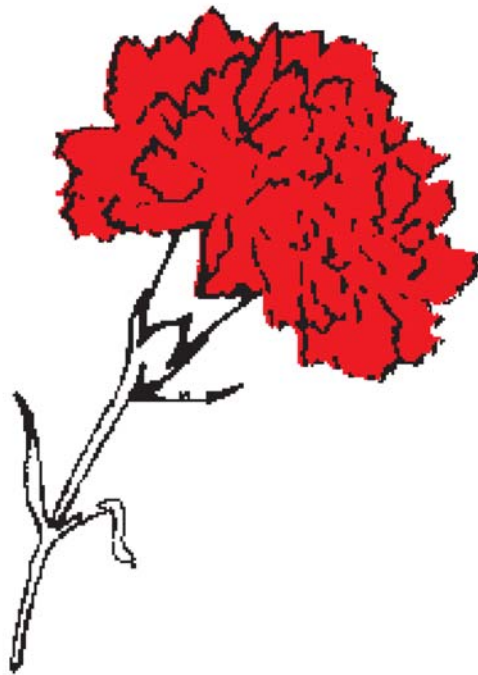


# **City of Alliance, Ohio**

“The Carnation City”



## **Annual Comprehensive Financial Report**

For the Year Ended December 31, 2021





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

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, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 12, 2022

**This page intentionally left blank.**

**CITY OF ALLIANCE, OHIO**  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021

KEVIN KNOWLES  
CITY AUDITOR

PREPARED BY THE CITY AUDITOR'S OFFICE

THIS PAGE IS INTENTIONALLY LEFT BLANK

# INTRODUCTORY SECTION

**This page intentionally left blank.**



**CITY OF ALLIANCE, OHIO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

TABLE OF CONTENTS

**I. INTRODUCTORY SECTION**

Table of Contents .....	1-4
Letter of Transmittal.....	5-11
City Officials.....	13
Organizational Chart .....	14
Certificate of Achievement for Excellence in Financial Reporting.....	15

**II. FINANCIAL SECTION**

Independent Auditor’s Report .....	17-19
Management’s Discussion and Analysis .....	21-39
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	41
Statement of Activities.....	42-43
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	44
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	45
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	46
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	47
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	48-51
Local Fiscal Recovery Fund.....	52
Statement of Net Position - Proprietary Funds.....	54-55
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	56
Statement of Cash Flows - Proprietary Funds .....	58-59
Statement of Fiduciary Net Position - Fiduciary Funds .....	60
Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	61
Notes to the Basic Financial Statements.....	63-123

**CITY OF ALLIANCE, OHIO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

TABLE OF CONTENTS (CONTINUED)

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability/Asset - OPERS - Last Eight Years .....	126-127
Schedule of the City’s Proportionate Share of the Net Pension Liability – OP&F - Last Eight Years.....	128-129
Schedule of City Pension Contributions - OPERS - Last Ten Years .....	130-131
Schedule of City Pension Contributions - OP&F - Last Ten Years .....	132-133
Schedule of the City’s Proportionate Share of the Net OPEB Liability/Asset - OPERS - Last Five Years .....	134
Schedule of the City’s Proportionate Share of the Net OPEB Liability - OP&F - Last Five Years.....	135
Schedule of City OPEB Contributions - OPERS - Last Ten Years.....	136-137
Schedule of City OPEB Contributions - OP&F - Last Ten Years.....	138-139
Notes to the Required Supplementary Information.....	140-141

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds .....	144
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	145

Special Revenue Funds:

Fund Descriptions - Nonmajor Governmental Funds.....	146-147
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	148-151
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	152-155

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

Street Repair and Maintenance Fund .....	156
State Highway Fund.....	157
Law Enforcement Block Grant Fund .....	158
Motor Vehicle License Fund .....	159
Municipal Court Computerization Fund .....	160
Health Fund.....	161
Litter Control Fund.....	162
State Misdemeanant Grant Fund .....	163
Cemetery Fund.....	164
HUD Grant Fund.....	165
Revolving Loan Fund.....	166
Community Development Block Grant (CDBG) Housing Rehab Loan Fund .....	167
Fire Pension Fund .....	168
Police Pension Fund.....	169
Park Levy Fund.....	170
FEMA Fund .....	171
Local Coronavirus Relief Fund .....	172
Special Project Fund.....	173
Carnation Cable Channel Fund .....	174
L.E. Professional Training Fund .....	175
Byrne Justice Assistance Grant Fund.....	176
Federal Equitable Sharing Fund.....	177
Indigent Driver Alcohol Treatment Fund.....	178

**CITY OF ALLIANCE, OHIO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

TABLE OF CONTENTS (CONTINUED)

Enforcement and Education Fund .....	179
Municipal Court Legal Research Fund.....	180
E-Cite Fund .....	181
Alliance Area Senior Citizens Fund .....	182
Home Administration Fund.....	183
Tax Incentive Review Fund .....	184
Land Use Study Fund .....	185
Court ADR Fund .....	186
Court Security Grant Fund .....	187
Municipal Court Security Fund .....	188
Court Immobilization Fund .....	189
Parking Lot Maintenance Fund .....	190
Land Reutilization Fund.....	191
Park Resources Fund.....	192
City Income Tax Fund.....	193
Gasoline Revolving Fund.....	194
Supply Revolving Fund.....	195
Auditor Transfer Fund.....	196
Debt Service Fund:	
Fund Description - Nonmajor Governmental Fund.....	198
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund .....	199
Capital Projects Funds:	
Fund Descriptions - Nonmajor Governmental Funds.....	200
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	201
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	202
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Funds:	
Street Income Tax Construction Fund.....	203
Municipal Road Fund.....	204
Capital Improvements Fund .....	205
Municipal Court Special Project Fund .....	206
Proprietary Funds:	
Enterprise Funds:	
Fund Descriptions .....	207
Combining Statement of Net Position - Nonmajor Enterprise Funds.....	208
Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Enterprise Funds.....	209
Combining Statement of Cash Flows - Nonmajor Enterprise Funds.....	210
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual (Non-GAAP Budgetary Basis) – Enterprise Funds:	
Water Fund.....	211
Sewer Fund.....	212
Robertson Community Center Fund.....	213
Community Improvement Fund .....	214

**CITY OF ALLIANCE, OHIO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

TABLE OF CONTENTS (CONTINUED)

Internal Service Fund:

Fund Description .....	215
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund .....	216

Custodial Funds:

Fund Description .....	217
------------------------	-----

**III. STATISTICAL SECTION**

Table of Contents .....	219
Net Position by Component - Last Ten Years .....	220-221
Changes in Net Position - Last Ten Years.....	222-225
Fund Balances, Governmental Funds - Last Ten Years .....	226-227
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	228-229
Income Tax Revenue Base and Collections - Last Ten Years.....	230
Income Tax Withholdings by Sector - Last Ten Years .....	230
Ratios of Outstanding Debt by Type - Last Ten Years .....	231
Ratios of General Bonded Debt Outstanding - Last Ten Years.....	232
Direct and Overlapping Governmental Activities Debt - as of December 31, 2021 .....	233
Legal Debt Margin Information - Last Ten Years.....	234-235
Pledged Revenue Coverage Water Revenue Bonds - Last Ten Years.....	237
Demographic and Economic Statistics - Last Ten Years .....	238
Principal Employers - Current Year and Nine Years Ago.....	239
Operating Indicators by Function/Program - Last Ten Years.....	240-245
Capital Asset Statistics by Function/Program - Last Ten Years.....	246
Full-Time-Equivalent City Governmental Employees by Function/Program - Last Ten Years .....	247



The City of

**Alliance,** OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



KEVIN KNOWLES

Phone 330-823-5900

Fax 330-829-2243

e-mail: [auditor@neo.rr.com](mailto:auditor@neo.rr.com)

Web Page: [www.cityofalliance.com](http://www.cityofalliance.com)

July 29, 2022

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

#### Transmittal Letter

The Annual Comprehensive Financial Report of the City of Alliance, Ohio (the "City") is hereby presented. This report represents the official report of the City of Alliance's operations and financial position for the year ended December 31, 2021 and has been developed to accurately detail the status of City finances to Alliance residents and elected officials, investment banks, underwriters and all other interested parties. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

#### **Reporting Entity**

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

## **The City of Alliance**

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

The City is in the Canton Metropolitan Statistical Area (MSA), comprised of the Ohio counties of Carroll and Stark, which is the 128<sup>th</sup> largest of 366 MSA's in the United States (based on the 2010 census). The City's population of 21,672 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, U.S. Government money market mutual funds, commercial paper, Negotiable Certificates of Deposit (CD's), Municipal Bonds, 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 2021 consist of STAR Ohio and a portfolio of investments through Meeder Investment Management.

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

### **Economic Conditions and Financial Outlook**

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

Prior to 2019, the City experienced a steady decline in its general fund cash balance, in part due to a structural deficit as expenses have consistently exceeded revenues. The general fund balance cash shrunk from a high of \$3.9 million in 2011 to a cash carryover of \$445,233 at December 31, 2018. This has rebounded in the past three years and the cash carryover at December 31, 2021 was \$2,346,903. In 2017 Moody's downgraded the City's rating on its outstanding general obligation debt from A1 to A2. This came after downgrading the City from Aa3 to A1 in 2015. The City's finances were boosted in 2020 by utilizing \$1.2 million dollars of CARES Act funds towards payroll.

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

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

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

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

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



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

The Government Finance Officers Association (GFOA) recognized the city of Alliance for its FY2020 Annual Comprehensive Financial Report. The city's report was honored after an impartial panel judged it to meet the high standards of the program, including demonstrating a constructive "spirit of full disclosure" to clearly communicate its accurate financial story and motivate potential users and user groups to read the report.

## **Major Initiatives**

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

## **Coronavirus Aid, Relief, and Economic Security (CARES) Act**

The City exhausted all remaining CARES act funding in 2021. Grant funds were used for PPE, telework capabilities, and safety forces payroll. \$1.1 million was used towards funding safety forces payroll as allowed by the grant rules.

## **American Rescue Plan Act (ARPA) Funds**

The City is scheduled to receive a total of \$15.87 million of American Rescue Plan Act (ARPA) funds in 2021-2022. (\$7.69 million was received in 2021.) Early plans include using funds for paving and capital needs as well as:

- Responding to the public health and negative economic impacts of the pandemic
- Providing premium pay to essential workers
- Providing government services to the extent of revenue loss due to the pandemic
- Making necessary investments in water, sewer, and broadband infrastructure

## **ODNR Parks Grant**

The City received \$250,000.00 in grant funding to be used to for upgrades to the City Skate Park and to repurpose a maintenance building into a rentable facility for the public. Work is scheduled to be completed in 2022.

## **SAFER Grant**

The Staffing for Adequate Fire and Emergency Response (SAFER) grant which hired additional firefighters expired in the beginning of 2022. The City applied for a renewal but has not been approved.

## **Contract Negotiations**

All agreements for the 13 various unions representing City employees are all under contract through at least 2022.

## **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 Annual Comprehensive Financial Report for the year ended December 31, 2020. 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 Annual Comprehensive Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Alliance, Ohio has received a Certificate of Achievement for the last twenty-one consecutive years (1999-2020). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

### **Independent Audit**

The firm of Julian & Grube, Inc., has audited the basic financial statements of the City, and the Auditor's Report is included herein. In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendment of 1996 and the provisions of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is not included in this Annual Comprehensive Financial Report.

### **Acknowledgments**

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

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

Respectfully Submitted,

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

Kevin G. Knowles  
City Auditor

THIS PAGE IS INTENTIONALLY LEFT BLANK

## CITY OF ALLIANCE, OHIO

City Officials

December 31, 2021

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

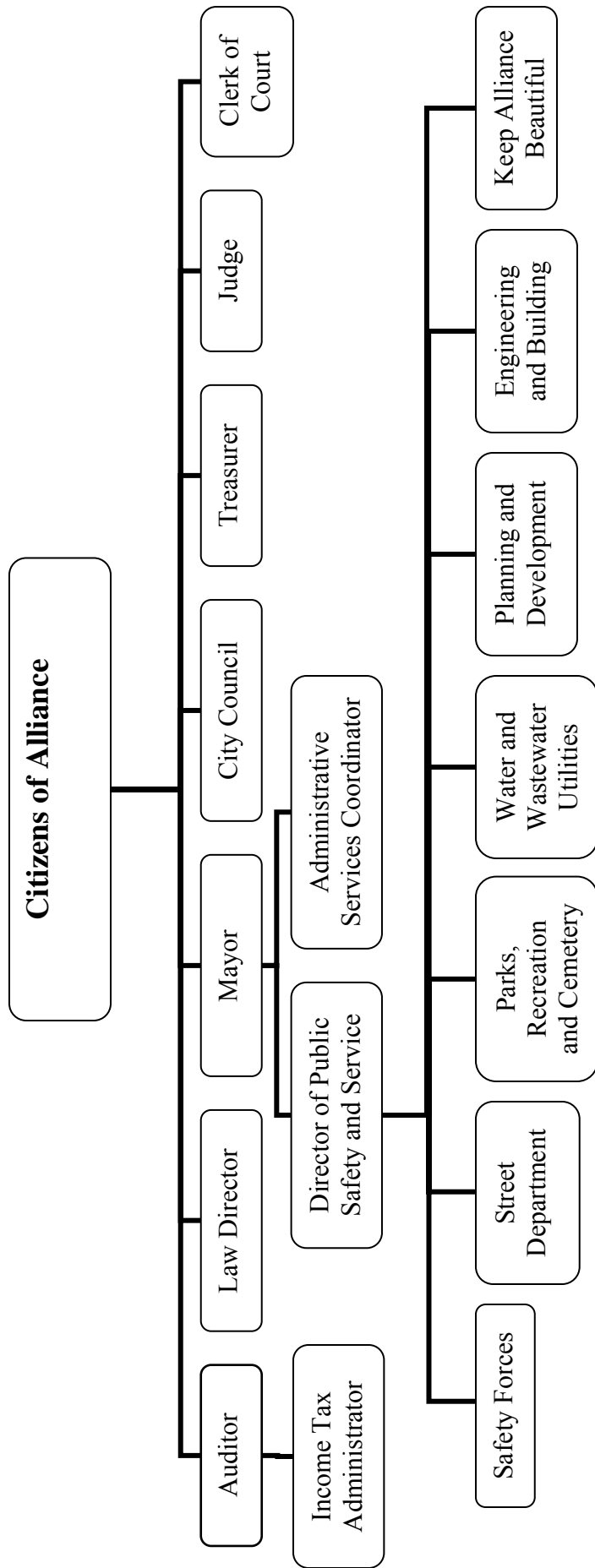
### Finance

Auditor	Kevin Knowles
Treasurer	Dennis Clunk
Income Tax Administrator	David Brown

### Public Safety and Service

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

# 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

THIS PAGE IS INTENTIONALLY LEFT BLANK



## FINANCIAL SECTION

## Independent Auditor's Report

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

To the Members of the City Council and Mayor:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Local Fiscal Recovery Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City of Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As described in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City of Alliance. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Alliance's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alliance's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022 on our consideration of the City of Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alliance's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
July 29, 2022

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (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, 2021. 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 2021 are as follows:

- The total net position of the City increased \$8,769,011. Net position of governmental activities increased \$5,246,326 or 54.54% and net position of business-type activities increased \$3,522,685 or 12.01%.
- General revenues accounted for \$14,972,483 or 74.89% of total governmental activities revenue. Program specific revenues accounted for \$5,020,393 or 25.11% of total governmental activities revenue.
- The City had \$14,746,550 in expenses related to governmental activities; \$5,020,393 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$9,726,157 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$14,972,483.
- The general fund had revenues and other financing sources of \$12,347,097 in 2021. This represents a decrease of \$2,122,776 from 2020. The expenditures and other financing uses of the general fund, which totaled \$13,598,958 in 2021, increased \$1,438,439 from 2020. The net decrease in fund balance for the general fund was \$1,251,861 or 23.91%.
- The local fiscal recovery major fund had \$11,025 in revenues and \$11,025 in expenditures in 2021.
- Net position for the business-type activities, which are made up of the water, sewer, Robertson Community Center, and community improvement funds, increased \$3,522,685 from a net position balance of \$29,327,010 in 2020 to a net position balance of \$32,849,695 in 2021.
- The water fund had \$5,463,255 in operating revenues and \$4,081,840 in operating expenses in 2021. The water fund also had non-operating revenues of \$517,106 and non-operating expenses of \$21,565. The net position of the water fund increased \$1,876,956 or 11.70%.
- The sewer fund had \$4,802,514 in operating revenues and \$3,163,262 in operating expenses in 2021. The sewer fund also had non-operating revenues of \$58,766 and non-operating expenses of \$74,948. The net position of the sewer fund increased \$1,623,070 or 12.60%.

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

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

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

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

#### **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 2021?" 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 41-43 of this report.

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

##### ***Fund Financial Statements***

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

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

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

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

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

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 local fiscal recovery 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 44-47 of this report, budgetary comparison for the general fund and the local fiscal recovery fund (a major special revenue fund) can be found on pages 48-52 of this report, and further detail on the City's major and nonmajor governmental funds can be found in Note 2 of this report.

#### ***Proprietary Funds***

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, 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 54-59 of this report.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are the City's only fiduciary fund type. The basic fiduciary fund financial statements can be found on page 60 and 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 63-122 of this report.

#### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset and net OPEB liability/asset. The required supplementary information can be found on pages 123-139 of this report.



**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2021 compared to December 31, 2020.

	<b>Net Position</b>					
	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Assets</u></b>						
Current assets	\$ 28,260,617	\$ 19,503,752	\$ 15,412,204	\$ 13,793,344	\$ 43,672,821	\$ 33,297,096
Capital assets, net	<u>20,230,257</u>	<u>18,590,450</u>	<u>32,562,978</u>	<u>32,011,643</u>	<u>52,793,235</u>	<u>50,602,093</u>
Total assets	<u>48,490,874</u>	<u>38,094,202</u>	<u>47,975,182</u>	<u>45,804,987</u>	<u>96,466,056</u>	<u>83,899,189</u>
<b><u>Deferred outflows of resources</u></b>						
Pension	2,297,195	2,619,363	416,054	611,382	2,713,249	3,230,745
OPEB	<u>1,390,758</u>	<u>1,764,250</u>	<u>173,751</u>	<u>422,297</u>	<u>1,564,509</u>	<u>2,186,547</u>
Total deferred outflows of resources	<u>3,687,953</u>	<u>4,383,613</u>	<u>589,805</u>	<u>1,033,679</u>	<u>4,277,758</u>	<u>5,417,292</u>
<b><u>Liabilities</u></b>						
Current liabilities	8,644,469	928,457	679,549	394,625	9,324,018	1,323,082
Long-term liabilities:						
Due within one year	828,295	822,510	871,542	729,318	1,699,837	1,551,828
Net pension liability	15,824,063	17,294,694	2,738,429	3,715,854	18,562,492	21,010,548
Net OPEB liability	1,935,985	4,971,095	-	2,554,794	1,935,985	7,525,889
Other amounts	<u>2,290,385</u>	<u>2,382,444</u>	<u>9,107,265</u>	<u>8,821,523</u>	<u>11,397,650</u>	<u>11,203,967</u>
Total liabilities	<u>29,523,197</u>	<u>26,399,200</u>	<u>13,396,785</u>	<u>16,216,114</u>	<u>42,919,982</u>	<u>42,615,314</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	2,010,030	1,827,529	-	-	2,010,030	1,827,529
Pension	3,546,674	3,140,828	1,277,341	879,855	4,824,015	4,020,683
OPEB	<u>2,233,358</u>	<u>1,491,016</u>	<u>1,041,166</u>	<u>415,687</u>	<u>3,274,524</u>	<u>1,906,703</u>
Total deferred inflows of resources	<u>7,790,062</u>	<u>6,459,373</u>	<u>2,318,507</u>	<u>1,295,542</u>	<u>10,108,569</u>	<u>7,754,915</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	19,889,769	18,214,085	23,264,663	23,113,403	43,154,432	41,327,488
Restricted	5,212,905	5,341,397	1,939,734	1,866,747	7,152,639	7,208,144
Unrestricted (deficit)	<u>(10,237,106)</u>	<u>(13,936,240)</u>	<u>7,645,298</u>	<u>4,346,860</u>	<u>(2,591,808)</u>	<u>(9,589,380)</u>
Total net position	<u>\$ 14,865,568</u>	<u>\$ 9,619,242</u>	<u>\$ 32,849,695</u>	<u>\$ 29,327,010</u>	<u>\$ 47,715,263</u>	<u>\$ 38,946,252</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

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

## CITY OF ALLIANCE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2021, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47,715,263. At year-end, net position for governmental activities was a balance of \$14,865,568 and net position for business-type activities was a balance of \$32,849,695.

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, 2021 of \$34,653,469 for governmental activities and \$37,264,600 for business-type activities.

Other than pensions and OPEB, significant changes for governmental activities include an increase in current assets, which is mostly due to higher cash balances, increased income taxes receivable, and special assessments receivable. Net capital assets increased as current year additions exceeded depreciation expense. Current liabilities increased due to unearned revenue related to the local fiscal recovery fund.

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 continued construction of the City's Powered Activated Carbon System. Current liabilities for the business-type activities increased due higher accrued wages. Long-term liabilities (other than pension and OPEB) increased as a new OWDA loan was issued during 2021.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At December 31, 2021, capital assets represented 54.73% 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, 2021, was \$19,889,769 and \$23,264,663 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's governmental net position, \$5,212,905, 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 \$10,237,106.

**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

The table below shows the changes in net position for 2020 and 2021.

**Change in Net Position**

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Total 2021	Total 2020
<b>Revenues:</b>						
Program revenues:						
Charges for services and sales	\$ 1,386,933	\$ 1,808,444	\$ 11,737,297	\$ 11,956,754	\$ 13,124,230	\$ 13,765,198
Operating grants and contributions	2,830,709	4,251,525	-	-	2,830,709	4,251,525
Capital grants and contributions	802,751	1,622,699	-	-	802,751	1,622,699
<b>Total program revenues</b>	<b>5,020,393</b>	<b>7,682,668</b>	<b>11,737,297</b>	<b>11,956,754</b>	<b>16,757,690</b>	<b>19,639,422</b>
General revenues:						
Property taxes	1,987,158	2,020,389	-	-	1,987,158	2,020,389
Income taxes	11,613,495	10,136,657	459,654	397,548	12,073,149	10,534,205
Unrestricted grants	881,192	546,126	-	-	881,192	546,126
Investment earnings	34,639	30,624	116,218	201,874	150,857	232,498
Gain (loss) on fair value of investments	(350,628)	206,711	-	-	(350,628)	206,711
Miscellaneous	806,627	2,058,659	-	-	806,627	2,058,659
<b>Total general revenues</b>	<b>14,972,483</b>	<b>14,999,166</b>	<b>575,872</b>	<b>599,422</b>	<b>15,548,355</b>	<b>15,598,588</b>
<b>Total revenues</b>	<b>19,992,876</b>	<b>22,681,834</b>	<b>12,313,169</b>	<b>12,556,176</b>	<b>32,306,045</b>	<b>35,238,010</b>
<b>Expenses:</b>						
General government	1,930,292	3,794,432	-	-	1,930,292	3,794,432
Security of persons and property	8,455,029	9,749,781	-	-	8,455,029	9,749,781
Public health services	530,164	907,648	-	-	530,164	907,648
Transportation	2,191,524	2,414,065	-	-	2,191,524	2,414,065
Community environment	1,137,043	1,054,128	-	-	1,137,043	1,054,128
Basic utility services	34,356	74,544	-	-	34,356	74,544
Leisure time activities	455,427	875,940	-	-	455,427	875,940
Interest and fiscal charges	12,715	13,924	-	-	12,715	13,924
Water	-	-	4,126,886	4,373,005	4,126,886	4,373,005
Sewer	-	-	3,264,203	5,020,317	3,264,203	5,020,317
Robertson Community Center	-	-	39,488	14,561	39,488	14,561
Community Improvement	-	-	1,359,907	1,488,547	1,359,907	1,488,547
<b>Total expenses</b>	<b>14,746,550</b>	<b>18,884,462</b>	<b>8,790,484</b>	<b>10,896,430</b>	<b>23,537,034</b>	<b>29,780,892</b>
<b>Change in net position</b>	<b>5,246,326</b>	<b>3,797,372</b>	<b>3,522,685</b>	<b>1,659,746</b>	<b>8,769,011</b>	<b>5,457,118</b>
<b>Net position at beginning year</b>	<b>9,619,242</b>	<b>5,821,870</b>	<b>29,327,010</b>	<b>27,667,264</b>	<b>38,946,252</b>	<b>33,489,134</b>
<b>Net position at end of year</b>	<b>\$ 14,865,568</b>	<b>\$ 9,619,242</b>	<b>\$ 32,849,695</b>	<b>\$ 29,327,010</b>	<b>\$ 47,715,263</b>	<b>\$ 38,946,252</b>

**Governmental Activities**

Governmental activities net position increased \$5,246,326 in 2021.

Total revenues decreased mostly as a result of a decrease in charges for services, operating grants and contributions, capital grants and contributions, and miscellaneous general revenues.

**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Expenses of the governmental activities decreased \$4,137,912 or 21.91%. This decrease is primarily the result of the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). On an accrual basis, the City had OPEB expense of (\$2,427,778) in 2021 compared to \$265,046 in 2020. On January 15, 2020, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes along with changes in assumptions related to an increase in discount rate from 3.16% to 6.00% significantly decreased the total OPEB liability for the measurement date December 31, 2020.

General government expenses totaled \$1,930,292. General government expenses were partially funded by \$1,026,462 in direct charges to users of the services and \$46,995 in operating grants and contributions. Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$8,455,029 of the total expenses of the City. These expenses were partially funded by \$168,575 in direct charges to users of the services and \$207,615 in operating grants and contributions.

The State and federal government contributed to the City a total of \$2,830,709 in operating grants and contributions and \$802,751 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Capital grants and contributions in 2021 subsidized transportation programs.

General revenues totaled \$14,972,483 and amounted to 74.89% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$13,600,653. Another primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and homestead and rollback, making up \$881,192.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
<b>Program expenses:</b>				
General government	\$ 1,930,292	\$ 856,835	\$ 3,794,432	\$ 2,326,063
Security of persons and property	8,455,029	8,078,839	9,749,781	7,653,457
Public health services	530,164	452,044	907,648	819,865
Transportation	2,191,524	(57,008)	2,414,065	(648,040)
Community environment	1,137,043	(82,985)	1,054,128	101,635
Basic utility services	34,356	34,356	74,544	74,544
Leisure time activities	455,427	431,361	875,940	860,346
Interest and fiscal charges	12,715	12,715	13,924	13,924
<b>Total expenses</b>	<b>\$ 14,746,550</b>	<b>\$ 9,726,157</b>	<b>\$ 18,884,462</b>	<b>\$ 11,201,794</b>

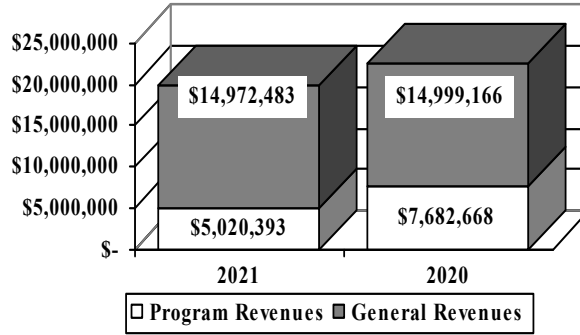
The dependence upon general revenues for governmental activities is apparent, with only 34.04% of expenses supported through program revenues in 2021.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

The graph below shows the City’s general revenues and program revenues for 2020 and 2021.

**Governmental Activities – General and Program Revenues**

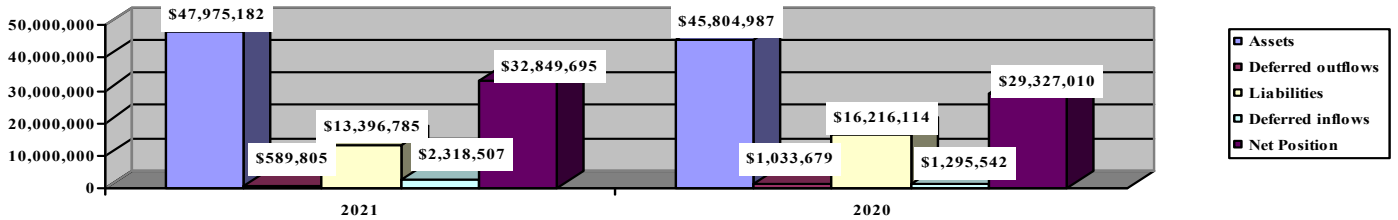


**Business-Type Activities**

Business-type activities include the water, sewer, community center, and community improvement enterprise funds. These programs had program revenues of \$11,737,297, general revenues of \$575,872 and expenses of \$8,790,484 for 2021.

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

**Net Position in Business - Type Activities**



**Financial Analysis of the Government’s Major Funds**

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

**Governmental Funds**

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

**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

The City's governmental funds reported a combined fund balance of \$12,746,193 which is \$70,074 greater than last year's total of \$12,676,119. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2021 and 2020 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/2021</u>	<u>Fund Balances</u> <u>12/31/2020</u>	<u>Change</u>
Major funds:			
General fund	\$ 3,984,901	\$ 5,236,762	\$ (1,251,861)
Local fiscal recovery fund	-	-	-
Other nonmajor governmental funds	<u>8,761,292</u>	<u>7,439,357</u>	<u>1,321,935</u>
Total	<u>\$ 12,746,193</u>	<u>\$ 12,676,119</u>	<u>\$ 70,074</u>

**General Fund**

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

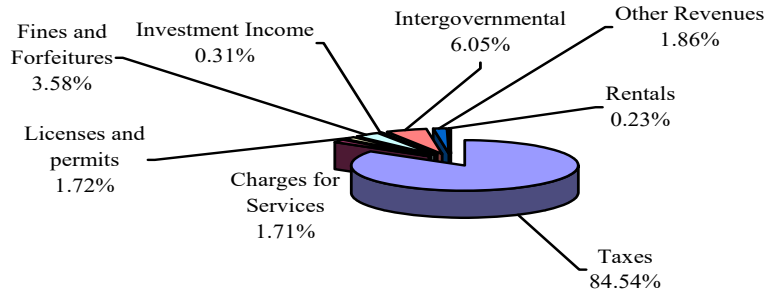
	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues:</b>				
Taxes	\$ 10,434,990	\$ 10,578,609	\$ (143,619)	(1.36) %
Charges for services	211,105	397,296	(186,191)	(46.86) %
Licenses, permits and fees	212,077	271,660	(59,583)	(21.93) %
Fines and forfeitures	441,922	410,217	31,705	7.73 %
Intergovernmental	746,624	570,617	176,007	30.85 %
Investment income	37,983	39,468	(1,485)	(3.76) %
Rentals	28,702	14,794	13,908	94.01 %
Other	<u>229,892</u>	<u>2,187,212</u>	<u>(1,957,320)</u>	<u>(89.49) %</u>
Total	<u>\$ 12,343,295</u>	<u>\$ 14,469,873</u>	<u>\$ (2,126,578)</u>	<u>(14.70) %</u>

Revenues of the general fund decreased \$2,126,578 or 14.70%. Taxes revenue consists of income taxes and property and other taxes, both of which decreased in 2021 due to a decline in collections. The decrease of \$59,583 or 21.93% in licenses and permits is due to decreased bank foreclosure registration revenues. Intergovernmental revenue increased \$176,007 or 30.85% due mainly to an increase in grant revenue received from the state. Other revenues decreased as a result of the fair value adjustment for the City's investments.

