</u>	\$ <u>29,505,116</u>	\$ <u>29,338,621</u>	\$ <u>30,084,660</u>
98.00%	96.22%	95.38%	97.57%	96.77%	95.75%
\$ 14,548,676	\$ 14,272,872	\$ 14,413,263	\$ 15,840,061	\$ 15,881,182	\$ 16,457,917
11,701,160	14,343,878	14,788,184	14,306,169	15,444,194	17,408,506
-	70,000	135,000	195,000	250,000	305,000
167,839	-	-	-	-	-
1,080,171	2,197,181	2,287,000	1,142,000	1,182,000	1,740,000
1,974,417	1,955,078	936,184	979,169	717,194	683,506
7,923,733	9,092,028	10,160,000	11,255,000	12,315,000	13,345,000
<u>555,000</u>	<u>1,029,591</u>	<u>1,270,000</u>	<u>735,000</u>	<u>980,000</u>	<u>1,335,000</u>
\$ <u>13,993,676</u>	\$ <u>13,243,281</u>	\$ <u>13,143,263</u>	\$ <u>15,105,061</u>	\$ <u>14,901,182</u>	\$ <u>15,122,917</u>
96.19%	92.79%	91.19%	95.36%	93.83%	91.89%

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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	
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
2010	3,935,652	3,397,003	1,677,494	2,216,143	1,030,000	470,863	1.48
2009	4,460,193	3,216,538	1,684,217	2,927,872	930,000	569,421	1.95

**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>
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%
2010	22,522	392,490,894	17,427	32,743	35.9	11.1%
2009	23,253	353,000,000	15,181	30,078	34.0	12.2%

**Sources:**

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

<b>December 31, 2018</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
University of Mount Union	1,740	1	11.23%
Alliance Community Hospital	1,103	2	7.12%
Alliance City Schools	812	3	5.24%
Coastal Pet	596	4	3.85%
Trilogy Plastics	432	5	2.79%
WalMart	430	6	2.77%
Mac Trailer Enterprises	416	7	2.68%
Alliance Tubular	363	8	2.34%
City of Alliance	325	9	2.10%
Alliance Community Medical	126	10	0.81%
<b>Total</b>	<b>6,343</b>		<b>40.93%</b>
Total City Employment (1)	15,500		

<b>December 31, 2009</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total</b>
Mount Union College	1,855	1	15.20%
Alliance Community Hospital	1,143	2	9.37%
WalMart	1,000	3	8.20%
Coastal Pet	900	4	7.38%
Alliance City Schools	839	5	6.88%
Alliance Castings	360	6	2.95%
Alliance Tubular	266	7	2.18%
City of Alliance	254	8	2.08%
Terry's Tire Town	138	9	1.13%
Morgan Engineering Systems	98	10	0.80%
<b>Total</b>	<b>6,853</b>		<b>56.17%</b>
Total City Employment (1)	12,200		

