

CITY OF STEUBENVILLE, OHIO



Municipal Building

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012



Dave Yost • Auditor of State

City Council
City of Steubenville
115 South Third Street Suite 106
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the City of Steubenville, Jefferson County, prepared by Rea & Associates, Inc., for the audit period January 1, 2012 through December 31, 2012. 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 Steubenville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 31, 2013

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CITY OF STEUBENVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012



PREPARED BY:

ALYSSA N. KERKER, DIRECTOR OF FINANCE
DAVID R. LEWIS, FINANCIAL ACCOUNTANT

115 SOUTH THIRD STREET
STEUBENVILLE, OHIO 43952

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CITY OF STEUBENVILLE, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012**

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INTRODUCTORY SECTION



City of Steubenville

Finance Office

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Fax: 740.283.6165 ▪ Website: www.cityofsteubenville.us ▪ Email: finance@cityofsteubenville.us

June 28, 2013

Honorable Mayor, Members of City Council
And Citizens of Steubenville
Steubenville, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Steubenville, Ohio (City) is hereby presented. This CAFR represents the official report of the City of Steubenville's operations and financial position for the year ended December 31, 2012, and has been developed to accurately detail the status of the City finances to Steubenville residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide all pertinent and necessary information to the citizens of Steubenville.

Responsibility for the accuracy of the data contained herein, for the completeness and fairness of the presentation and for all disclosure rests with the City's management. To the best of the City's knowledge, the financial and other data contained in this report fairly present the financial position and results of operations of the City. All necessary disclosures to enable the citizens and other readers to understand the City's financial activities are included in this report.

The City is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City is required by State law to have an annual audit performed by the Auditor of State's Office or an independent public accounting firm, if permitted by the Auditor of State. Rea & Associates, Inc. performed the audit for the year ended December 31, 2012. The City continues to receive an unmodified opinion. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2012 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditor's Report.

Community Profile

The City of Steubenville is located in east central Ohio along the west bank of the Ohio River. Founded in 1797, Steubenville operates under a council-manager form of government which was adopted by its voters in 1984. The City is governed by an elected Mayor and a seven member City Council. During its heyday of the 1940s, Steubenville was popularly known as “Little Chicago” due to its prolific industry and downtown bustle. The City is now known as the “City of Murals” because of over 25 murals located in and around the downtown area. Today, the City of Steubenville covers an area of approximately ten square miles and is the largest city in Jefferson County with a population of 18,440. The City is also the Jefferson County Seat.

The City is served by diversified transportation facilities. Approximately 20 motor freight carriers and local haulers serve the Jefferson County area. Railway service is provided by the Norfolk Southern Railway, the Wheeling Lake Erie Railway, and the Ohio Central Rail Corporation. Nationwide bus transportation service to the area is provided by Greyhound. Local bus service is provided by the Steel Valley Transit Authority. Airline services to the area are provided by the Jefferson County Airport and the Pittsburgh International Airport, which is approximately 22 miles east of the City. The City also has a port on the Ohio River.

The major highways in the City are State Route 7, which runs north-south through the City, and U.S. Route 22, which runs east-west and directly links the City with Pittsburgh, Pennsylvania. The City is located within a day’s drive of 60 percent of the U.S. population.

The City is served by a number of commercial banks and savings and loan associations with headquarters outside the City.

Primary education services are provided by the Steubenville City School District. The western portion of the City is served by the Indian Creek Local School District. Secondary and post-secondary educational services are provided by a number of public and private colleges and universities located within the City or within commuting distance. The Franciscan University of Steubenville and Eastern Gateway Community College are both located within the City. The University of Pittsburgh, Bethany College, West Virginia Northern Community College, and Carnegie-Mellon University are all located within commuting distance of the City. The City is served by the Public Library of Steubenville and Jefferson County, which was named for and funded by industrialist Andrew Carnegie.

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, planning, zoning and other general government services. Health services are provided by the Steubenville Health Department. In addition, water, sewer and refuse services are provided under the enterprise fund concept with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

Economic Condition and Outlook

Local Economy

Steubenville’s local economy has evolved in recent years from a center of steel and coal production to one of education and healthcare. Today’s local economy is supported to a large extent by the employment at The Franciscan University of Steubenville and Eastern Gateway Community College. Also, an abundance of nursing homes and healthcare facilities including Trinity Healthcare System employ many, and are one of the largest sources of local income tax revenue. These facilities provide a steady employment base and are a source of much of the building construction currently going on in the City.

A rather large number of local citizens work in Pittsburgh, Pennsylvania and its suburbs. There is a base of small manufacturing and service sector jobs that don’t exist as much in Steubenville. The City, through the local economic development group “Progress Alliance,” has been promoting increasing manufacturing jobs in the area. The success has been mixed so far, but the City is optimistic that improvement is coming.

The State of Ohio, Jefferson County, and the Tri-State Area are expected to experience a substantial economic impact from the natural gas and oil industry. The Ohio Oil & Gas Association released a study in September 2011 noting that the industry will invest approximately \$238 million on new exploration and development in Ohio, paid \$793 million in annual salaries in 2010, and the industry paid \$32.7 million per year in federal, state and local taxes.

With the majority of the activity within the eastern portion of Ohio, Jefferson County and Steubenville should see an increase in economic development and employment. Several retail establishments and restaurants have inquired about the area in hopes of expanding their operations within Steubenville.

Long-Term Financial Planning

The rise in the local unemployment rate over the past few years has caused some reason for concern regarding the City's long-term financial planning. Any significant unfavorable change in the unemployment rate usually leads to lower income tax collections. Fortunately, the City's income tax revenues have remained fairly stable or have decreased slightly. However, in order to avoid any potential revenue shortfalls should income tax collections decline significantly; the City has taken a conservative approach with current spending. Budget restraints have been implemented in order to curb spending and help maintain a sufficient spending reserve as a hedge against future revenue shortfalls.

City Council is required to adopt a final budget no later than the close of the year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared at the legal level of budgetary control, which is by office, department, and division, and within each, appropriated for personal services level for all funds. The City does not prepare a budget for agency funds.

With the decrease in the Local Government Revenue Fund and elimination of the City receiving Estate Tax Funds, the City has had to make difficult decisions in regards to employee benefits and downsizing of staff. If the State of Ohio continues to further eliminate the distribution of the Local Government Revenue Fund, the City will have to look at prioritizing services to its citizens further. Any increase in income tax revenue from economic development will assist in offsetting the decrease in revenue received from the State.

Major Initiatives

The City has many current and upcoming projects to enhance economic development within the City. Completed projects include the \$4 million upgrade and renovation to Washington Square Apartments, \$700,000 new construction of a Texas Roadhouse, and \$4.1 million in various renovations at Franciscan University. Currently, there is a \$5.5 million Microtel Inn & Suites under construction. The former RG Steel site, now RiverRail, LLC, is in the middle of a \$6 million environmental remediation and demolition project. Upcoming projects include a \$600,000 improvement to an existing shopping plaza for a T.J. Maxx and a \$5 million renovation/expansion of Holy Name Cathedral in the South End District of Downtown Steubenville.