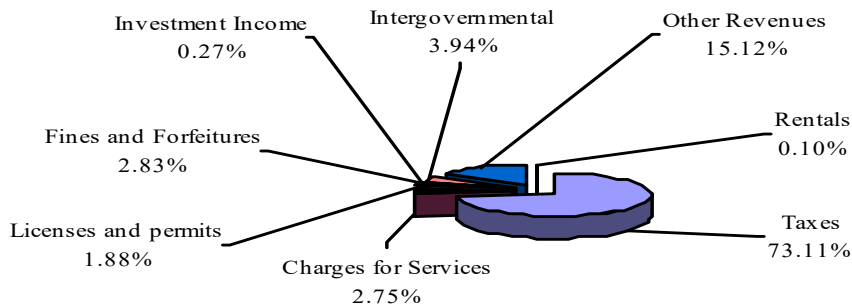
**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

**Revenues – 2021**



**Revenues – 2020**



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

	2021 <u>Amount</u>	2020 <u>Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<b>Expenditures:</b>				
General government	\$ 3,261,173	\$ 3,096,078	\$ 165,095	5.33 %
Security of persons and property	7,684,941	6,322,197	1,362,744	21.55 %
Public health and welfare	451,689	743,787	(292,098)	(39.27) %
Transportation	1,151,806	324,319	827,487	255.15 %
Community environment	96,952	129,680	(32,728)	(25.24) %
Leisure time activities	1,050	-	1,050	100.00 %
Basic utility services	64,297	67,004	(2,707)	(4.04) %
<b>Total</b>	<u>\$ 12,711,908</u>	<u>\$ 10,683,065</u>	<u>\$ 2,028,843</u>	18.99 %

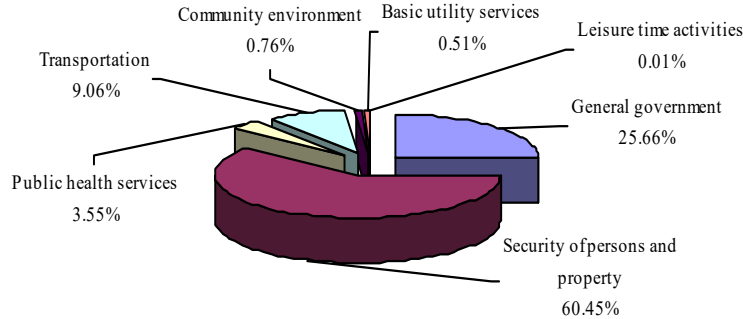
Expenditures of the general fund increased \$2,028,843 or 18.99%. Security of persons and property expenditures increased as a result of increased police salaries and wages in 2021, and during 2020, the City was able to use CARES Act money to reimburse police salaries and wages that are normally paid from the general fund resulting in a decrease in 2020. Transportation expenditures increased due to more street construction and maintenance completed in 2021.



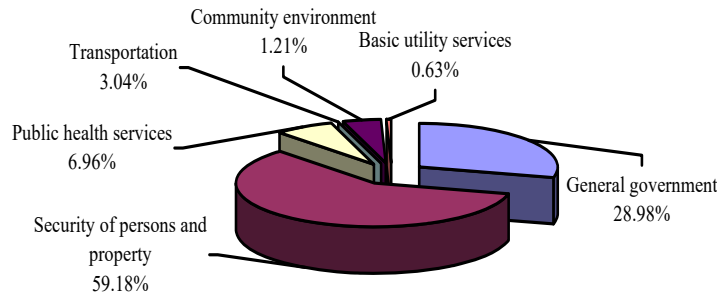
**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

**Expenditures – 2021**



**Expenditures – 2020**



***Local Fiscal Recovery Fund***

The local fiscal recovery fund is reported as a major fund and had \$11,025 in revenues and \$11,025 in expenditures in 2021.

**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 \$11,898,182 was more than the final budget amount of \$11,614,055. Actual expenditures and other financing uses of \$12,644,857 were lower than the final budget amount of \$13,423,412. The decrease of \$778,555 from final budgeted amounts to actual expenditures and other financing uses is due mainly to decreased spending for security of persons and property. Budgeted expenditures and other financing uses were increased \$903,102 from the original to the final budget, mostly to account for additional transfers to other funds. Budgeted revenues were increased \$93,755 from the original to the final budget in order to more closely reflect higher collections of income taxes and property taxes.

**CITY OF ALLIANCE, OHIO**

MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

***Proprietary Funds***

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

The City’s business-type funds (as presented on the statement of net position on pages 54-55) reported a combined net position of \$32,857,653, which is \$3,572,159 more than last year’s total of \$29,285,494.

The schedule below indicates the net position and the total change in net position as of December 31, 2021 and 2020 for all major and nonmajor business-type funds.

	<u>Net Position</u> <u>12/31/21</u>	<u>Net Position</u> <u>12/31/20</u>	<u>Change</u>
Major funds:			
Water	\$ 17,920,122	\$ 16,043,166	\$ 1,876,956
Sewer	14,508,360	12,885,290	1,623,070
Nonmajor funds	<u>429,171</u>	<u>357,038</u>	<u>72,133</u>
Total	<u>\$ 32,857,653</u>	<u>\$ 29,285,494</u>	<u>\$ 3,572,159</u>

***Water***

Net position of the City’s water fund increased \$1,876,956 or 11.70% during 2021 from \$16,043,166 to \$17,920,122. The table below compares the revenues, expenses, and other changes in net position for the past two years.

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF ALLIANCE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

	<u>2021</u>	<u>2020</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	\$ 5,283,068	\$ 5,293,570	\$ (10,502)	(0.20) %
Other	<u>180,187</u>	<u>253,787</u>	<u>(73,600)</u>	(29.00) %
Total operating revenues	<u>5,463,255</u>	<u>5,547,357</u>	<u>(84,102)</u>	(1.52) %
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,462,701	1,339,262	123,439	9.22 %
Fringe benefits	(633,317)	730,457	(1,363,774)	(186.70) %
Contractual services	776,701	627,784	148,917	23.72 %
Materials and supplies	1,792,722	937,052	855,670	91.32 %
Depreciation	679,749	601,700	78,049	12.97 %
Other	<u>3,284</u>	<u>14,385</u>	<u>(11,101)</u>	(77.17) %
Total operating expenses	<u>4,081,840</u>	<u>4,250,640</u>	<u>(168,800)</u>	(3.97) %
<b><u>Other changes in net position</u></b>				
Municipal income tax	459,654	397,548	62,106	15.62 %
Gain (loss) on disposal of capital assets	-	11,015	(11,015)	(100.00) %
Interest and fiscal charges	(21,565)	(166,011)	144,446	(87.01) %
Interest revenue	<u>57,452</u>	<u>81,248</u>	<u>(23,796)</u>	(29.29) %
Total other changes in net position	<u>\$ 495,541</u>	<u>\$ 323,800</u>	<u>\$ 171,741</u>	53.04 %

Operating revenues of the water fund decreased \$84,102 or 1.52%. This decrease is the result of fewer fees being collected in the water fund. Operating expenses decreased \$168,800 or 3.97% due mainly to less fringe benefits expenses in 2021 as a result in the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS).

***Sewer***

Net position of the City's sewer fund increased \$1,623,070 or 12.60% during 2021 from \$12,885,290 to \$14,508,360. The table below compares the revenues, expenses, and other changes in net position for the past two years.

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

	<u>2021</u>	<u>2020</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	\$ 4,780,296	\$ 4,926,680	\$ (146,384)	(2.97) %
Licenses and permits	13,448	50,606	(37,158)	(73.43) %
Other	<u>8,770</u>	<u>69,831</u>	<u>(61,061)</u>	(87.44) %
Total operating revenues	<u>4,802,514</u>	<u>5,047,117</u>	<u>(244,603)</u>	(4.85) %
<b><u>Operating expenses</u></b>				
Salaries and benefits	1,502,642	1,494,758	7,884	0.53 %
Fringe benefits	(609,420)	856,779	(1,466,199)	(171.13) %
Contractual services	782,612	737,500	45,112	6.12 %
Materials and supplies	588,866	1,017,636	(428,770)	(42.13) %
Depreciation	895,282	840,400	54,882	6.53 %
Other	<u>3,280</u>	<u>8,229</u>	<u>(4,949)</u>	(60.14) %
Total operating expenses	<u>3,163,262</u>	<u>4,955,302</u>	<u>(1,792,040)</u>	(36.16) %
<b><u>Other changes in net position</u></b>				
Interest revenue	58,766	120,626	(61,860)	(51.28) %
Interest and fiscal charges	(74,948)	(89,691)	14,743	(16.44) %
Loss on disposal of capital assets	<u>-</u>	<u>(10,735)</u>	<u>10,735</u>	(100.00) %
Total other changes in net position	<u>\$ (16,182)</u>	<u>\$ 20,200</u>	<u>\$ (36,382)</u>	(180.11) %

Operating revenues of the sewer fund decreased \$244,603 or 4.85%. This decrease can mainly be attributed to a usage decrease from the prior year. Operating expenses decreased \$1,792,040 or 36.16% due mainly to less fringe benefits expenses in 2021 as a result in the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS).

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2021, the City had \$52,793,235 (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, \$20,230,257 was reported in governmental activities and \$32,562,978 was reported in business-type activities. See Note 7 in the basic financial statements for additional capital asset disclosures.

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

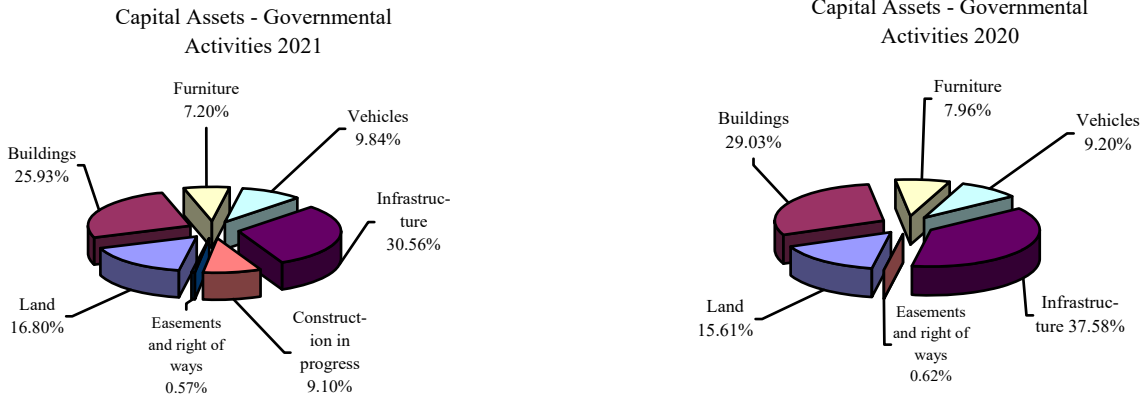
The following table shows December 31, 2021 balances compared to December 31, 2020:

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

	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>	Business-type Activities <u>2021</u>	Business-type Activities <u>2020</u>	Total <u>2021</u>	Total <u>2020</u>
Land	\$ 3,397,787	\$ 2,901,687	\$ 1,159,437	\$ 1,159,437	\$ 4,557,224	\$ 4,061,124
Easements and right of ways	116,018	116,018	-	-	116,018	116,018
Buildings, structures and improvements	5,244,842	5,397,870	13,029,866	13,499,418	18,274,708	18,897,288
Furniture, fixtures and equipment	1,456,857	1,479,111	6,371,018	6,690,170	7,827,875	8,169,281
Vehicles	1,990,651	1,709,394	-	-	1,990,651	1,709,394
Infrastructure	6,183,297	6,986,370	-	-	6,183,297	6,986,370
Land improvements	-	-	117,260	102,842	117,260	102,842
Water and sewer lines	-	-	10,817,177	9,817,057	10,817,177	9,817,057
Construction in progress	1,840,805	-	1,068,220	742,719	2,909,025	742,719
<b>Total</b>	<b>\$ 20,230,257</b>	<b>\$ 18,590,450</b>	<b>\$ 32,562,978</b>	<b>\$ 32,011,643</b>	<b>\$ 52,793,235</b>	<b>\$ 50,602,093</b>

The overall increase for governmental activities is a result of capital asset additions of \$3,268,206 exceeding depreciation expense of \$1,531,237 and net capital asset disposals of \$97,162. For the business-type activities, the overall increase is a result of net capital asset additions of \$3,083,705 exceeding depreciation expense of \$1,587,199 and net capital asset disposals of \$945,171.

The following graphs show the breakdown of governmental capital assets by category at December 31, 2021 and December 31, 2020.

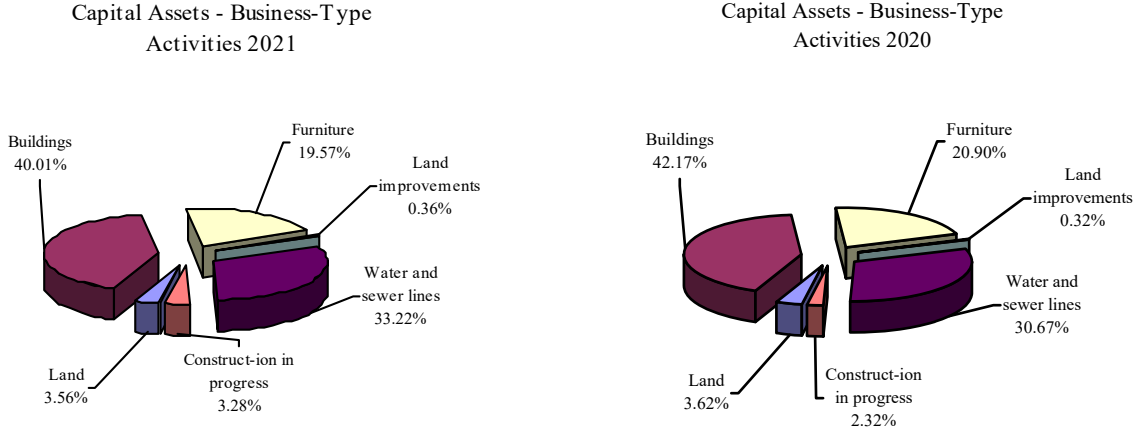


The City’s largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City’s infrastructure (cost less accumulated depreciation) represents approximately 30.56% of the City’s total governmental capital assets.

**CITY OF ALLIANCE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

The following graphs show the breakdown of business-type capital assets by category at December 31, 2021 and December 31, 2020.



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 40.01% of the City's total business-type capital assets. The City completed work on a clarifier rehabilitation project in 2021, which was removed from construction in progress and added to the infrastructure capital asset class.

***Debt Administration***

The City had the following long-term debt obligations outstanding at December 31, 2021 and 2020:

	Governmental Activities 2021	Governmental Activities 2020
Police and fire pension liability	\$ 245,224	\$ 258,530
SIB Loan	47,153	69,697
OPWC loan	<u>293,335</u>	<u>306,668</u>
Total long-term obligations	<u>\$ 585,712</u>	<u>\$ 634,895</u>
	Business-type Activities 2021	Business-type Activities 2020
General obligation bonds	\$ 685,100	\$ 745,111
OPWC loans	1,319,076	1,421,735
OWDA loans	<u>7,294,139</u>	<u>6,731,394</u>
Total long-term obligations	<u>\$ 9,298,315</u>	<u>\$ 8,898,240</u>

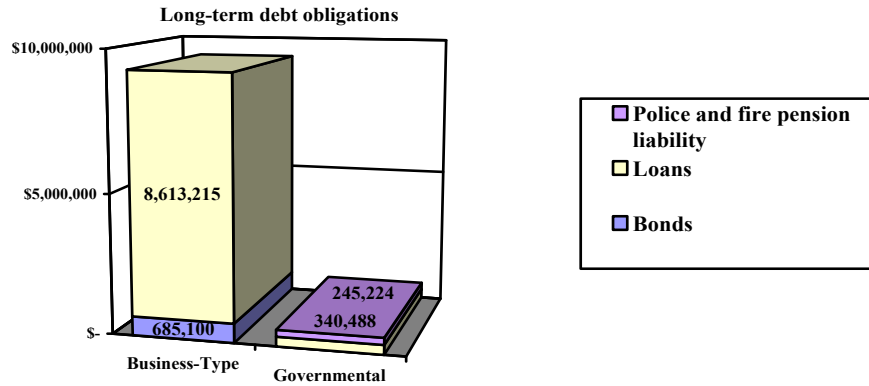
The only addition to long-term debt in 2021 was an OWDA loan in the amount of \$933,163 for a TTHM removal system.

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

CITY OF ALLIANCE, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(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. The City’s finances were boosted in 2020 by utilizing \$1.2 million dollars of CARES act funds towards safety forces payroll. The City was awarded \$15 million of American Rescue Plan Act (ARPA) funds in 2021. It will receive it in equal 50% installments in 2021 and 2022. Early plans are to use for paving and capital needs.

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.

Alliance voters passed a five-year 3.0 mill Parks and Recreation property tax levy in 2018. The levy generated \$854K in 2021 to fund the Parks operating and capital budgets. The levy allowed for Park expenses to be removed from the City’s general fund. The City began receiving FEMA funding for Staffing for Adequate Fire and Emergency Response (SAFER) funds to hire additional firefighters in 2019. The grant is for a 3-year period and provides for \$469,841 of federal funding. The grant ending in 2022, pays for a portion of wages and fringe benefits along with a required matching component of City funds.

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

## **CITY OF ALLIANCE, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)**

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

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

#### **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).



**BASIC  
FINANCIAL STATEMENTS**

CITY OF ALLIANCE, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Alliance City Health Department
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 18,773,743	\$ 11,527,831	\$ 30,301,574	\$ 80,687
Receivables:				
Municipal income taxes	2,495,887	102,403	2,598,290	-
Property and other taxes	2,418,495	-	2,418,495	-
Accounts	97,768	844,415	942,183	-
Special assessments	1,747,466	-	1,747,466	-
Intergovernmental	1,475,004	-	1,475,004	24,729
Accrued interest	37,812	-	37,812	-
Loans	495,481	-	495,481	-
Internal balance	7,958	(7,958)	-	-
Prepayments	169,538	75,390	244,928	9,289
Materials and supplies inventory	80,531	555,576	636,107	-
Net pension asset	64,226	52,226	116,452	10,075
Net OPEB asset	396,708	322,587	719,295	62,232
Restricted assets:				
Equity in pooled cash and cash equivalents	-	1,939,734	1,939,734	-
Capital assets:				
Non-depreciable capital assets	5,354,610	2,227,657	7,582,267	-
Depreciable capital assets, net	14,875,647	30,335,321	45,210,968	29,357
Total capital assets, net	20,230,257	32,562,978	52,793,235	29,357
Total assets	48,490,874	47,975,182	96,466,056	216,369
<b>Deferred outflows of resources:</b>				
Pension	2,297,195	416,054	2,713,249	89,289
OPEB	1,390,758	173,751	1,564,509	37,594
Total deferred outflows of resources	3,687,953	589,805	4,277,758	126,883
Total assets and deferred outflows of resources	52,178,827	48,564,987	100,743,814	343,252
<b>Liabilities:</b>				
Accounts payable	218,427	545,490	763,917	5,123
Accrued wages and benefits payable	138,430	50,846	189,276	12,292
Claims payable	174,017	-	174,017	-
Due to other governments	150,480	39,386	189,866	18,045
Accrued interest payable	884	43,827	44,711	-
Deposits held and due to others	276,823	-	276,823	-
Unearned revenue	7,685,408	-	7,685,408	-
Long-term liabilities:				
Due within one year	828,295	871,542	1,699,837	73,345
Due in more than one year:				
Net pension liability	15,824,063	2,738,429	18,562,492	528,283
Net OPEB liability	1,935,985	-	1,935,985	-
Other amounts due in more than one year	2,290,385	9,107,265	11,397,650	146,459
Total liabilities	29,523,197	13,396,785	42,919,982	783,547
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	2,010,030	-	2,010,030	-
Pension	3,546,674	1,277,341	4,824,015	232,389
OPEB	2,233,358	1,041,166	3,274,524	190,767
Total deferred inflows of resources	7,790,062	2,318,507	10,108,569	423,156
Total liabilities and deferred inflows of resources	37,313,259	15,715,292	53,028,551	1,206,703
<b>Net position:</b>				
Net investment in capital assets	19,889,769	23,264,663	43,154,432	29,357
Restricted for:				
Debt service	43,850	-	43,850	-
Capital projects	73,994	-	73,994	-
Transportation projects	229,948	-	229,948	-
Public service programs	676,087	-	676,087	70,045
Community development programs	3,313,037	-	3,313,037	-
Security programs	227,825	-	227,825	-
Other purposes	648,164	-	648,164	-
Replacement and surplus reserve	-	1,939,734	1,939,734	-
Unrestricted (deficit)	(10,237,106)	7,645,298	(2,591,808)	(962,853)
Total net position (deficit)	\$ 14,865,568	\$ 32,849,695	\$ 47,715,263	(863,451)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government	\$ 1,930,292	\$ 1,026,462	\$ 46,995	\$ -
Security of persons and property	8,455,029	168,575	207,615	-
Public health and welfare	530,164	70,240	7,880	-
Transportation	2,191,524	-	1,445,781	802,751
Community environment	1,137,043	97,590	1,122,438	-
Basic utility services	34,356	-	-	-
Leisure time activities	455,427	24,066	-	-
Interest and fiscal charges	12,715	-	-	-
Total governmental activities	<u>14,746,550</u>	<u>1,386,933</u>	<u>2,830,709</u>	<u>802,751</u>
<b>Business-type activities:</b>				
Water	4,126,886	5,463,255	-	-
Sewer	3,264,203	4,802,514	-	-
Robertson Community Center	39,488	49,956	-	-
Community Improvement	1,359,907	1,421,572	-	-
Total business-type activities	<u>8,790,484</u>	<u>11,737,297</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 23,537,034</u>	<u>\$ 13,124,230</u>	<u>\$ 2,830,709</u>	<u>\$ 802,751</u>
<b>Component Unit:</b>				
Alliance City Health Department	<u>\$ 577,630</u>	<u>\$ 141,704</u>	<u>\$ 787,717</u>	<u>\$ -</u>

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Alliance City Health Department</b>
\$ (856,835)	\$ -	\$ (856,835)	\$ -
(8,078,839)	-	(8,078,839)	-
(452,044)	-	(452,044)	-
57,008	-	57,008	-
82,985	-	82,985	-
(34,356)	-	(34,356)	-
(431,361)	-	(431,361)	-
(12,715)	-	(12,715)	-
<u>(9,726,157)</u>	<u>-</u>	<u>(9,726,157)</u>	<u>-</u>
-	1,336,369	1,336,369	-
-	1,538,311	1,538,311	-
-	10,468	10,468	-
-	61,665	61,665	-
-	2,946,813	2,946,813	-
<u>(9,726,157)</u>	<u>2,946,813</u>	<u>(6,779,344)</u>	<u>-</u>
			351,791
958,445	-	958,445	-
88,554	-	88,554	-
88,554	-	88,554	-
851,605	-	851,605	-
9,356,521	-	9,356,521	-
930,833	-	930,833	-
1,326,141	-	1,326,141	-
-	459,654	459,654	-
881,192	-	881,192	4,188
34,639	116,218	150,857	-
(350,628)	-	(350,628)	-
184,087	-	184,087	-
622,540	-	622,540	-
<u>14,972,483</u>	<u>575,872</u>	<u>15,548,355</u>	<u>4,188</u>
5,246,326	3,522,685	8,769,011	355,979
9,619,242	29,327,010	38,946,252	(1,219,430)
<u>\$ 14,865,568</u>	<u>\$ 32,849,695</u>	<u>\$ 47,715,263</u>	<u>\$ (863,451)</u>

**CITY OF ALLIANCE, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<u>General</u>	<u>Local Fiscal Recovery</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 2,933,609	\$ 7,687,228	\$ 7,781,465	\$ 18,402,302
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	2,060,674	-	435,213	2,495,887
Property and other taxes	1,238,813	-	1,179,682	2,418,495
Accounts	29,732	-	10,394	40,126
Intergovernmental	398,431	-	1,071,944	1,470,375
Special assessments	1,747,415	-	51	1,747,466
Accrued interest	37,812	-	-	37,812
Due from other funds	56,775	-	-	56,775
Loans	-	-	495,481	495,481
Advances from other funds	5,626	-	-	5,626
Interfund loans receivable	155,009	-	-	155,009
Prepayments	137,741	-	31,797	169,538
Materials and supplies inventory	19,197	-	61,334	80,531
Total assets	<u>\$ 8,820,834</u>	<u>\$ 7,687,228</u>	<u>\$ 11,067,361</u>	<u>\$ 27,575,423</u>
<b>Liabilities:</b>				
Accounts payable	\$ 141,944	\$ 1,820	\$ 74,663	\$ 218,427
Accrued wages and benefits payable	115,223	-	23,207	138,430
Interfund loans payable	-	-	155,009	155,009
Due to other funds	-	-	56,775	56,775
Due to other governments	132,052	-	18,428	150,480
Advances to other funds	-	-	5,626	5,626
Deposits held and due to others	276,823	-	-	276,823
Unearned revenue	-	7,685,408	-	7,685,408
Total liabilities	<u>666,042</u>	<u>7,687,228</u>	<u>333,708</u>	<u>8,686,978</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	984,631	-	1,025,399	2,010,030
Income tax revenue not available	969,735	-	208,677	1,178,412
Delinquent property tax revenue not available	222,088	-	154,283	376,371
Accrued interest not available	19,993	-	-	19,993
Special assessments revenue not available	1,747,415	-	51	1,747,466
Intergovernmental revenue not available	226,029	-	583,951	809,980
Total deferred inflows of resources	<u>4,169,891</u>	<u>-</u>	<u>1,972,361</u>	<u>6,142,252</u>
Total liabilities and deferred inflows of resources	<u>4,835,933</u>	<u>7,687,228</u>	<u>2,306,069</u>	<u>14,829,230</u>
<b>Fund balances:</b>				
Nonspendable	245,012	-	93,131	338,143
Restricted	7,741	-	6,155,579	6,163,320
Committed	104,255	-	2,589,266	2,693,521
Assigned	895,850	-	-	895,850
Unassigned (deficit)	2,732,043	-	(76,684)	2,655,359
Total fund balances	<u>3,984,901</u>	<u>-</u>	<u>8,761,292</u>	<u>12,746,193</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,820,834</u>	<u>\$ 7,687,228</u>	<u>\$ 11,067,361</u>	<u>\$ 27,575,423</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, 2021

<b>Total governmental fund balances</b>		\$	12,746,193
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			20,230,257
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	\$	1,178,412	
Property and other taxes receivable		376,371	
Interest receivable		19,993	
Special assessments receivable		1,747,466	
Intergovernmental receivable		809,980	
Total		4,132,222	4,132,222
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. The net position of the internal service fund, including an internal balance of \$7,958, is:			267,653
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(884)
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		64,226	
Deferred outflows of resources		2,297,195	
Deferred inflows of resources		(3,546,674)	
Net pension liability		(15,824,063)	
Total		(17,009,316)	(17,009,316)
The net OPEB asset and net OPEB 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 OPEB asset		396,708	
Deferred outflows of resources		1,390,758	
Deferred inflows of resources		(2,233,358)	
Net OPEB liability		(1,935,985)	
Total		(2,381,877)	(2,381,877)
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		(245,224)	
Loans payable		(340,488)	
Compensated absences		(2,532,968)	
Total		(3,118,680)	(3,118,680)
<b>Net position of governmental activities</b>		\$	14,865,568

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, 2021

	<u>General</u>	<u>Local Fiscal Recovery</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Municipal income taxes	\$ 9,477,271	\$ -	\$ 2,108,210	\$ 11,585,481
Property and other taxes	957,719	-	1,031,149	1,988,868
Charges for services	211,105	-	117,129	328,234
Licenses, permits and fees	212,077	-	57,568	269,645
Fines and forfeitures	441,922	-	164,874	606,796
Intergovernmental	746,624	8,297	3,035,328	3,790,249
Investment income	37,983	2,728	51,741	92,452
Rental income	28,702	-	-	28,702
Fair value adjustment	(350,628)	-	-	(350,628)
Other	580,520	-	524,599	1,105,119
<b>Total revenues</b>	<u>12,343,295</u>	<u>11,025</u>	<u>7,090,598</u>	<u>19,444,918</u>
<b>Expenditures:</b>				
Current:				
General government	3,261,173	11,025	215,019	3,487,217
Security of persons and property	7,684,941	-	1,536,501	9,221,442
Public health and welfare	451,689	-	153,028	604,717
Transportation	1,151,806	-	1,086,440	2,238,246
Community environment	96,952	-	1,215,109	1,312,061
Leisure time activities	1,050	-	842,621	843,671
Basic utility services	64,297	-	-	64,297
Capital outlay	-	-	1,822,495	1,822,495
Debt service:				
Principal retirement	-	-	49,183	49,183
Interest and fiscal charges	-	-	12,764	12,764
<b>Total expenditures</b>	<u>12,711,908</u>	<u>11,025</u>	<u>6,933,160</u>	<u>19,656,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(368,613)</u>	<u>-</u>	<u>157,438</u>	<u>(211,175)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	3,802	-	277,447	281,249
Transfers in	-	-	925,630	925,630
Transfers (out)	(887,050)	-	(38,580)	(925,630)
<b>Total other financing sources (uses)</b>	<u>(883,248)</u>	<u>-</u>	<u>1,164,497</u>	<u>281,249</u>
Net change in fund balances	(1,251,861)	-	1,321,935	70,074
<b>Fund balances at beginning of year</b>	<u>5,236,762</u>	<u>-</u>	<u>7,439,357</u>	<u>12,676,119</u>
<b>Fund balances at end of year</b>	<u>\$ 3,984,901</u>	<u>\$ -</u>	<u>\$ 8,761,292</u>	<u>\$ 12,746,193</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, 2021

<b>Net change in fund balances - total governmental funds</b>	\$	70,074
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Capital asset additions	\$ 3,268,206	
Current year depreciation	(1,531,237)	
Total		1,736,969
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(97,162)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	28,010	
Property taxes	(1,710)	
Intergovernmental revenues	272,493	
Investment income	(3,344)	
Special assessments	68,422	
Total		363,871
Repayment of loan 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.		
		49,183
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		49
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	1,478,503	
OPEB	26,451	
Total		1,504,954
Except for amounts reported as deferred inflows/outflows of resources, changes in the net pension asset/liability and net OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(717,062)	
OPEB	2,289,533	
Total		1,572,471
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.		
		37,091
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 \$49,474 allocated to the business-type activities, is allocated among the governmental activities.		
		8,826
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>5,246,326</b>

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Municipal income taxes	\$ 8,803,356	\$ 8,875,000	\$ 9,053,357	\$ 178,357
Property and other taxes	926,891	934,434	941,067	6,633
Charges for services	269,308	271,500	216,997	(54,503)
Licenses, permits and fees	111,811	112,721	122,377	9,656
Fines and forfeitures	412,741	416,100	442,276	26,176
Intergovernmental	657,648	663,000	734,061	71,061
Investment income	27,774	28,000	34,939	6,939
Rental income	23,310	23,500	28,074	4,574
Other	287,461	289,800	321,232	31,432
Total revenues	<u>11,520,300</u>	<u>11,614,055</u>	<u>11,894,380</u>	<u>280,325</u>
<b>Expenditures:</b>				
Current:				
General government:				
Mayor:				
Salaries and wages	112,000	112,000	109,359	2,641
Fringe benefits	42,454	42,454	41,643	811
Contractual services	2,100	2,500	2,201	299
Materials and supplies	1,800	1,400	838	562
Total mayor	<u>158,354</u>	<u>158,354</u>	<u>154,041</u>	<u>4,313</u>
Senior center:				
Salaries and wages	40,508	40,508	40,193	315
Fringe benefits	22,702	22,702	22,361	341
Total senior center	<u>63,210</u>	<u>63,210</u>	<u>62,554</u>	<u>656</u>
Auditor:				
Salaries and wages	107,070	107,070	101,548	5,522
Fringe benefits	44,175	44,175	42,310	1,865
Contractual services	16,400	17,015	16,802	213
Materials and supplies	6,544	6,471	4,682	1,789
Total auditor	<u>174,189</u>	<u>174,731</u>	<u>165,342</u>	<u>9,389</u>
Treasurer:				
Salaries and wages	4,260	4,260	4,253	7
Fringe benefits	802	802	779	23
Materials and supplies	100	100	100	-
Total treasurer	<u>5,162</u>	<u>5,162</u>	<u>5,132</u>	<u>30</u>
Law director:				
Salaries and wages	211,000	217,900	217,863	37
Fringe benefits	66,125	66,125	63,222	2,903
Contractual services	5,600	5,600	3,269	2,331
Materials and supplies	2,700	2,700	2,554	146
Total law director	<u>285,425</u>	<u>292,325</u>	<u>286,908</u>	<u>5,417</u>
City council:				
Salaries and wages	34,500	34,500	34,286	214
Fringe benefits	6,406	6,406	6,194	212
Total city council	<u>40,906</u>	<u>40,906</u>	<u>40,480</u>	<u>426</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, 2021