**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	2018	2017	2016	2015
<b>General Government</b>				
<b>Council and clerk</b>				
Number of ordinances passed	62	61	69	69
Number of resolutions passed	12	8	13	2
Number of planning commission docket items	37	26	35	32
Zoning board of appeals docket items	13	17	32	22
<b>Finance Department</b>				
Number of checks/vouchers issued	4,184	4,012	4,188	3,961
Number of payroll checks issued (1)	9,142	7,830	2,126	2,242
Interest earnings for fiscal year				
(cash basis, includes water & sewer)	\$ 206,284	\$ 180,622	\$ 127,697	\$ 104,325
Number of receipts issued	2,495	2,633	289	292
Number of journal entries issued	173	251	283	201
Number of budget adjustments issued	40	32	15	20
Agency ratings - Moody's Financial Services	A2	A2	A2	A1
Health insurance costs- Medical	\$ 1,862,967	\$ 1,897,930	\$ 2,227,464	\$ 2,283,972
Health insurance costs- Dental	\$ 111,442	\$ 106,401	\$ 116,824	\$ 111,121
Health insurance costs- Administration	\$ 509,462	\$ 495,409	\$ 455,148	\$ 368,918
Health insurance total	\$ 2,483,871	\$ 2,499,740	\$ 2,799,436	\$ 2,764,011
General fund receipts (budgetary-basis)	\$ 12,157,619	\$ 11,533,809	\$ 12,057,771	\$ 11,796,835
General fund expenditures (budgetary-basis)	\$ 10,927,448	\$ 10,941,075	\$ 11,585,501	\$ 12,361,924
General fund cash balance	\$ 445,233	\$ 230,043	\$ 373,777	\$ 651,973
<b>Income Tax Department</b>				
Number of individual returns	7,266	7,809	8,045	8,418
Number of business returns	1,281	1,328	1,389	1,259
Number of business withholding accounts	9,771	9,438	9,238	4,459
Annual number of corporate withholding forms processed	4,324	3,523	3,447	3,422
Annual number of estimated payment forms processed	1,048	2,700	2,851	2,735
Annual number of reconciliation of withholdings processed	5,204	3,621	3,608	3,925
<b>Engineer Contracted Services</b>				
Dollar amount of construction overseen by engineer	\$ 540,573	\$ 800,000	\$ 898,839	\$ 953,981
Private construction overseen/inspected	\$ 809,350	\$ 897,129	\$ 931,250	\$ 857,900
Engineering design contracts	\$ 104,649	\$ 160,000	\$ 650	\$ 52,975
<b>Municipal Court</b>				
Number of civil cases filed	1,443	1,317	1,290	1,389
Number of criminal cases filed	1,943	1,547	2,237	1,995
Number of traffic cases filed	3,475	2,285	3,407	4,544
Total cases filed	6,861	5,149	6,934	7,928
Number of civil cases disposed	1,410	1,204	1,324	1,396
Number of criminal cases disposed	2,022	1,667	2,307	2,058
Number of traffic cases disposed	3,523	2,350	3,462	4,581
Total cases disposed	6,955	5,221	7,093	8,035
<b>Vital Statistics</b>				
Certificates filed	336	314	459	714
Number of births (2)	-	-	140	387
Number of deaths	336	314	319	309
Certificates issued	2,993	2,942	2,877	3,176
Burial permits issued	398	364	n/a	323



2014	2013	2012	2011	2010	2009
80	75	96	101	95	86
6	11	13	6	10	9
11	27	25	34	27	17
22	4	17	20	26	20
3,593	3,830	3,802	4,013	3,936	4,305
2,577	2,522	2,463	2,801	2,681	3,064
\$ 14,844	\$ 17,116	\$ 14,581	\$ 16,328	\$ 20,387	\$ 43,384
284	329	2,513	2,461	2,546	1,686
212	326	360	424	424	221
29	20	13	10	8	23
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
\$ 1,759,447	\$ 2,202,445	\$ 1,929,298	\$ 1,994,330	\$ 1,680,722	\$ 1,567,989
\$ 124,595	\$ 123,818	\$ 116,435	\$ 100,563	\$ 105,433	\$ 103,322
\$ 358,408	\$ 310,190	\$ 275,995	\$ 242,136	\$ 234,843	\$ 197,585
\$ 2,242,450	\$ 2,636,453	\$ 2,337,029	\$ 2,337,029	\$ 2,020,998	\$ 1,868,896
\$ 11,713,463	\$ 11,188,999	\$ 10,397,109	\$ 10,450,333	\$ 14,203,022	\$ 11,248,650
\$ 10,870,256	\$ 10,663,936	\$ 10,778,843	\$ 11,533,844	\$ 11,421,889	\$ 11,509,720
\$ 1,197,685	\$ 1,249,079	\$ 1,651,750	\$ 2,854,512	\$ 3,927,726	\$ 1,356,683
8,372	8,070	8,141	8,024	8,084	8,418
1,224	1,304	1,314	1,234	1,216	1,259
4,683	4,989	4,817	4,785	4,467	4,459
3,612	3,451	3,544	3,659	3,380	3,220
2,898	2,680	2,793	2,682	2,564	3,036
3,612	3,550	3,441	3,632	3,576	3,436
\$ 550,000	\$ 954,950	n/a	\$ 613,528	\$ 268,152	\$ 1,029,635
\$ 1,056,500	n/a	n/a	\$ 834,500	\$ 97,600	\$ 275,000
\$ 28,600	\$ 20,625	n/a	\$ 33,395	\$ 25,917	\$ 178,198
1,476	1,371	1,694	1,717	1,924	1,988
2,042	2,290	2,338	2,262	1,763	1,746
5,528	4,844	4,644	2,733	3,268	3,519
9,046	8,505	8,676	6,712	6,955	7,253
1,453	1,402	1,667	1,727	1,818	2,059
2,127	2,402	2,311	2,147	1,740	1,748
5,537	4,858	4,585	2,728	3,324	3,465
9,117	8,662	8,563	6,602	6,882	7,272
694	754	772	734	799	803
385	416	430	402	401	450
309	338	342	332	398	353
3,172	3,255	3,100	3,270	3,621	4,078
365	n/a	364	304	392	365