The City is also working on the final components of a City of Steubenville Comprehensive Plan. This plan is a guide to better Steubenville and will act as a vision and business plan for growth and development for the next ten to twenty years. The following elements are the basis of the plan: Improve the image of Steubenville, promote a healthier lifestyle in Steubenville, reinvest in first ring neighborhoods, celebrate Steubenville's history and culture, enhance community connectivity and mobility, leverage of Steubenville's natural resources and environmental qualities, and promote partnerships.

Use of this Report

The report is published to provide the City Council, as well as to our citizens and other interested persons, detailed information concerning the financial condition of the City, with particular emphasis placed on the utilization of resources during the past year. It is also intended that this report will serve as a guide in formulating policies and in conducting the City's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activities of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports which are independently audited by a qualified firm or agency. It has become almost required practice that such reports be prepared in accordance with generally accepted accounting principals (GAAP), and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating.

Acknowledgements

It is with great pride and pleasure that we submit this CAFR for review and wish to express appreciation to the members of City Council for supporting us in this endeavor and other members of the Finance Office who contributed time and effort in completing this project. We would also like to acknowledge our consultant, Julian & Grube, Inc., who provided us with expert technical assistance in all phases of preparing the report and the cooperation of the team from Rea & Associates, Inc., who conducted a thorough audit of our finances.

Sincerely,

A handwritten signature in blue ink that reads "Alyssa N. Kerker". The signature is written in a cursive style with a large initial 'A' and 'K'.

Alyssa N. Kerker
Director of Finance

CITY OF STEUBENVILLE, OHIO

PRINCIPAL OFFICIALS

DECEMBER 31, 2012

Elected Officials

Mayor	Domenick Mucci Jr.
City Council:	
Councilman at Large	Kenneth Davis
1st Ward Councilman	Gerald DiLoreto
2nd Ward Councilman	Richard Perkins
3rd Ward Councilman	Gregory Metcalf
4th Ward Councilman	Angela Suggs
5th Ward Councilman	William Paul
6th Ward Councilman	David Lalich
Municipal Court Judge	G. Daniel Spahn

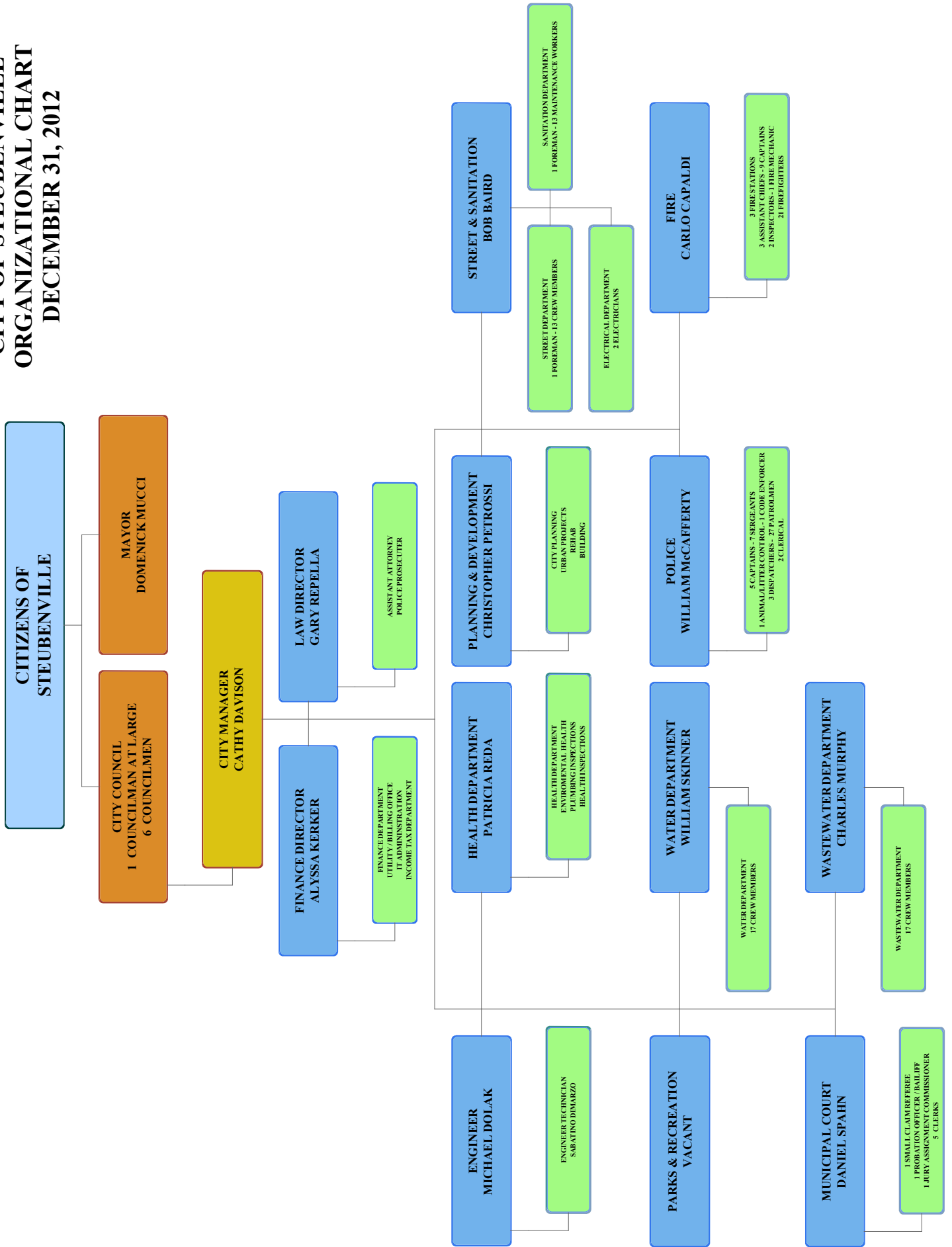
Appointed Officials

City Manager	Cathy Davison*
Law Director	S. Gary Repella
Finance Director	Alyssa N. Kerker
Urban Project Director	Christopher Petrossi
Parks and Recreation Director	Vacant
Fire Chief	Carlo Capaldi
Police Chief	William A. McCafferty
Health Commissioner	Patricia Reda
City Engineer	Michael Dolak
Clerk of Council	Vacant
Water Superintendent	William Skinner
Sewer Superintendent	Charles Murphy
Street and Sanitation Superintendent	Robert Baird

* Resigned effective May 15, 2013

Mayor acts as Interim City Manager when the position is vacant.

**CITY OF STEUBENVILLE
ORGANIZATIONAL CHART
DECEMBER 31, 2012**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Steubenville
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

June 28, 2013

Mayor and Members of Council
City of Steubenville
Jefferson County, Ohio
304 Market Street
Steubenville, OH 43952

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Steubenville, Jefferson County, Ohio, (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Steubenville, Jefferson County, Ohio, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3, the City restated the net position balances to account for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63 and GASB Statement No. 65. Also described in Note 3, the City restated fund balances in accordance with GASB Statement No. 54. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013 on our consideration of the City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hea & Associates, Inc.