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Clerk of council:				
Salaries and wages	\$ 9,500	\$ 9,500	\$ 8,960	\$ 540
Fringe benefits	1,713	1,713	1,596	117
Contractual services	8,300	5,100	1,894	3,206
Materials and supplies	500	500	127	373
Total clerk of council	<u>20,013</u>	<u>16,813</u>	<u>12,577</u>	<u>4,236</u>
Judge and probation:				
Salaries and wages	268,200	267,758	254,218	13,540
Fringe benefits	112,147	112,400	91,463	20,937
Contractual services	1,000	3,271	2,921	350
Materials and supplies	5,500	6,429	5,669	760
Total judge and probation	<u>386,847</u>	<u>389,858</u>	<u>354,271</u>	<u>35,587</u>
Clerk of courts:				
Salaries and wages	264,000	264,000	262,588	1,412
Fringe benefits	118,570	118,759	112,625	6,134
Contractual services	57,600	57,600	33,292	24,308
Materials and supplies	25,211	25,808	12,401	13,407
Total clerk of courts	<u>465,381</u>	<u>466,167</u>	<u>420,906</u>	<u>45,261</u>
Civil service:				
Salaries and wages	16,400	16,400	14,248	2,152
Fringe benefits	2,596	2,831	2,062	769
Materials and supplies	7,000	7,000	3,504	3,496
Total civil service	<u>25,996</u>	<u>26,231</u>	<u>19,814</u>	<u>6,417</u>
Engineering:				
Salaries and wages	106,265	99,365	91,142	8,223
Fringe benefits	36,037	36,037	31,691	4,346
Contractual services	26,283	26,782	18,172	8,610
Materials and supplies	9,853	6,691	3,673	3,018
Total engineering	<u>178,438</u>	<u>168,875</u>	<u>144,678</u>	<u>24,197</u>
State examiner:				
Contractual services	17,000	17,000	15,176	1,824
Total state examiner	<u>17,000</u>	<u>17,000</u>	<u>15,176</u>	<u>1,824</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, 2021

	<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	\$ 48,000	\$ 48,000	\$ 43,196	\$ 4,804
Fringe benefits	32,835	32,835	22,946	9,889
Contractual services	343,700	370,400	295,264	75,136
Total land and buildings	<u>424,535</u>	<u>451,235</u>	<u>361,406</u>	<u>89,829</u>
General administration:				
Salaries and wages	48,000	48,000	45,140	2,860
Fringe benefits	15,881	15,881	13,506	2,375
Contractual services	137,600	114,580	98,049	16,531
Materials and supplies	20,000	25,589	25,635	(46)
Capital outlay	-	2,678	2,678	-
Other	44,300	44,320	21,400	22,920
Total general administration	<u>265,781</u>	<u>251,048</u>	<u>206,408</u>	<u>44,640</u>
Total general government	<u>2,511,237</u>	<u>2,521,915</u>	<u>2,249,693</u>	<u>272,222</u>
Security of persons and property:				
Police:				
Salaries and wages	2,996,869	2,995,622	2,971,521	24,101
Fringe benefits	724,541	725,788	706,955	18,833
Contractual services	226,222	237,224	234,699	2,525
Materials and supplies	131,316	150,102	129,763	20,339
Total police	<u>4,078,948</u>	<u>4,108,736</u>	<u>4,042,938</u>	<u>65,798</u>
Fire:				
Salaries and wages	2,230,858	2,221,167	1,909,727	311,440
Fringe benefits	502,154	502,804	492,010	10,794
Contractual services	161,368	148,859	146,963	1,896
Materials and supplies	41,875	42,436	32,034	10,402
Total fire	<u>2,936,255</u>	<u>2,915,266</u>	<u>2,580,734</u>	<u>334,532</u>
Safety administration:				
Salaries and wages	452,000	459,000	455,982	3,018
Fringe benefits	190,030	190,030	186,859	3,171
Contractual services	369,000	365,821	344,641	21,180
Total safety administration	<u>1,011,030</u>	<u>1,014,851</u>	<u>987,482</u>	<u>27,369</u>
Prisoner support:				
Contractual services	24,500	24,500	3,661	20,839
Total prisoner support	<u>24,500</u>	<u>24,500</u>	<u>3,661</u>	<u>20,839</u>
Total security of persons and property	<u>8,050,733</u>	<u>8,063,353</u>	<u>7,614,815</u>	<u>448,538</u>

Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<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 administration:				
Contractual services	\$ 448,866	\$ 448,866	\$ 448,866	\$ -
Total health administration	<u>448,866</u>	<u>448,866</u>	<u>448,866</u>	<u>-</u>
Total public health services	<u>448,866</u>	<u>448,866</u>	<u>448,866</u>	<u>-</u>
Community environment:				
Tree care:				
Contractual services	3,913	4,446	4,446	-
Total tree care	<u>3,913</u>	<u>4,446</u>	<u>4,446</u>	<u>-</u>
Zoning and building:				
Salaries and wages	107,423	107,423	66,156	41,267
Fringe benefits	27,550	27,550	20,340	7,210
Contractual services	14,007	13,495	7,123	6,372
Materials and supplies	5,281	5,411	3,371	2,040
Total zoning and building	<u>154,261</u>	<u>153,879</u>	<u>96,990</u>	<u>56,889</u>
Total community environment	<u>158,174</u>	<u>158,325</u>	<u>101,436</u>	<u>56,889</u>
Basic utility services:				
Storm sewer:				
Salaries and wages	40,500	40,705	40,550	155
Fringe benefits	32,275	32,070	31,319	751
Total storm sewer	<u>72,775</u>	<u>72,775</u>	<u>71,869</u>	<u>906</u>
Total basic utility services	<u>72,775</u>	<u>72,775</u>	<u>71,869</u>	<u>906</u>
Transportation:				
Street transportation:				
Capital outlay	698,525	1,149,128	1,149,128	-
Total street transportation	<u>698,525</u>	<u>1,149,128</u>	<u>1,149,128</u>	<u>-</u>
Total transportation	<u>698,525</u>	<u>1,149,128</u>	<u>1,149,128</u>	<u>-</u>
Total expenditures	<u>11,940,310</u>	<u>12,414,362</u>	<u>11,635,807</u>	<u>778,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(420,010)</u>	<u>(800,307)</u>	<u>258,573</u>	<u>1,058,880</u>
<b>Other financing sources (uses):</b>				
Transfers out	(580,000)	(894,050)	(894,050)	-
Proceeds from sale of capital assets	-	-	3,802	3,802
Advances out	-	(115,000)	(115,000)	-
Total other financing sources (uses)	<u>(580,000)</u>	<u>(1,009,050)</u>	<u>(1,005,248)</u>	<u>3,802</u>
Net change in fund balance	(1,000,010)	(1,809,357)	(746,675)	1,062,682
<b>Fund balance at beginning of year</b>	3,034,526	3,034,526	3,034,526	-
<b>Prior year encumbrances appropriated</b>	<u>34,938</u>	<u>34,938</u>	<u>34,938</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 2,069,454</u>	<u>\$ 1,260,107</u>	<u>\$ 2,322,789</u>	<u>\$ 1,062,682</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)  
 LOCAL FISCAL RECOVERY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 7,693,705	\$ 7,693,705	\$ -
Investment income	-	-	2,728	2,728
Total revenues	<u>-</u>	<u>7,693,705</u>	<u>7,696,433</u>	<u>2,728</u>
<b>Expenditures:</b>				
Current:				
General government:				
Capital outlay	-	9,465	9,465	-
Total expenditures	<u>-</u>	<u>9,465</u>	<u>9,465</u>	<u>-</u>
Net change in fund balance	-	7,684,240	7,686,968	2,728
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 7,684,240</u></u>	<u><u>\$ 7,686,968</u></u>	<u><u>\$ 2,728</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF ALLIANCE, OHIO**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2021

	<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>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 4,813,416	\$ 6,323,389	\$ 391,026	\$ 11,527,831	\$ 371,441
Receivables (net of allowance for uncollectibles):					
Accounts	418,880	425,535	-	844,415	57,642
Municipal income taxes	102,403	-	-	102,403	-
Due from other governments	-	-	-	-	4,629
Prepayments	36,570	38,557	263	75,390	-
Materials and supplies inventory	451,379	104,197	-	555,576	-
Total current assets	<u>5,822,648</u>	<u>6,891,678</u>	<u>391,289</u>	<u>13,105,615</u>	<u>433,712</u>
Noncurrent assets:					
Net pension asset	25,284	26,702	240	52,226	-
Net OPEB asset	156,171	164,933	1,483	322,587	-
Restricted assets:					
Equity in pooled cash and cash equivalents	1,939,734	-	-	1,939,734	-
Capital assets:					
Non-depreciable capital assets	1,023,764	1,203,893	-	2,227,657	-
Depreciable capital assets, net	15,610,380	14,559,832	165,109	30,335,321	-
Total capital assets, net	<u>16,634,144</u>	<u>15,763,725</u>	<u>165,109</u>	<u>32,562,978</u>	<u>-</u>
Total noncurrent assets	<u>18,755,333</u>	<u>15,955,360</u>	<u>166,832</u>	<u>34,877,525</u>	<u>-</u>
Total assets	<u>24,577,981</u>	<u>22,847,038</u>	<u>558,121</u>	<u>47,983,140</u>	<u>433,712</u>
<b>Deferred outflows of resources:</b>					
Pension	191,462	211,163	13,429	416,054	-
OPEB	77,809	88,167	7,775	173,751	-
Total deferred outflows of resources	<u>269,271</u>	<u>299,330</u>	<u>21,204</u>	<u>589,805</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 24,847,252</u>	<u>\$ 23,146,368</u>	<u>\$ 579,325</u>	<u>\$ 48,572,945</u>	<u>\$ 433,712</u>

- Continued

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS (CONTINUED)  
 DECEMBER 31, 2021

	<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>Liabilities:</b>					
Current liabilities:					
Accounts payable	\$ 299,149	\$ 130,600	\$ 115,741	\$ 545,490	\$ -
Accrued wages and benefits payable	26,067	24,779	-	50,846	-
Compensated absences	139,692	119,777	-	259,469	-
Due to other governments	18,178	19,640	1,568	39,386	-
Accrued interest payable	1,683	42,144	-	43,827	-
Claims payable	-	-	-	-	174,017
General obligation bonds payable - current	60,010	-	-	60,010	-
OWDA loans payable - current	173,464	298,124	-	471,588	-
OPWC loans payable - current	37,105	43,370	-	80,475	-
Total current liabilities	<u>755,348</u>	<u>678,434</u>	<u>117,309</u>	<u>1,551,091</u>	<u>174,017</u>
Long-term liabilities:					
General obligation bonds payable	625,090	-	-	625,090	-
OPWC loans payable	816,301	422,300	-	1,238,601	-
Compensated absences payable	211,315	209,708	-	421,023	-
OWDA loans payable	2,105,853	4,716,698	-	6,822,551	-
Net pension liability	1,325,735	1,400,108	12,586	2,738,429	-
Total long-term liabilities	<u>5,084,294</u>	<u>6,748,814</u>	<u>12,586</u>	<u>11,845,694</u>	<u>-</u>
Total liabilities	<u>5,839,642</u>	<u>7,427,248</u>	<u>129,895</u>	<u>13,396,785</u>	<u>174,017</u>
<b>Deferred inflows of resources:</b>					
Pension	596,512	669,122	11,707	1,277,341	-
OPEB	490,976	541,638	8,552	1,041,166	-
Total deferred inflows of resources	<u>1,087,488</u>	<u>1,210,760</u>	<u>20,259</u>	<u>2,318,507</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>6,927,130</u>	<u>8,638,008</u>	<u>150,154</u>	<u>15,715,292</u>	<u>174,017</u>
<b>Net position:</b>					
Net investment in capital assets	12,816,321	10,283,233	165,109	23,264,663	-
Restricted for:					
Replacement and surplus reserve	1,939,734	-	-	1,939,734	-
Unrestricted	<u>3,164,067</u>	<u>4,225,127</u>	<u>264,062</u>	<u>7,653,256</u>	<u>259,695</u>
Total net position	<u>\$ 17,920,122</u>	<u>\$ 14,508,360</u>	<u>\$ 429,171</u>	<u>32,857,653</u>	<u>\$ 259,695</u>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds				<u>(7,958)</u>	
Net position of business-type activities				<u>\$ 32,849,695</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, 2021

	<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	\$ 5,283,068	\$ 4,780,296	\$ 1,417,188	\$ 11,480,552	\$ 2,686,289
Licenses, permits and fees	-	13,448	-	13,448	-
Other	180,187	8,770	54,340	243,297	328,888
<b>Total operating revenues</b>	<u>5,463,255</u>	<u>4,802,514</u>	<u>1,471,528</u>	<u>11,737,297</u>	<u>3,015,177</u>
<b>Operating expenses:</b>					
Salaries	1,462,701	1,502,642	13,227	2,978,570	-
Fringe benefits	(633,317)	(609,420)	(12,997)	(1,255,734)	-
Contract services	776,701	782,612	1,374,215	2,933,528	-
Materials and supplies	1,792,722	588,866	12,782	2,394,370	-
Depreciation	679,749	895,282	12,168	1,587,199	-
Claims	-	-	-	-	3,055,825
Other	3,284	3,280	-	6,564	-
<b>Total operating expenses</b>	<u>4,081,840</u>	<u>3,163,262</u>	<u>1,399,395</u>	<u>8,644,497</u>	<u>3,055,825</u>
<b>Operating income (loss)</b>	<u>1,381,415</u>	<u>1,639,252</u>	<u>72,133</u>	<u>3,092,800</u>	<u>(40,648)</u>
<b>Nonoperating revenues (expenses):</b>					
Interest revenue	57,452	58,766	-	116,218	-
Interest expense and fiscal charges	(21,565)	(74,948)	-	(96,513)	-
Municipal income tax revenue	459,654	-	-	459,654	-
<b>Total nonoperating revenues (expenses)</b>	<u>495,541</u>	<u>(16,182)</u>	<u>-</u>	<u>479,359</u>	<u>-</u>
<b>Change in net position</b>	1,876,956	1,623,070	72,133	3,572,159	(40,648)
<b>Net position at beginning of year</b>	<u>16,043,166</u>	<u>12,885,290</u>	<u>357,038</u>		<u>300,343</u>
<b>Net position at end of year</b>	<u>\$ 17,920,122</u>	<u>\$ 14,508,360</u>	<u>\$ 429,171</u>		<u>\$ 259,695</u>
Adjustment to reflect the consolidation of the internal service fund's activities related to enterprise funds				<u>(49,474)</u>	
<b>Change in net position of business-type activities</b>				<u>\$ 3,522,685</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<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>Cash flows from operating activities:</b>					
Cash received from customers	\$ 5,426,169	\$ 4,698,919	\$ 1,417,188	\$ 11,542,276	\$ -
Cash received from licenses and permits	-	13,448	-	13,448	-
Cash received from other operations	187,488	8,922	54,340	250,750	316,425
Cash received from interfund services provided	-	-	-	-	2,686,289
Cash payments for salaries	(1,421,268)	(1,462,856)	(12,896)	(2,897,020)	-
Cash payments for fringe benefits	(268,286)	(275,429)	(1,992)	(545,707)	-
Cash payments for interfund services	(289,831)	(333,853)	-	(623,684)	-
Cash payments for contractual services	(704,507)	(738,070)	(1,366,079)	(2,808,656)	-
Cash payments for materials and supplies	(1,737,200)	(600,360)	(12,782)	(2,350,342)	-
Cash payments for claims	-	-	-	-	(3,048,651)
Cash payments for other expenses	(3,284)	(3,280)	-	(6,564)	-
Net cash provided by (used in) operating activities	1,189,281	1,307,441	77,779	2,574,501	(45,937)
<b>Cash flows from noncapital financing activities:</b>					
Cash received from municipal income taxes	458,398	-	-	458,398	-
Net cash provided by noncapital financing activities	458,398	-	-	458,398	-
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(1,779,878)	(358,656)	-	(2,138,534)	-
Proceeds from OWDA loan	933,163	-	-	933,163	-
Principal retirement on general obligation bonds	(60,000)	-	-	(60,000)	-
Principal retirement on OPWC loans	(37,104)	(65,555)	-	(102,659)	-
Principal retirement on OWDA loans	(75,548)	(294,870)	-	(370,418)	-
Interest and fiscal charges	(21,701)	(77,115)	-	(98,816)	-
Net cash used in capital and related financing activities	(1,041,068)	(796,196)	-	(1,837,264)	-
<b>Cash flows from investing activities:</b>					
Interest received	57,452	58,766	-	116,218	-
Net cash provided by investing activities	57,452	58,766	-	116,218	-
Net increase (decrease) in cash and cash equivalents	664,063	570,011	77,779	1,311,853	(45,937)
<b>Cash and cash equivalents at beginning of year</b>	6,089,087	5,753,378	313,247	12,155,712	417,378
<b>Cash and cash equivalents at end of year</b>	<u>\$ 6,753,150</u>	<u>\$ 6,323,389</u>	<u>\$ 391,026</u>	<u>\$ 13,467,565</u>	<u>\$ 371,441</u>

- Continued

CITY OF ALLIANCE, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Nonmajor Enterprise Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 1,381,415	\$ 1,639,252	\$ 72,133	\$ 3,092,800	\$ (40,648)
Adjustments:					
Depreciation	679,749	895,282	12,168	1,587,199	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	150,402	(81,225)	-	69,177	(7,834)
Intergovernmental receivable	-	-	-	-	(4,629)
Materials and supplies inventory	(54,715)	(39,589)	-	(94,304)	-
Prepayments	4,253	2,670	318	7,241	-
Net pension asset	(7,452)	(7,060)	(240)	(14,752)	-
Net OPEB asset	(156,171)	(164,933)	(1,483)	(322,587)	-
Deferred outflows - pension	86,926	120,568	(12,166)	195,328	-
Deferred outflows - OPEB	115,747	139,733	(6,934)	248,546	-
Accounts payable	182,816	75,288	6,809	264,913	-
Accrued wages and benefits	12,857	10,806	-	23,663	-
Due to other governments	921	(3,849)	1,568	(1,360)	-
Compensated absences payable	6,938	20,953	-	27,891	-
Net pension liability	(442,459)	(547,552)	12,586	(977,425)	-
Net OPEB liability	(1,215,702)	(1,339,092)	-	(2,554,794)	-
Deferred inflows - pension	160,537	242,591	(5,642)	397,486	-
Deferred inflows - OPEB	283,219	343,598	(1,338)	625,479	-
Claims payable	-	-	-	-	7,174
Net cash provided by (used in) operating activities	<u>\$ 1,189,281</u>	<u>\$ 1,307,441</u>	<u>\$ 77,779</u>	<u>\$ 2,574,501</u>	<u>\$ (45,937)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2021

	<u>Custodial</u>
<b>Assets:</b>	
Cash and cash equivalents in segregated accounts	<u>\$ 9,408</u>
Total assets	<u>9,408</u>
<b>Liabilities:</b>	
Due to other governments	<u>9,408</u>
Total liabilities	<u>\$ 9,408</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF ALLIANCE, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Custodial</u>
<b>Additions:</b>	
Fines and forfeitures collected for other governments	\$ 1,256,300
Total additions	<u>1,256,300</u>
<b>Deductions:</b>	
Fines and forfeitures distributed to other governments	<u>1,256,300</u>
Total deductions	<u>1,256,300</u>
Change in net position	-
<b>Net position at beginning of year</b>	<u>-</u>
<b>Net position at end of year</b>	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### 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, this includes those departments and agencies that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, municipal court and general administrative services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes for the organization. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

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

#### *DISCRETELY PRESENTED COMPONENT UNIT*

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

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

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

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

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

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 2021, 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.



## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

##### A. Basis of Presentation

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

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

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

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

##### 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:

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

Local fiscal recovery fund - The local fiscal recovery fund accounts for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

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 custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds are used to account for other fiduciary activities that are not required to be reported in a trust fund. The City's custodial fund accounts for municipal court collections collected on behalf of and distributed to other governments.

#### C. Measurement Focus 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, 2021

#### 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.

Fiduciary funds are accounted for using a flow of economic resources measurement focus.

#### **D. Basis of Accounting**

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

***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, 2021

#### 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.

**Unearned Revenue** - Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

**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 (asset)/liability and net OPEB (asset)/liability, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, special assessments, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to the City's net pension (asset)/liability and net OPEB (asset)/liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

##### E. Budgetary Data

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

**Tax Budget** - The Tax Budget is submitted to the County Auditor, Secretary of the County Budget Commission, by August 20 of each year for the period January 1 to December 31 of the following year.

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

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

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

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

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

##### 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 2021, investments were limited to federal agency securities, a U.S. Government money market mutual fund, commercial paper, the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit, municipal bonds, and U.S. Treasury Notes. Except for the U.S. Government money market mutual fund and STAR Ohio, as discussed below, investments are reported at fair value which is based on quoted market prices.

During 2021, the City invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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 City also measures its investment in the U.S. Government money market mutual fund at the NAV value per share. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2021 was \$37,983, which includes \$13,384 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.

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.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

##### **H. Inventories**

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

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

##### **I. Restricted Assets**

Restricted assets in the enterprise funds and business-type activities include cash and cash equivalents set aside for 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 the City beyond December 31, 2021 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.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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

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

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

**M. Compensated Absences**

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

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

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

**N. Fund Balance**

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

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

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



## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as committed. 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. 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.

#### **P. 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.

#### **Q. 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.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

##### **R. Accrued Liabilities and Long-term Obligations**

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

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

##### **S. Net Position**

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

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

##### **T. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The City's proprietary funds had no contributions of capital in 2021.

##### **U. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net pension asset, net OPEB asset, 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.

##### **V. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary items or special items in 2021.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2021, the City has implemented GASB Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period” and GASB Statement No. 98, “The Annual Comprehensive Financial Report.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

GASB Statement No. 98 establishes the term Annual Comprehensive Financial Report and its acronym ACFR. That new term and acronym replace instances of Comprehensive Annual Financial Report and its acronym in generally accepted accounting principals for state and local governments.

For 2021, the City has applied GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance” to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

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

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

B. Deficit Fund Balances

Fund balances at December 31, 2021 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
HUD Grant	\$ 44,532
FEMA	30,000

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

**Net Change in Fund Balance**

	<u>General fund</u>	<u>Local Fiscal Recovery fund</u>
Budget basis	\$ (746,675)	\$ 7,686,968
Net adjustment for revenue accruals	(460,590)	(7,685,408)
Net adjustment for expenditure accruals	(132,977)	(1,820)
Net adjustments for other financing sources and uses	122,000	-
Funds budgeted elsewhere	(57,733)	-
Adjustments for encumbrances	<u>24,114</u>	<u>260</u>

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

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Auditor or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

At year end, the City had \$9,408 in cash held in segregated accounts for Municipal Court operations. This amount is not included in deposits with financial institutions below.

**B. Deposits with Financial Institutions**

At December 31, 2021, the carrying amount of all City deposits was \$9,914,132 and the bank balance of all City deposits was \$10,346,281. Of the bank balance, \$7,934,988 was covered by the FDIC, \$1,918,706 was covered by the Ohio Pooled Collateral System and \$492,587 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, 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.

**C. Investments**

As of December 31, 2021, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	Investment Maturities				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair Value:</i>						
Commercial Paper	\$ 1,538,578	\$ 999,437	\$ 539,141	\$ -	\$ -	\$ -
FFCB	2,034,868	300,333	-	-	148,859	1,585,676
FHLB	3,577,547	-	-	357,619	-	3,219,928
FHLMC	2,266,542	-	-	348,316	-	1,918,226
FNMA	2,218,242	351,414	-	-	-	1,866,828
FAMC	490,020	-	-	-	-	490,020
Negotiable CDs	7,335,648	1,147,023	900,808	1,152,976	1,957,996	2,176,845
U.S. Treasury Notes	1,736,450	-	-	-	-	1,736,450
Municipal Bonds	564,649	129,973	-	-	-	434,676
<i>Amortized Cost:</i>						
U.S. Government money market						
mutual fund	43,572	43,572	-	-	-	-
STAR Ohio	521,060	521,060	-	-	-	-
<b>Total</b>	<b>\$ 22,327,176</b>	<b>\$ 3,492,812</b>	<b>\$ 1,439,949</b>	<b>\$ 1,858,911</b>	<b>\$ 2,106,855</b>	<b>\$ 13,428,649</b>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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:* The Standard & Poor's (S&P) and Moody's ratings are identified in the table below for each of the City's investments.

*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, 2021:

Measurement/ <u>Investment type</u>	Measurement		Ratings	
	<u>Amount</u>	<u>% of Total</u>	<u>S&amp;P</u>	<u>Moody's</u>
<i>Fair Value:</i>				
Commercial Paper	\$ 1,538,578	6.89	A-1/A-1+	P-1
FFCB	2,034,868	9.11	AA+	Aaa
FHLB	3,577,547	16.02	AA+	Aaa
FHLMC	2,266,542	10.15	AA+	Aaa
FNMA	2,218,242	9.94	AA+	Aaa
FAMC	490,020	2.19	AA+	Aaa
Negotiable CDs	7,335,648	32.86	Not Rated	Not Rated
US Treasury Note	1,736,450	7.78	AA+	Aaa
Municipal Bonds	564,649	2.53	AA+/AAA	Aa1/Aaa
<i>Amortized Cost:</i>				
U.S. Government money market				
mutual fund	43,572	0.20	AAAm	Aaa-mf
STAR Ohio	521,060	2.33	AAAm	Not Rated
<b>Total</b>	<b>\$ 22,327,176</b>	<b>100.00</b>		

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of December 31, 2021:

Cash and investments per note

Carrying amount of deposits	\$ 9,914,132
Investments	22,327,176
Cash in segregated accounts	<u>9,408</u>
Total	<u>\$ 32,250,716</u>

Cash and cash equivalents per statement of net position

Governmental activities	\$ 18,773,743
Business-type activities	13,467,565
Fiduciary funds	<u>9,408</u>
Total	<u>\$ 32,250,716</u>

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2021 consisted of taxes, accounts (billings for user charged services), loans (community development block grant and urban development action monies loaned to local businesses and low to moderate income homeowners), intergovernmental receivables arising from grants, entitlements and shared revenues, accrued interest and special assessments. All receivables are expected to be collected within one year, except loans which are repaid over a period of five to fifteen years, and special assessments which are collected over the life of the assessment.

**A. Property Taxes**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 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, 2021

**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, 2021 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 2021 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, 2021 was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 190,704,780
Commercial/industrial/mineral	117,732,810
Public utility personal property	<u>16,605,800</u>
Total assessed value	<u>\$ 325,043,390</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, 2021 were \$495,481.

**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 2021, after income tax department expenditures, are to be credited to the following funds at the following percentages: 79 percent to the general fund, 10 percent to the capital improvements fund (a nonmajor governmental fund), 7 percent to the street income tax construction fund (a nonmajor governmental fund) and 4 percent to the water fund. On the fund financial statements, total income taxes receivable for 2021 was \$2,495,887 in the governmental funds and \$102,403 in the water fund.

**D. Special Assessments**

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

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

The City's demolition assessments are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. At December 31, 2021, the total special assessments receivable was \$1,747,466.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for 2021 is as follows:

<b><u>Governmental activities:</u></b>	Balance 12/31/20	Additions	Deductions	Balance 12/31/21
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,901,687	\$ 569,400	\$ (73,300)	\$ 3,397,787
Easements and right of ways	116,018	-	-	116,018
Construction in progress	-	1,840,805	-	1,840,805
Total capital assets, not being depreciated	<u>3,017,705</u>	<u>2,410,205</u>	<u>(73,300)</u>	<u>5,354,610</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	10,305,988	187,049	-	10,493,037
Furniture, fixtures and equipment	5,613,183	142,525	(157,646)	5,598,062
Vehicles	4,454,321	470,663	(83,947)	4,841,037
Infrastructure	37,905,429	57,764	-	37,963,193
Total capital assets, being depreciated	<u>58,278,921</u>	<u>858,001</u>	<u>(241,593)</u>	<u>58,895,329</u>
<i>Less: accumulated depreciation:</i>				
Buildings, structures and improvements	(4,908,118)	(340,077)	-	(5,248,195)
Furniture, fixtures and equipment	(4,134,072)	(147,179)	140,046	(4,141,205)
Vehicles	(2,744,927)	(183,144)	77,685	(2,850,386)
Infrastructure	(30,919,059)	(860,837)	-	(31,779,896)
Total accumulated depreciation	<u>(42,706,176)</u>	<u>(1,531,237)</u>	<u>217,731</u>	<u>(44,019,682)</u>
Total capital assets, being depreciated net	<u>15,572,745</u>	<u>(673,236)</u>	<u>(23,862)</u>	<u>14,875,647</u>
Governmental activities capital assets, net	<u>\$ 18,590,450</u>	<u>\$ 1,736,969</u>	<u>\$ (97,162)</u>	<u>\$ 20,230,257</u>

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

<b><u>Governmental activities:</u></b>	
General government	\$ 224,627
Security of persons and property	293,739
Public health services	954
Transportation	865,023
Community environment	12,723
Basic utility services	2,241
Leisure time activities	131,930
Total depreciation expense - governmental activities	<u>\$ 1,531,237</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

	Balance 12/31/20	Additions	Deductions	Balance 12/31/21
<b><u>Business-type activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,159,437	\$ -	\$ -	\$ 1,159,437
Construction in progress	742,719	1,270,672	(945,171)	1,068,220
Total capital assets, not being depreciated	<u>1,902,156</u>	<u>1,270,672</u>	<u>(945,171)</u>	<u>2,227,657</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,502,896	28,044	-	1,530,940
Buildings, structures and improvements	22,058,139	-	-	22,058,139
Water and sewer lines	27,512,591	1,521,003	-	29,033,594
Furniture, fixtures and equipment	13,357,929	263,986	-	13,621,915
Total capital assets, being depreciated	<u>64,431,555</u>	<u>1,813,033</u>	<u>-</u>	<u>66,244,588</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,400,054)	(13,626)	-	(1,413,680)
Buildings, structures and improvements	(8,558,721)	(469,552)	-	(9,028,273)
Water and sewer lines	(17,695,534)	(520,883)	-	(18,216,417)
Furniture, fixtures and equipment	(6,667,759)	(583,138)	-	(7,250,897)
Total accumulated depreciation	<u>(34,322,068)</u>	<u>(1,587,199)</u>	<u>-</u>	<u>(35,909,267)</u>
Total capital assets, being depreciated net	<u>30,109,487</u>	<u>225,834</u>	<u>-</u>	<u>30,335,321</u>
Business-type activities capital assets, net	<u>\$ 32,011,643</u>	<u>\$ 1,496,506</u>	<u>\$ (945,171)</u>	<u>\$ 32,562,978</u>

**NOTE 8 - RISK MANAGEMENT**

**A. Liability Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2021, the City contracted with Ohio Municipal Joint Self-Insurance Pool for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limit - Aggregate</u>
General Liability	\$ 1,000	\$3,000,000
Wrongful Acts	5,000	3,000,000
Law Enforcement	5,000	1,000,000
Automobile Liability	None	1,000,000
Bond	250	400,000
Crime - Theft	250	10,000
Crime - Forgery/Computer Fraud	250	100,000
Property	2,500	80,108,399
Inland Marine	1,000	3,253,770
Electronic Data Processing Equipment	1,000	593,816
Electronic Data Processing Software	1,000	75,000
Excess Liability	N/A	3,000,000

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

**B. Workers' Compensation**

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

**C. Health Insurance**

The City has elected to provide health care coverage to its employees through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The City purchases stop-loss coverage that covers claims in excess of \$80,000 per employee. A third party administrator, Aultcare, reviews all claims which are then paid by the City.

The claims liability of \$174,017 reported in the self-insurance fund at December 31, 2021, 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 Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2019	190,479	2,890,639	(2,942,234)	138,884
2020	138,884	2,847,437	(2,819,478)	166,843
2021	166,843	3,055,825	(3,048,651)	174,017

**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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

A summary of interfund transfers is as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 887,050
Nonmajor governmental funds	Nonmajor governmental funds	<u>38,580</u>
Total		<u>\$ 925,630</u>

Transfers between governmental funds are eliminated on the government-wide financial statements. All transfers made in 2021 were in accordance with Ohio Revised Code sections 5705.14, 5705.15 and 5705.16.

**B. Due To/From Other Funds**

Interfund balances at December 31, 2021 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 56,775</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, 2021, as reported on the fund financial statements.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 155,009</u>

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

**D. Advances To/From Other Funds**

The City had long-term interfund loans at December 31, 2021. These loans are not expected to be repaid in the subsequent year. The City has classified these loans as “advances to/from other funds” on the fund financial statements

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 10 - TAX ABATEMENTS**

As of December 31, 2021, 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 2021 the City's property tax revenues were reduced by \$20,797 as a result of these agreements.