**CITY OF ALLIANCE, OHIO**

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

<b>Function/Program</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Civil Service</b>				
Number of police entry tests administered	-	1	-	1
Number of fire entry tests administered	-	1	-	1
Number of police promotional tests administered	-	2	1	1
Number of fire promotional tests administered	-	-	-	1
Number of hires of police officers from certified lists	2	1	2	3
Number of hires of fire/medics from certified lists	3	-	1	2
Number of promotions from police certified lists	-	4	1	3
Number of promotions from fire certified lists	4	-	-	3
<b>Building Department Indicators</b>				
Construction permits issued	223	242	260	252
Estimated value of construction	\$ 11,917,227	\$ 8,425,614	\$ 12,082,854	\$ 14,100,000
Number of permits issued	1,071	999	939	967
Amount of revenue generated from permits	\$ 120,933	\$ 104,138	\$ 105,491	\$ 103,103
Number of contract registrations issued	349	308	272	253
<b>Security of Persons &amp; Property</b>				
<b>Police</b>				
Total calls for services	48,493	57,259	59,871	58,286
Number of traffic citations issued	2,959	1,345	2,444	4,268
Number of parking citations issued	333	87	128	505
Number of criminal arrests	3,671	3,057	4,697	3,843
Number of accident reports completed	535	515	578	572
Felony offenses (F1-F5)	691	536	423	641
Misdemeanor offenses (M1-MM)	2,980	1,836	1,729	2,465
Police dept. auxiliary hours worked	535	820	844	834
DUI arrests	124	125	171	141
Prisoners	764	1,863	2,413	2,063
Motor vehicle accidents	535	543	578	834
Property damage accidents	535	543	99	817
Fatalities from motor vehicle accidents	1	-	2	1
Gasoline costs of fleet	\$ 76,352	\$ 70,038	\$ 65,464	\$ 76,952
Community diversion program - community service hours	n/a	n/a	n/a	n/a
<b>Fire</b>				
EMS/Rescue calls	1,881	2,209	2,184	2,337
Structure fires	23	20	32	35
Fires other than structure	46	55	46	49
Other fire calls (electrical, smoke/odor, hazardous mat.)	734	767	729	719
Total calls for services	2,684	3,059	3,021	3,150
Fire with loss	31	32	51	47
Fires with losses exceeding \$10,000	12	5	9	9
Fire losses	\$ 329,520	\$ 138,420	\$ 710,007	\$ 477,490
Fire safety inspections	416	1,069	1,045	1,217
Number of times mutual aid given to fire and EMS	5	2	6	8
Number of times mutual aid received for fire and EMS	4	8	3	2
Fire department receipts from fees & permits	\$ 14,745	\$ 605	\$ 820	\$ 1,040
Fire department total receipts	\$ 14,745	\$ 5,349	\$ 820	\$ 5,418
<b>Public Health and Welfare</b>				
Number of health inspections	747	n/a	1,009	678
Cemetery burials	37	37	46	53
Cemetery cremations	24	32	18	34
Cemetery sale of lots	36	n/a	74	75
Cemetery receipts	\$ 46,880	\$ 52,350	\$ 48,782	\$ 62,855