New Philadelphia, Ohio

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CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

The management's discussion and analysis of the City of Steubenville's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. 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 2012 are as follows:

- The total net position of the City increased \$3,288,217 or 6.05% over 2011. Net position of governmental activities increased \$878,101 or 2.36% and net position of business-type activities increased \$2,410,116 or 14.07%. Net position at December 31, 2011 has been restated as described in Note 3.A.
- General revenues accounted for \$12,329,325, or 72.57% of total governmental activities revenue. Program specific revenues accounted for \$4,659,285 or 27.43% of total governmental activities revenue.
- The City had \$16,101,511 in expenses related to governmental activities; \$4,659,285 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,442,226 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,329,325.
- The City's major governmental funds are the general fund and .7% City income tax - street improvement fund. The general fund had revenues and other financing sources of \$12,169,141 in 2012. This represents a decrease of \$4,871 under 2011 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$11,948,632 in 2012, decreased \$181,498 from 2011. The net increase in fund balance for the general fund was \$247,509, from a restated balance of \$1,866,961 to a balance of \$2,114,470.
- The .7% City income tax - street improvement fund had \$2,032,603 in revenues in 2012. The expenditures of the .7% City income tax - street improvement fund totaled \$1,911,555 in 2012. The net increase in fund balance for the .7% City income tax - street improvement fund was \$121,048 from a balance of \$1,118,204 to a balance of \$1,239,252.
- Net position for the business-type activities, which are made up of the water, sewer, and refuse enterprise funds, increased in 2012 by \$2,410,116.
- In the general fund, the actual revenues and other financing sources came in \$432,870 greater than the final budgeted revenues and other financing sources. Actual expenditures were \$117,415 less than the amount in the final budget. The revenue variances are the result of increasing municipal income tax and other revenues. Budgeted revenues and expenditures were amended a few times throughout the year.

Using this Comprehensive Annual Financial Report (CAFR)

The City's annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Steubenville as a total financial and operating entity. The individual statements provide a detailed look at specific financial activities.

The City's basic financial statements are comprised of three components: 1) City-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell the reader how services were financed in the short-term, as well as the amount of funds remaining for future spending. The fund financial statements also look at the City's major funds with all other non-major funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses 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 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 and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and State grants and other shared revenues.

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

The City's statement of net position and statement of activities can be found on pages 29-31 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 20.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and .7% City income tax - street improvement 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 32-36 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and refuse functions. All of the City's enterprise funds are considered major funds. The internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 37-41 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's only fiduciary funds are agency funds. The basic fiduciary fund financial statement can be found on page 42 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 43-81 of this report.

Government-wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2012 compared to December 31, 2011. The net position of the governmental activities and business-type activities at December 31, 2011 has been restated as described in Note 3.A.

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Net Position

	Governmental Activities 2012	Business-type Activities 2012	Restated Governmental Activities 2011	Restated Business-type Activities 2011	Total 2012	Restated Total 2011
Assets						
Current and other assets	\$ 13,580,177	\$ 11,655,573	\$ 13,789,821	\$ 11,394,835	\$ 25,235,750	\$ 25,184,656
Capital assets, net	<u>35,003,259</u>	<u>56,754,602</u>	<u>35,124,062</u>	<u>56,164,790</u>	<u>91,757,861</u>	<u>91,288,852</u>
Total assets	<u>48,583,436</u>	<u>68,410,175</u>	<u>48,913,883</u>	<u>67,559,625</u>	<u>116,993,611</u>	<u>116,473,508</u>
Liabilities						
Long-term liabilities outstanding	7,640,981	47,726,624	7,854,930	49,424,167	55,367,605	57,279,097
Other liabilities	<u>1,620,641</u>	<u>1,138,152</u>	<u>2,620,331</u>	<u>1,000,175</u>	<u>2,758,793</u>	<u>3,620,506</u>
Total liabilities	<u>9,261,622</u>	<u>48,864,776</u>	<u>10,475,261</u>	<u>50,424,342</u>	<u>58,126,398</u>	<u>60,899,603</u>
Deferred inflows	<u>1,219,624</u>	<u>-</u>	<u>1,214,533</u>	<u>-</u>	<u>1,219,624</u>	<u>1,214,533</u>
Net position						
Net investment in capital assets	30,592,967	13,135,521	30,618,154	12,022,392	43,728,488	42,640,546
Restricted	3,074,238	-	3,136,692	-	3,074,238	3,136,692
Unrestricted	<u>4,434,985</u>	<u>6,409,878</u>	<u>3,469,243</u>	<u>5,112,891</u>	<u>10,844,863</u>	<u>8,582,134</u>
Total net position	<u>\$ 38,102,190</u>	<u>\$ 19,545,399</u>	<u>\$ 37,224,089</u>	<u>\$ 17,135,283</u>	<u>\$ 57,647,589</u>	<u>\$ 54,359,372</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2012, the City's assets exceeded liabilities and deferred inflows by \$57,647,589. At year-end, net position was \$38,102,190 and \$19,545,399 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 78.43% of total assets. Capital assets include land, buildings, improvements, equipment, vehicles, infrastructure and construction-in-progress. The City's net investment in capital assets at December 31, 2012, was \$30,592,967 and \$13,135,521 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 net position, \$3,074,238, represents resources that are subject to external restriction on how they may be used.

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

The table below shows the changes in the net position for 2012 and 2011. The net position of the governmental activities and business-type activities at December 31, 2011 has been restated as described in Note 3.A.