**NOTE 11 - LONG-TERM OBLIGATIONS**

**A. Governmental activities**

A schedule of changes in long-term obligations of the City during 2021 follows:

	Balance Outstanding 12/31/20	Additions	Reductions	Balance Outstanding 12/31/21	Amounts Due Within One Year
<b><u>Governmental activities</u></b>					
<b><i>OPWC loans (direct borrowing):</i></b>					
MLK bridge rehabilitation	\$ 306,668	\$ -	\$ (13,333)	\$ 293,335	\$ 13,333
Total OPWC loans	<u>306,668</u>	<u>-</u>	<u>(13,333)</u>	<u>293,335</u>	<u>13,333</u>
<b><i>SIB loans (direct borrowing):</i></b>					
MLK bridge project	<u>69,697</u>	<u>-</u>	<u>(22,544)</u>	<u>47,153</u>	<u>23,225</u>
Total SIB loans	<u>69,697</u>	<u>-</u>	<u>(22,544)</u>	<u>47,153</u>	<u>23,225</u>
<b><i>Other long-term obligations:</i></b>					
Police and fire pension liability	258,530	-	(13,306)	245,224	13,877
Net pension liability	17,294,694	-	(1,470,631)	15,824,063	-
Net OPEB liability	4,971,095	60,205	(3,095,315)	1,935,985	-
Compensated absences	<u>2,570,059</u>	<u>136,670</u>	<u>(173,761)</u>	<u>2,532,968</u>	<u>777,860</u>
Total governmental activities	<u>\$ 25,470,743</u>	<u>\$ 196,875</u>	<u>\$ (4,788,890)</u>	<u>\$ 20,878,728</u>	<u>\$ 828,295</u>

**Police and Fire Pension Liability**

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Ohio Public Works Commission (OPWC) Loans

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

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

State Infrastructure Bank (SIB) Loan

The City has entered into SIB Loan agreements to finance the renovation of the Dr. Martin Luther King, Jr. viaduct. These are considered to be direct borrowings since they have terms negotiated directly between the City and the lender and are not offered for public sale. The loans bear a 3.00% interest rate and mature in 2023. Principal and interest payments will be made from the capital improvements fund (a nonmajor governmental fund). During 2021, the City made a principal payment of \$22,544.

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, 2021 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Police and Fire Pension Liability</u>		<u>OPWC Loan - MLK Bridge</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 13,877	\$ 10,269	\$ 13,333	\$ -
2023	14,472	9,674	13,333	-
2024	15,093	9,052	13,333	-
2025	15,741	8,405	13,333	-
2026	16,417	7,729	13,333	-
2027 - 2031	93,278	27,450	66,665	-
2032 - 2036	76,346	6,520	66,665	-
2037 - 2041	-	-	66,665	-
2042 - 2044	-	-	26,675	-
<b>Total</b>	<b>\$ 245,224</b>	<b>\$ 79,099</b>	<b>\$ 293,335</b>	<b>\$ -</b>

<u>Year Ending</u> <u>December 31,</u>	<u>2014 SIB Loan - MLK Project</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 23,225	\$ 1,242
2023	23,928	540
<b>Total</b>	<b>\$ 47,153</b>	<b>\$ 1,782</b>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

**B. Business-type activities**

A schedule of changes in long-term obligations of the City during 2021 follows:

	Balance Outstanding 12/31/20	Additions	Reductions	Balance Outstanding 12/31/21	Amounts Due Within One Year
<b><u>Business-type activities:</u></b>					
<b><u>General obligation bonds:</u></b>					
2012 water works improvement bonds	\$ 745,000	\$ -	\$ (60,000)	\$ 685,000	\$ 60,000
Unamortized premium	111	-	(11)	100	10
Total general obligation bonds	<u>745,111</u>	<u>-</u>	<u>(60,011)</u>	<u>685,100</u>	<u>60,010</u>
<b><u>OPWC loans (direct borrowing):</u></b>					
Gaskill (2002)	1,332	-	(1,332)	-	-
Beeson St. (2004)	55,137	-	(13,785)	41,352	13,785
WWTP clarifier (2006)	34,104	-	(5,684)	28,420	5,684
OPWC loan - raw influent pump replacement (2009)	198,102	-	(31,279)	166,823	10,426
Water UV Light Oxidation (2013)	890,510	-	(37,104)	853,406	37,105
WWTP Class A Biosolids (2018)	242,550	-	(13,475)	229,075	13,475
Total OPWC loans	<u>1,421,735</u>	<u>-</u>	<u>(102,659)</u>	<u>1,319,076</u>	<u>80,475</u>
<b><u>OWDA loans (direct borrowing):</u></b>					
Sludge dewatering facility (2016)	5,309,692	-	(294,870)	5,014,822	298,124
Marlington-Alliance Waterline (2017)	659,105	-	(25,150)	633,955	25,150
Carbon Feed System (2018)	762,597	-	(50,398)	712,199	50,398
TTHM Removal System (2021)	-	933,163	-	933,163	97,916
Total OWDA loans	<u>6,731,394</u>	<u>933,163</u>	<u>(370,418)</u>	<u>7,294,139</u>	<u>471,588</u>
<b><u>Other long-term obligations:</u></b>					
Net pension liability	3,715,854	-	(977,425)	2,738,429	-
Net OPEB liability	2,554,794	-	(2,554,794)	-	-
Compensated absences	652,601	62,492	(34,601)	680,492	259,469
Total business-type activities	<u>\$ 15,821,489</u>	<u>\$ 995,655</u>	<u>\$ (4,099,908)</u>	<u>\$ 12,717,236</u>	<u>\$ 871,542</u>

**Series 2012 Various Purpose Improvement and Refunding Bonds**

On March 26, 2012, the City issued \$2,475,000 in 2012 various purpose improvement bonds. In the 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, 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).



## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

#### Ohio Public Works Commission (OPWC) Loans

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

#### Asset Retirement Obligation

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

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

#### Ohio Water Development Authority (OWDA) Loans

The City has entered into four loan agreements with the OWDA to finance the construction of a sludge dewatering facility, the Marlinton-Alliance waterline project, a carbon feed system, and the TTHM removal 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, 2021, the loans are still open and amortization schedules are not yet available.

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

#### Sewer Pledged Revenue

The City has pledged future revenues, net of operating expenses, to repay OWDA loans in the wastewater fund. The debt is payable solely from net revenues through 2039. Annual principal and interest payments on the debt issues are expected to require *14.75 percent of net revenues*. Principal and interest paid for the current year and total net revenues available were \$382,413 and \$2,593,300, respectively.

#### Water Pledged Revenue

The City has pledged future revenues, net of operating expenses, to repay OWDA loans in the wastewater fund. The debt is payable solely from net revenues through 2039. Annual principal and interest payments on the debt issues are expected to require *3.57 percent of net revenues*. Principal and interest paid for the current year and total net revenues available were \$75,548 and \$2,118,616, respectively.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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, 2021 are as follows:

Year Ending December 31,	2012 Water Works Improvement	
	Principal	Interest
2022	\$ 60,000	\$ 20,200
2023	60,000	18,700
2024	65,000	17,200
2025	65,000	15,575
2026	65,000	13,625
2027 - 2031	370,000	36,362
Total	<u>\$ 685,000</u>	<u>\$ 121,662</u>

Year Ending December 31,	OPWC - Beeson Street		OPWC - WWTP Clarifier		OPWC - Raw Influent Pump Replacement	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 13,785	\$ -	\$ 5,684	\$ -	\$ 20,853	\$ -
2023	13,785	-	5,684	-	20,853	-
2024	13,782	-	5,684	-	20,853	-
2025	-	-	5,684	-	20,853	-
2026	-	-	5,684	-	20,853	-
2027 - 2030	-	-	-	-	62,558	-
Total	<u>\$ 41,352</u>	<u>\$ -</u>	<u>\$ 28,420</u>	<u>\$ -</u>	<u>\$ 166,823</u>	<u>\$ -</u>

Year Ending December 31,	OPWC - WWTP Ultraviolet Light Oxidation		OPWC - WWTP Class A Biosolids	
	Principal	Interest	Principal	Interest
2022	\$ 37,105	\$ -	\$ 13,475	\$ -
2023	37,105	-	13,475	-
2024	37,105	-	13,475	-
2025	37,105	-	13,475	-
2026	37,105	-	13,475	-
2027 - 2031	185,525	-	67,375	-
2032 - 2036	185,525	-	67,375	-
2037 - 2041	185,525	-	26,950	-
2042 - 2044	111,306	-	-	-
Total	<u>\$ 853,406</u>	<u>\$ -</u>	<u>\$ 229,075</u>	<u>\$ -</u>

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

##### 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, 2021, the City's total debt margin was \$34,129,556 and the unvoted debt margin was \$17,877,386.

##### 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, 2021, \$62,210,000 had been issued and \$28,150,000 was still outstanding.

#### NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

##### *Net Pension Liability/Asset and Net OPEB Liability/Asset*

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

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

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

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

<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>Traditional Plan 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>Traditional Plan 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>Traditional Plan 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>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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>Traditional Plan 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>Traditional Plan 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>Traditional Plan 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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

	State and Local	Public Safety	Law Enforcement
<b>2021 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
<b>2021 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

\*\*\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

\*\*\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$872,063 for 2021. Of this amount, \$77,685 is reported as due to other governments.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](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 July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**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>2021 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2021 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 \$997,540 for 2021. Of this amount, \$88,631 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, 2021, the specific liability of the City was \$245,224 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 OPERS was measured as of December 31, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.04504500%	0.04254600%	0.02831900%	0.18989990%	
Proportion of the net pension liability/asset current measurement date	<u>0.04480300%</u>	<u>0.04239000%</u>	<u>0.02283800%</u>	<u>0.18272350%</u>	
Change in proportionate share	<u>-0.00024200%</u>	<u>-0.00015600%</u>	<u>-0.00548100%</u>	<u>-0.00717640%</u>	
Proportionate share of the net pension liability	\$ 6,106,067	\$ -	\$ -	\$ 12,456,425	\$ 18,562,492
Proportionate share of the net pension asset	-	(112,620)	(3,832)	-	(116,452)
Pension expense	22,752	2,655	(2,748)	686,139	708,798



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ -	\$ -	\$ 2,632	\$ 520,723	\$ 523,355
Changes of assumptions	-	7,036	106	208,902	216,044
Changes in employer's proportionate percentage/difference between employer contributions	20,571	-	-	83,677	104,248
Contributions subsequent to the measurement date	836,655	23,515	11,892	997,540	1,869,602
Total deferred outflows of resources	<u>\$ 857,226</u>	<u>\$ 30,551</u>	<u>\$ 14,630</u>	<u>\$ 1,810,842</u>	<u>\$ 2,713,249</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 255,421	\$ 21,243	\$ -	\$ 485,263	\$ 761,927
Net difference between projected and actual earnings on pension plan investments	2,379,967	16,748	422	604,219	3,001,356
Changes in employer's proportionate percentage/difference between employer contributions	129,656	-	-	931,076	1,060,732
Total deferred inflows of resources	<u>\$ 2,765,044</u>	<u>\$ 37,991</u>	<u>\$ 422</u>	<u>\$ 2,020,558</u>	<u>\$ 4,824,015</u>

\$1,869,602 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/increase to the net pension liability/asset in the year ending December 31, 2022.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2022	\$ (1,095,895)	\$ (8,064)	\$ 294	\$ (268,425)	\$ (1,372,090)
2023	(353,830)	(5,122)	357	18,141	(340,454)
2024	(970,154)	(8,987)	261	(744,835)	(1,723,715)
2025	(324,594)	(4,177)	313	(188,086)	(516,544)
2026	-	(1,789)	331	(24,051)	(25,509)
Thereafter	-	(2,816)	760	-	(2,056)
<b>Total</b>	<b>\$ (2,744,473)</b>	<b>\$ (30,955)</b>	<b>\$ 2,316</b>	<b>\$ (1,207,256)</b>	<b>\$ (3,980,368)</b>

**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, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

During 2020, 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 11.70% for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 11,647,353	\$ 6,106,066	\$ 1,498,495
Combined Plan	(78,419)	(112,620)	(138,112)
Member-Directed Plan	(3,363)	(3,832)	(4,204)

**Actuarial Assumptions - OP&F**

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of
	inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

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

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

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

<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%

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 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	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</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 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**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* - 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability	\$ 17,340,939	\$ 12,456,425	\$ 8,368,580

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability/Asset*

See Note 12 for a description of the net OPEB liability/asset.

*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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$4,758 for 2021. Of this amount, \$424 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 health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

OP&F maintains funds for health care in two separate accounts: 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. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$23,827 for 2021. Of this amount, \$2,117 is reported as due to other governments.

#### ***Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset and total OPEB liability or asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.04431800%	0.18989990%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.04386700%</u>	<u>0.18272350%</u>	
Change in proportionate share	<u>-0.00045100%</u>	<u>-0.00717640%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,935,985	\$ 1,935,985
Proportionate share of the net OPEB asset	(719,295)	-	(719,295)
OPEB expense	(4,429,000)	138,245	(4,290,755)

At December 31, 2021, 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>			
Changes of assumptions	\$ 353,613	\$ 1,069,527	\$ 1,423,140
Changes in employer's proportionate percentage/difference between employer contributions	13,888	98,897	112,785
Contributions subsequent to the measurement date	4,757	23,827	28,584
Total deferred outflows of resources	<u>\$ 372,258</u>	<u>\$ 1,192,251</u>	<u>\$ 1,564,509</u>

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

	OPERS	OP&F	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 649,160	\$ 319,333	\$ 968,493
Net difference between projected and actual earnings on OPEB plan investments	383,104	71,943	455,047
Changes of assumptions	1,165,472	308,632	1,474,104
Changes in employer's proportionate percentage/difference between employer contributions	96,678	280,202	376,880
Total deferred inflows of resources	<u>\$ 2,294,414</u>	<u>\$ 980,110</u>	<u>\$ 3,274,524</u>

\$28,584 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/increase to the net OPEB liability/asset in the year ending December 31, 2022.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2022	\$ (1,027,041)	\$ 36,126	\$ (990,915)
2023	(688,249)	53,162	(635,087)
2024	(166,480)	26,306	(140,174)
2025	(45,141)	43,734	(1,407)
2026	(2)	16,619	16,617
Thereafter	-	12,367	12,367
Total	<u>\$ (1,926,913)</u>	<u>\$ 188,314</u>	<u>\$ (1,738,599)</u>

**Actuarial Assumptions - OPERS**

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 10.50% for 2020.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

**Discount Rate** - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. 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 the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

**Change in Benefit Terms** - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

***Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*** - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 178,856	\$ 719,295	\$ 1,163,577

***Sensitivity of the City’s Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 736,824	\$ 719,295	\$ 699,680

***Actuarial Assumptions - OP&F***

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

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

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

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

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

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

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.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
<b>Total</b>	<b>125.00 %</b>	

Note: assumptions are geometric.

\* levered 2.5x

\*\* numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

*Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate* - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 2,414,063	\$ 1,935,985	\$ 1,541,627

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

**NOTE 14 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

If any employee leaves the City for any reason, the City will pay the employee a maximum of 240 hours, except for IAFF employees who will be paid a maximum of 480 hours, for the compensatory time. As of December 31, 2021, the total liability for unpaid compensated absences was \$2,532,968 for the governmental activities and \$680,492 for the business-type activities.

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

**A. Grants**

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2021.

**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, 2021.



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**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 2021, 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. During 2021, the City did not contribute 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.

**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	\$ 37,312
Nonmajor governmental funds	<u>1,667,649</u>
Total	<u>\$ 1,704,961</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 17 - OTHER COMMITMENTS - (Continued)**

**B. Contractual Commitments**

The City has entered into services agreements with various contractors for upgrades to and maintenance on the City's water tanks on Clark Street and 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>Rosemont</u>	<u>WTP Clar 1</u>	<u>WTP Clar 2</u>	<u>Total</u>
2022	\$ 177,236	\$ 132,608	\$ 130,051	\$ 144,280	\$ 193,204	\$ 193,204	\$ 970,583
2023	-	132,608	130,051	-	2,388	193,204	458,251
2024	-	-	130,051	-	4,896	2,388	137,335
2025	-	-	-	-	2,509	4,896	7,405
2026	-	-	-	-	5,144	2,509	7,653
2027	-	-	-	-	2,636	5,144	7,780
2028	-	-	-	-	5,404	2,636	8,040
<b>Total</b>	<u>\$ 177,236</u>	<u>\$ 265,216</u>	<u>\$ 390,153</u>	<u>\$ 144,280</u>	<u>\$ 216,181</u>	<u>\$ 403,981</u>	<u>\$ 1,597,047</u>

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**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	Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 19,197	\$ -	\$ 61,334	\$ 80,531
Prepays	137,741	-	31,797	169,538
Unclaimed monies	88,074	-	-	88,074
Total nonspendable	<u>245,012</u>	<u>-</u>	<u>93,131</u>	<u>338,143</u>
Restricted:				
Judicial operations	-	-	607,316	607,316
Security programs	-	-	162,682	162,682
K-9 collections	6,911	-	-	6,911
Drones	830	-	-	830
Public health service programs	-	-	852,671	852,671
Transportation projects	-	-	921,471	921,471
Community environment programs	-	-	2,852,770	2,852,770
Leisure time activities	-	-	145,344	145,344
Capital projects	-	-	73,994	73,994
Long-term loans	-	-	495,481	495,481
Debt service	-	-	43,850	43,850
Total restricted	<u>7,741</u>	<u>-</u>	<u>6,155,579</u>	<u>6,163,320</u>
Committed:				
General government operations	104,255	-	-	104,255
Community environment programs	-	-	4,144	4,144
Leisure time activities	-	-	1,082	1,082
Transportation	-	-	5,942	5,942
Capital projects	-	-	2,578,098	2,578,098
Total committed	<u>104,255</u>	<u>-</u>	<u>2,589,266</u>	<u>2,693,521</u>
Assigned:				
General government operations	166,547	-	-	166,547
Security programs	12,039	-	-	12,039
Community environment programs	889	-	-	889
Subsequent year appropriations	716,375	-	-	716,375
Total assigned	<u>895,850</u>	<u>-</u>	<u>-</u>	<u>895,850</u>
Unassigned (deficit)	<u>2,732,043</u>	<u>-</u>	<u>(76,684)</u>	<u>2,655,359</u>
Total fund balances	<u>\$ 3,984,901</u>	<u>\$ -</u>	<u>\$ 8,761,292</u>	<u>\$ 12,746,193</u>

## CITY OF ALLIANCE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

#### NOTE 19 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

#### NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT

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

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

##### **Summary of Significant Accounting Policies**

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

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

The statement of net position presents the financial condition of the governmental activities and business-type activities for the Health Department at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health Department's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health Department, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Health Department.

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

***Basis of Accounting*** - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

CITY OF ALLIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)

**Revenues-Exchange and Nonexchange Transactions** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the Health Department receives value without directly giving equal value in return, include intergovernmental contractual allocations from participating local governments, grants, entitlements, and donations. Revenue from intergovernmental contractual allocations, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Health Department must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Health Department on a reimbursement basis.

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

**Deferred Outflows of Resources/Deferred Inflows of Resources** - In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Health Department, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Health Department, deferred inflows of resources are reported on the government-wide statement of net position for pension and OPEB.

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

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

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

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

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

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

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

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

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

**Deposits and Investments**

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

**Prepaid Items**

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

**Capital Assets**

Capital asset activity for the year ended December 31, 2021, for the Health Department was as follows:

	Balance			Balance
	<u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/21</u>
<b><u>Governmental activities:</u></b>				
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures and equipment	\$ 42,170	\$ 20,467	\$ -	\$ 62,637
<i>Less: accumulated depreciation:</i>				
Furniture, fixtures and equipment	(29,733)	(3,547)	-	(33,280)
Total capital assets being depreciated, net	<u>12,437</u>	<u>16,920</u>	<u>-</u>	<u>29,357</u>
Governmental activities capital assets, net	<u>\$ 12,437</u>	<u>\$ 16,920</u>	<u>\$ -</u>	<u>\$ 29,357</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

**Long-Term Obligations**

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

	Balance			Balance	Due Within
	<u>12/31/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/21</u>	<u>One Year</u>
Compensated absences	\$ 195,700	\$ 89,052	\$ (64,948)	\$ 219,804	\$ 73,345
Net pension liability	685,574	-	(157,291)	528,283	-
Net OPEB liability	<u>471,359</u>	<u>-</u>	<u>(471,359)</u>	<u>-</u>	<u>-</u>
Total governmental-type long-term obligations	<u>\$ 1,352,633</u>	<u>\$ 89,052</u>	<u>\$ (693,598)</u>	<u>\$ 748,087</u>	<u>\$ 73,345</u>

**Risk Management**

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

**Employee Benefits**

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

**Defined Benefit Pension Plans**

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

For 2021, the Health Department’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$75,449 for 2021. Of this amount, \$6,186 is reported as due to other governments.

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, 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. The Health Department’s proportion of the net pension liability or asset was based on the Health Departments’ share of contributions to the pension plan relative to the contributions of all participating entities.

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

Following is information related to the proportionate share and pension expense of the Health Department:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.00346900%	0.00327600%	0.00218100%	
Proportion of the net pension liability/asset current measurement date	<u>0.00356800%</u>	<u>0.00337500%</u>	<u>0.00181900%</u>	
Change in proportionate share	<u>0.00009900%</u>	<u>0.00009900%</u>	<u>-0.00036200%</u>	
Proportionate share of the net pension liability	\$ 528,283	\$ -	\$ -	\$ 528,283
Proportionate share of the net pension asset	-	(9,744)	(331)	(10,075)
Pension expense	18,614	230	(238)	18,606

At December 31, 2021, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	Total
<b>Deferred outflows of resources</b>				
Differences between expected and actual experience	\$ -	\$ -	\$ 228	\$ 228
Changes of assumptions	-	609	9	618
Changes in employer's proportionate percentage/difference between employer contributions	12,994	-	-	12,994
Contributions subsequent to the measurement date	72,385	2,035	1,029	75,449
Total deferred outflows of resources	<u>\$ 85,379</u>	<u>\$ 2,644</u>	<u>\$ 1,266</u>	<u>\$ 89,289</u>



**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
<b>Deferred inflows of resources</b>				
Differences between expected and actual experience	\$ 22,098	\$ 1,838	\$ -	\$ 23,936
Net difference between projected and actual earnings on pension plan investments	205,910	1,449	36	207,395
Changes in employer's proportionate percentage/ difference between employer contributions	1,058	-	-	1,058
Total deferred inflows of resources	<u>\$ 229,066</u>	<u>\$ 3,287</u>	<u>\$ 36</u>	<u>\$ 232,389</u>

\$75,449 reported as deferred outflows of resources related to pension resulting from Health Department contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2022.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Year Ending December 31:				
2022	\$ (86,279)	\$ (698)	\$ 26	\$ (86,951)
2023	(27,857)	(443)	31	(28,269)
2024	(76,380)	(777)	23	(77,134)
2025	(25,556)	(361)	27	(25,890)
2026	-	(155)	29	(126)
Thereafter	-	(244)	65	(179)
Total	<u>\$ (216,072)</u>	<u>\$ (2,678)</u>	<u>\$ 201</u>	<u>\$ (218,549)</u>

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

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

	1% Decrease	Current Discount Rate	1% Increase
Health Department's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 1,007,702	\$ 528,283	\$ 129,646
Combined Plan	(6,785)	(9,744)	(11,949)
Member-Directed Plan	(291)	(331)	(364)

**Defined Benefit OPEB Plan**

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health Department's contractually required contribution was \$408 for 2021. Of this amount, \$33 is reported as due to other governments.

The net OPEB liability/asset and total OPEB liability or asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Health Department's proportion of the net OPEB liability or asset was based on the Health Department'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:

	OPERS
Proportion of the net OPEB liability prior measurement date	0.00341300%
Proportion of the net OPEB liability/asset current measurement date	<u>0.00349300%</u>
Change in proportionate share	<u>0.00008000%</u>
Proportionate share of the net OPEB asset	\$ (62,232)
OPEB expense	\$ (372,589)

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

At December 31, 2021, the Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred outflows of resources</b>	
Changes of assumptions	\$ 30,594
Changes in employer's proportionate percentage/difference between employer contributions	6,588
Contributions subsequent to the measurement date	412
Total deferred outflows of resources	\$ 37,594

	OPERS
<b>Deferred inflows of resources</b>	
Differences between expected and actual experience	\$ 56,164
Net difference between projected and actual earnings on OPEB plan investments	33,145
Changes of assumptions	100,834
Changes in employer's proportionate percentage/difference between employer contributions	624
Total deferred inflows of resources	\$ 190,767

\$412 reported as deferred outflows of resources related to OPEB resulting from Health Department contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2022.

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

	OPERS
Year Ending December 31:	
2022	\$ (81,861)
2023	(54,857)
2024	(13,269)
2025	(3,598)
Total	\$ (153,585)

**CITY OF ALLIANCE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 20 - ALLIANCE CITY HEALTH DEPARTMENT - (Continued)**

***Sensitivity of the Health Department's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate***

- The following table presents the Health Department's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the Health Department's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Health Department's proportionate share of the net OPEB asset	\$ 15,474	\$ 62,232	\$ 100,670

***Sensitivity of the Health Department's Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Health Department's proportionate share of the net OPEB asset	\$ 63,748	\$ 62,232	\$ 60,535

**Contingencies**

***Grants*** - The Health Department received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect, if any, on the financial condition of the Health Department.

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

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 EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.044803%	0.045045%	0.046253%	0.045608%
City's proportionate share of the net pension liability	\$ 6,106,066	\$ 8,217,876	\$ 11,711,738	\$ 7,155,011
City's covered payroll	\$ 5,758,643	\$ 5,864,329	\$ 5,779,421	\$ 5,746,500
City's proportionate share of the net pension liability as a percentage of its covered payroll	106.03%	140.13%	202.65%	124.51%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.042390%	0.042546%	0.043291%	0.042204%
City's proportionate share of the net pension asset	\$ 112,620	\$ 81,888	\$ 44,755	\$ 57,453
City's covered payroll	\$ 172,429	\$ 175,100	\$ 171,243	\$ 172,846
City's proportionate share of the net pension asset as a percentage of its covered payroll	65.31%	46.77%	26.14%	33.24%
Plan fiduciary net position as a percentage of the total pension asset	157.67%	145.28%	126.64%	137.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.022838%	0.028319%	0.027864%	0.030049%
City's proportionate share of the net pension asset	\$ 3,832	\$ 988	\$ 587	\$ 1,049
City's covered payroll	\$ 126,600	\$ 155,640	\$ 146,370	\$ 164,700
City's proportionate share of the net pension asset as a percentage of its covered payroll	3.03%	0.63%	0.40%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	188.21%	118.84%	113.42%	124.45%

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.048872%	0.048789%	0.048044%	0.048044%
\$	11,097,999	\$ 8,450,870	\$ 5,794,643	\$ 5,663,762
\$	6,345,067	\$ 6,022,642	\$ 5,899,225	\$ 5,845,338
	174.91%	140.32%	98.23%	96.89%
	77.25%	81.08%	86.45%	86.36%
	0.045284%	0.043680%	0.043697%	0.043697%
\$	25,204	\$ 21,256	\$ 16,824	\$ 4,585
\$	176,275	\$ 158,975	\$ 153,433	\$ 119,669
	14.30%	13.37%	10.97%	3.83%
	116.55%	116.90%	114.83%	104.56%
	0.043375%	0.043228%	n/a	n/a
\$	181	\$ 165	n/a	n/a
\$	178,258	\$ 240,742	n/a	n/a
	0.10%	0.07%	n/a	n/a
	103.40%	103.91%	n/a	n/a



**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.18272350%	0.18989990%	0.20053100%	0.19721500%
City's proportionate share of the net pension liability	\$ 12,456,425	\$ 12,792,672	\$ 16,368,628	\$ 12,103,989
City's covered payroll	\$ 4,506,894	\$ 4,581,775	\$ 4,598,780	\$ 4,093,300
City's proportionate share of the net pension liability as a percentage of its covered payroll	276.39%	279.21%	355.93%	295.70%
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%	70.91%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.20455100%	0.20491200%	0.21463130%	0.21463130%
\$ 12,956,102	\$ 13,182,132	\$ 11,118,796	\$ 10,453,218
\$ 4,552,466	\$ 4,233,608	\$ 4,341,884	\$ 4,175,541
284.60%	311.37%	256.08%	250.34%
68.36%	66.77%	72.20%	73.00%

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 836,655	\$ 806,210	\$ 821,006	\$ 874,838
Contributions in relation to the contractually required contribution	<u>(836,655)</u>	<u>(806,210)</u>	<u>(821,006)</u>	<u>(874,838)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,976,107	\$ 5,758,643	\$ 5,864,329	\$ 5,779,421
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 23,515	\$ 24,140	\$ 24,514	\$ 25,921
Contributions in relation to the contractually required contribution	<u>(23,515)</u>	<u>(24,140)</u>	<u>(24,514)</u>	<u>(25,921)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 167,964	\$ 172,429	\$ 175,100	\$ 171,243
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 11,892	\$ 12,660	\$ 15,564	\$ 15,826
Contributions in relation to the contractually required contribution	<u>(11,892)</u>	<u>(12,660)</u>	<u>(15,564)</u>	<u>(15,826)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 118,920	\$ 126,600	\$ 155,640	\$ 146,370
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 747,045	\$ 761,408	\$ 722,717	\$ 707,907	\$ 759,894	\$ 599,490
<u>(747,045)</u>	<u>(761,408)</u>	<u>(722,717)</u>	<u>(707,907)</u>	<u>(759,894)</u>	<u>(599,490)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,746,500	\$ 6,345,067	\$ 6,022,642	\$ 5,899,225	\$ 5,845,338	\$ 5,994,900
12.00%	12.00%	12.00%	12.00%	13.00%	10.00%
\$ 22,470	\$ 21,153	\$ 19,077	\$ 18,412	\$ 15,557	\$ 9,462
<u>(22,470)</u>	<u>(21,153)</u>	<u>(19,077)</u>	<u>(18,412)</u>	<u>(15,557)</u>	<u>(9,462)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 172,846	\$ 176,275	\$ 158,975	\$ 153,433	\$ 119,669	\$ 119,019
13.00%	12.00%	12.00%	12.00%	13.00%	7.95%
\$ 16,470	\$ 21,391	\$ 28,889			
<u>(16,470)</u>	<u>(21,391)</u>	<u>(28,889)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 164,700	\$ 178,258	\$ 240,742			
10.00%	12.00%	12.00%			

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 516,525	\$ 491,779	\$ 504,789	\$ 509,379
Contributions in relation to the contractually required contribution	<u>(516,525)</u>	<u>(491,779)</u>	<u>(504,789)</u>	<u>(509,379)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,718,553	\$ 2,588,311	\$ 2,656,784	\$ 2,680,942
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 481,015	\$ 450,867	\$ 452,373	\$ 450,692
Contributions in relation to the contractually required contribution	<u>(481,015)</u>	<u>(450,867)</u>	<u>(452,373)</u>	<u>(450,692)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,046,872	\$ 1,918,583	\$ 1,924,991	\$ 1,917,838
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 439,734	\$ 524,512	\$ 475,279	\$ 497,799	\$ 397,100	\$ 294,093
<u>(439,734)</u>	<u>(524,512)</u>	<u>(475,279)</u>	<u>(497,799)</u>	<u>(397,100)</u>	<u>(294,093)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,314,389	\$ 2,760,589	\$ 2,501,468	\$ 2,619,995	\$ 2,500,105	\$ 2,306,612
19.00%	19.00%	19.00%	19.00%	15.88%	12.75%
\$ 418,044	\$ 421,091	\$ 407,053	\$ 404,644	\$ 341,347	\$ 287,740
<u>(418,044)</u>	<u>(421,091)</u>	<u>(407,053)</u>	<u>(404,644)</u>	<u>(341,347)</u>	<u>(287,740)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,778,911	\$ 1,791,877	\$ 1,732,140	\$ 1,721,889	\$ 1,674,638	\$ 1,668,058
23.50%	23.50%	23.50%	23.50%	20.38%	17.25%

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.043867%	0.044318%	0.045453%	0.044930%	0.048448%
City's proportionate share of the net OPEB liability/(asset)	\$ (719,294)	\$ 5,650,109	\$ 5,478,770	\$ 4,879,067	\$ 4,893,407
City's covered payroll	\$ 6,057,672	\$ 6,195,069	\$ 6,097,034	\$ 6,084,046	\$ 6,699,600
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	11.87%	91.20%	89.86%	80.19%	73.04%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

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 FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.18272350%	0.18989990%	0.20053100%	0.19721500%	0.20455100%
City's proportionate share of the net OPEB liability	\$ 1,935,985	\$ 1,875,780	\$ 1,826,142	\$ 11,173,943	\$ 9,709,576
City's covered payroll	\$ 4,506,894	\$ 4,581,775	\$ 4,598,780	\$ 4,093,300	\$ 4,552,466
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.96%	40.94%	39.71%	272.98%	213.28%
Plan fiduciary net position as a percentage of the total OPEB liability	45.42%	47.08%	46.57%	14.13%	15.96%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,757	\$ 5,064	\$ 6,225	\$ 6,331
Contributions in relation to the contractually required contribution	<u>(4,757)</u>	<u>(5,064)</u>	<u>(6,225)</u>	<u>(6,331)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,262,991	\$ 6,057,672	\$ 6,195,069	\$ 6,097,034
Contributions as a percentage of covered payroll	0.08%	0.08%	0.10%	0.10%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 65,781	\$ 140,558	\$ 123,632	\$ 120,949	\$ 59,624	\$ 246,997
<u>(65,781)</u>	<u>(140,558)</u>	<u>(123,632)</u>	<u>(120,949)</u>	<u>(59,624)</u>	<u>(246,997)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,084,046	\$ 6,699,600	\$ 6,422,359	\$ 6,052,658	\$ 5,965,007	\$ 6,113,919
1.08%	2.10%	1.93%	2.00%	1.00%	4.04%

**CITY OF ALLIANCE, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 13,593	\$ 12,942	\$ 13,284	\$ 13,405
Contributions in relation to the contractually required contribution	<u>(13,593)</u>	<u>(12,942)</u>	<u>(13,284)</u>	<u>(13,405)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,718,553	\$ 2,588,311	\$ 2,656,784	\$ 2,680,942
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 10,234	\$ 9,593	\$ 9,625	\$ 9,589
Contributions in relation to the contractually required contribution	<u>(10,234)</u>	<u>(9,593)</u>	<u>(9,625)</u>	<u>(9,589)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,046,872	\$ 1,918,583	\$ 1,924,991	\$ 1,917,838
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 11,572	\$ 14,176	\$ 12,845	\$ 13,036	\$ 85,960	\$ 155,697
<u>(11,572)</u>	<u>(14,176)</u>	<u>(12,845)</u>	<u>(13,036)</u>	<u>(85,960)</u>	<u>(155,697)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,314,389	\$ 2,760,589	\$ 2,501,468	\$ 2,619,995	\$ 2,500,105	\$ 2,306,612
0.50%	0.50%	0.50%	0.50%	3.44%	6.75%
\$ 8,895	\$ 8,959	\$ 8,661	\$ 8,564	\$ 61,940	\$ 112,594
<u>(8,895)</u>	<u>(8,959)</u>	<u>(8,661)</u>	<u>(8,564)</u>	<u>(61,940)</u>	<u>(112,594)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,778,911	\$ 1,791,877	\$ 1,732,140	\$ 1,721,889	\$ 1,674,638	\$ 1,668,058
0.50%	0.50%	0.50%	0.50%	3.70%	6.75%

CITY OF ALLIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

---

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014-2021.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014-2021.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

CITY OF ALLIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

---

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2017-2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2017-2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.

THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES



**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	<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	\$ 5,404,189	\$ 43,850	\$ 2,333,426	\$ 7,781,465
Receivables (net of allowances for uncollectibles):				
Municipal income taxes	-	-	435,213	435,213
Property and other taxes	1,179,682	-	-	1,179,682
Accounts	8,980	-	1,414	10,394
Intergovernmental	738,944	-	333,000	1,071,944
Special assessments	-	-	51	51
Loans	495,481	-	-	495,481
Prepayments	31,797	-	-	31,797
Materials and supplies inventory	61,334	-	-	61,334
<b>Total assets</b>	<b>\$ 7,920,407</b>	<b>\$ 43,850</b>	<b>\$ 3,103,104</b>	<b>\$ 11,067,361</b>
<b>Liabilities:</b>				
Accounts payable	\$ 50,379	\$ -	\$ 24,284	\$ 74,663
Accrued wages and benefits payable	23,207	-	-	23,207
Interfund loans payable	40,009	-	115,000	155,009
Due to other funds	56,775	-	-	56,775
Due to other governments	18,428	-	-	18,428
Advances to other funds	5,626	-	-	5,626
<b>Total liabilities</b>	<b>194,424</b>	<b>-</b>	<b>139,284</b>	<b>333,708</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	1,025,399	-	-	1,025,399
Income tax revenue not available	-	-	208,677	208,677
Delinquent property tax revenue not available	154,283	-	-	154,283
Special assessments revenue not available	-	-	51	51
Intergovernmental revenue not available	480,951	-	103,000	583,951
<b>Total deferred inflows of resources</b>	<b>1,660,633</b>	<b>-</b>	<b>311,728</b>	<b>1,972,361</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,855,057</b>	<b>-</b>	<b>451,012</b>	<b>2,306,069</b>
<b>Fund balances:</b>				
Nonspendable	93,131	-	-	93,131
Restricted	6,037,735	43,850	73,994	6,155,579
Committed	11,168	-	2,578,098	2,589,266
Unassigned (deficit)	(76,684)	-	-	(76,684)
<b>Total fund balances</b>	<b>6,065,350</b>	<b>43,850</b>	<b>2,652,092</b>	<b>8,761,292</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,920,407</b>	<b>\$ 43,850</b>	<b>\$ 3,103,104</b>	<b>\$ 11,067,361</b>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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	\$ -	\$ -	\$ 2,108,210	\$ 2,108,210
Property and other taxes	1,031,149	-	-	1,031,149
Charges for services	117,129	-	-	117,129
Licenses, permits and fees	35,835	-	21,733	57,568
Fines and forfeitures	163,460	-	1,414	164,874
Intergovernmental	2,634,108	-	401,220	3,035,328
Investment income	51,741	-	-	51,741
Other	225,393	-	299,206	524,599
Total revenues	<u>4,258,815</u>	<u>-</u>	<u>2,831,783</u>	<u>7,090,598</u>
<b>Expenditures:</b>				
Current:				
General government	215,019	-	-	215,019
Security of persons and property	1,536,501	-	-	1,536,501
Public health and welfare	153,028	-	-	153,028
Transportation	1,086,440	-	-	1,086,440
Community environment	1,215,109	-	-	1,215,109
Leisure time activities	842,621	-	-	842,621
Capital outlay	93,730	-	1,728,765	1,822,495
Debt service:				
Principal retirement	13,306	-	35,877	49,183
Interest and fiscal charges	10,841	-	1,923	12,764
Total expenditures	<u>5,166,595</u>	<u>-</u>	<u>1,766,565</u>	<u>6,933,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(907,780)</u>	<u>-</u>	<u>1,065,218</u>	<u>157,438</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	277,447	277,447
Transfers in	925,630	-	-	925,630
Transfers (out)	(38,580)	-	-	(38,580)
Total other financing sources (uses)	<u>887,050</u>	<u>-</u>	<u>277,447</u>	<u>1,164,497</u>
Net change in fund balances	(20,730)	-	1,342,665	1,321,935
<b>Fund balances at beginning of year</b>	6,086,080	43,850	1,309,427	7,439,357
<b>Fund balances at end of year</b>	<u>\$ 6,065,350</u>	<u>\$ 43,850</u>	<u>\$ 2,652,092</u>	<u>\$ 8,761,292</u>

**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds**

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

***Street Repair and Maintenance Fund***

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

***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 Federal grant monies received directly from the U.S. Department of Housing and Urban Development through its Community Development Block Grants/Entitlement Grants program.

***Revolving Loan Fund***

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

***Community Development Block Grant (CDBG) Housing Rehab Loan Fund***

This fund accounts for intergovernmental grants and principal and interest received from previous housing rehabilitation project loans within the City.

***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.

***FEMA Fund***

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

***Local Coronavirus Relief Fund***

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

***Special Project Fund***

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

***Carnation Cable Channel Fund***

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

***Other***

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

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

**Funds Included in the General Fund**

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

***City Income Tax Fund***

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

***Gasoline Revolving Fund***

This fund accounts for the City's diesel fuel tanks 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, 2021

	<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	\$ 577,833	\$ 67,878	\$ 69,778	\$ 90,488
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	-	-
Accounts	118	-	-	-
Intergovernmental	521,632	42,294	-	18,505
Loans	-	-	-	-
Prepayments	-	-	-	16,631
Materials and supplies inventory	61,334	-	-	-
Total assets	<u>\$ 1,160,917</u>	<u>\$ 110,172</u>	<u>\$ 69,778</u>	<u>\$ 125,624</u>
<b>Liabilities:</b>				
Accounts payable	\$ 2,202	\$ -	\$ 1,310	\$ 5,769
Accrued wages and benefits payable	9,302	-	-	-
Interfund loans payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	7,130	-	-	79
Advances to other funds	-	-	-	-
Total liabilities	<u>18,634</u>	<u>-</u>	<u>1,310</u>	<u>5,848</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	344,835	27,960	-	-
Total deferred inflows of resources	<u>344,835</u>	<u>27,960</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>363,469</u>	<u>27,960</u>	<u>1,310</u>	<u>5,848</u>
<b>Fund balances:</b>				
Nonspendable	61,334	-	-	16,631
Restricted	736,114	82,212	68,468	103,145
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>797,448</u>	<u>82,212</u>	<u>68,468</u>	<u>119,776</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,160,917</u>	<u>\$ 110,172</u>	<u>\$ 69,778</u>	<u>\$ 125,624</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>
\$ 119,246	\$ 4,423	\$ 5,537	\$ 10,568	\$ 852,566	\$ -
-	-	-	-	-	-
4,086	-	-	-	-	-
-	-	11,694	-	-	51,443
-	-	-	-	-	-
-	-	498	-	1,885	1,779
-	-	-	-	-	-
<u>\$ 123,332</u>	<u>\$ 4,423</u>	<u>\$ 17,729</u>	<u>\$ 10,568</u>	<u>\$ 854,451</u>	<u>\$ 53,222</u>
\$ 902	\$ -	\$ 5,168	\$ -	\$ 2,016	\$ 17,613
-	-	817	-	1,229	2,270
-	-	11,000	-	-	-
-	-	-	-	-	56,775
-	-	619	-	1,073	1,382
-	-	-	-	-	-
<u>902</u>	<u>-</u>	<u>17,604</u>	<u>-</u>	<u>4,318</u>	<u>78,040</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	19,714
-	-	-	-	-	19,714
<u>902</u>	<u>-</u>	<u>17,604</u>	<u>-</u>	<u>4,318</u>	<u>97,754</u>
-	-	498	-	1,885	1,779
122,430	4,423	-	10,568	848,248	-
-	-	-	-	-	-
-	-	(373)	-	-	(46,311)
<u>122,430</u>	<u>4,423</u>	<u>125</u>	<u>10,568</u>	<u>850,133</u>	<u>(44,532)</u>
<u>\$ 123,332</u>	<u>\$ 4,423</u>	<u>\$ 17,729</u>	<u>\$ 10,568</u>	<u>\$ 854,451</u>	<u>\$ 53,222</u>

Continued

**CITY OF ALLIANCE, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2021

	<u>Revolving Loan</u>	<u>Community Development Block Grant</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 2,801,132	\$ 40,389	\$ 10,004	\$ 10,004
Receivables (net of allowances for uncollectibles):				
Property and other taxes	-	-	103,277	103,277
Accounts	-	-	-	-
Intergovernmental	-	-	4,345	4,345
Loans	495,481	-	-	-
Prepayments	336	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 3,296,949</u>	<u>\$ 40,389</u>	<u>\$ 117,626</u>	<u>\$ 117,626</u>
<b>Liabilities:</b>				
Accounts payable	\$ 3,098	\$ -	\$ -	\$ -
Accrued wages and benefits payable	298	-	-	-
Interfund loans payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	228	-	-	-
Advances to other funds	-	-	-	-
Total liabilities	<u>3,624</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	-	-	103,277	103,277
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	4,345	4,345
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>107,622</u>	<u>107,622</u>
Total liabilities and deferred inflows of resources	<u>3,624</u>	<u>-</u>	<u>107,622</u>	<u>107,622</u>
<b>Fund balances:</b>				
Nonspendable	336	-	-	-
Restricted	3,292,989	40,389	10,004	10,004
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>3,293,325</u>	<u>40,389</u>	<u>10,004</u>	<u>10,004</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,296,949</u>	<u>\$ 40,389</u>	<u>\$ 117,626</u>	<u>\$ 117,626</u>

<b>Park Levy</b>	<b>FEMA</b>	<b>Carnation Cable Channel</b>	<b>Other</b>	<b>Total</b>
\$ 169,870	\$ -	\$ -	\$ 574,473	\$ 5,404,189
973,128	-	-	-	1,179,682
-	-	813	3,963	8,980
34,444	45,308	-	4,934	738,944
-	-	-	-	495,481
8,028	-	-	2,640	31,797
-	-	-	-	61,334
<u>\$ 1,185,470</u>	<u>\$ 45,308</u>	<u>\$ 813</u>	<u>\$ 586,010</u>	<u>\$ 7,920,407</u>
\$ 10,539	\$ -	\$ -	\$ 1,762	\$ 50,379
7,798	-	-	1,493	23,207
-	30,000	-	(991)	40,009
-	-	-	-	56,775
6,189	-	813	915	18,428
-	-	-	5,626	5,626
<u>24,526</u>	<u>30,000</u>	<u>813</u>	<u>8,805</u>	<u>194,424</u>
818,845	-	-	-	1,025,399
154,283	-	-	-	154,283
34,444	45,308	-	-	480,951
<u>1,007,572</u>	<u>45,308</u>	<u>-</u>	<u>-</u>	<u>1,660,633</u>
<u>1,032,098</u>	<u>75,308</u>	<u>813</u>	<u>8,805</u>	<u>1,855,057</u>
8,028	-	-	2,640	93,131
145,344	-	-	563,397	6,037,735
-	-	-	11,168	11,168
-	(30,000)	-	-	(76,684)
<u>153,372</u>	<u>(30,000)</u>	<u>-</u>	<u>577,205</u>	<u>6,065,350</u>
<u>\$ 1,185,470</u>	<u>\$ 45,308</u>	<u>\$ 813</u>	<u>\$ 586,010</u>	<u>\$ 7,920,407</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, 2021

	<u>Street Repair and Maintenance</u>	<u>State Highway</u>	<u>Law Enforcement Block Grant</u>	<u>Motor Vehicle License</u>
<b>Revenues:</b>				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	51,446	-
Intergovernmental	1,101,984	89,350	-	245,899
Investment income	4,385	677	439	-
Other	11,533	34	-	-
Total revenues	<u>1,117,902</u>	<u>90,061</u>	<u>51,885</u>	<u>245,899</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Security of persons and property	19,565	-	33,717	-
Public health and welfare	-	-	-	-
Transportation	788,710	47,038	-	250,692
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>808,275</u>	<u>47,038</u>	<u>33,717</u>	<u>250,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>309,627</u>	<u>43,023</u>	<u>18,168</u>	<u>(4,793)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	309,627	43,023	18,168	(4,793)
<b>Fund balances (deficit) at beginning of year</b>	487,821	39,189	50,300	124,569
<b>Fund balances (deficit) at end of year</b>	<u>\$ 797,448</u>	<u>\$ 82,212</u>	<u>\$ 68,468</u>	<u>\$ 119,776</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	35,835	-
57,869	-	-	-	-	-
-	-	44,403	-	-	937,427
-	-	-	-	7,880	-
-	-	-	-	34,405	12
<u>57,869</u>	<u>-</u>	<u>44,403</u>	<u>-</u>	<u>78,120</u>	<u>937,439</u>
48,649	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	153,028	-
-	-	-	-	-	-
-	-	51,896	-	-	965,669
-	-	-	-	-	-
-	-	-	-	-	-
<u>48,649</u>	<u>-</u>	<u>51,896</u>	<u>-</u>	<u>153,028</u>	<u>965,669</u>
9,220	-	(7,493)	-	(74,908)	(28,230)
-	-	-	-	100,000	-
-	-	-	-	-	-
-	-	-	-	100,000	-
9,220	-	(7,493)	-	25,092	(28,230)
113,210	4,423	7,618	10,568	825,041	(16,302)
<u>\$ 122,430</u>	<u>\$ 4,423</u>	<u>\$ 125</u>	<u>\$ 10,568</u>	<u>\$ 850,133</u>	<u>\$ (44,532)</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, 2021

	<b>Revolving Loan</b>	<b>Community Development Block Grant</b>	<b>Fire Pension</b>	<b>Police Pension</b>
<b>Revenues:</b>				
Property and other taxes	\$ -	\$ -	\$ 88,554	\$ 88,554
Charges for services	-	-	-	-
Licenses, permits and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	10,026	10,026
Investment income	37,489	363	-	-
Other	43,787	7,574	-	-
Total revenues	<u>81,276</u>	<u>7,937</u>	<u>98,580</u>	<u>98,580</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	475,256	523,379
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment	195,102	2,442	-	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	7,552	5,754
Interest and fiscal charges	-	-	6,153	4,688
Total expenditures	<u>195,102</u>	<u>2,442</u>	<u>488,961</u>	<u>533,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(113,826)</u>	<u>5,495</u>	<u>(390,381)</u>	<u>(435,241)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	390,385	435,245
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>390,385</u>	<u>435,245</u>
Net change in fund balances	(113,826)	5,495	4	4
<b>Fund balances (deficit) at beginning of year</b>	<u>3,407,151</u>	<u>34,894</u>	<u>10,000</u>	<u>10,000</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 3,293,325</u>	<u>\$ 40,389</u>	<u>\$ 10,004</u>	<u>\$ 10,004</u>

<b>Park Levy</b>	<b>FEMA</b>	<b>Local Coronavirus Relief</b>	<b>Special Project</b>	<b>Carnation Cable Channel</b>	<b>Other</b>	<b>Total</b>
\$ 854,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,031,149
-	-	-	-	-	117,129	117,129
-	-	-	-	-	-	35,835
-	-	-	-	-	54,145	163,460
29,458	129,231	-	31,669	-	4,635	2,634,108
-	-	-	-	-	508	51,741
-	-	-	-	92,078	35,970	225,393
<u>883,499</u>	<u>129,231</u>	<u>-</u>	<u>31,669</u>	<u>92,078</u>	<u>212,387</u>	<u>4,258,815</u>
-	-	-	31,669	92,992	41,709	215,019
-	262,653	74,318	-	-	147,613	1,536,501
-	-	-	-	-	-	153,028
-	-	-	-	-	-	1,086,440
-	-	-	-	-	-	1,215,109
842,621	-	-	-	-	-	842,621
-	-	93,730	-	-	-	93,730
-	-	-	-	-	-	13,306
-	-	-	-	-	-	10,841
<u>842,621</u>	<u>262,653</u>	<u>168,048</u>	<u>31,669</u>	<u>92,992</u>	<u>189,322</u>	<u>5,166,595</u>
<u>40,878</u>	<u>(133,422)</u>	<u>(168,048)</u>	<u>-</u>	<u>(914)</u>	<u>23,065</u>	<u>(907,780)</u>
-	-	-	-	-	-	925,630
-	(38,580)	-	-	-	-	(38,580)
-	(38,580)	-	-	-	-	887,050
<u>40,878</u>	<u>(172,002)</u>	<u>(168,048)</u>	<u>-</u>	<u>(914)</u>	<u>23,065</u>	<u>(20,730)</u>
<u>112,494</u>	<u>142,002</u>	<u>168,048</u>	<u>-</u>	<u>914</u>	<u>554,140</u>	<u>6,086,080</u>
<u>\$ 153,372</u>	<u>\$ (30,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,205</u>	<u>\$ 6,065,350</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET REPAIR AND MAINTENANCE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 1,054,000	\$ 1,092,013	\$ 38,013
Investment income	2,000	4,385	2,385
Other	2,000	11,415	9,415
<b>Total revenues</b>	<u>1,058,000</u>	<u>1,107,813</u>	<u>49,813</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Street security:			
Salaries and wages	40,500	36,736	3,764
Fringe benefits	7,168	6,484	684
Contractual services	19,000	16,840	2,160
<b>Total security of persons and property</b>	<u>66,668</u>	<u>60,060</u>	<u>6,608</u>
Transportation:			
Street transportation:			
Salaries and wages	613,000	547,219	65,781
Fringe benefits	119,100	103,106	15,994
Contractual services	7,657	6,636	1,021
Materials and supplies	64,949	59,615	5,334
Capital outlay	345,045	321,884	23,161
<b>Total transportation</b>	<u>1,149,751</u>	<u>1,038,460</u>	<u>111,291</u>
<b>Total expenditures</b>	<u>1,216,419</u>	<u>1,098,520</u>	<u>117,899</u>
Net change in fund balance	(158,419)	9,293	167,712
<b>Fund balance at beginning of year</b>	269,524	269,524	-
<b>Prior year encumbrances appropriated</b>	40,351	40,351	-
<b>Fund balance at end of year</b>	<u>\$ 151,456</u>	<u>\$ 319,168</u>	<u>\$ 167,712</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 86,800	\$ 88,542	\$ 1,742
Investment income	500	677	177
Other	-	34	34
<b>Total revenues</b>	<u>87,300</u>	<u>89,253</u>	<u>1,953</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Capital outlay	100,000	47,038	52,962
<b>Total expenditures</b>	<u>100,000</u>	<u>47,038</u>	<u>52,962</u>
 Net change in fund balance	 (12,700)	 42,215	 54,915
 <b>Fund balance at beginning of year</b>	 25,663	 25,663	 -
<b>Fund balance at end of year</b>	<u>\$ 12,963</u>	<u>\$ 67,878</u>	<u>\$ 54,915</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ -	\$ 51,446	\$ 51,446
Investment income	800	439	(361)
Total revenues	<u>800</u>	<u>51,885</u>	<u>51,085</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	34,889	33,294	1,595
Total expenditures	<u>34,889</u>	<u>33,294</u>	<u>1,595</u>
Net change in fund balance	(34,089)	18,591	52,680
<b>Fund balance at beginning of year</b>	49,370	49,370	-
<b>Prior year encumbrances appropriated</b>	1,389	1,389	-
<b>Fund balance at end of year</b>	<u>\$ 16,670</u>	<u>\$ 69,350</u>	<u>\$ 52,680</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 230,000	\$ 243,182	\$ 13,182
Total revenues	<u>230,000</u>	<u>243,182</u>	<u>13,182</u>
<b>Expenditures:</b>			
Current:			
Transportation:			
Street maintenance:			
Fringe benefits	18,500	15,921	2,579
Contractual services	129,392	115,906	13,486
Capital outlay	<u>151,608</u>	<u>134,061</u>	<u>17,547</u>
Total expenditures	<u>299,500</u>	<u>265,888</u>	<u>33,612</u>
Net change in fund balance	(69,500)	(22,706)	46,794
<b>Fund balance at beginning of year</b>	82,469	82,469	-
<b>Prior year encumbrances appropriated</b>	10,000	10,000	-
<b>Fund balance at end of year</b>	<u>\$ 22,969</u>	<u>\$ 69,763</u>	<u>\$ 46,794</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 52,000	\$ 57,472	\$ 5,472
Total revenues	<u>52,000</u>	<u>57,472</u>	<u>5,472</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Contractual services	62,000	40,405	21,595
Materials and supplies	21,000	11,941	9,059
Capital outlay	<u>15,000</u>	<u>599</u>	<u>14,401</u>
Total expenditures	<u>98,000</u>	<u>52,945</u>	<u>45,055</u>
Net change in fund balance	(46,000)	4,527	50,527
<b>Fund balance at beginning of year</b>	111,225	111,225	-
<b>Fund balance at end of year</b>	<u>\$ 65,225</u>	<u>\$ 115,752</u>	<u>\$ 50,527</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	\$ 4,423	\$ -	\$ 4,423
Total expenditures	<u>4,423</u>	<u>-</u>	<u>4,423</u>
Net change in fund balance	(4,423)	-	4,423
<b>Fund balance at beginning of year</b>	4,423	4,423	-
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 4,423</u></u>	<u><u>\$ 4,423</u></u>

**CITY OF ALLIANCE, OHIO**

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

**LITTER CONTROL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 42,000	\$ 43,576	\$ 1,576
Total revenues	<u>42,000</u>	<u>43,576</u>	<u>1,576</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
Litter control:			
Salaries and wages	21,000	18,784	2,216
Fringe benefits	3,936	2,603	1,333
Materials and supplies	25,000	24,920	80
Total expenditures	<u>49,936</u>	<u>46,307</u>	<u>3,629</u>
Net change in fund balance	(7,936)	(2,731)	5,205
<b>Fund balance at beginning of year</b>	7,892	7,892	-
<b>Prior year encumbrances appropriated</b>	376	376	-
<b>Fund balance at end of year</b>	<u>\$ 332</u>	<u>\$ 5,537</u>	<u>\$ 5,205</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Fund balance at beginning of year</b>	\$ 10,568	\$ 10,568	\$ -
<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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses and permits	\$ 32,859	\$ 35,835	\$ 2,976
Investment income	12,000	7,880	(4,120)
Other	20,000	34,405	14,405
<b>Total revenues</b>	<u>64,859</u>	<u>78,120</u>	<u>13,261</u>
<b>Expenditures:</b>			
Current:			
Public health services:			
Cemetery:			
Salaries and wages	116,685	94,293	22,392
Fringe benefits	32,606	29,002	3,604
Contractual services	26,627	22,384	4,243
Materials and supplies	6,555	5,682	873
Other	60	60	-
<b>Total expenditures</b>	<u>182,533</u>	<u>151,421</u>	<u>31,112</u>
Excess of expenditures over revenues	<u>(117,674)</u>	<u>(73,301)</u>	<u>44,373</u>
<b>Other financing sources:</b>			
Transfers in	105,000	100,000	(5,000)
<b>Total other financing sources</b>	<u>105,000</u>	<u>100,000</u>	<u>(5,000)</u>
Net change in fund balance	(12,674)	26,699	39,373
<b>Fund balance at beginning of year</b>	822,088	822,088	-
<b>Prior year encumbrances appropriated</b>	3,692	3,692	-
<b>Fund balance at end of year</b>	<u>\$ 813,106</u>	<u>\$ 852,479</u>	<u>\$ 39,373</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 1,741,828	\$ 984,778	\$ (757,050)
Other	-	12	12
<b>Total revenues</b>	<u>1,741,828</u>	<u>984,790</u>	<u>(757,038)</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
HUD:			
Salaries and wages	214,790	110,877	103,913
Fringe benefits	222,330	57,775	164,555
Contractual services	363,994	272,697	91,297
Materials and supplies	73,200	26,183	47,017
Capital outlay	223,238	191,906	31,332
Other	570,718	383,412	187,306
<b>Total expenditures</b>	<u>1,668,270</u>	<u>1,042,850</u>	<u>625,420</u>
<b>Net change in fund balance</b>	73,558	(58,060)	(131,618)
<b>Fund balance (deficit) at beginning of year</b>	(256,821)	(256,821)	-
<b>Prior year encumbrances appropriated</b>	191,505	191,505	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 8,242</u>	<u>\$ (123,376)</u>	<u>\$ (131,618)</u>

**CITY OF ALLIANCE, OHIO**

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

**REVOLVING LOAN FUND**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Investment income	\$ 40,000	\$ 37,489	\$ (2,511)
Other	141,000	211,655	70,655
Total revenues	<u>181,000</u>	<u>249,144</u>	<u>68,144</u>
<b>Expenditures:</b>			
Current:			
Community environment:			
UDAG:			
Salaries and wages	19,000	18,140	860
Fringe benefits	7,440	7,000	440
Contractual services	95,500	43,513	51,987
Capital outlay	2,490,000	146,380	2,343,620
Total expenditures	<u>2,611,940</u>	<u>215,033</u>	<u>2,396,907</u>
Net change in fund balance	(2,430,940)	34,111	2,465,051
<b>Fund balance at beginning of year</b>	2,743,621	2,743,621	-
<b>Fund balance at end of year</b>	<u>\$ 312,681</u>	<u>\$ 2,777,732</u>	<u>\$ 2,465,051</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 (CDBG) HOUSING REHAB LOAN FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment income	\$ 403	\$ 363	\$ (40)
Other	-	7,574	7,574
Total revenues	403	7,937	7,534
<b>Expenditures:</b>			
Current:			
Community environment:			
CDBG:			
Capital outlay	32,267	2,442	29,825
Total expenditures	32,267	2,442	29,825
Net change in fund balance	(31,864)	5,495	37,359
<b>Fund balance at beginning of year</b>	34,894	34,894	-
<b>Fund balance at end of year</b>	\$ 3,030	\$ 40,389	\$ 37,359



**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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes	\$ 87,702	\$ 88,554	\$ 852
Intergovernmental	10,000	10,026	26
Total revenues	<u>97,702</u>	<u>98,580</u>	<u>878</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Fire:			
Fringe benefits	487,252	487,252	-
Contractual services	1,709	1,709	-
Total expenditures	<u>488,961</u>	<u>488,961</u>	<u>-</u>
Excess of expenditures over revenues	<u>(391,259)</u>	<u>(390,381)</u>	<u>878</u>
<b>Other financing sources:</b>			
Transfers in	390,000	390,385	385
Total other financing sources	<u>390,000</u>	<u>390,385</u>	<u>385</u>
Net change in fund balance	(1,259)	4	1,263
<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>\$ 8,741</u>	<u>\$ 10,004</u>	<u>\$ 1,263</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes	\$ 87,702	\$ 88,554	\$ 852
Intergovernmental	10,000	10,026	26
Total revenues	<u>97,702</u>	<u>98,580</u>	<u>878</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Fringe benefits	532,112	532,112	-
Contractual services	1,709	1,709	-
Total expenditures	<u>533,821</u>	<u>533,821</u>	<u>-</u>
Excess of expenditures over revenues	<u>(436,119)</u>	<u>(435,241)</u>	<u>878</u>
<b>Other financing sources:</b>			
Transfers in	435,000	435,245	245
Total other financing sources	<u>435,000</u>	<u>435,245</u>	<u>245</u>
Net change in fund balance	(1,119)	4	1,123
<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>\$ 8,881</u>	<u>\$ 10,004</u>	<u>\$ 1,123</u>