2014	2013	2012	2011	2010	2009
-	1	-	1	-	-
-	-	1	-	-	-
2	-	-	-	-	3
1	1	1	1	-	-
4	1	1	3	2	-
1	-	-	-	-	-
-	-	-	-	1	3
-	2	1	-	-	-
278	295	317	296	346	290
\$ 18,635,280	\$ 26,214,855	\$ 9,368,510	\$ 13,075,583	\$ 13,906,316	\$ 12,270,074
894	720	818	802	1,324	1,164
\$ 86,670	\$ 52,130	\$ 47,969	\$ 56,748	\$ 118,626	\$ 96,578
290	308	286	209	248	119
66,082	43,231	50,504	41,283	43,950	42,920
6,188	4,122	3,727	1,401	1,796	2,423
166	125	245	250	699	776
3,248	2,883	n/a	2,505	1,826	1,221
567	547	n/a	646	618	542
668	583	n/a	564	461	511
2,580	1,981	n/a	1,640	1,354	1,493
1,230	1,723	1,297	1,204	1,418	956
220	215	225	158	143	141
2,056	1,498	n/a	1,407	1,338	1,666
587	557	648	771	803	908
587	557	648	771	669	790
-	1	1	-	2	-
\$ 127,200	\$ 146,593	\$ 151,234	\$ 142,749	\$ 105,476	\$ 84,070
n/a	n/a	n/a	85	94	396
2,311	2,142	2,179	2,220	2,024	1,885
40	39	50	67	87	38
46	39	59	28	46	67
645	620	649	796	738	530
3,042	2,840	2,937	3,111	2,895	2,520
55	21	43	35	41	43
10	7	17	9	5	9
\$ 325,149	\$ 285,280	\$ 1,811,335	\$ 276,650	\$ 2,416,875	\$ 627,410
1,090	909	155	882	827	540
16	27	19	8	26	8
4	11	19	3	10	9
\$ 630	\$ 920	\$ 990	\$ 727	\$ 961	\$ 855
\$ 3,374	\$ 2,421	\$ 2,708	\$ 727	\$ 26,502	\$ 9,700
633	910	1,085	1,423	1,363	1,476
59	80	64	78	78	73
17	22	21	21	13	21
35	48	61	30	45	69
\$ 58,665	\$ 52,300	\$ 49,306	\$ 49,306	\$ 58,946	\$ 60,110

**CITY OF ALLIANCE, OHIO**

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

Function/Program	2018	2017	2016	2015
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Recreation mens & womens league receipts	\$ -	\$ -	\$ 760	\$ -
Other fees	\$ -	\$ -	\$ -	\$ -
Cabin rentals	\$ 19,200	\$ 18,905	\$ 23,055	\$ 18,920
Robertson community center facility rentals	\$ 14,165	\$ 12,458	\$ 11,463	\$ 11,284
Robertson community center swimming pool receipts	\$ 33,866	\$ 35,730	\$ 42,886	\$ 33,643
Total recreation department receipts	\$ 67,231	\$ 67,093	\$ 78,163	\$ 63,847
<b>Community Development</b>				
Grant amounts received due to economic development dept.	\$ -	\$ -	\$ -	\$ -
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons) January - December	8,092	7,353	7,974	6,828
Refuse disposal costs per year January - December	\$ 1,130,991	\$ 904,490	\$ 859,771	\$ 863,604
Annual recycling tonnage (excluding leaf and compost)	998	651	559	583
Percentage of waste recycled	8.11	11.29	14.28	11.71
<b>Transportation</b>				
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)	5,160	6,915	3,305	5,120
Guardrail repair (hours)	-	-	3	-
Paint striping (hours)	1,110	310	462	640
Street sweeper (hours)	1,314	409	213	623
Cold patch (hours)	2,812	409	2,845	3,840
Snow and ice removal regular hours	2,412	2,563	3,012	3,915
Snow and ice removal overtime hours	600	384	714	882
Tons of snow melting salt purchased (Nov-Mar)	2,079	1,603	2,300	2,742
Cost of salt purchased	\$ 123,696	\$ 65,825	\$ 90,137	\$ 153,970
Sewer and sanitary calls for service	18	n/a	51	84
After hours sewer calls (hours)	48	n/a	14	57
Sewer crew (hours)	13,636	n/a	21,005	21,490
Sewer jet, vac-all, other services (hours)	n/a	n/a	1,101	1,359
Landscaping, stump-chipper service (hours)	56	131	101	193
Leaf collection (hours)	2,176	811	1,445	1,474
Sign department (hours)	882	1,568	1,782	1,165
<b>Water Department</b>				
Water rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 6.36	\$ 6.35	\$ 5.99	\$ 5.82
Water rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 11.13	\$ 11.13	\$ 10.49	\$ 10.18
Avg. number of water accounts billed monthly (Cu. Ft.)	9,752	9,780	9,703	9,640
Total water collections annually (including P&I)	\$ 5,767,277	\$ 5,337,028	\$ 5,400,479	\$ 5,175,035
Payments for bulk water purchases	\$ 79,604	\$ 31,371	\$ 47,276	\$ 29,615
<b>Wastewater Department</b>				
Wastewater rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 3.74	\$ 3.67	\$ 3.46	\$ 3.36
Wastewater rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 4.06	\$ 3.99	\$ 3.76	\$ 3.65
Total flow of wastewater treatment plant (billions of gallons)	1.72	1.46	1.42	1.90
Average daily flow (millions of gallons per day)	4.80	4.00	3.90	5.20
Tons of dry sludge removed	1,977	1,294	730	840