	Change in Net Position					
	Governmental	Business-type	Restated	Restated	Total	Total
	Activities	Activities	Governmental	Business-type	Total	Total
	2012	2012	2011	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 1,417,398	\$ 12,098,919	\$ 1,233,371	\$ 12,236,659	\$ 13,516,317	\$ 13,470,030
Operating grants and contributions	1,762,522	10,692	5,814,008	-	1,773,214	5,814,008
Capital grants and contributions	1,479,365	-	4,950,871	-	1,479,365	4,950,871
Total program revenues	4,659,285	12,109,611	11,998,250	12,236,659	16,768,896	24,234,909
General revenues:						
Property taxes	1,184,772	-	1,340,792	-	1,184,772	1,340,792
Income taxes	9,532,388	-	8,920,273	-	9,532,388	8,920,273
Hotel taxes	292,107	-	220,348	-	292,107	220,348
Unrestricted grants and entitlements	1,192,720	-	2,056,140	-	1,192,720	2,056,140
Investment earnings	3,383	-	9,160	-	3,383	9,160
Oil and gas lease revenue	-	597,256	-	-	597,256	-
Miscellaneous	123,955	53,038	214,161	10,895	176,993	225,056
Total general revenues	12,329,325	650,294	12,760,874	10,895	12,979,619	12,771,769
Total revenues	16,988,610	12,759,905	24,759,124	12,247,554	29,748,515	37,006,678
Expenses:						
General government	2,851,065	-	2,990,157	-	2,851,065	2,990,157
Security of persons and property	7,359,922	-	7,694,175	-	7,359,922	7,694,175
Public health and welfare	657,200	-	654,869	-	657,200	654,869
Transportation	3,220,095	-	6,606,547	-	3,220,095	6,606,547
Community environment	748,089	-	941,681	-	748,089	941,681
Leisure time activity	993,906	-	1,047,822	-	993,906	1,047,822
Interest and fiscal charges	271,234	-	278,428	-	271,234	278,428
Water	-	4,993,615	-	4,969,172	4,993,615	4,969,172
Sewer	-	3,872,870	-	3,798,340	3,872,870	3,798,340
Refuse	-	1,492,302	-	1,593,846	1,492,302	1,593,846
Total expenses	16,101,511	10,358,787	20,213,679	10,361,358	26,460,298	30,575,037
Increase in net position before transfers	887,099	2,401,118	4,545,445	1,886,196	3,288,217	6,431,641
Transfers	(8,998)	8,998	-	-	-	-
Change in net position	878,101	2,410,116	4,545,445	1,886,196	3,288,217	6,431,641
Net position at beginning of year (restated)	37,224,089	17,135,283	32,678,644	15,249,087	54,359,372	47,927,731
Net position at end of year	\$ 38,102,190	\$ 19,545,399	\$ 37,224,089	\$ 17,135,283	\$ 57,647,589	\$ 54,359,372

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Governmental Activities

Governmental activities net position increased \$878,101 in 2012. The increase is primarily due to income tax revenues increasing by approximately \$612,000 over 2011. The primary reason for the increase is that during several months in 2011, from May through August, the City had an income tax rate of 1.7%. The income tax rate for 2012 was 2% for the entire year. The governmental activities net position also increased due to decreased expenses, particularly in transportation.

Security of persons and property, which primarily supports the operations of the police and fire departments, had expenses of \$7,359,922 which accounted for 27.82% of the total expenses of the City. These expenses were partially funded by \$14,296 in direct user charges and \$343,054 in operating grants and contributions. The remaining security of persons and property expenses were funded by general revenues. General government expenses totaled \$2,851,065 or 10.78% of the total expenses of the City, which was partially funded by \$733,045 in direct user charges and \$65,400 in operating grants and contributions.

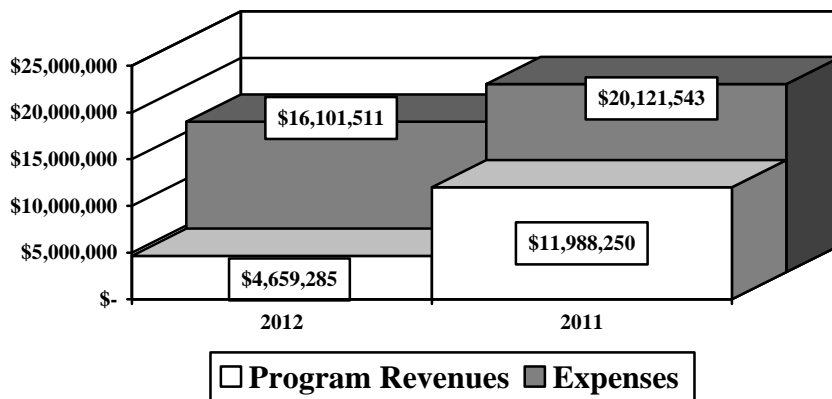
During 2012, transportation expenses decreased \$3,386,452 from 2011. This is primarily due to the City being the lead agency in the John Scott Slope Repair project in 2011. This project's expenses for 2011 totaled approximately \$3.25 million. The project was funded by a federal grant passed through the Ohio Department of Transportation (ODOT). The corresponding decrease in operating grants and contributions for the transportation expense function are a result of this project. Since this project made improvements to land owned and maintained by the State of Ohio, this project was not capitalized by the City.

The State and federal government contributed to the City a total of \$1,762,522 in operating grants and contributions, and \$1,479,365 in capital grants and contributions.

General revenues totaled \$12,329,325 and amounted to 72.57% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$10,717,160. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue, estate taxes and property tax reimbursements received from the State, making up \$1,192,720.

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

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF STEUBENVILLE, OHIO

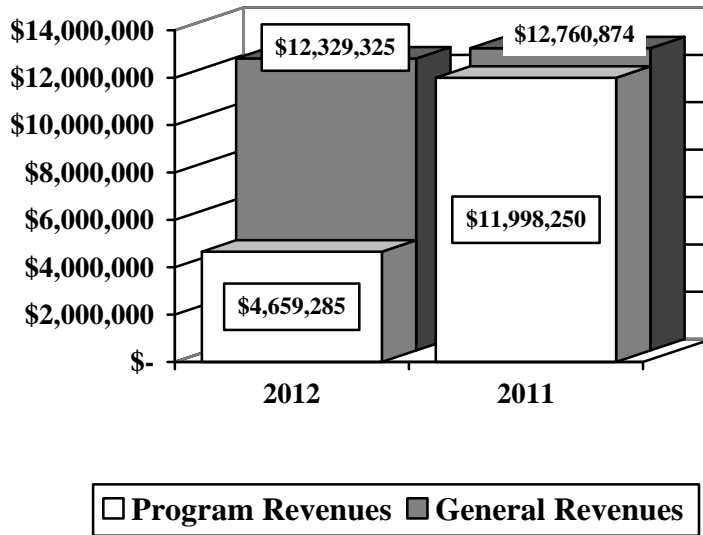
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Governmental Activities

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Program expenses:				
General government	\$ 2,851,065	\$ 2,052,620	\$ 2,990,157	\$ 2,155,431
Security of persons and property	7,359,922	7,002,572	7,694,175	7,547,514
Public health and welfare	657,200	403,130	654,869	402,188
Transportation	3,220,095	959,760	6,514,411	(2,903,864)
Community environment	748,089	12,302	941,681	(111,235)
Leisure time activity	993,906	740,608	1,047,822	754,831
Interest and fiscal charges	271,234	271,234	278,428	278,428
Total	\$ 16,101,511	\$ 11,442,226	\$ 20,121,543	\$ 8,123,293

The dependence upon general revenues for governmental activities is apparent, with 71.07% and 40.65% of expenses supported through taxes and other general revenues for 2012 and 2011, respectively.