**CITY OF ALLIANCE, OHIO**

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

**PARK LEVY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property and other taxes	\$ 842,768	\$ 854,041	\$ 11,273
Intergovernmental	30,000	29,458	(542)
<b>Total revenues</b>	<u>872,768</u>	<u>883,499</u>	<u>10,731</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities:			
Park Levy:			
Salaries and wages	464,227	457,191	7,036
Fringe benefits	143,697	140,164	3,533
Contractual services	96,311	94,423	1,888
Materials and supplies	51,568	49,471	2,097
Capital outlay	108,287	105,815	2,472
Other	845	845	-
<b>Total expenditures</b>	<u>864,935</u>	<u>847,909</u>	<u>17,026</u>
Net change in fund balance	7,833	35,590	27,757
<b>Fund balance at beginning of year</b>	118,652	118,652	-
<b>Prior year encumbrances appropriated</b>	5,061	5,061	-
<b>Fund balance at end of year</b>	<u>\$ 131,546</u>	<u>\$ 159,303</u>	<u>\$ 27,757</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 228,000	\$ 213,926	\$ (14,074)
Total revenues	<u>228,000</u>	<u>213,926</u>	<u>(14,074)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Fire:			
Salaries and wages	239,785	239,785	-
Fringe benefits	22,868	22,868	-
Total expenditures	<u>262,653</u>	<u>262,653</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(34,653)</u>	<u>(48,727)</u>	<u>(14,074)</u>
<b>Other financing uses:</b>			
Transfers out	(38,580)	(38,580)	-
Total other financing uses	<u>(38,580)</u>	<u>(38,580)</u>	<u>-</u>
Net change in fund balance	(73,233)	(87,307)	(14,074)
<b>Fund balance at beginning of year</b>	87,307	87,307	-
<b>Fund balance at end of year</b>	<u>\$ 14,074</u>	<u>\$ -</u>	<u>\$ (14,074)</u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LOCAL CORONAVIRUS RELIEF FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 77,980	\$ -	\$ (77,980)
Total revenues	<u>77,980</u>	<u>-</u>	<u>(77,980)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Coronavirus Relief:			
Salaries and wages	35,662	35,662	-
Materials and supplies	86,859	86,859	-
Capital outlay	<u>93,731</u>	<u>93,731</u>	<u>-</u>
Total expenditures	<u>216,252</u>	<u>216,252</u>	<u>-</u>
Net change in fund balance	(138,272)	(216,252)	(77,980)
<b>Fund balance at beginning of year</b>	138,273	138,273	-
<b>Prior year encumbrances appropriated</b>	77,979	77,979	-
<b>Fund balance at end of year</b>	<u>\$ 77,980</u>	<u>\$ -</u>	<u>\$ (77,980)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 31,669	\$ 31,669	\$ -
Total revenues	<u>31,669</u>	<u>31,669</u>	<u>-</u>
<b>Expenditures:</b>			
Capital outlay:			
Capital outlay	67,022	67,022	-
Total expenditures	<u>67,022</u>	<u>67,022</u>	<u>-</u>
Net change in fund balance	(35,353)	(35,353)	-
<b>Fund balance at beginning of year</b>	35,353	35,353	-
<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)  
**CARNATION CABLE CHANNEL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other	\$ 100,000	\$ 92,179	\$ (7,821)
Total revenues	<u>100,000</u>	<u>92,179</u>	<u>(7,821)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Carnation Cable:			
Other	92,179	92,179	-
Total expenditures	<u>92,179</u>	<u>92,179</u>	<u>-</u>
Net change in fund balance	7,821	-	(7,821)
<b>Fund balance at beginning of year</b>	-	-	-
<b>Fund balance at end of year</b>	<u>\$ 7,821</u>	<u>\$ -</u>	<u>\$ (7,821)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services	\$ 120,000	\$ 117,129	\$ (2,871)
Total revenues	<u>120,000</u>	<u>117,129</u>	<u>(2,871)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Salaries and wages	132,527	130,441	2,086
Fringe benefits	3,923	3,922	1
Contractual services	2,846	2,448	398
Materials and supplies	10,000	6,593	3,407
Total expenditures	<u>149,296</u>	<u>143,404</u>	<u>5,892</u>
Net change in fund balance	(29,296)	(26,275)	3,021
<b>Fund balance at beginning of year</b>	38,938	38,938	-
<b>Fund balance at end of year</b>	<u>\$ 9,642</u>	<u>\$ 12,663</u>	<u>\$ 3,021</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 4,616	\$ 4,635	\$ 19
Investment income	-	43	43
Total revenues	<u>4,616</u>	<u>4,678</u>	<u>62</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Capital outlay	4,635	-	4,635
Total expenditures	<u>4,635</u>	<u>-</u>	<u>4,635</u>
Net change in fund balance	(19)	4,678	4,697
<b>Fund balance at beginning of year</b>	<u>19</u>	<u>19</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 4,697</u></u>	<u><u>\$ 4,697</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FEDERAL EQUITABLE SHARING FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 1,300	\$ -	\$ (1,300)
Investment income	-	465	465
Total revenues	<u>1,300</u>	<u>465</u>	<u>(835)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property:			
Police:			
Materials and supplies	50,000	2,740	47,260
Total expenditures	<u>50,000</u>	<u>2,740</u>	<u>47,260</u>
Net change in fund balance	(48,700)	(2,275)	46,425
<b>Fund balance at beginning of year</b>	49,834	49,834	-
<b>Fund balance at end of year</b>	<u>\$ 1,134</u>	<u>\$ 47,559</u>	<u>\$ 46,425</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other	\$ 21,800	\$ 26,093	\$ 4,293
Total revenues	<u>21,800</u>	<u>26,093</u>	<u>4,293</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies	25,000	-	25,000
Total expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	(3,200)	26,093	29,293
<b>Fund balance at beginning of year</b>	265,095	265,095	-
<b>Fund balance at end of year</b>	<u>\$ 261,895</u>	<u>\$ 291,188</u>	<u>\$ 29,293</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other	\$ 2,300	\$ 2,960	\$ 660
Total revenues	<u>2,300</u>	<u>2,960</u>	<u>660</u>
<b>Expenditures:</b>			
Current:			
General government:			
Clerk of courts:			
Materials and supplies	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance	(1,700)	(1,040)	660
<b>Fund balance at beginning of year</b>	<u>12,476</u>	<u>12,476</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 10,776</u></u>	<u><u>\$ 11,436</u></u>	<u><u>\$ 660</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MUNICIPAL COURT LEGAL RESEARCH FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 14,000	\$ 15,539	\$ 1,539
Total revenues	<u>14,000</u>	<u>15,539</u>	<u>1,539</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Materials and supplies	9,000	6,052	2,948
Capital outlay	25,000	9,199	15,801
Total expenditures	<u>34,000</u>	<u>15,251</u>	<u>18,749</u>
Net change in fund balance	(20,000)	288	20,288
<b>Fund balance at beginning of year</b>	50,720	50,720	-
<b>Fund balance at end of year</b>	<u>\$ 30,720</u>	<u>\$ 51,008</u>	<u>\$ 20,288</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 2,000	\$ 2,561	\$ 561
Total revenues	<u>2,000</u>	<u>2,561</u>	<u>561</u>
<b>Expenditures:</b>			
Current:			
General government:			
Judge:			
Materials and supplies	3,000	1,134	1,866
Total expenditures	<u>3,000</u>	<u>1,134</u>	<u>1,866</u>
Net change in fund balance	(1,000)	1,427	2,427
<b>Fund balance at beginning of year</b>	12,830	12,830	-
<b>Fund balance at end of year</b>	<u>\$ 11,830</u>	<u>\$ 14,257</u>	<u>\$ 2,427</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, 2021

	<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	7,000	-	7,000
Fringe benefits	1,080	-	1,080
Total expenditures	<u>8,080</u>	<u>-</u>	<u>8,080</u>
Net change in fund balance	(4,080)	4,000	8,080
<b>Fund balance at beginning of year</b>	5,382	5,382	-
<b>Fund balance at end of year</b>	<u>\$ 1,302</u>	<u>\$ 9,382</u>	<u>\$ 8,080</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Fund balance at beginning of year</b>	\$ 4,491	\$ 4,491	\$ -
<b>Fund balance at end of year</b>	<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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 7,800	\$ 8,705	\$ 905
Total revenues	<u>7,800</u>	<u>8,705</u>	<u>905</u>
 Net change in fund balance	 7,800	 8,705	 905
 <b>Fund balance at beginning of year</b>	 13,520	 13,520	 -
<b>Fund balance at end of year</b>	<u>\$ 21,320</u>	<u>\$ 22,225</u>	<u>\$ 905</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Judge:			
Capital outlay	\$ 2	\$ -	\$ 2
Total expenditures	<u>2</u>	<u>-</u>	<u>2</u>
 Net change in fund balance	 (2)	 -	 2
 <b>Fund balance at beginning of year</b>	 <u>2</u>	 <u>2</u>	 <u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 2</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 43,923	\$ 27,205	\$ (16,718)
Total revenues	<u>43,923</u>	<u>27,205</u>	<u>(16,718)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Salaries and wages	13,382	13,382	-
Fringe benefits	6,625	2,921	3,704
Capital outlay	3,525	3,525	-
Total expenditures	<u>23,532</u>	<u>19,828</u>	<u>3,704</u>
Net change in fund balance	20,391	7,377	(13,014)
<b>Fund balance at beginning of year</b>	68,712	68,712	-
<b>Fund balance at end of year</b>	<u>\$ 89,103</u>	<u>\$ 76,089</u>	<u>\$ (13,014)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ -	\$ 800	\$ 800
Total revenues	<u>-</u>	<u>800</u>	<u>800</u>
<b>Expenditures:</b>			
Current:			
General government:			
Municipal court:			
Materials and supplies	6,000	-	6,000
Total expenditures	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net change in fund balance	(6,000)	800	6,800
<b>Fund balance at beginning of year</b>	15,476	15,476	-
<b>Fund balance at end of year</b>	<u>\$ 9,476</u>	<u>\$ 16,276</u>	<u>\$ 6,800</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other	\$ 1,300	\$ 1,675	\$ 375
Total revenues	<u>1,300</u>	<u>1,675</u>	<u>375</u>
<b>Expenditures:</b>			
Current:			
General Government:			
Parking facilities:			
Contractual services	<u>5,300</u>	<u>-</u>	<u>5,300</u>
Total expenditures	<u>5,300</u>	<u>-</u>	<u>5,300</u>
Net change in fund balance	(4,000)	1,675	5,675
<b>Fund balance at beginning of year</b>	<u>4,267</u>	<u>4,267</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 267</u></u>	<u><u>\$ 5,942</u></u>	<u><u>\$ 5,675</u></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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities:			
Land reutilization:			
Contractual services	\$ 983	\$ -	\$ 983
Total expenditures	<u>983</u>	<u>-</u>	<u>983</u>
 Net change in fund balance	 (983)	 -	 983
 <b>Fund balance at beginning of year</b>	 983	 983	 -
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 983</u></u>	<u><u>\$ 983</u></u>



**CITY OF ALLIANCE, OHIO**

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

**PARK RESOURCES FUND**

FOR THE YEAR ENDED DECEMBER 31, 2021

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

**CITY OF ALLIANCE, OHIO**

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

**CITY INCOME TAX FUND**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Municipal income taxes	\$ 12,036,431	\$ 12,024,707	\$ (11,724)
Other	-	1,144	1,144
Total revenues	<u>12,036,431</u>	<u>12,025,851</u>	<u>(10,580)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Income tax:			
Salaries and wages	148,000	144,323	3,677
Fringe benefits	52,510	50,494	2,016
Contractual services	53,320	39,481	13,839
Materials and supplies	5,755	5,755	-
Capital outlay	1,000	-	1,000
Other	339,658	339,656	2
Total expenditures	<u>600,243</u>	<u>579,709</u>	<u>20,534</u>
Excess of revenues over expenditures	<u>11,436,188</u>	<u>11,446,142</u>	<u>9,954</u>
<b>Other financing uses:</b>			
Transfers out	<u>(11,459,946)</u>	<u>(11,459,946)</u>	<u>-</u>
Total other financing uses	<u>(11,459,946)</u>	<u>(11,459,946)</u>	<u>-</u>
Net change in fund balance	(23,758)	(13,804)	9,954
<b>Fund balance at beginning of year</b>	126,039	126,039	-
<b>Prior year encumbrances appropriated</b>	158	158	-
<b>Fund balance at end of year</b>	<u><u>\$ 102,439</u></u>	<u><u>\$ 112,393</u></u>	<u><u>\$ 9,954</u></u>

**CITY OF ALLIANCE, OHIO**

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

**GASOLINE REVOLVING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other	\$ 58,817	\$ 58,817	\$ -
Total revenues	<u>58,817</u>	<u>58,817</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
General government:			
Revolving:			
Materials and supplies	56,234	56,234	-
Total expenditures	<u>56,234</u>	<u>56,234</u>	<u>-</u>
Net change in fund balance	2,583	2,583	-
<b>Fund balance at beginning of year</b>	-	-	-
<b>Fund balance at end of year</b>	<u>\$ 2,583</u>	<u>\$ 2,583</u>	<u>\$ -</u>

**CITY OF ALLIANCE, OHIO**

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

**SUPPLY REVOLVING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other	\$ 195,078	\$ 202,815	\$ 7,737
Total revenues	<u>195,078</u>	<u>202,815</u>	<u>7,737</u>
<b>Expenditures:</b>			
Current:			
General government:			
Maintenance:			
Contractual services	242,099	201,637	40,462
Materials and supplies	3,478	2,478	1,000
Capital outlay	<u>15,000</u>	<u>4,228</u>	<u>10,772</u>
Total expenditures	<u>260,577</u>	<u>208,343</u>	<u>52,234</u>
Net change in fund balance	(65,499)	(5,528)	59,971
<b>Fund balance at beginning of year</b>	160,923	160,923	-
<b>Fund balance at end of year</b>	<u>\$ 95,424</u>	<u>\$ 155,395</u>	<u>\$ 59,971</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Licenses, permits and fees	\$ 115,000	\$ 90,000	\$ (25,000)
Other	40,300	14,831	(25,469)
Total revenues	<u>155,300</u>	<u>104,831</u>	<u>(50,469)</u>
<b>Expenditures:</b>			
Current:			
General government:			
Auditor:			
Materials and supplies	120,000	300	119,700
Other	<u>385,000</u>	<u>187,380</u>	<u>197,620</u>
Total expenditures	<u>505,000</u>	<u>187,680</u>	<u>317,320</u>
Net change in fund balance	(349,700)	(82,849)	266,851
<b>Fund balance at beginning of year</b>	455,487	455,487	-
<b>Fund balance at end of year</b>	<u>\$ 105,787</u>	<u>\$ 372,638</u>	<u>\$ 266,851</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

**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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal retirement:			
Bond	\$ 557,871	\$ 557,871	\$ -
Interest and fiscal charges:			
Bond	111,822	111,821	1
Total expenditures	<u>669,693</u>	<u>669,692</u>	<u>1</u>
Excess of expenditures over revenues	<u>(669,693)</u>	<u>(669,692)</u>	<u>1</u>
 <b>Other financing sources:</b>			
Transfers in	<u>1,500,000</u>	<u>669,692</u>	<u>(830,308)</u>
Total other financing sources	<u>1,500,000</u>	<u>669,692</u>	<u>(830,308)</u>
Net change in fund balance	830,307	-	(830,307)
 <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>\$ 874,157</u></u>	<u><u>\$ 43,850</u></u>	<u><u>\$ (830,307)</u></u>



**CITY OF ALLIANCE, OHIO**

**FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

**Capital Projects Funds**

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

***Street Income Tax Construction Fund***

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

***Municipal Road Fund***

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

***Capital Improvements Fund***

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

***Municipal Court Special Projects Fund***

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

**CITY OF ALLIANCE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2021**

	<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	\$ 635,144	\$ -	\$ 1,625,702	\$ 72,580	\$ 2,333,426
Receivables (net of allowances for uncollectibles):					
Municipal income taxes	179,206	-	256,007	-	435,213
Accounts	-	-	-	1,414	1,414
Intergovernmental	-	115,000	218,000	-	333,000
Special assessments	51	-	-	-	51
Total assets	<u>\$ 814,401</u>	<u>\$ 115,000</u>	<u>\$ 2,099,709</u>	<u>\$ 73,994</u>	<u>\$ 3,103,104</u>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 24,284	\$ -	\$ 24,284
Interfund loans payable	-	115,000	-	-	115,000
Total liabilities	<u>-</u>	<u>115,000</u>	<u>24,284</u>	<u>-</u>	<u>139,284</u>
<b>Deferred inflows of resources:</b>					
Income tax revenue not available	85,926	-	122,751	-	208,677
Special assessments revenue not available	51	-	-	-	51
Intergovernmental revenue not available	-	-	103,000	-	103,000
Total deferred inflows of resources	<u>85,977</u>	<u>-</u>	<u>225,751</u>	<u>-</u>	<u>311,728</u>
Total liabilities and deferred inflows of resources	<u>85,977</u>	<u>115,000</u>	<u>250,035</u>	<u>-</u>	<u>451,012</u>
<b>Fund balances:</b>					
Restricted	-	-	-	73,994	73,994
Committed	728,424	-	1,849,674	-	2,578,098
Total fund balances	<u>728,424</u>	<u>-</u>	<u>1,849,674</u>	<u>73,994</u>	<u>2,652,092</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 814,401</u>	<u>\$ 115,000</u>	<u>\$ 2,099,709</u>	<u>\$ 73,994</u>	<u>\$ 3,103,104</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, 2021

	<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	\$ 868,870	\$ -	\$ 1,239,340	\$ -	\$ 2,108,210
Licenses, permits and fees	-	-	-	21,733	21,733
Fines and forfeitures	-	-	-	1,414	1,414
Intergovernmental	-	115,000	286,220	-	401,220
Other	-	-	299,206	-	299,206
Total revenues	<u>868,870</u>	<u>115,000</u>	<u>1,824,766</u>	<u>23,147</u>	<u>2,831,783</u>
<b>Expenditures:</b>					
Capital outlay	187,272	115,000	1,422,316	4,177	1,728,765
Debt service:					
Principal retirement	-	-	35,877	-	35,877
Interest and fiscal charges	-	-	1,923	-	1,923
Total expenditures	<u>187,272</u>	<u>115,000</u>	<u>1,460,116</u>	<u>4,177</u>	<u>1,766,565</u>
Excess of revenues over expenditures	<u>681,598</u>	<u>-</u>	<u>364,650</u>	<u>18,970</u>	<u>1,065,218</u>
<b>Other financing sources:</b>					
Proceeds from sale of capital assets	-	-	277,447	-	277,447
Total other financing sources	<u>-</u>	<u>-</u>	<u>277,447</u>	<u>-</u>	<u>277,447</u>
Net change in fund balances	681,598	-	642,097	18,970	1,342,665
<b>Fund balances at beginning of year</b>	<u>46,826</u>	<u>-</u>	<u>1,207,577</u>	<u>55,024</u>	<u>1,309,427</u>
<b>Fund balances at end of year</b>	<u>\$ 728,424</u>	<u>\$ -</u>	<u>\$ 1,849,674</u>	<u>\$ 73,994</u>	<u>\$ 2,652,092</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Street income tax:			
Fringe benefits	\$ 150,000	\$ 134,372	\$ 15,628
Capital outlay	52,900	52,900	-
Total expenditures	<u>202,900</u>	<u>187,272</u>	<u>15,628</u>
<b>Other financing sources:</b>			
Transfers in	<u>200,000</u>	<u>802,196</u>	<u>602,196</u>
Total other financing sources:	<u>200,000</u>	<u>802,196</u>	<u>602,196</u>
Net change in fund balance	(2,900)	614,924	617,824
<b>Fund balance at beginning of year</b>	13,837	13,837	-
<b>Prior year encumbrances appropriated</b>	6,383	6,383	-
<b>Fund balance at end of year</b>	<u><u>\$ 17,320</u></u>	<u><u>\$ 635,144</u></u>	<u><u>\$ 617,824</u></u>

**CITY OF ALLIANCE, OHIO**

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

**MUNICIPAL ROAD FUND**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital outlay	\$ 115,000	\$ 115,000	\$ -
Total expenditures	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(115,000)</u>	<u>(115,000)</u>	<u>-</u>
<b>Other financing sources:</b>			
Advance in	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Total other financing sources	<u>115,000</u>	<u>115,000</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>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF ALLIANCE, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CAPITAL IMPROVEMENTS FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 126,572	\$ 172,145	\$ 45,573
Other	295,888	299,206	3,318
Total revenues	<u>422,460</u>	<u>471,351</u>	<u>48,891</u>
<b>Expenditures:</b>			
Capital outlay:			
Capital improvements:			
Capital outlay	2,921,759	2,718,831	202,928
Total expenditures	<u>2,921,759</u>	<u>2,718,831</u>	<u>202,928</u>
Excess of expenditures over revenues	<u>(2,499,299)</u>	<u>(2,247,480)</u>	<u>251,819</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets	277,477	277,447	(30)
Transfers in	1,100,000	1,145,995	45,995
Transfers (out)	<u>(37,801)</u>	<u>(37,800)</u>	1
Total other financing sources (uses)	<u>1,339,676</u>	<u>1,385,642</u>	<u>45,966</u>
Net change in fund balance	(1,159,623)	(861,838)	297,785
<b>Fund balance at beginning of year</b>	1,038,533	1,038,533	-
<b>Prior year encumbrances appropriated</b>	128,490	128,490	-
<b>Fund balance at end of year</b>	<u>\$ 7,400</u>	<u>\$ 305,185</u>	<u>\$ 297,785</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Licenses, permits, and fees	\$ 20,000	\$ 23,081	\$ 3,081
Total revenues	<u>20,000</u>	<u>23,081</u>	<u>3,081</u>
<b>Expenditures:</b>			
Current:			
Capital outlay:			
Capital improvements:			
Capital outlay	120,000	4,277	115,723
Total expenditures	<u>120,000</u>	<u>4,277</u>	<u>115,723</u>
Net change in fund balance	(100,000)	18,804	118,804
<b>Fund balance at beginning of year</b>	<u>53,776</u>	<u>53,776</u>	<u>-</u>
<b>Fund (deficit) at end of year</b>	<u>\$ (46,224)</u>	<u>\$ 72,580</u>	<u>\$ 118,804</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 STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 93,990	\$ 297,036	\$ 391,026
Prepayments	263	-	263
Total current assets	<u>94,253</u>	<u>297,036</u>	<u>391,289</u>
Noncurrent assets:			
Net pension asset	240	-	240
Net OPEB asset	1,483	-	1,483
Depreciable capital assets (net of accumulated depreciation)	165,109	-	165,109
Total noncurrent assets	<u>166,832</u>	<u>-</u>	<u>166,832</u>
Total assets	<u>261,085</u>	<u>297,036</u>	<u>558,121</u>
<b>Deferred outflows of resources:</b>			
Pension	13,429	-	13,429
OPEB	7,775	-	7,775
Total deferred outflows of resources	<u>21,204</u>	<u>-</u>	<u>21,204</u>
Total assets deferred outflows of resources	<u>\$ 282,289</u>	<u>\$ 297,036</u>	<u>\$ 579,325</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	\$ 447	\$ 115,294	\$ 115,741
Due to other governments	1,568	-	1,568
Total current liabilities	<u>2,015</u>	<u>115,294</u>	<u>117,309</u>
Long-term liabilities:			
Net pension liability	<u>12,586</u>	<u>-</u>	<u>12,586</u>
Total liabilities	<u>14,601</u>	<u>115,294</u>	<u>129,895</u>
<b>Deferred inflows of resources:</b>			
Pension	11,707	-	11,707
OPEB	8,552	-	8,552
Total deferred inflows of resources	<u>20,259</u>	<u>-</u>	<u>20,259</u>
Total liabilities and deferred inflows of resources	<u>34,860</u>	<u>115,294</u>	<u>150,154</u>
<b>Net position:</b>			
Net investment in capital assets	165,109	-	165,109
Unrestricted	82,320	181,742	264,062
Total net position	<u>247,429</u>	<u>181,742</u>	<u>429,171</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 282,289</u>	<u>\$ 297,036</u>	<u>\$ 579,325</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Robertson Community Center</b>	<b>Community Improvement</b>	<b>Totals</b>
<b>Operating revenues:</b>			
Charges for services	\$ -	\$ 1,417,188	\$ 1,417,188
Other	49,956	4,384	54,340
Total operating revenues	<u>49,956</u>	<u>1,421,572</u>	<u>1,471,528</u>
<b>Operating expenses:</b>			
Salaries	13,227	-	13,227
Fringe benefits	(12,997)	-	(12,997)
Contract services	14,308	1,359,907	1,374,215
Materials and supplies	12,782	-	12,782
Depreciation	12,168	-	12,168
Total operating expenses	<u>39,488</u>	<u>1,359,907</u>	<u>1,399,395</u>
Operating income (loss)	<u>10,468</u>	<u>61,665</u>	<u>72,133</u>
<b>Net position at beginning of year</b>	<u>236,961</u>	<u>120,077</u>	<u>357,038</u>
<b>Net position at end of year</b>	<u>\$ 247,429</u>	<u>\$ 181,742</u>	<u>\$ 429,171</u>

**CITY OF ALLIANCE, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Robertson Community Center</u>	<u>Community Improvement</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ -	\$ 1,417,188	\$ 1,417,188
Cash received from other operations	49,956	4,384	54,340
Cash payments for salaries	(12,896)	-	(12,896)
Cash payments for fringe benefits	(1,992)	-	(1,992)
Cash payments for contractual services	(12,613)	(1,353,466)	(1,366,079)
Cash payments for materials and supplies	(12,782)	-	(12,782)
	<hr/>	<hr/>	<hr/>
Net cash provided by operating activities	9,673	68,106	77,779
	<hr/>	<hr/>	<hr/>
Net increase in cash and cash equivalents	9,673	68,106	77,779
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at beginning of year</b>	84,317	228,930	313,247
<b>Cash and cash equivalents at end of year</b>	<u>\$ 93,990</u>	<u>\$ 297,036</u>	<u>\$ 391,026</u>
	<hr/>	<hr/>	<hr/>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 10,468	\$ 61,665	\$ 72,133
Adjustments:			
Depreciation	12,168	-	12,168
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Prepayments	318	-	318
Net pension asset	(240)	-	(240)
Net OPEB asset	(1,483)	-	(1,483)
Deferred outflows - pension	(12,166)	-	(12,166)
Deferred outflows - OPEB	(6,934)	-	(6,934)
Accounts payable	368	6,441	6,809
Due to other governments	1,568	-	1,568
Net pension liability	12,586	-	12,586
Deferred outflows - pension	(5,642)	-	(5,642)
Deferred outflows - OPEB	(1,338)	-	(1,338)
	<hr/>	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<u>\$ 9,673</u>	<u>\$ 68,106</u>	<u>\$ 77,779</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services	\$ 5,486,000	\$ 5,426,169	\$ (59,831)
Other	1,031,343	1,107,608	76,265
Total operating revenues	<u>6,517,343</u>	<u>6,533,777</u>	<u>16,434</u>
<b>Operating expenses:</b>			
Salaries and benefits	1,610,670	1,421,268	189,402
Fringe benefits	642,800	558,117	84,683
Contract services	952,337	777,770	174,567
Materials and supplies	1,097,855	1,057,809	40,046
Capital outlay	3,496,026	3,069,369	426,657
Other	8,000	3,280	4,720
Total operating expenses	<u>7,807,688</u>	<u>6,887,613</u>	<u>920,075</u>
Operating loss	<u>(1,290,345)</u>	<u>(353,836)</u>	<u>936,509</u>
<b>Nonoperating revenues:</b>			
Interest revenue	53,500	57,452	3,952
Loss before transfers	<u>(1,236,845)</u>	<u>(296,384)</u>	<u>940,461</u>
Transfers in	1,485,000	1,558,398	73,398
Transfers (out)	<u>(1,301,500)</u>	<u>(1,294,353)</u>	<u>7,147</u>
Net change in net position	<u>(1,053,345)</u>	<u>(32,339)</u>	<u>1,021,006</u>
<b>Net position beginning of year</b>	5,983,590	5,983,590	-
<b>Prior year encumbrances appropriated</b>	105,493	105,493	-
<b>Net position end of year</b>	<u>\$ 5,035,738</u>	<u>\$ 6,056,744</u>	<u>\$ 1,021,006</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services	\$ 5,150,000	\$ 4,698,919	\$ (451,081)
Licenses, permits and fees	50,000	13,448	(36,552)
Other	90,000	8,922	(81,078)
Total operating revenues	<u>5,290,000</u>	<u>4,721,289</u>	<u>(568,711)</u>
<b>Operating expenses:</b>			
Salaries and benefits	1,667,593	1,462,856	204,737
Fringe benefits	672,557	609,282	63,275
Contract services	977,477	779,175	198,302
Materials and supplies	716,835	360,988	355,847
Capital outlay	3,143,891	2,160,484	983,407
Other	8,000	3,280	4,720
Total operating expenses	<u>7,186,353</u>	<u>5,376,065</u>	<u>1,810,288</u>
Operating loss	<u>(1,896,353)</u>	<u>(654,776)</u>	<u>1,241,577</u>
<b>Nonoperating revenues:</b>			
Interest revenue	10,000	58,766	48,766
Loss before transfers	<u>(1,886,353)</u>	<u>(596,010)</u>	<u>1,290,343</u>
Transfers in	2,236,000	1,600,000	(636,000)
Transfers (out)	<u>(2,060,000)</u>	<u>(2,037,540)</u>	<u>22,460</u>
Net change in net position	<u>(1,710,353)</u>	<u>(1,033,550)</u>	<u>676,803</u>
<b>Net position beginning of year</b>	5,341,417	5,341,417	-
<b>Prior year encumbrances appropriated</b>	411,961	411,961	-
<b>Net position end of year</b>	<u>\$ 4,043,025</u>	<u>\$ 4,719,828</u>	<u>\$ 676,803</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating revenues:</b>			
Other	\$ 10,000	\$ 49,956	\$ 39,956
Total operating revenues	<u>10,000</u>	<u>49,956</u>	<u>39,956</u>
<b>Operating expenses:</b>			
Salaries and benefits	23,437	12,896	10,541
Fringe benefits	3,972	1,992	1,980
Contract services	17,050	12,654	4,396
Materials and supplies	10,200	9,163	1,037
Capital outlay	5,000	3,867	1,133
Total operating expenses	<u>59,659</u>	<u>40,572</u>	<u>19,087</u>
Net change in net position	(49,659)	9,384	59,043
<b>Net position beginning of year</b>	84,317	84,317	-
<b>Net position end of year</b>	<u>\$ 34,658</u>	<u>\$ 93,701</u>	<u>\$ 59,043</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services	\$ 1,400,000	\$ 1,417,188	\$ 17,188
Other	2,000	4,384	2,384
Total operating revenues	<u>1,402,000</u>	<u>1,421,572</u>	<u>19,572</u>
<b>Operating expenses:</b>			
Fringe benefits	2,518	-	2,518
Contract services	1,376,000	1,367,604	8,396
Total operating expenses	<u>1,378,518</u>	<u>1,367,604</u>	<u>10,914</u>
Net change in net position	23,482	53,968	30,486
<b>Net position beginning of year</b>	228,930	228,930	-
<b>Net position end of year</b>	<u>\$ 252,412</u>	<u>\$ 282,898</u>	<u>\$ 30,486</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Operating revenues:</b>			
Charges for services	\$ 2,760,000	\$ 2,686,289	\$ (73,711)
Other	199,000	316,425	117,425
Total operating revenues	<u>2,959,000</u>	<u>3,002,714</u>	<u>43,714</u>
<b>Operating expenses:</b>			
Claims	3,171,562	3,052,387	119,175
Total operating expenses	<u>3,171,562</u>	<u>3,052,387</u>	<u>119,175</u>
Net change in net position	(212,562)	(49,673)	162,889
Net position beginning of year	416,366	416,366	-
Prior year encumbrances appropriated	1,012	1,012	-
Net position end of year	<u>\$ 204,816</u>	<u>\$ 367,705</u>	<u>\$ 162,889</u>

**CITY OF ALLIANCE, OHIO**

FUND DESCRIPTION

**Custodial Fund**

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

***Municipal Court Fund***

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

## STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

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

<u><b>Contents</b></u>	<u><b>Page</b></u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>220-229</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	<b>230</b>
<b>Debt Capacity</b> 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.	<b>231-237</b>
<b>Demographic and Economic Information</b> 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.	<b>238-239</b>
<b>Operating Information</b> 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.	<b>240-247</b>

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

**CITY OF ALLIANCE, OHIO**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 19,889,769	\$ 18,214,085	\$ 17,381,872	\$ 17,926,582
Restricted for:				
Debt service	43,850	45,655	66,957	66,216
Capital projects	73,994	55,024	38,390	15,879
Transportation projects	229,948	190,262	143,503	206,857
Public service programs	676,087	555,986	548,571	843,181
Community environment programs	3,313,037	3,447,536	3,327,370	3,233,795
Police and fire pension	-	-	-	20,000
Security programs	227,825	209,657	218,959	290,587
Other purposes	648,164	837,277	466,429	288,369
Unrestricted (deficit)	<u>(10,237,106)</u>	<u>(13,936,240)</u>	<u>(16,370,181)</u>	<u>(26,438,433)</u>
Total governmental activities net position	<u>\$ 14,865,568</u>	<u>\$ 9,619,242</u>	<u>\$ 5,821,870</u>	<u>\$ (3,546,967)</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 23,264,663	\$ 23,113,403	\$ 20,478,007	\$ 18,528,115
Restricted:				
Debt service	-	4	225,734	407,837
Replacement and surplus reserve	1,939,734	1,866,743	1,652,595	1,063,822
Unrestricted	<u>7,645,298</u>	<u>4,346,860</u>	<u>5,310,928</u>	<u>6,205,777</u>
Total business-type activities net position	<u>\$ 32,849,695</u>	<u>\$ 29,327,010</u>	<u>\$ 27,667,264</u>	<u>\$ 26,205,551</u>
<b>Total primary government</b>				
Net investment in capital assets	\$ 43,154,432	\$ 41,327,488	\$ 37,859,879	\$ 36,454,697
Restricted for:				
Capital projects	73,994	55,024	38,390	15,879
Debt service	43,850	45,659	292,691	474,053
Replacement and surplus reserve	1,939,734	1,866,743	1,652,595	1,063,822
Transportation projects	229,948	190,262	143,503	206,857
Public service programs	676,087	555,986	548,571	843,181
Community environment programs	3,313,037	3,447,536	3,327,370	3,233,795
Security programs	227,825	209,657	218,959	290,587
Police and fire pension	-	-	-	20,000
Other purposes	648,164	837,277	466,429	288,369
Unrestricted (deficit)	<u>(2,591,808)</u>	<u>(9,589,380)</u>	<u>(11,059,253)</u>	<u>(20,232,656)</u>
Total primary government net position	<u>\$ 47,715,263</u>	<u>\$ 38,946,252</u>	<u>\$ 33,489,134</u>	<u>\$ 22,658,584</u>