**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.

	2014	2013	2012	2011	2010	2009
\$	1,115	\$ 1,470	\$ 3,050	\$ 4,750	\$ 4,520	\$ 3,330
\$	-	\$ -	\$ 975	\$ -	\$ -	\$ -
\$	30,565	\$ 8,160	\$ 8,110	\$ 17,822	\$ 16,595	\$ 16,790
\$	12,343	\$ 10,962	\$ 15,660	\$ 10,697	\$ 10,382	\$ 11,021
\$	34,976	\$ 32,077	\$ 31,213	\$ 35,985	\$ 38,439	\$ 32,949
\$	78,999	\$ 52,669	\$ 59,008	\$ 69,254	\$ 69,936	\$ 64,095
\$	-	\$ -	\$ -	\$ -	\$ 726,519	\$ 693,414
	8,095	6,887	7,571	n/a	7,306	8,885
\$	836,118	\$ 748,953	\$ 792,115	n/a	\$ 850,514	\$ 832,922
	730	579	601	n/a	647.43	598.67
	11.08	7.75	7.93	n/a	8.86	6.31
	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
	3,695	3,095	2,635	2,290	2,240	2,327
	-	37	-	-	-	-
	932	1,065	1,092	950	945	920
	485	378	650	633	518	719
	3,453	3,785	3,697	4,350	4,235	4,395
	3,820	4,865	3,735	4,980	5,950	5,280
	834	748	794	825	1,383	837
	2,990	2,603	2,407	4,229	3,402	2,987
\$	82,209	\$ 96,658	\$ 123,530	\$ 218,217	\$ 172,872	\$ 140,713
	86	100	115	86	87	96
	75	54	84	47	102	48
	18,391	19,055	18,284	17,615	17,349	18,335
	1,280	1,455	-	1,304	1,668	1,052
	89	171	376	241	289	765
	1,481	1,041	1,689	1,597	1,706	1,716
	943	1,295	1,025	1,160	1,320	1,040
\$	5.65	\$ 5.65	\$ 5.28	\$ 4.93	\$ 4.93	\$ 4.61
\$	9.89	\$ 9.89	\$ 9.24	\$ 8.63	\$ 8.63	\$ 8.07
	9,846	9,850	9,889	9,813	9,851	9,819
\$	5,014,397	\$ 5,091,119	\$ 4,900,519	\$ 4,316,764	\$ 4,208,926	\$ 4,057,088
\$	20,394	\$ 27,752	\$ 29,638	\$ 36,271	\$ 34,668	\$ 31,726
\$	3.20	\$ 3.20	\$ 3.20	\$ 3.44	\$ 3.44	\$ 3.44
\$	3.48	\$ 3.48	\$ 3.48	\$ 3.89	\$ 3.89	\$ 3.89
	1.93	1.10	1.10	1.71	1.52	1.33
	5.30	3.00	3.00	4.68	4.00	4.00
	993	960	1,111	669	663	663