Governmental Activities – General and Program Revenues

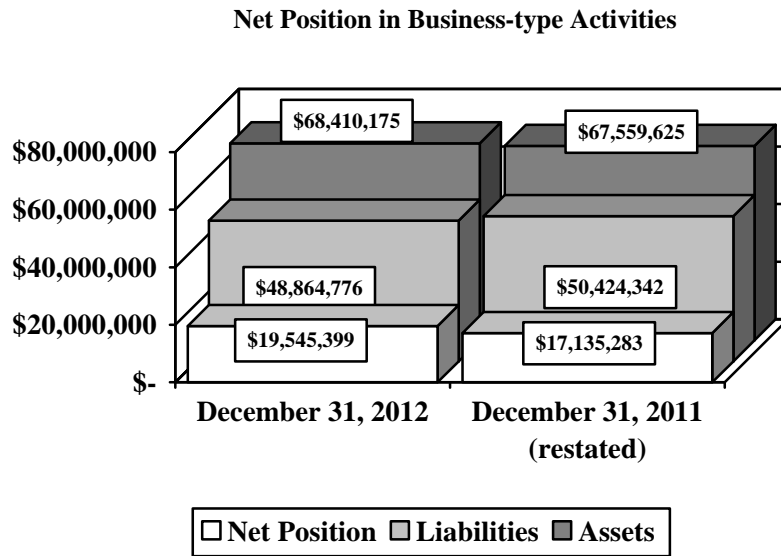


CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Business-type Activities

Business-type activities include the water, sewer, and refuse enterprise funds. These programs had program revenues of \$12,109,611, general revenues of \$650,294, transfers in of \$8,998 and expenses of \$10,358,787 for 2012. The net position of the business-type activities increased \$2,410,116 from 2011. The increase in net position can be attributed to oil and gas lease revenues received in 2012 as well as the City's efforts to reduce long-term liabilities while maintaining consistent cash balances. The graph below shows the business-type activities assets, liabilities and net position at year-end.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 32) reported a combined fund balance of \$6,252,361, which is \$1,309,411 greater than the previous year's fund balance of \$4,942,950. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2012 for all major and nonmajor governmental funds. The fund balances of the City were restated at December 31, 2011 as described in Note 3.B to the basic financial statements.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Fund Balances</u> <u>12/31/12</u>	<u>Restated</u> <u>Fund Balances</u> <u>12/31/11</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 2,114,470	\$ 1,866,961	\$ 247,509
.7% City income tax - street improvement	1,239,252	1,118,204	121,048
Other nonmajor governmental funds	<u>2,898,639</u>	<u>1,957,785</u>	<u>940,854</u>
 Total	 <u>\$ 6,252,361</u>	 <u>\$ 4,942,950</u>	 <u>\$ 1,309,411</u>

General Fund

The City's general fund balance increased \$247,509. The table that follows assists in illustrating the revenues of the general fund.

	<u>2012</u> <u>Amount</u>	<u>Restated</u> <u>2011</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Taxes	\$ 9,292,351	\$ 8,788,749	5.73 %
Charges for services	76,308	80,498	(5.21) %
Licenses and permits	775,096	633,902	22.27 %
Fines and forfeitures	322,927	293,272	10.11 %
Investment income	3,383	9,160	(63.07) %
Intergovernmental	1,471,508	2,142,315	(31.31) %
Rental income	113,625	121,706	(6.64) %
Other	<u>114,585</u>	<u>140,253</u>	(18.30) %
 Total	 <u>\$ 12,169,783</u>	 <u>\$ 12,201,012</u>	 (0.26) %

Tax revenue represents 76.36% of all general fund revenue. Tax revenue increased primarily due to the City having a 2% income tax rate throughout 2012 as compared to 2011. The most significant decrease in revenues occurred in intergovernmental revenue due to a decrease in local government receipts and estate taxes. Interest income decreased because of lower interest rates during 2012. Licenses and permits revenue increased primarily because of an increase in building permits. All other revenue remained consistent between 2011 and 2012.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

	2012 <u>Amount</u>	Restated 2011 <u>Amount</u>	<u>Percentage Change</u>
Expenditures:			
General government	\$ 2,478,161	\$ 2,552,389	(2.91) %
Security of persons and property	7,002,169	7,247,626	(3.39) %
Public health and welfare	564,227	564,416	(0.03) %
Transportation	1,053,403	963,466	9.33 %
Community environment	95,496	98,738	(3.28) %
Leisure time activity	566,209	568,835	(0.46) %
Capital outlay	24,995	-	100.00 %
Debt service	<u>135,020</u>	<u>134,660</u>	0.27 %
Total	<u>\$ 11,919,680</u>	<u>\$ 12,130,130</u>	(1.73) %

Every expenditure line item in the general fund decreased during 2012 except for transportation, capital outlay and debt service. This is primarily due to the City decreasing budgets in most departments as a result of the City's conservative view of the future.

.7% City Income Tax - Street Improvement Fund

The .7% City income tax - street improvement fund had \$2,032,603 in revenues in 2012. The expenditures of the .7% City income tax - street improvement fund totaled \$1,911,555 in 2012. The City undertook several street improvement projects during 2012, which include the John Scott/Mall Drive improvement project, the Lovers Lane connector, the Hot Mix paving program and the Brady Avenue/University resurfacing project. Several projects were primarily financed with federal grants passed through ODOT. The net increase in fund balance for the .7% City income tax - street improvement fund was \$121,048 from a balance of \$1,118,204 to a balance of \$1,239,252. The primary reason for the increase in fund balance is due to increasing income tax revenues.

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, estimated revenues and other financing sources increased \$404,891. Appropriations were increased by \$599,470 during 2012. Increases to the appropriations were primarily due to increased revenue estimates because of improving income tax receipts. Actual revenues and other financing sources of \$12,756,759 were greater than final budgeted revenues and other financing sources by \$432,870. Actual expenditures and other financing uses of \$12,672,298 came in \$117,415 less than the final budgeted amounts.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The interfund activity 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, as well as internal balances between the governmental and business-type funds due to the allocation of the internal service fund (reported as internal balances) which are not reported on the proprietary statements.

Capital Assets and Debt Administration

Capital Assets

At the end of 2012, the City had \$91,757,861 (net of accumulated depreciation) invested in land, buildings, improvements, equipment, vehicles, infrastructure and construction in progress. Of this total, \$35,003,259 was reported in governmental activities and \$56,754,602 was reported in business-type activities. Additional details are provided in Note 8 of the notes to the financial statements. The following table shows 2012 balances compared to 2011:

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 469,112	\$ 469,112	\$ 66,000	\$ 66,000	\$ 535,112	\$ 535,112
Construction-in-progress	292,661	8,072,243	4,376,192	3,200,449	4,668,853	11,272,692
Buildings	6,213,583	6,372,762	23,084,449	23,629,336	29,298,032	30,002,098
Improvements	3,654,560	3,860,690	4,399,334	4,489,601	8,053,894	8,350,291
Equipment	919,715	979,220	422,865	481,744	1,342,580	1,460,964
Vehicles	425,337	577,533	648,842	183,440	1,074,179	760,973
Infrastructure	23,028,291	14,792,502	23,756,920	24,114,220	46,785,211	38,906,722
Totals	<u>\$ 35,003,259</u>	<u>\$ 35,124,062</u>	<u>\$ 56,754,602</u>	<u>\$ 56,164,790</u>	<u>\$ 91,757,861</u>	<u>\$ 91,288,852</u>

The City's largest capital asset category is infrastructure which includes roads constructed from 1980 through 2012. 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 65.79% of the City's total governmental capital assets.