**Source:** City financial records.

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$	18,803,807	\$ 19,802,449	\$ 19,340,616	\$ 19,325,774	\$ 19,528,061	\$ 19,194,878
	65,369	64,617	145,057	425,849	191,036	322,426
	-	-	-	86,105	936,012	1,286,549
	156,417	89,780	117,694	357,951	375,369	386,247
	982,136	1,016,857	1,048,390	1,175,610	759,389	760,258
	2,854,058	3,184,299	3,184,160	3,329,142	3,318,742	3,859,082
	66,555	34,220	24,686	38,397	69,984	72,662
	347,508	344,515	355,439	392,320	232,414	175,111
	189,666	302,795	148,897	119,585	903,606	604,772
	(25,204,668)	(10,943,407)	(8,403,601)	(7,859,134)	2,743,270	2,717,776
\$	<u>(1,739,152)</u>	<u>\$ 13,896,125</u>	<u>\$ 15,961,338</u>	<u>\$ 17,391,599</u>	<u>\$ 29,057,883</u>	<u>\$ 29,379,761</u>
\$	17,053,900	\$ 15,854,399	\$ 14,314,561	\$ 13,620,315	\$ 12,266,157	\$ 11,655,997
	439,150	449,748	520,304	548,950	573,116	592,084
	1,132,890	866,353	878,195	522,362	1,152,065	1,903,787
	6,240,242	8,420,942	8,390,452	7,305,450	9,757,719	8,314,065
\$	<u>24,866,182</u>	<u>\$ 25,591,442</u>	<u>\$ 24,103,512</u>	<u>\$ 21,997,077</u>	<u>\$ 23,749,057</u>	<u>\$ 22,465,933</u>
\$	35,857,707	\$ 35,656,848	\$ 33,655,177	\$ 32,946,089	\$ 31,794,218	\$ 30,850,875
	-	-	-	86,105	936,012	1,286,549
	504,519	514,365	665,361	974,799	764,152	914,510
	1,132,890	866,353	878,195	522,362	1,152,065	1,903,787
	156,417	89,780	117,694	357,951	375,369	386,247
	982,136	1,016,857	1,048,390	1,175,610	759,389	760,258
	2,854,058	3,184,299	3,184,160	3,329,142	3,318,742	3,859,082
	347,508	344,515	355,439	392,320	232,414	175,111
	66,555	34,220	24,686	38,397	69,984	72,662
	189,666	302,795	148,897	119,585	903,606	604,772
	(18,964,426)	(2,522,465)	(13,149)	(553,684)	12,500,989	11,031,841
\$	<u>23,127,030</u>	<u>\$ 39,487,567</u>	<u>\$ 40,064,850</u>	<u>\$ 39,388,676</u>	<u>\$ 52,806,940</u>	<u>\$ 51,845,694</u>



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,026,462	\$ 1,435,730	\$ 1,401,813	\$ 1,554,322
Security of persons and property	168,575	156,181	180,066	220,814
Public health and welfare	70,240	87,783	77,246	180,031
Transportation	-	-	-	-
Community environment	97,590	113,156	168,148	168,491
Leisure time activities	24,066	15,594	30,502	31,343
Subtotal - charges for services	<u>1,386,933</u>	<u>1,808,444</u>	<u>1,857,775</u>	<u>2,155,001</u>
Operating grants and contributions:				
General government	46,995	32,639	31,100	40,235
Security of persons and property	207,615	1,940,143	205,603	116,727
Public health and welfare	7,880	-	-	165,934
Transportation	1,445,781	1,439,406	1,156,195	989,818
Community environment	1,122,438	839,337	1,522,364	1,842,178
Subtotal - operating grants and contributions	<u>2,830,709</u>	<u>4,251,525</u>	<u>2,915,262</u>	<u>3,154,892</u>
Capital grants and contributions:				
General government	-	-	-	-
Security of persons and property	-	-	-	15,000
Transportation	802,751	1,622,699	350,218	218,320
Leisure time activities	-	-	212,700	-
Subtotal - capital grants and contributions	<u>802,751</u>	<u>1,622,699</u>	<u>562,918</u>	<u>233,320</u>
Total governmental activities program revenues	<u>5,020,393</u>	<u>7,682,668</u>	<u>5,335,955</u>	<u>5,543,213</u>
Business-type activities:				
Charges for services:				
Water	5,463,255	5,547,357	5,682,228	5,692,737
Sewer	4,802,514	5,047,117	5,096,377	4,964,122
Robertson Community Center	49,956	11,169	49,807	48,031
Community Improvement	1,421,572	1,351,111	1,302,326	1,255,875
Capital grants and contributions	-	-	-	269,500
Total business-type activities program revenues	<u>11,737,297</u>	<u>11,956,754</u>	<u>12,130,738</u>	<u>12,230,265</u>
Total primary government	<u>\$ 16,757,690</u>	<u>\$ 19,639,422</u>	<u>\$ 17,466,693</u>	<u>\$ 17,773,478</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 1,930,292	\$ 3,794,432	\$ 4,094,336	\$ 3,617,085
Security of persons and property	8,455,029	9,749,781	1,187,041	10,483,887
Public health and welfare	530,164	907,648	724,395	1,058,035
Transportation	2,191,524	2,414,065	2,824,884	2,295,904
Community environment	1,137,043	1,054,128	1,138,812	1,583,160
Basic utility services	34,356	74,544	79,816	47,541
Leisure time activities	455,427	875,940	1,009,135	739,664
Interest and fiscal charges	12,715	13,924	15,093	16,497
Total governmental activities expenses	<u>14,746,550</u>	<u>18,884,462</u>	<u>11,073,512</u>	<u>19,841,773</u>

	2017	2016	2015	2014	2013	2012
\$	1,043,042	\$ 1,282,857	\$ 1,657,019	\$ 1,572,870	\$ 1,090,395	\$ 1,061,567
	164,757	107,598	76,764	65,939	464,505	50,980
	169,774	179,096	200,787	161,864	162,282	168,495
	-	-	-	272	-	-
	129,587	124,538	158,407	59,609	64,284	78,811
	26,935	28,699	7,420	26,106	24,022	145,468
	<u>1,534,095</u>	<u>1,722,788</u>	<u>2,100,397</u>	<u>1,886,660</u>	<u>1,805,488</u>	<u>1,505,321</u>
	100,439	520,850	49,925	56,207	199,541	166,290
	54,318	68,815	88,367	119,213	185,490	178,676
	136,102	127,350	122,410	133,115	148,884	186,825
	1,062,884	939,324	986,928	975,748	997,472	997,806
	<u>1,249,650</u>	<u>1,086,050</u>	<u>731,338</u>	<u>999,489</u>	<u>645,228</u>	<u>679,300</u>
	<u>2,603,393</u>	<u>2,742,389</u>	<u>1,978,968</u>	<u>2,283,772</u>	<u>2,176,615</u>	<u>2,208,897</u>
	-	-	12,500	263	-	-
	-	-	-	-	-	-
	366,748	1,279,658	331,606	543,314	660,617	115,061
	305,627	-	-	-	-	-
	<u>672,375</u>	<u>1,279,658</u>	<u>344,106</u>	<u>543,577</u>	<u>660,617</u>	<u>115,061</u>
	<u>4,809,863</u>	<u>5,744,835</u>	<u>4,423,471</u>	<u>4,714,009</u>	<u>4,642,720</u>	<u>3,829,279</u>
	5,026,836	5,336,229	5,244,227	5,027,585	5,080,395	4,935,880
	4,398,714	4,446,894	4,546,914	4,245,435	4,516,682	3,716,822
	48,188	54,348	44,928	47,494	43,062	46,873
	526,604	-	-	-	-	-
	675,292	-	-	-	-	1,741,568
	<u>10,675,634</u>	<u>9,837,471</u>	<u>9,836,069</u>	<u>9,320,514</u>	<u>9,640,139</u>	<u>10,441,143</u>
\$	<u>15,485,497</u>	<u>15,582,306</u>	<u>14,259,540</u>	<u>14,034,523</u>	<u>14,282,859</u>	<u>14,270,422</u>
\$	3,688,938	\$ 4,360,652	\$ 3,786,152	\$ 3,530,481	\$ 3,429,427	\$ 3,293,515
	9,688,773	9,647,261	9,005,619	8,983,758	8,727,248	9,121,557
	1,099,398	1,038,202	952,886	944,102	961,188	1,069,283
	2,411,821	2,582,067	2,584,976	1,946,535	1,852,335	1,727,130
	1,699,760	1,410,889	941,453	1,132,317	1,419,894	942,663
	65,837	61,731	41,870	68,828	72,018	62,457
	777,138	765,229	748,255	741,638	711,074	785,750
	19,154	26,933	28,195	39,947	45,757	50,615
	<u>19,450,819</u>	<u>19,892,964</u>	<u>18,089,406</u>	<u>17,387,606</u>	<u>17,218,941</u>	<u>17,052,970</u>

**CITY OF ALLIANCE, OHIO**

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Business-type activities:				
Water	\$ 4,126,886	\$ 4,373,005	\$ 4,576,875	\$ 5,060,457
Sewer	3,264,203	5,020,317	5,409,140	5,086,176
Robertson Community Center	39,488	14,561	83,696	65,137
Community Improvement	1,359,907	1,488,547	1,233,768	1,243,119
Total business-type activities expenses	8,790,484	10,896,430	11,303,479	11,454,889
Total primary government	\$ 23,537,034	\$ 29,780,892	\$ 22,376,991	\$ 31,296,662
<b>Net (expense) revenue:</b>				
Governmental activities	\$ (9,726,157)	\$ (11,201,794)	\$ (5,737,557)	\$ (14,298,560)
Business-type activities	2,946,813	1,060,324	827,259	775,376
Total primary government net expense	\$ (6,779,344)	\$ (10,141,470)	\$ (4,910,298)	\$ (13,523,184)
<b>General revenues and other changes in net position:</b>				
Governmental activities:				
Municipal income taxes	\$ 11,613,495	\$ 10,136,657	\$ 10,702,325	\$ 10,366,624
Property and other local taxes	1,987,158	2,020,389	1,988,388	1,057,126
Grants and entitlements				
not restricted to specific programs	881,192	546,126	649,164	659,829
Investment earnings	34,639	30,624	22,766	26,599
Gain (loss) on fair value adjustment	(350,628)	206,711	199,082	17,869
Gain on sale of capital assets	184,087	-	-	-
Miscellaneous	622,540	2,058,659	518,124	362,698
Transfers	-	-	-	-
Special item	-	-	1,025,474	-
Total governmental activities	14,972,483	14,999,166	15,105,323	12,490,745
Business-type activities:				
Municipal income taxes	459,654	397,548	432,114	405,720
Investment earnings	116,218	201,874	202,340	158,273
Transfers	-	-	-	-
Total business-type activities	575,872	599,422	634,454	563,993
Total primary government	\$ 15,548,355	\$ 15,598,588	\$ 15,739,777	\$ 13,054,738
<b>Change in net position:</b>				
Governmental activities	\$ 5,246,326	\$ 3,797,372	\$ 9,367,766	\$ (1,807,815)
Business-type activities	3,522,685	1,659,746	1,461,713	1,339,369
Total primary government	\$ 8,769,011	\$ 5,457,118	\$ 10,829,479	\$ (468,446)

Source: City financial records.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 4,721,033	\$ 4,574,627	\$ 4,222,774	\$ 4,490,494	\$ 4,518,463	\$ 4,415,238
4,729,283	4,194,853	3,932,292	4,364,930	4,186,816	3,650,814
350,405	63,466	54,428	60,546	55,503	56,050
80,802	-	-	-	-	-
<u>9,881,523</u>	<u>8,832,946</u>	<u>8,209,494</u>	<u>8,915,970</u>	<u>8,760,782</u>	<u>8,122,102</u>
<u>\$ 29,332,342</u>	<u>\$ 28,725,910</u>	<u>\$ 26,298,900</u>	<u>\$ 26,303,576</u>	<u>\$ 25,979,723</u>	<u>\$ 25,175,072</u>
\$ (14,640,956)	\$ (14,148,129)	\$ (13,665,935)	\$ (12,673,597)	\$ (12,576,221)	\$ (13,223,691)
794,111	1,004,525	1,626,575	404,544	879,357	2,319,041
<u>\$ (13,846,845)</u>	<u>\$ (13,143,604)</u>	<u>\$ (12,039,360)</u>	<u>\$ (12,269,053)</u>	<u>\$ (11,696,864)</u>	<u>\$ (10,904,650)</u>
\$ 9,728,707	\$ 10,156,552	\$ 10,305,849	\$ 10,739,033	\$ 10,118,478	\$ 9,769,613
934,726	955,825	893,577	905,285	917,317	1,071,476
547,218	606,027	630,859	592,068	967,436	880,730
23,077	18,684	18,707	25,442	4,166	4,428
(68,725)	(8,977)	14,262	-	-	-
-	-	-	-	-	-
329,524	354,805	372,420	537,100	246,946	287,368
-	-	-	546,889	-	-
-	-	-	-	-	-
<u>11,494,527</u>	<u>12,082,916</u>	<u>12,235,674</u>	<u>13,345,817</u>	<u>12,254,343</u>	<u>12,013,615</u>
380,242	399,981	404,207	420,332	394,602	374,081
128,274	83,424	75,653	115,162	9,165	7,259
-	-	-	(546,889)	-	-
<u>508,516</u>	<u>483,405</u>	<u>479,860</u>	<u>(11,395)</u>	<u>403,767</u>	<u>381,340</u>
<u>\$ 12,003,043</u>	<u>\$ 12,566,321</u>	<u>\$ 12,715,534</u>	<u>\$ 13,334,422</u>	<u>\$ 12,658,110</u>	<u>\$ 12,394,955</u>
\$ (3,146,429)	\$ (2,065,213)	\$ (1,430,261)	\$ 672,220	\$ (321,878)	\$ (1,210,076)
1,302,627	1,487,930	2,106,435	393,149	1,283,124	2,700,381
<u>\$ (1,843,802)</u>	<u>\$ (577,283)</u>	<u>\$ 676,174</u>	<u>\$ 1,065,369</u>	<u>\$ 961,246</u>	<u>\$ 1,490,305</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General fund:</b>				
Nonspendable	\$ 245,012	\$ 296,770	\$ 329,865	\$ 246,779
Restricted	7,741	13,243	8,193	10,710
Committed	104,255	121,422	87,828	180,757
Assigned	895,850	2,090,115	799,469	245,393
Unassigned	<u>2,732,043</u>	<u>2,715,212</u>	<u>1,702,053</u>	<u>1,083,006</u>
Total general fund	<u>3,984,901</u>	<u>5,236,762</u>	<u>2,927,408</u>	<u>1,766,645</u>
<b>All other governmental funds:</b>				
Nonspendable	93,131	91,247	117,310	87,916
Restricted	6,155,579	6,102,424	5,769,013	5,468,424
Committed	2,589,266	1,263,896	648,707	223,888
Assigned	-	-	-	-
Unassigned (deficit)	<u>(76,684)</u>	<u>(18,210)</u>	<u>(119,965)</u>	<u>(116,568)</u>
Total all other governmental funds	<u>8,761,292</u>	<u>7,439,357</u>	<u>6,415,065</u>	<u>5,663,660</u>
Total governmental funds	<u>\$ 12,746,193</u>	<u>\$ 12,676,119</u>	<u>\$ 9,342,473</u>	<u>\$ 7,430,305</u>

**Source:** City financial records.

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

**Note:** The City implemented GASB 84 in 2020.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 262,989	\$ 256,700	\$ 386,149	\$ 98,029	\$ 100,473	\$ 90,479
7,719	4,586	-	-	-	-
87,966	27,592	59,451	103,593	86,927	134,581
877,671	186,256	1,299,804	1,566,149	1,380,734	135,180
-	916,477	1,159,618	1,130,672	1,237,121	2,672,552
<u>1,236,345</u>	<u>1,391,611</u>	<u>2,905,022</u>	<u>2,898,443</u>	<u>2,805,255</u>	<u>3,032,792</u>
75,111	109,983	53,784	31,068	15,867	41,511
5,033,095	5,125,523	5,372,753	5,859,314	5,671,080	5,891,152
455,388	787,042	760,187	1,057,921	825,390	1,099,759
-	-	-	1,000	1,000	1,000
<u>(12,107)</u>	<u>(203,737)</u>	<u>(352,810)</u>	<u>-</u>	<u>(3,292)</u>	<u>-</u>
<u>5,551,487</u>	<u>5,818,811</u>	<u>5,833,914</u>	<u>6,949,303</u>	<u>6,510,045</u>	<u>7,033,422</u>
<u>\$ 6,787,832</u>	<u>\$ 7,210,422</u>	<u>\$ 8,738,936</u>	<u>\$ 9,847,746</u>	<u>\$ 9,315,300</u>	<u>\$ 10,066,214</u>

**CITY OF ALLIANCE, OHIO**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>				
Municipal income taxes	\$ 11,585,481	\$ 10,152,933	\$ 10,652,126	\$ 10,357,967
Property and other taxes	1,988,868	1,975,539	1,880,731	1,053,399
Charges for services	328,234	515,061	620,870	608,412
Licenses, permits and fees	269,645	292,027	373,359	573,871
Fines and forfeitures	606,796	576,797	651,658	654,796
Intergovernmental	3,790,249	6,029,425	3,831,182	3,662,860
Special assessments	-	-	-	-
Investment income	92,452	336,694	314,876	102,375
Rental income	28,702	14,794	24,446	29,486
Contributions and donations	(350,628)	-	6,457	4,842
Other	1,105,119	2,374,391	719,049	754,170
Total revenues	<u>19,444,918</u>	<u>22,267,661</u>	<u>19,074,754</u>	<u>17,802,178</u>
<b>Expenditures</b>				
Current:				
General government	3,487,217	3,414,288	3,394,151	3,237,050
Security of persons and property	9,221,442	8,898,206	8,728,149	8,727,810
Public health and welfare	604,717	894,058	679,361	997,751
Transportation	2,238,246	1,535,638	1,596,567	1,029,882
Community environment	1,312,061	1,092,996	1,095,380	1,534,117
Leisure time activities	843,671	741,445	770,218	597,735
Basic utility services	64,297	67,004	64,144	42,758
Capital outlay	1,822,495	2,229,506	697,734	944,556
Debt service:				
Principal retirement	49,183	47,973	53,474	45,679
Interest and fiscal charges	12,764	13,972	15,138	16,540
Bond issuance cost	-	-	-	-
Total expenditures	<u>19,656,093</u>	<u>18,935,086</u>	<u>17,094,316</u>	<u>17,173,878</u>
Excess (deficiency) of revenues over (under) expenditures		3,332,575	1,980,438	628,300
<b>Other financing sources (uses)</b>				
Sale of capital assets	281,249	-	-	14,173
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	925,630	1,477,454	1,206,019	1,056,630
Transfers (out)	(925,630)	(1,477,454)	(1,206,019)	(1,056,630)
Total other financing sources (uses)	<u>281,249</u>	<u>-</u>	<u>-</u>	<u>14,173</u>
<b>Special item</b>				
Transfer of operations	-	-	(68,270)	-
Net change in fund balances	<u>\$ 70,074</u>	<u>\$ 3,332,575</u>	<u>\$ 1,912,168</u>	<u>\$ 642,473</u>
Capital expenditures	\$ 3,268,206	\$ 2,342,706	\$ 1,076,787	\$ 646,138
Debt service as a percentage of noncapital expenditures	0.38%	0.37%	0.43%	0.38%

Source: City financial records.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	9,808,805	\$ 10,183,234	\$ 10,272,590	\$ 10,701,172	\$ 10,065,525	\$ 9,768,208
	948,761	954,561	897,035	897,977	916,991	986,268
	515,589	376,950	325,908	378,773	428,359	313,836
	429,225	396,001	658,533	225,825	226,663	241,853
	543,521	638,352	831,263	851,808	977,143	554,343
	3,629,004	4,153,323	2,758,634	2,796,166	3,390,528	3,058,631
	-	-	-	67,295	69,216	74,029
	18,485	58,434	61,429	44,593	44,886	47,283
	36,586	26,313	44,546	74,834	99,211	88,653
	4,645	17,812	10,498	13,092	42,346	5,617
	599,485	943,409	678,148	1,095,294	657,936	608,534
	<u>16,534,106</u>	<u>17,748,389</u>	<u>16,538,584</u>	<u>17,146,829</u>	<u>16,918,804</u>	<u>15,747,255</u>
	3,069,659	3,912,589	3,279,554	3,104,014	3,085,737	2,736,209
	8,368,210	8,582,751	8,420,148	8,618,050	8,548,046	8,375,312
	955,889	964,767	960,431	926,077	949,521	979,756
	848,817	1,287,637	1,304,365	897,753	867,372	789,652
	1,620,921	1,366,506	929,267	1,129,378	1,412,050	859,742
	588,435	614,440	626,454	613,020	627,704	653,096
	55,032	55,108	61,384	64,775	68,584	59,583
	1,331,645	2,234,305	1,778,871	1,382,029	1,833,204	2,957,264
	119,591	283,542	263,673	551,581	324,507	329,115
	18,854	23,503	32,081	42,434	48,033	53,201
	-	-	-	-	-	50,234
	<u>16,977,053</u>	<u>19,325,148</u>	<u>17,656,228</u>	<u>17,329,111</u>	<u>17,764,758</u>	<u>17,843,164</u>
	(442,947)	(1,576,759)	(1,117,644)	(182,282)	(845,954)	(2,095,909)
	20,357	48,245	8,834	-	-	-
	-	-	-	-	-	455,000
	-	-	-	-	-	(444,652)
	-	-	-	-	-	8,169
	-	-	-	-	-	775,000
	-	-	-	-	-	6,716
	-	-	-	167,839	-	-
	-	-	-	-	95,040	-
	890,824	975,197	823,331	1,734,266	1,243,765	1,130,886
	<u>(890,824)</u>	<u>(975,197)</u>	<u>(823,331)</u>	<u>(1,187,377)</u>	<u>(1,243,765)</u>	<u>(1,130,886)</u>
	<u>20,357</u>	<u>48,245</u>	<u>8,834</u>	<u>714,728</u>	<u>95,040</u>	<u>800,233</u>
	-	-	-	-	-	-
\$	<u>(422,590)</u>	<u>(1,528,514)</u>	<u>(1,108,810)</u>	<u>532,446</u>	<u>(750,914)</u>	<u>(1,295,676)</u>
\$	1,087,878	\$ 2,153,633	\$ 1,625,458	\$ 1,189,258	\$ 1,871,185	\$ 1,991,679
	0.87%	1.79%	1.84%	3.68%	2.34%	2.41%



**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>				
2021	\$ 8,966,427	\$ 1,395,778	\$ 10,362,205	\$ 1,629,155	11,991,360	2.00%
2020	7,969,484	1,375,886	9,345,369	886,809	10,232,179	2.00%
2019	8,223,459	1,489,420	9,712,879	1,240,004	10,952,883	2.00%
2018	8,106,422	1,349,692	9,456,114	1,201,548	10,657,662	2.00%
2017	7,945,320	1,360,127	9,305,447	985,722	10,291,169	2.00%
2016	8,960,233	927,033	9,887,266	1,490,436	11,377,702	2.00%
2015	8,065,388	1,474,251	9,539,640	1,116,699	10,656,339	2.00%
2014	8,049,056	1,443,002	9,492,058	1,470,963	10,963,021	2.00%
2013	7,678,323	1,377,277	9,055,600	1,227,886	10,283,486	2.00%
2012	7,682,227	1,351,720	9,033,947	1,240,725	10,274,672	2.00%

**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>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Industrial	51%	45%	43%	43%	45%	48%	47%	47%	46%	42%
Medical	13%	18%	18%	17%	18%	17%	17%	17%	17%	20%
Education	13%	15%	15%	14%	14%	13%	13%	12%	12%	13%
Retail	7%	6%	7%	7%	6%	5%	6%	6%	8%	6%
Service	5%	5%	5%	6%	5%	5%	5%	5%	5%	6%
Food/Restaurant	3%	3%	4%	3%	3%	4%	4%	3%	4%	4%
Carnation Mall Area	4%	4%	3%	4%	5%	4%	4%	4%	4%	5%
Financial	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Construction	1%	1%	2%	2%	1%	1%	1%	1%	1%	1%
Other	1%	1%	1%	2%	1%	1%	1%	3%	1%	1%
	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			
2021	\$ -	\$ -	\$ 293,335	\$ 47,153	\$ 685,100	\$ -	\$ 7,294,139	\$ 1,319,076	9,638,803	2.11%	445
2020	-	-	306,668	69,697	745,111	-	6,731,394	1,421,735	9,274,605	2.36%	412
2019	-	-	320,001	91,579	805,121	1,447,258	6,967,255	1,515,303	11,146,517	2.84%	495
2018	-	-	340,001	112,820	860,131	2,840,553	6,382,842	1,626,088	12,162,435	3.10%	540
2017	-	-	353,334	133,437	915,141	4,178,848	4,918,213	1,436,678	11,935,651	3.04%	530
2016	75,000	-	366,667	153,449	970,151	5,467,143	744,614	1,516,768	9,293,792	2.37%	413
2015	315,000	-	380,000	167,839	1,025,161	6,715,438	-	1,596,858	10,200,296	2.60%	453
2014	555,000	-	393,333	167,839	1,080,171	7,923,733	-	1,581,084	11,701,160	2.98%	520
2013	1,029,591	70,000	400,000	-	2,197,181	9,092,028	-	1,555,078	14,343,878	3.65%	637
2012	1,270,000	135,000	304,960	-	2,287,000	10,160,000	-	631,224	14,788,184	3.77%	657

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		
2021	21,672	\$ 325,043,390	\$ 685,100	\$ 43,850	\$ 641,250	0.20%	29.59
2020	22,522	325,394,320	745,111	43,850	701,261	0.22%	31.14
2019	22,522	328,137,090	805,121	43,850	761,271	0.23%	33.80
2018	22,522	285,398,790	860,131	43,850	816,281	0.29%	36.24
2017	22,522	280,881,810	915,141	43,850	871,291	0.31%	38.69
2016	22,522	280,881,810	1,045,151	43,850	1,001,301	0.36%	44.46
2015	22,522	278,005,220	1,340,161	126,550	1,213,611	0.44%	53.89
2014	22,522	264,521,390	1,635,171	396,305	1,238,866	0.47%	55.01
2013	22,522	259,506,760	3,226,772	96,408	3,130,364	1.21%	138.99
2012	22,522	262,059,330	3,557,000	98,461	3,458,539	1.32%	153.56

**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, 2021**

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to City</u>
<b>Direct - City of Alliance</b>			
OPWC loans	\$ 306,668	100.00%	\$ 306,668
SIB loans	69,697	100.00%	69,697
	<u>376,365</u>		<u>376,365</u>
<b>Overlapping debt:</b>			
Alliance City Schools	985,000	87.69%	863,747
Marlington Local School District	253,179	19.00%	48,104
Stark County	14,747,563	3.70%	545,660
Mahoning County	31,235,000	0.01%	3,124
	<u>47,220,742</u>		<u>1,460,635</u>
Total direct and overlapping debt	<u>\$ 47,597,107</u>		<u>\$ 1,837,000</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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total assessed property value	\$ 325,043,390	\$ 325,394,320	\$ 328,137,090	\$ 285,398,790
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>34,129,556</u>	<u>34,166,404</u>	<u>34,454,394</u>	<u>29,966,873</u>
Debt outstanding:				
General obligation bonds	-	-	-	-
Special assessment bonds	-	-	-	-
SIB loans	47,153	69,697	91,579	112,820
Enterprise general obligation bonds	685,100	745,111	805,121	860,131
OPWC loans	1,612,411	1,421,735	1,515,303	1,626,088
Revenue bonds	-	-	1,447,258	2,840,553
Total gross indebtedness	<u>2,344,664</u>	<u>2,236,543</u>	<u>3,859,261</u>	<u>5,439,592</u>
Less:				
Special assessment bonds	-	-	-	-
SIB loans	47,153	69,697	91,579	112,820
Enterprise general obligation bonds	685,100	745,111	805,121	860,131
OPWC loans	1,612,411	1,421,735	1,515,303	1,626,088
Revenue bonds	-	-	1,447,258	2,840,553
Total net debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 34,129,556</u>	<u>\$ 34,166,404</u>	<u>\$ 34,454,394</u>	<u>\$ 29,966,873</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%
Unvoted debt limitation (5 1/2 % of assessed valuation)	<u>\$ 17,877,386</u>	<u>\$ 17,896,688</u>	<u>\$ 18,047,540</u>	<u>\$ 15,696,933</u>
Total gross indebtedness	2,344,664	2,236,543	3,859,261	5,439,592
Less:				
Special assessment bonds	-	-	-	-
SIB loans	47,153	69,697	91,579	112,820
Enterprise general obligation bonds	685,100	745,111	805,121	860,131
OPWC loans	1,612,411	1,421,735	1,515,303	1,626,088
Revenue bonds	-	-	1,447,258	2,840,553
Net debt within 5 1/2 % limitations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 17,877,386</u>	<u>\$ 17,896,688</u>	<u>\$ 18,047,540</u>	<u>\$ 15,696,933</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	100.00%	100.00%	100.00%	100.00%

**Source:** City financial records.

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 280,881,810	\$ 278,005,220	\$ 264,521,390	\$ 259,506,760	\$ 262,059,330	\$ 288,001,100
<u>29,492,590</u>	<u>29,190,548</u>	<u>27,774,746</u>	<u>27,248,210</u>	<u>27,516,230</u>	<u>30,240,116</u>
-	75,000	315,000	555,000	1,029,591	1,270,000
-	-	-	-	70,000	135,000
133,437	153,449	167,839	167,839	-	-
915,141	970,151	1,025,161	1,080,171	2,197,181	2,287,000
1,790,012	1,883,435	1,976,858	1,974,417	1,955,078	936,184
4,178,848	5,467,143	6,715,438	7,923,733	9,092,028	10,160,000
<u>7,017,438</u>	<u>8,549,178</u>	<u>10,200,296</u>	<u>11,701,160</u>	<u>14,343,878</u>	<u>14,788,184</u>
-	-	-	-	70,000	135,000
133,437	153,449	167,839	167,839	-	-
915,141	970,151	1,025,161	1,080,171	2,197,181	2,287,000
1,790,012	1,883,435	1,976,858	1,974,417	1,955,078	936,184
4,178,848	5,467,143	6,715,438	7,923,733	9,092,028	10,160,000
<u>-</u>	<u>75,000</u>	<u>315,000</u>	<u>555,000</u>	<u>1,029,591</u>	<u>1,270,000</u>
<u>\$ 29,492,590</u>	<u>\$ 29,115,548</u>	<u>\$ 27,459,746</u>	<u>\$ 26,693,210</u>	<u>\$ 26,486,639</u>	<u>\$ 28,970,116</u>
100.00%	99.74%	98.87%	97.96%	96.26%	95.80%
\$ 15,448,500	\$ 15,290,287	\$ 14,548,676	\$ 14,272,872	\$ 14,413,263	\$ 15,840,061
7,017,438	8,549,178	10,200,296	11,701,160	14,343,878	14,788,184
-	-	-	-	70,000	135,000
133,437	153,449	167,839	-	-	-
915,141	970,151	1,025,161	1,080,171	2,197,181	2,287,000
1,790,012	1,883,435	1,976,858	1,974,417	1,955,078	936,184
4,178,848	5,467,143	6,715,438	7,923,733	9,092,028	10,160,000
<u>-</u>	<u>75,000</u>	<u>315,000</u>	<u>722,839</u>	<u>1,029,591</u>	<u>1,270,000</u>
<u>\$ 15,448,500</u>	<u>\$ 15,215,287</u>	<u>\$ 14,233,676</u>	<u>\$ 13,550,033</u>	<u>\$ 13,383,672</u>	<u>\$ 14,570,061</u>
100.00%	99.51%	97.83%	94.94%	92.86%	91.98%

THIS PAGE IS INTENTIONALLY LEFT BLANK

**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 (2)
					Principal	Interest	
2021	\$ 5,463,255	\$ 3,402,091	\$ -	\$ 2,061,164	\$ -	\$ -	N/A
2020	5,547,357	3,648,940	4	1,898,421	1,440,000	57,600	1.27
2019	5,682,228	3,816,124	1,680,352	3,546,456	1,385,000	113,000	2.37
2018	5,692,737	4,273,708	1,695,753	3,114,782	1,330,000	166,200	2.08
2017	5,026,836	4,419,831	1,679,224	2,286,229	1,280,000	214,200	1.53
2016	5,336,229	4,223,454	1,226,707	2,339,482	1,240,000	257,600	1.56
2015	5,244,227	3,245,642	1,678,905	3,677,490	1,200,000	299,600	2.45
2014	5,027,585	3,406,534	1,678,985	3,300,036	1,160,000	338,750	2.20
2013	5,080,395	3,365,400	1,678,808	3,393,803	1,125,000	375,313	2.26
2012	4,935,880	3,282,009	1,677,730	3,331,601	1,095,000	407,688	2.22

**Source:** City financial records.

**Notes:**

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

(2) The water revenue bonds were retired during 2020.