**CITY OF ALLIANCE, OHIO**

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

<b>Function/Program</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>General Government</b>										
Square footage occupied	57,231	57,231	57,231	57,321	57,321	57,321	57,321	57,321	57,321	57,321
<b>Police</b>										
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	42	45	45	36	33	31	39
<b>Fire</b>										
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	11	10	9	9
<b>Recreation</b>										
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
<b>Other Public Works</b>										
Streets	107	107	107	107	107	107	107	107	107	107
Traffic lights	39	39	39	39	39	39	38	38	38	38
<b>Wastewater</b>										
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
<b>Water Department</b>										
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	2018		2017		2016		2015		2014	2013	2012	2011	2010	2009
	FT	PT	FT	PT	FT	PT	FT	PT						
<b>General Government</b>														
Mayor	4.00	1.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	4.00	4.00	4.00	4.00	3.75
Auditor	3.50	0.00	4.50	0.00	4.50	0.00	4.50	0.00	4.50	4.50	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	4.00	4.50	3.50	4.50	4.50	4.50
Council	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	4.50	4.50	4.50	4.50	4.50	4.50
Judge	6.00	1.50	6.00	2.00	6.00	2.00	5.00	2.00	6.50	5.50	5.50	5.50	5.00	5.00
Clerk of Courts	8.00	0.00	7.00	1.00	7.00	1.00	7.00	1.00	7.50	6.50	6.50	6.00	6.50	7.50
Civil Service	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	2.00	2.00	2.00	2.00	2.00	1.50
Engineering	4.00	0.50	6.00	3.00	6.00	3.00	6.00	1.50	8.00	6.50	6.50	7.00	6.50	6.50
City Hall Maintenance	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Income Tax	2.50	1.00	2.50	1.00	2.50	1.00	3.50	0.00	3.50	3.50	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	0.50	0.50	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	1.00	1.00	1.50	1.50	1.50
<b>Security of Persons and Property</b>														
Police	37.00	3.00	37.00	3.00	40.00	3.00	40.00	3.00	41.00	43.00	43.00	43.00	41.00	42.00
Police - auxiliary/guards	0.00	17.00	0.00	17.00	0.00	17.00	0.00	20.00	11.00	10.00	11.00	10.00	9.00	9.00
Police - dispatchers/office/other	12.00	5.00	12.00	5.00	12.00	5.00	13.00	5.00	14.50	14.00	14.50	14.00	14.00	14.00
Fire	32.00	0.00	26.00	0.00	28.00	0.00	28.00	0.00	31.00	31.00	31.00	31.00	31.00	31.00
<b>Public Health Services</b>														
Health	9.00	2.00	9.00	5.00	9.00	5.00	9.00	2.00	12.50	12.50	13.00	12.50	13.00	13.00
Cemetery	1.00	6.00	1.00	7.00	1.00	7.00	1.00	2.00	3.00	3.00	3.50	4.00	3.00	2.00
<b>Leisure Time Activities</b>														
Parks and recreation	5.00	14.00	5.00	25.00	5.00	25.00	5.00	4.50	23.00	21.00	21.50	24.50	21.00	21.00
Litter	0.00	1.00	0.00	1.00	0.00	1.00	0.00	0.50	0.50	0.50	0.50	1.00	0.00	1.00
<b>Community Development</b>														
Building (CDBG)	4.00	0.00	4.00	0.00	4.00	0.00	3.00	0.00	4.00	4.00	4.00	3.00	4.00	5.00
<b>Transportation</b>														
Street maintenance & repair	11.00	3.00	11.00	1.00	11.00	1.00	12.00	0.00	12.00	11.00	11.00	13.50	13.00	12.50
<b>Basic Utility Services</b>														
Sewer	24.00	5.00	23.00	0.25	23.00	0.25	28.00	0.00	28.50	29.00	29.00	29.00	27.25	26.75
Water	26.00	0.50	23.00	0.25	23.00	0.25	23.00	0.00	25.50	25.00	25.50	24.00	24.25	23.25
Billing and collection	5.00	2.00	8.00	0.00	8.00	0.00	6.00	0.00	5.50	5.50	5.50	8.00	8.00	8.00
<b>Total</b>	<b>198.00</b>	<b>83.50</b>	<b>193.00</b>	<b>92.50</b>	<b>198.00</b>	<b>92.50</b>	<b>202.00</b>	<b>62.50</b>	<b>260.00</b>	<b>254.50</b>	<b>257.00</b>	<b>263.00</b>	<b>253.50</b>	<b>253.75</b>

**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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OHIO AUDITOR OF STATE  
**KEITH FABER**



**CITY OF ALLIANCE**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 1, 2019**