The City's largest business-type capital asset category is infrastructure that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 41.86% of the City's total business-type capital assets.

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2012 and 2011. Additional details are provided in Note 11 of the notes to the financial statements.

	Governmental Activities	
	2012	2011
Loans payable	\$ 856,403	\$ 960,164
Compensated absences	1,420,381	1,432,373
Bonds payable	3,369,966	3,434,894
Capital lease obligation payable	21,413	1,794
Police and fire pension liability	1,850,849	1,899,367
Total long-term obligations	\$ 7,519,012	\$ 7,728,592

	Business-type Activities	
	2012	2011
OWDA loans	\$ 40,483,188	\$ 41,784,179
OPWC loans	232,367	282,202
Landfill closure/postclosure	4,464,636	4,616,478
Compensated absences	266,417	229,543
Loans payable	53,972	71,765
Bonds payable	2,226,044	2,440,000
Total long-term obligations	\$ 47,726,624	\$ 49,424,167

Economic Conditions and Outlook

The unemployment rates as of December 31, 2012 are 7.8% for the United States, 6.7% for the State of Ohio and 10.7% for Jefferson County. The rate for Jefferson County has increased from 2011, which led to slower than expected income tax revenue growth for 2012. The reduction in local government revenue from the State, approximately \$325,000 less in 2012 than 2011, and the elimination of the estate tax for 2013, has been a cause for concern. The City is constantly balancing the fluctuating revenues in the general fund to the services the City provides.

The City continues to grapple with the high cost of providing water and sewer services to its customers while meeting the demands of federal and State environmental authorities. This City has undertaken several projects to improve the City's water and sewer treatment and distribution systems. These projects have been financed through loans obtained through the Ohio Water Development Authority (OWDA).

The City has also undertaken several other projects. In 2012, the City completed an extensive rehabilitation project on Washington Street, which was funded by approximately \$8.8 million in federal stimulus money. The City also undertook projects for John Scott/Mall Drive improvement, Lovers Lane connector, a marina observation pier project, Brady/University resurfacing and continuation of the Hot Mix program.

The net result of the above is a more pessimistic outlook than in previous years. Continued diligence to control costs will be practiced by the City to meet its financial projections.

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Alyssa N. Kerker, Finance Director, City of Steubenville, 115 South Third Street, Steubenville, Ohio 43952.

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**BASIC
FINANCIAL STATEMENTS**

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CITY OF STEUBENVILLE, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 6,114,087	\$ 10,020,405	\$ 16,134,492
Receivables (net of allowances for uncollectibles):			
Income taxes	2,361,448	-	2,361,448
Property and other taxes	1,853,004	-	1,853,004
Accounts	72,259	1,494,260	1,566,519
Special assessments	2,997	-	2,997
Due from other governments	2,551,396	-	2,551,396
Materials and supplies inventory	428,903	-	428,903
Prepayments	328,891	8,100	336,991
Internal balance	(132,808)	132,808	-
Capital assets:			
Land and construction in progress	761,773	4,442,192	5,203,965
Depreciable capital assets, net	34,241,486	52,312,410	86,553,896
Total capital assets, net	35,003,259	56,754,602	91,757,861
Total assets	48,583,436	68,410,175	116,993,611
Liabilities:			
Accounts payable	127,469	72,093	199,562
Contracts payable	77,895	623,510	701,405
Accrued wages and benefits	114,428	64,707	179,135
Matured compensated absences payable	13,995	1,712	15,707
Accrued vacation payable	563,448	204,944	768,392
Due to other governments	581,489	165,453	746,942
Accrued interest payable	34,850	5,733	40,583
Claims payable	107,067	-	107,067
Long-term liabilities:			
Due within one year	312,563	2,451,422	2,763,985
Due in more than one year	7,328,418	45,275,202	52,603,620
Total liabilities	9,261,622	48,864,776	58,126,398
Deferred inflows of resources:			
Property taxes levied for the next year	1,219,624	-	1,219,624
Net position:			
Net investment in capital assets	30,592,967	13,135,521	43,728,488
Restricted for:			
Capital projects	273,468	-	273,468
Street construction, maintenance and repairs	991,621	-	991,621
Community development programs	1,501,925	-	1,501,925
Police programs	37,557	-	37,557
Court programs	71,785	-	71,785
Municipal court improvements	78,158	-	78,158
Other purposes	119,724	-	119,724
Unrestricted	4,434,985	6,409,878	10,844,863
Total net position	\$ 38,102,190	\$ 19,545,399	\$ 57,647,589

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,851,065	\$ 733,045	\$ 65,400	\$ -
Security of persons and property	7,359,922	14,296	343,054	-
Public health and welfare	657,200	245,919	8,151	-
Transportation.	3,220,095	97,248	692,222	1,470,865
Community environment	748,089	145,779	590,008	-
Leisure time activity.	993,906	181,111	63,687	8,500
Interest and fiscal charges.	271,234	-	-	-
Total governmental activities	<u>16,101,511</u>	<u>1,417,398</u>	<u>1,762,522</u>	<u>1,479,365</u>
Business-type activities:				
Water.	4,993,615	5,447,787	-	-
Sewer.	3,872,870	4,399,628	10,692	-
Refuse.	1,492,302	2,251,504	-	-
Total business-type activities	<u>10,358,787</u>	<u>12,098,919</u>	<u>10,692</u>	<u>-</u>
Total primary government	<u>\$ 26,460,298</u>	<u>\$ 13,516,317</u>	<u>\$ 1,773,214</u>	<u>\$ 1,479,365</u>

General revenues:

- Property taxes levied for:
 - General purposes
 - Debt service.
- Income taxes levied for:
 - General purposes
 - Street improvements.
 - Equipment improvement.
 - Recreation improvement.
- Other taxes levied for:
 - Hotel occupancy taxes.
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Oil and gas lease revenue.
- Miscellaneous

Total general revenues

Transfers

Change in net position

Net position at beginning of year (restated).