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**

<b>Year</b>	<b>Population (1)</b>	<b>Total Personal Income (2)</b>	<b>Personal Income Per Capita (1)</b>	<b>Median Household Income (1)</b>	<b>Median Age (1)</b>	<b>Stark County Unemployment Rate (3)</b>
2021	21,672	\$ 456,737,400	\$ 21,075	\$ 36,883	35.9	3.6%
2020	22,522	392,490,894	14,427	32,048	35.9	5.2%
2019	22,522	392,490,894	14,427	32,048	35.9	4.5%
2018	22,522	392,490,894	17,427	32,048	35.9	4.9%
2017	22,522	392,490,894	17,427	32,048	35.9	5.2%
2016	22,522	392,490,894	17,427	32,048	35.9	6.4%
2015	22,522	392,490,894	17,427	32,048	35.9	6.4%
2014	22,522	392,490,894	17,427	32,048	35.9	4.5%
2013	22,522	392,490,894	17,427	32,048	35.9	6.9%
2012	22,522	392,490,894	17,427	32,048	35.9	6.7%

**Sources:**

(1) U.S. Census - 2010.

(3) Ohio Department of Job and Family Services labor market information, annual average.

**Notes:**

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

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

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

<b>December 31, 2021</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage Employment</b>
University of Mount Union	1,554	1	14.13%
Alliance Comm Hospital	1,189	2	10.81%
Coastal Pet Products	796	3	7.24%
Alliance City Schools	747	4	6.79%
Walmart Associates	430	5	3.91%
Mac Trailer	326	6	2.96%
City of Alliance	310	7	2.82%
Alliance Tubular Products LLC	242	8	2.20%
Wally Armour	128	9	1.16%
Alliance Comm Medical	118	10	1.07%
			<b>of Total City</b>
<hr/>			
Total	<u>5,840</u>		<u>53.09%</u>
Total City Employment (1)	<u>11,000</u>		

<b>December 31, 2011</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total</b>
University of Mount Union	1,830	1	15.21%
Alliance Community Hospital	1,132	2	9.41%
Alliance City Schools	828	3	6.88%
Coastal Pet Products	700	4	5.82%
Walmart Associates	515	5	4.28%
Alliance Castings	475	6	3.95%
Alliance Tubular Products LLC	384	7	3.19%
City of Alliance	315	8	2.62%
Terry's Tire Town	191	9	1.59%
Morgan Acquisitions	104	10	0.86%
<hr/>			
Total	<u>6,474</u>		<u>53.81%</u>
Total City Employment (1)	<u>12,032</u>		

**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

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>General Government</b>				
<b>Council and clerk</b>				
Number of ordinances passed	72	84	73	62
Number of resolutions passed	10	11	9	12
Number of planning commission docket items	24	34	30	37
Zoning board of appeals docket items	28	18	8	13
<b>Finance Department</b>				
Number of checks/vouchers issued	4,414	4,198	4,180	4,184
Number of payroll checks issued (1)	8,415	8,223	9,102	9,142
Interest earnings for fiscal year (cash basis, includes water & sewer)	\$ 192,848	\$ 322,116	\$ 316,160	\$ 206,284
Number of receipts issued	2,256	2,072	2,500	2,495
Number of journal entries issued	335	337	224	173
Number of budget adjustments issued	33	27	28	40
Agency ratings - Moody's Financial Services	A2	A2	A2	A2
Health insurance costs- Medical	\$ 2,346,072	\$ 2,147,362	\$ 2,345,207	\$ 1,862,967
Health insurance costs- Dental	\$ 97,511	\$ 86,056	\$ 113,205	\$ 111,442
Health insurance costs- Administration	\$ 605,067	\$ 585,718	\$ 483,822	\$ 509,462
Health insurance total	\$ 3,048,651	\$ 2,819,136	\$ 2,942,234	\$ 2,483,871
General fund receipts (budgetary-basis)	\$ 11,894,380	\$ 12,754,306	\$ 12,852,232	\$ 12,157,619
General fund expenditures (budgetary-basis)	\$ 11,635,807	\$ 9,733,338	\$ 10,919,501	\$ 10,927,448
General fund cash balance	\$ 2,346,903	\$ 3,069,464	\$ 1,390,089	\$ 445,233
<b>Income Tax Department</b>				
Number of individual returns	6,752	6,647	7,079	7,266
Number of business returns	1,423	1,262	1,247	1,281
Number of business withholding accounts	10,802	10,176	10,293	9,771
Annual number of corporate withholding forms processed	4,235	4,175	4,080	4,324
Annual number of estimated payment forms processed	3,216	3,353	2,584	1,048
Annual number of reconciliation of withholdings processed	3,456	3,423	3,572	5,204
<b>Engineer Contracted Services</b>				
Dollar amount of construction overseen by engineer	n/a	n/a	n/a	\$ 540,573
Private construction overseen/inspected	\$ 1,890,328	\$ 577,955	n/a	\$ 809,350
Engineering design contracts	n/a	n/a	n/a	\$ 104,649
<b>Municipal Court</b>				
Number of civil cases filed	1,108	1,019	1,494	1,443
Number of criminal cases filed	1,810	1,808	2,069	1,943
Number of traffic cases filed	2,931	2,370	3,234	3,475
Total cases filed	5,849	5,197	6,797	6,861
Number of civil cases disposed	1,063	1,101	1,414	1,410
Number of criminal cases disposed	1,847	1,863	2,136	2,022
Number of traffic cases disposed	2,975	2,379	3,245	3,523
Total cases disposed	5,885	5,343	6,795	6,955
<b>Vital Statistics</b>				
Certificates filed	429	436	345	336
Number of births (2)	-	-	-	-
Number of deaths	429	436	345	336
Certificates issued	3,723	3,264	3,383	2,993
Burial permits issued	501	n/a	363	398

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
61	69	69	80	75	96
8	13	2	6	11	13
26	35	32	11	27	25
17	32	22	22	4	17
4,012	4,188	3,961	3,593	3,830	3,802
7,830	2,126	2,242	2,577	2,522	2,463
\$ 180,622	\$ 127,697	\$ 104,325	\$ 14,844	\$ 17,116	\$ 14,581
2,633	289	292	284	329	2,513
251	283	201	212	326	360
32	15	20	29	20	13
A2	A2	A1	Aaa	Aaa	Aaa
\$ 1,897,930	\$ 2,227,464	\$ 2,283,972	\$ 1,759,447	\$ 2,202,445	\$ 1,929,298
\$ 106,401	\$ 116,824	\$ 111,121	\$ 124,595	\$ 123,818	\$ 116,435
\$ 495,409	\$ 455,148	\$ 368,918	\$ 358,408	\$ 310,190	\$ 275,995
\$ 2,499,740	\$ 2,799,436	\$ 2,764,011	\$ 2,242,450	\$ 2,636,453	\$ 2,337,029
\$ 11,533,809	\$ 12,057,771	\$ 11,796,835	\$ 11,713,463	\$ 11,188,999	\$ 10,397,109
\$ 10,941,075	\$ 11,585,501	\$ 12,361,924	\$ 10,870,256	\$ 10,663,936	\$ 10,778,843
\$ 230,043	\$ 373,777	\$ 651,973	\$ 1,197,685	\$ 1,249,079	\$ 1,651,750
7,809	8,045	8,418	8,372	8,070	8,141
1,328	1,389	1,259	1,224	1,304	1,314
9,438	9,238	4,459	4,683	4,989	4,817
3,523	3,447	3,422	3,612	3,451	3,544
2,700	2,851	2,735	2,898	2,680	2,793
3,621	3,608	3,925	3,612	3,550	3,441
\$ 800,000	\$ 898,839	\$ 953,981	\$ 550,000	\$ 954,950	n/a
\$ 897,129	\$ 931,250	\$ 857,900	\$ 1,056,500	n/a	n/a
\$ 160,000	\$ 650	\$ 52,975	\$ 28,600	\$ 20,625	n/a
1,317	1,290	1,389	1,476	1,371	1,694
1,547	2,237	1,995	2,042	2,290	2,338
2,285	3,407	4,544	5,528	4,844	4,644
5,149	6,934	7,928	9,046	8,505	8,676
1,204	1,324	1,396	1,453	1,402	1,667
1,667	2,307	2,058	2,127	2,402	2,311
2,350	3,462	4,581	5,537	4,858	4,585
5,221	7,093	8,035	9,117	8,662	8,563
314	459	714	694	754	772
-	140	387	385	416	430
314	319	309	309	338	342
2,942	2,877	3,176	3,172	3,255	3,100
364	n/a	323	365	n/a	364

**CITY OF ALLIANCE, OHIO**

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

Function/Program	2021	2020	2019	2018
<b>Civil Service</b>				
Number of police entry tests administered	-	1	-	-
Number of fire entry tests administered	1	-	1	-
Number of police promotional tests administered	-	-	-	-
Number of fire promotional tests administered	2	-	-	-
Number of hires of police officers from certified lists	4	-	3	2
Number of hires of fire/medics from certified lists	1	-	6	3
Number of promotions from police certified lists	-	-	-	-
Number of promotions from fire certified lists	2	-	-	4
<b>Building Department Indicators</b>				
Construction permits issued	114	117	170	223
Estimated value of construction	\$ 3,809,683	\$ 8,530,358	\$ 13,514,943	\$ 11,917,227
Number of permits issued	460	847	1,148	1,071
Amount of revenue generated from permits	\$ 70,582	\$ 96,084	\$ 14,769	\$ 120,933
Number of contract registrations issued	305	299	322	349
<b>Security of Persons &amp; Property</b>				
<b>Police</b>				
Total calls for services	32,927	33,948	35,953	48,493
Number of traffic citations issued	3,003	2,359	2,556	2,959
Number of parking citations issued	312	345	321	333
Number of criminal arrests	3,134	3,226	3,341	3,671
Number of accident reports completed	480	405	458	535
Felony offenses (F1-F5)	728	734	807	691
Misdemeanor offenses (M1-MM)	2,406	2,492	2,534	2,980
Police dept. auxiliary hours worked	317	207	586	535
DUI arrests	163	198	108	124
Prisoners	894	1,183	745	764
Motor vehicle accidents	480	405	458	535
Property damage accidents	480	405	458	535
Fatalities from motor vehicle accidents	1	-	-	1
Gasoline costs of fleet	\$ 83,195	\$ 64,145	\$ 76,184	\$ 76,352
Community diversion program - community service hours	5,841	n/a	n/a	n/a
<b>Fire</b>				
EMS/Rescue calls	2,275	982	911	1,881
Structure fires	21	29	31	23
Fires other than structure	55	65	50	46
Other fire calls (electrical, smoke/odor, hazardous mat.)	692	461	489	734
Total calls for services	3,043	1,537	1,481	2,684
Fire with loss	35	54	54	31
Fires with losses exceeding \$10,000	6	6	9	12
Fire losses	\$ 348,262	\$ 225,650	\$ 1,528,530	\$ 329,520
Fire safety inspections	150	161	487	416
Number of times mutual aid given to fire and EMS	5	8	3	5
Number of times mutual aid received for fire and EMS	8	4	3	4
Fire department receipts from fees & permits	n/a	n/a	\$ 15,080	\$ 14,745
Fire department total receipts	n/a	n/a	\$ 24,773	\$ 14,745
<b>Public Health and Welfare</b>				
Number of health inspections	740	749	1,069	747
Cemetery burials	48	51	40	37
Cemetery cremations	27	44	28	24
Cemetery sale of lots	44	67	42	36
Cemetery receipts	\$ 70,240	\$ 71,260	\$ 60,355	\$ 46,880

2017	2016	2015	2014	2013	2012
1	-	1	-	1	-
1	-	1	-	-	1
2	1	1	2	-	-
-	-	1	1	1	1
1	2	3	4	1	1
-	1	2	1	-	-
4	1	3	-	-	-
-	-	3	-	2	1

242	260	252	278	295	317
\$ 8,425,614	\$ 12,082,854	\$ 14,100,000	\$ 18,635,280	\$ 26,214,855	\$ 9,368,510
999	939	967	894	720	818
\$ 104,138	\$ 105,491	\$ 103,103	\$ 86,670	\$ 52,130	\$ 47,969
308	272	253	290	308	286

57,259	59,871	58,286	66,082	43,231	50,504
1,345	2,444	4,268	6,188	4,122	3,727
87	128	505	166	125	245
3,057	4,697	3,843	3,248	2,883	n/a
515	578	572	567	547	n/a
536	423	641	668	583	n/a
1,836	1,729	2,465	2,580	1,981	n/a
820	844	834	1,230	1,723	1,297
125	171	141	220	215	225
1,863	2,413	2,063	2,056	1,498	n/a
543	578	834	587	557	648
543	99	817	587	557	648
-	2	1	-	1	1
\$ 70,038	\$ 65,464	\$ 76,952	\$ 127,200	\$ 146,593	\$ 151,234
n/a	n/a	n/a	n/a	n/a	n/a

2,209	2,184	2,337	2,311	2,142	2,179
20	32	35	40	39	50
55	46	49	46	39	59
767	729	719	645	620	649
3,059	3,021	3,150	3,042	2,840	2,937
32	51	47	55	21	43
5	9	9	10	7	17
\$ 138,420	\$ 710,007	\$ 477,490	\$ 325,149	\$ 285,280	\$ 1,811,335
1,069	1,045	1,217	1,090	909	155
2	6	8	16	27	19
8	3	2	4	11	19
\$ 605	\$ 820	\$ 1,040	\$ 630	\$ 920	\$ 990
\$ 5,349	\$ 820	\$ 5,418	\$ 3,374	\$ 2,421	\$ 2,708

n/a	1,009	678	633	910	1,085
37	46	53	59	80	64
32	18	34	17	22	21
n/a	74	75	35	48	61
\$ 52,350	\$ 48,782	\$ 62,855	\$ 58,665	\$ 52,300	\$ 49,306

**CITY OF ALLIANCE, OHIO**

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

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Leisure Time Activities</b>				
<b>Recreation</b>				
Recreation mens & womens league receipts	\$ -	\$ -	\$ -	\$ -
Other fees	\$ -	\$ -	\$ -	\$ -
Cabin rentals	\$ 15,005	\$ 5,845	\$ 21,630	\$ 19,200
Robertson community center facility rentals	\$ 3,275	\$ 10,425	\$ 13,574	\$ 14,165
Robertson community center swimming pool receipts	\$ -	\$ -	\$ 36,232	\$ 33,866
Total recreation department receipts	\$ 18,280	\$ 16,270	\$ 71,436	\$ 67,231
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons) January - December	9,472	8,861	8,754	8,092
Refuse disposal costs per year January - December	\$ 1,348,977	\$ 1,309,880	\$ 1,361,088	\$ 1,130,991
Annual recycling tonnage (excluding leaf and compost)	1,134	749	958	998
Percentage of waste recycled	11.97%	8.45%	10.94%	12.33%
<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)	5,300	7,140	4,860	5,160
Guardrail repair (hours)	-	-	-	-
Paint striping (hours)	1,325	410	1,380	1,110
Street sweeper (hours)	386	135	402	1,314
Cold patch (hours)	1,650	1,800	2,500	2,812
Snow and ice removal regular hours	1,725	1,245	2,640	2,412
Snow and ice removal overtime hours	368	574	785	600
Tons of snow melting salt purchased (Nov-Mar)	1,075	900	631	2,079
Cost of salt purchased	\$ 76,871	\$ 66,816	\$ 46,845	\$ 123,696
Sewer and sanitary calls for service	n/a	n/a	26	18
After hours sewer calls (hours)	n/a	n/a	8	48
Sewer crew (hours)	n/a	n/a	11,315	13,636
Sewer jet, vac-all, other services (hours)	n/a	n/a	n/a	n/a
Landscaping, stump-chipper service (hours)	25	201	175	56
Leaf collection (hours)	1,540	1,142	1,655	2,176
Sign department (hours)	320	500	920	882
<b>Water Department</b>				
Water rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 6.36	\$ 6.36	\$ 6.36	\$ 6.36
Water rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 11.13	\$ 11.13	\$ 11.13	\$ 11.13
Avg. number of water accounts billed monthly (Cu. Ft.)	9,727	9,744	9,740	9,752
Total water collections annually (including P&I)	\$ 5,545,663	\$ 6,373,484	\$ 5,729,395	\$ 5,767,277
Payments for bulk water purchases	\$ 61,356	\$ 90,154	\$ 51,684	\$ 79,604
<b>Wastewater Department</b>				
Wastewater rates per 1st 300 Cu. ft. of water used (inside City rate)	\$ 3.86	n/a	\$ 3.74	\$ 3.74
Wastewater rates per 1st 300 Cu. ft. of water used (outside City rate)	\$ 4.20	\$ 4.20	\$ 4.06	\$ 4.06
Total flow of wastewater treatment plant (billions of gallons)	1.80	1.71	1.60	1.72
Average daily flow (millions of gallons per day)	5.00	4.70	4.40	4.80
Tons of dry sludge removed	1,359	912	1,884	1,977

**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.

	2017	2016	2015	2014	2013	2012
\$	-	\$ 760	\$ -	\$ 1,115	\$ 1,470	\$ 3,050
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 975
\$	18,905	\$ 23,055	\$ 18,920	\$ 30,565	\$ 8,160	\$ 8,110
\$	12,458	\$ 11,463	\$ 11,284	\$ 12,343	\$ 10,962	\$ 15,660
\$	35,730	\$ 42,886	\$ 33,643	\$ 34,976	\$ 32,077	\$ 31,213
\$	67,093	\$ 78,163	\$ 63,847	\$ 78,999	\$ 52,669	\$ 59,008
	7,353	7,974	6,828	8,095	6,887	7,571
\$	904,490	\$ 859,771	\$ 863,604	\$ 836,118	\$ 748,953	\$ 792,115
	651	559	583	730	579	601
	8.85%	7.00%	8.54%	9.02%	8.41%	7.93
	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
	6,915	3,305	5,120	3,695	3,095	2,635
	-	3	-	-	37	-
	310	462	640	932	1,065	1,092
	409	213	623	485	378	650
	409	2,845	3,840	3,453	3,785	3,697
	2,563	3,012	3,915	3,820	4,865	3,735
	384	714	882	834	748	794
	1,603	2,300	2,742	2,990	2,603	2,407
\$	65,825	\$ 90,137	\$ 153,970	\$ 82,209	\$ 96,658	\$ 123,530
	n/a	51	84	86	100	115
	n/a	14	57	75	54	84
	n/a	21,005	21,490	18,391	19,055	18,284
	n/a	1,101	1,359	1,280	1,455	-
	131	101	193	89	171	376
	811	1,445	1,474	1,481	1,041	1,689
	1,568	1,782	1,165	943	1,295	1,025
\$	6.35	\$ 5.99	\$ 5.82	\$ 5.65	\$ 5.65	\$ 5.28
\$	11.13	\$ 10.49	\$ 10.18	\$ 9.89	\$ 9.89	\$ 9.24
	9,780	9,703	9,640	9,846	9,850	9,889
\$	5,337,028	\$ 5,400,479	\$ 5,175,035	\$ 5,014,397	\$ 5,091,119	\$ 4,900,519
\$	31,371	\$ 47,276	\$ 29,615	\$ 20,394	\$ 27,752	\$ 29,638
\$	3.67	\$ 3.46	\$ 3.36	\$ 3.20	\$ 3.20	\$ 3.20
\$	3.99	\$ 3.76	\$ 3.65	\$ 3.48	\$ 3.48	\$ 3.48
	1.46	1.42	1.90	1.93	1.10	1.10
	4.00	3.90	5.20	5.30	3.00	3.00
	1,294	730	840	993	960	1,111



**CITY OF ALLIANCE, OHIO**

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

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>General Government</b>										
Square footage occupied	57,231	57,231	57,231	57,231	57,231	57,231	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	43	43	43	42	45	45	36
<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	10	10	10	11
<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	39	39	39	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	2021		2020		2019		2018		2017		2016		2015		2014	2013	2012
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT			
<b>General Government</b>																	
Mayor	5.00	4.00	4.00	3.00	4.00	3.00	4.00	1.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	4.00	4.00
Auditor	5.00	0.00	4.50	0.00	4.50	0.00	3.50	0.00	4.50	0.00	4.50	0.00	4.50	0.00	4.50	4.50	4.50
Law Director	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	2.00	5.00	4.00	4.50	3.50
Council	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	0.00	9.00	4.50	4.50	4.50
Judge	5.00	4.00	6.00	3.00	6.00	3.00	6.00	1.50	6.00	2.00	6.00	2.00	5.00	2.00	6.50	5.50	5.50
Clerk of Courts	8.00	0.00	8.00	0.00	8.00	0.00	8.00	0.00	7.00	1.00	7.00	1.00	7.00	1.00	7.50	6.50	6.50
Civil Service	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	4.00	2.00	2.00	2.00
Engineering	4.00	3.00	4.00	3.00	4.00	3.00	4.00	0.50	6.00	3.00	6.00	3.00	6.00	1.50	8.00	6.50	6.50
City Hall Maintenance	1.00	1.00	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00	2.00	2.00	2.00
Income Tax	3.00	0.00	3.00	0.00	3.00	0.00	2.50	1.00	2.50	1.00	2.50	1.00	3.50	0.00	3.50	3.50	3.50
Treasurer	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.50	0.50	0.50
Senior Center & Agency on Aging	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	1.00	1.00
<b>Security of Persons and Property</b>																	
Police	37.00	0.00	37.00	0.00	37.00	3.00	37.00	3.00	37.00	3.00	40.00	3.00	40.00	3.00	41.00	43.00	43.00
Police - auxiliary/guards	0.00	17.00	0.00	17.00	0.00	17.00	0.00	17.00	0.00	17.00	0.00	17.00	0.00	20.00	11.00	10.00	11.00
Police - dispatchers/office/other	12.00	4.00	12.00	4.00	12.00	4.00	12.00	5.00	12.00	5.00	12.00	5.00	13.00	5.00	14.50	14.00	14.50
Fire	30.00	1.00	32.00	1.00	33.00	0.00	32.00	0.00	26.00	0.00	28.00	0.00	28.00	0.00	31.00	31.00	31.00
<b>Public Health Services</b>																	
Health	12.00	8.00	9.00	5.00	9.00	5.00	9.00	2.00	9.00	5.00	9.00	5.00	9.00	2.00	12.50	12.50	13.00
Cemetery	1.00	2.00	1.00	0.00	1.00	6.00	1.00	6.00	1.00	7.00	1.00	7.00	1.00	2.00	3.00	3.00	3.50
<b>Leisure Time Activities</b>																	
Parks and recreation	5.00	8.00	5.00	12.00	5.00	13.00	5.00	14.00	5.00	25.00	5.00	25.00	5.00	4.50	23.00	21.00	21.50
Litter	0.00	1.00	0.00	0.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	0.50	0.50	0.50	0.50
<b>Community Development</b>																	
Building (CDBG)	5.00	1.00	5.00	0.00	5.00	0.00	4.00	0.00	4.00	0.00	4.00	0.00	3.00	0.00	4.00	4.00	4.00
<b>Transportation</b>																	
Street maintenance & repair	11.00	4.00	11.00	7.00	11.00	6.00	11.00	3.00	11.00	1.00	11.00	1.00	12.00	0.00	12.00	11.00	11.00
<b>Basic Utility Services</b>																	
Sewer	22.00	4.00	23.00	6.00	24.00	7.00	24.00	5.00	23.00	0.25	23.00	0.25	28.00	0.00	28.50	29.00	29.00
Water	24.00	1.00	25.00	0.00	25.00	0.00	26.00	0.50	23.00	0.25	23.00	0.25	23.00	0.00	25.50	25.00	25.50
Billing and collection	3.00	3.00	5.00	3.00	5.00	3.00	5.00	2.00	8.00	0.00	8.00	0.00	6.00	0.00	5.50	5.50	5.50
<b>Total</b>	<b>196.00</b>	<b>85.00</b>	<b>198.50</b>	<b>85.00</b>	<b>200.50</b>	<b>95.00</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>

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.

**CITY OF ALLIANCE**  
STARK COUNTY, OHIO

**SINGLE AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGES</u>
Schedule of Expenditures of Federal Awards.....	1 - 2
Notes to the Schedule of Expenditures of Federal Awards 2 <i>CFR</i> § 200.510(b)(6) .....	3
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	4 - 5
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	6 - 8
Schedule of Findings 2 <i>CFR</i> § 200.515 .....	9
Summary Schedule of Prior Audit Findings .....	10

CITY OF ALLIANCE  
STARK COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	ASSISTANCE LISTING 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)	07620011WA1421	10.557	\$ -	\$ 99,106
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	07620011WA1522	10.557	-	27,832
<b>Total Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)</b>			-	126,938
<b>Total U.S. Department of Agriculture</b>			-	126,938
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Direct</i>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	B-14-MC-39-0031	14.218	-	3,081
Community Development Block Grants/Entitlement Grants	B-17-MC-39-0031	14.218	-	10,149
Community Development Block Grants/Entitlement Grants	B-18-MC-39-0031	14.218	-	652
Community Development Block Grants/Entitlement Grants	B-19-MC-39-0031	14.218	106,991	206,297
Community Development Block Grants/Entitlement Grants	B-20-MC-39-0031	14.218	76,846	201,718
COVID-19 - Community Development Block Grants/Entitlement Grants	COVID-19, B-20-MW-39-0031	14.218	103,239	107,046
Community Development Block Grants/Entitlement Grants	B-21-MC-39-0031	14.218	94,000	177,227
<b>Total CDBG - Entitlement Grants Cluster</b>			381,076	706,170
<b>Total U.S. Department of Housing and Urban Development</b>			381,076	706,170
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Direct</i>				
Equitable Sharing Program	OH0760100	16.922	-	2,740
<b>Total U.S. Department of Justice</b>			-	2,740
<b>U.S. DEPARTMENT OF TREASURY</b>				
<i>Passed Through Ohio Office of Budget and Management</i>				
COVID-19 - Coronavirus Relief Fund	COVID-19, HB481-CRF-Local	21.019	-	216,252
<i>Passed Through Stark County Combined General Health District</i>				
COVID-19 - Coronavirus Relief Fund - FY21 Coronavirus Response Supplemental Grant	COVID-19, 07610012CO0121	21.019	-	87,821
COVID-19 - Coronavirus Relief Fund - FY21 Vaccine Needs Assessment Grant	COVID-19, 07610012VN0121	21.019	-	20,000
<b>Total Coronavirus Relief Fund</b>			-	324,073
<i>Direct</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID-19, SLFRP3765	21.027	-	9,205
<b>Total U.S. Department of Treasury</b>			-	333,278

(Continued)

CITY OF ALLIANCE  
STARK COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	ASSISTANCE LISTING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through City of Canton Health Department</i>				
Immunization Cooperative Agreements	07620012GV0321	93.268	-	3,759
<i>Passed Through Stark County Combined General Health District</i>				
Immunization Cooperative Agreements	07610012GV0122	93.268	-	6,065
COVID-19 - Immunization Cooperative Agreements - FY21 Vaccine Equity Supplemental Grant	COVID-19, 07610012VE0121	93.268	-	19,459
<b>Total Immunization Cooperative Agreements</b>			-	29,283
<i>Passed Through Stark County Combined General Health District</i>				
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - FY21 Enhanced Operations Grant	COVID-19, 07610012EO0121	93.323	-	33,488
<i>Passed Through Stark County Combined General Health District</i>				
Public Health Crisis Response - FY21 Public Health Workforce Grant	07610012WF0122	93.354	-	20,513
<i>Passed Through City of Canton Health Department</i>				
HIV Prevention Activities - Health Department Based	07620012HP1421	93.940	-	5,000
<i>Passed Through Stark County Combined General Health District</i>				
Preventive Health and Health Services Block Grant	07610014IC0321	93.991	-	1,000
Preventive Health and Health Services Block Grant	07610014IC0422	93.991	-	250
<b>Total Preventive Health and Health Services Block Grant</b>			-	1,250
<b>Total U.S. Department of Health and Human Services</b>			-	89,534
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Direct</i>				
COVID-19 - Assistance to Firefighters Grant Program - Supplemental	COVID-19, EMW-2020-FG-00932	97.044	-	80,187
<i>Direct</i>				
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	EMW-2017-FH-00447	97.083	-	72,421
<b>Total U.S. Department of Homeland Security</b>			-	152,608
<b>Total Expenditures of Federal Awards</b>			\$ 381,076	\$ 1,411,268

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, 2021**

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Alliance (the “City”) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

**NOTE 2 – DE MINIMIS INDIRECT COST RATE**

The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 – SUBRECIPIENTS**

The City passes certain federal awards received from U.S. Department of Housing and Urban Development and the Ohio Office of Budget and Management to other governments or not-for-profit agencies (subrecipients). As Note 1 describes, the City reports expenditures of federal awards to subrecipients when paid in cash.

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

**NOTE 4 – MATCHING REQUIREMENTS**

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

**NOTE 5 – REPORTING OF EXPENDITURES FOR GRANT DELIVERABLES**

The City receives certain Federal grant funds some of which are paid on what is known as the “deliverable” basis. Deliverable grants are grants where funds are received only after certain goals are achieved as opposed to reimbursements for expenditures incurred. The City reports amounts received as expenditures for those grants.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

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

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, Stark County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Alliance's basic financial statements, and have issued our report thereon dated July 29, 2022, wherein we noted as described in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Alliance's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Alliance's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Alliance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



City of Alliance

Stark County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Julian & Grube, Inc.

July 29, 2022

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

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

To the Members of the City Council and Mayor:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Alliance's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB), *Compliance Supplement* that could have a direct and material effect on each of the City of Alliance's major federal programs for the year ended December 31, 2021. The City of Alliance's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Alliance complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City of Alliance and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Alliance's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The City of Alliance's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Alliance's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Alliance's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Alliance's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Alliance's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Alliance's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Alliance's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

City of Alliance  
Stark County  
Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Alliance, as of and for the year ended December 31, 2021, 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 June 29, 2022, wherein we noted as described in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alliance's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied in the audit of the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.  
July 29, 2022

**CITY OF ALLIANCE  
STARK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021**

<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 weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	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 weaknesses in internal control 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(s) (listed):</i>	<ul style="list-style-type: none"> <li>• CDBG – Entitlement Grants Cluster</li> </ul>
<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 2 CFR § 200.520?</i>	Yes

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

None.

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

None.



The City of

**Alliance,** OHIO, 44601-2415

"The Carnation City"

504 East Main Street • Suite 110



KEVIN KNOWLES

Phone 330-823-5900

Fax 330-829-2243

e-mail: [auditor@neo.rr.com](mailto:auditor@neo.rr.com)

Web Page: [www.cityofalliance.com](http://www.cityofalliance.com)

CITY OF ALLIANCE  
STARK COUNTY, OHIO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021

<u>Finding Number</u>	<u>Year Initially Occurred</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2020-001	2020	<u>Material Weakness: Financial Statement Presentation</u> - The presentation of materially correct financial statements and the related notes is the responsibility of management and is an important part of the City's overall purpose. Financial reporting requires internal controls to help ensure the accuracy of the activity reported. Certain adjustments were made to the financial statements and note disclosures to properly state the components of net position.	Corrective Action Taken and Finding is Fully Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF ALLIANCE**

**STARK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/22/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)