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (2,052,620)	\$ -	\$ (2,052,620)
(7,002,572)	-	(7,002,572)
(403,130)	-	(403,130)
(959,760)	-	(959,760)
(12,302)	-	(12,302)
(740,608)	-	(740,608)
(271,234)	-	(271,234)
<u>(11,442,226)</u>	<u>-</u>	<u>(11,442,226)</u>
-	454,172	454,172
-	537,450	537,450
-	759,202	759,202
<u>-</u>	<u>1,750,824</u>	<u>1,750,824</u>
(11,442,226)	1,750,824	(9,691,402)
999,622	-	999,622
185,150	-	185,150
8,379,389	-	8,379,389
741,205	-	741,205
308,845	-	308,845
102,949	-	102,949
292,107	-	292,107
1,192,720	-	1,192,720
3,383	-	3,383
-	597,256	597,256
123,955	53,038	176,993
<u>12,329,325</u>	<u>650,294</u>	<u>12,979,619</u>
<u>(8,998)</u>	<u>8,998</u>	<u>-</u>
878,101	2,410,116	3,288,217
<u>37,224,089</u>	<u>17,135,283</u>	<u>54,359,372</u>
<u>\$ 38,102,190</u>	<u>\$ 19,545,399</u>	<u>\$ 57,647,589</u>

CITY OF STEUBENVILLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General	.7% City Income Tax Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,305,727	\$ 1,280,902	\$ 2,379,632	\$ 5,966,261
Receivables (net of allowance for uncollectibles):				
Income taxes	2,072,025	183,664	105,759	2,361,448
Real and other taxes	1,586,553	-	266,451	1,853,004
Accounts	72,259	-	-	72,259
Special assessments	-	-	2,997	2,997
Due from other governments	608,648	86,026	1,856,722	2,551,396
Prepayments	8,590	-	320,301	328,891
Materials and supplies inventory	275,878	-	153,025	428,903
Total assets	<u>\$ 6,929,680</u>	<u>\$ 1,550,592</u>	<u>\$ 5,084,887</u>	<u>\$ 13,565,159</u>
Liabilities:				
Accounts payable	\$ 80,745	\$ -	\$ 46,724	\$ 127,469
Contracts payable	-	70,632	7,263	77,895
Accrued wages and benefits	109,523	2,795	2,110	114,428
Matured compensated absences payable	13,995	-	-	13,995
Accrued vacation payable	12,978	-	-	12,978
Due to other funds	127,942	-	-	127,942
Due to other governments	568,403	432	12,654	581,489
Total liabilities	<u>913,586</u>	<u>73,859</u>	<u>68,751</u>	<u>1,056,196</u>
Deferred inflows of resources:				
Property taxes levied for the next year	1,032,160	-	187,464	1,219,624
Delinquent property tax revenue not available	539,579	-	75,314	614,893
Special assessments revenue not available	-	-	2,997	2,997
Income tax revenue not available	1,807,747	177,581	105,759	2,091,087
Intergovernmental revenue not available	449,879	59,900	1,745,963	2,255,742
Miscellaneous revenue not available	72,259	-	-	72,259
Total deferred inflows of resources	<u>3,901,624</u>	<u>237,481</u>	<u>2,117,497</u>	<u>6,256,602</u>
Fund balances:				
Nonspendable	297,807	-	473,326	771,133
Restricted	-	-	1,268,961	1,268,961
Committed	-	1,239,252	1,156,352	2,395,604
Assigned	1,816,663	-	-	1,816,663
Total fund balances	<u>2,114,470</u>	<u>1,239,252</u>	<u>2,898,639</u>	<u>6,252,361</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,929,680</u>	<u>\$ 1,550,592</u>	<u>\$ 5,084,887</u>	<u>\$ 13,565,159</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012

Total governmental fund balances		\$	6,252,361
<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.			35,003,259
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	2,091,087	
Property and other taxes receivable		614,893	
Accounts receivable		72,259	
Intergovernmental receivable		2,255,742	
Special assessments receivable		2,997	
Total		5,036,978	5,036,978
The internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. The net position of the internal service fund, including internal balances of (\$4,866), are:			35,893
Interest is accrued on outstanding loans and bonds on the statement of net position whereas in governmental funds, interest expenditures are reported when due.			(34,850)
Unamortized premiums on bond issuances are not recognized in the funds.			(121,969)
Vacation is accrued for leave accrued on the statement of net position, whereas in the funds, vacation leave expenditures are reported when taken.			(550,470)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		1,420,381	
Police and fire pension liability		1,850,849	
Capital lease payable		21,413	
General obligation bonds payable		3,369,966	
Loans payable		856,403	
Total		(7,519,012)	(7,519,012)
Net position of governmental activities		\$	38,102,190

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General	.7% City Income Tax Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Municipal income taxes	\$ 8,071,018	\$ 706,494	\$ 400,000	\$ 9,177,512
Property and other taxes.	1,221,333	-	257,889	1,479,222
Charges for services.	76,308	-	4,250	80,558
Licenses and permits	775,096	-	78,020	853,116
Fines and forfeitures	322,927	-	48,509	371,436
Intergovernmental.	1,471,508	1,326,109	2,485,191	5,282,808
Special assessments	-	-	4,961	4,961
Investment income.	3,383	-	15	3,398
Contributions and donations.	10,342	-	1,510	11,852
Rental income	113,625	-	1,478	115,103
Other	104,243	-	9,370	113,613
Total revenues	12,169,783	2,032,603	3,291,193	17,493,579
Expenditures:				
Current:				
General government	2,478,161	-	138,922	2,617,083
Security of persons and property	7,002,169	-	90,269	7,092,438
Public health and welfare.	564,227	-	91,585	655,812
Transportation	1,053,403	-	401,787	1,455,190
Community environment	95,496	-	847,231	942,727
Leisure time activity	566,209	-	86,000	652,209
Capital outlay	24,995	1,846,437	423,837	2,295,269
Debt service:				
Principal retirement.	53,894	40,677	148,084	242,655
Interest and fiscal charges	81,126	24,441	151,576	257,143
Total expenditures	11,919,680	1,911,555	2,379,291	16,210,526
Excess of revenues over expenditures.	250,103	121,048	911,902	1,283,053
Other financing sources (uses):				
Sale of capital assets.	1,363	-	-	1,363
Capital lease transaction.	24,995	-	-	24,995
Transfers in	-	-	28,952	28,952
Transfers (out).	(28,952)	-	-	(28,952)
Total other financing sources (uses)	(2,594)	-	28,952	26,358
Net change in fund balances	247,509	121,048	940,854	1,309,411
Fund balances at				
beginning of year (restated)	1,866,961	1,118,204	1,957,785	4,942,950
Fund balances at end of year	\$ 2,114,470	\$ 1,239,252	\$ 2,898,639	\$ 6,252,361

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, 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, 2012

Net change in fund balances - total governmental funds	\$	1,309,411
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	\$ 2,206,032	
Current year depreciation	(2,325,404)	
Total		(119,372)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(1,431)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	354,876	
Property and other taxes	(2,343)	
Licenses and permits revenue	2,363	
Intergovernmental revenues	(849,725)	
Special assessments	(10,140)	
Total		(504,969)
Proceeds of capital leases are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(24,995)
Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		242,655
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	1,612	
Accreted interest on capital appreciation bonds	(20,072)	
Amortization of bond premiums	4,369	
Total		(14,091)
In the statement of activities, vacation leave is accrued when earned, whereas in governmental funds, an expenditure is reported when vacation leave is taken.		
		(69,207)
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.		
		11,992
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balances of (\$20,563), is allocated among the governmental activities		
		48,108
Change in net position of governmental activities	\$	878,101

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, 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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income taxes	\$ 7,836,777	\$ 7,836,777	\$ 8,148,333	\$ 311,556
Property and other taxes.	1,166,467	1,201,582	1,216,531	14,949
Charges for services.	90,187	75,504	76,308	804
Licenses and permits	641,380	748,528	775,096	26,568
Fines and forfeitures	297,161	314,964	322,927	7,963
Intergovernmental.	1,292,394	1,498,887	1,560,787	61,900
Contributions and donations.	-	10,322	10,342	20
Investment income.	2,000	1,700	3,383	1,683
Rental income	107,231	109,199	113,625	4,426
Other	463,200	475,063	478,064	3,001
Total revenues	<u>11,896,797</u>	<u>12,272,526</u>	<u>12,705,396</u>	<u>432,870</u>
Expenditures:				
Current:				
General government	3,849,615	3,980,451	3,910,508	69,943
Security of persons and property	6,136,627	6,494,675	6,462,618	32,057
Public health and welfare.	488,456	503,922	494,796	9,126
Transportation	1,099,089	1,113,858	1,125,236	(11,378)
Community environment	75,096	84,269	83,406	863
Leisure time activity	541,360	583,586	566,782	16,804
Total expenditures	<u>12,190,243</u>	<u>12,760,761</u>	<u>12,643,346</u>	<u>117,415</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(293,446)</u>	<u>(488,235)</u>	<u>62,050</u>	<u>550,285</u>
Other financing sources (uses):				
Sale of capital assets.	22,201	1,363	1,363	-
Transfers in	-	50,000	50,000	-
Transfers (out).	-	(28,952)	(28,952)	-
Total other financing sources (uses)	<u>22,201</u>	<u>22,411</u>	<u>22,411</u>	<u>-</u>
Net change in fund balances	(271,245)	(465,824)	84,461	550,285
Fund balances at beginning of year	760,924	760,924	760,924	-
Prior year encumbrances appropriated	112,684	112,684	112,684	-
Fund balance at end of year	<u>\$ 602,363</u>	<u>\$ 407,784</u>	<u>\$ 958,069</u>	<u>\$ 550,285</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 890,655	\$ 5,357,420	\$ 3,772,330	\$ 10,020,405	\$ 147,826
Receivables (net of allowance for uncollectibles):					
Accounts	658,009	616,708	219,543	1,494,260	-
Due from other funds	13,949	36,264	77,729	127,942	-
Prepayments	2,195	3,710	2,195	8,100	-
Total current assets	<u>1,564,808</u>	<u>6,014,102</u>	<u>4,071,797</u>	<u>11,650,707</u>	<u>147,826</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	2,046,001	2,366,191	30,000	4,442,192	-
Depreciable capital assets, net	38,103,283	13,596,176	612,951	52,312,410	-
Total capital assets, net	<u>40,149,284</u>	<u>15,962,367</u>	<u>642,951</u>	<u>56,754,602</u>	-
Total noncurrent assets	<u>40,149,284</u>	<u>15,962,367</u>	<u>642,951</u>	<u>56,754,602</u>	-
Total assets	<u>41,714,092</u>	<u>21,976,469</u>	<u>4,714,748</u>	<u>68,405,309</u>	<u>147,826</u>
Liabilities:					
Current liabilities:					
Accounts payable	33,699	25,530	12,864	72,093	-
Contracts payable	264,738	358,772	-	623,510	-
Accrued wages and benefits	39,846	15,441	9,420	64,707	-
Due to other governments	66,521	60,278	38,654	165,453	-
Accrued vacation payable	84,720	69,057	51,167	204,944	-
Accrued interest payable	1,369	2,200	2,164	5,733	-
Current portion of compensated absences	16,270	8,203	4,193	28,666	-
Current portion of OPWC loans	26,820	23,015	-	49,835	-
Current portion of OWDA loans	1,741,579	248,000	-	1,989,579	-
Current portion of general obligation bonds	54,000	66,000	-	120,000	-
Current portion of revenue bonds	-	-	96,412	96,412	-
Current portion of landfill closure/postclosure	-	-	150,000	150,000	-
Current portion of loans payable	-	18,642	-	18,642	-
Claims payable	-	-	-	-	107,067
Total current liabilities	<u>2,329,562</u>	<u>895,138</u>	<u>364,874</u>	<u>3,589,574</u>	<u>107,067</u>
Long-term liabilities:					
Compensated absences	91,574	80,723	67,166	239,463	-
OWDA loans payable	27,829,546	10,664,063	-	38,493,609	-
OPWC loans payable	159,517	23,015	-	182,532	-
General obligation bonds payable	767,250	937,750	-	1,705,000	-
Revenue bonds payable	-	-	304,632	304,632	-
Loans payable	-	35,330	-	35,330	-
Landfill closure/postclosure	-	-	4,314,636	4,314,636	-
Total long-term liabilities	<u>28,847,887</u>	<u>11,740,881</u>	<u>4,686,434</u>	<u>45,275,202</u>	-
Total liabilities	<u>31,177,449</u>	<u>12,636,019</u>	<u>5,051,308</u>	<u>48,864,776</u>	<u>107,067</u>
Net position:					
Net investment in capital assets	9,305,834	3,587,780	241,907	13,135,521	-
Unrestricted (deficit)	<u>1,230,809</u>	<u>5,752,670</u>	<u>(578,467)</u>	<u>6,405,012</u>	<u>40,759</u>
Total net position (deficit)	<u>\$ 10,536,643</u>	<u>\$ 9,340,450</u>	<u>\$ (336,560)</u>	<u>19,540,533</u>	<u>\$ 40,759</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				4,866	
Net position of business-type activities				<u>\$ 19,545,399</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Refuse	Total	Activities - Internal Service Fund
Operating revenues:					
Charges for services	\$ 5,447,787	\$ 4,399,628	\$ 2,251,504	\$ 12,098,919	\$ 1,939,736
Other operating revenues	354	27,228	7,815	35,397	-
Total operating revenues.	<u>5,448,141</u>	<u>4,426,856</u>	<u>2,259,319</u>	<u>12,134,316</u>	<u>1,939,736</u>
Operating expenses:					
Personal services	1,704,383	1,569,878	843,019	4,117,280	-
Contract services.	-	-	338,210	338,210	-
Maintenance and operations.	1,311,330	1,447,964	187,440	2,946,734	45
Depreciation.	925,536	376,679	111,540	1,413,755	-
Claims expense	-	-	-	-	1,871,020
Total operating expenses.	<u>3,941,249</u>	<u>3,394,521</u>	<u>1,480,209</u>	<u>8,815,979</u>	<u>1,871,065</u>
Operating income	<u>1,506,892</u>	<u>1,032,335</u>	<u>779,110</u>	<u>3,318,337</u>	<u>68,671</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(1,049,992)	(480,732)	(14,373)	(1,545,097)	-
Loss on disposal of capital assets	-	(6,181)	-	(6,181)	-
Intergovernmental	-	10,692	-	10,692	-
Oil and gas lease revenue.	-	-	597,256	597,256	-
Other nonoperating revenues	301	17,340	-	17,641	-
Other nonoperating expenses	(12,093)	-	-	(12,093)	-
Total nonoperating revenues (expenses).	<u>(1,061,784)</u>	<u>(458,881)</u>	<u>582,883</u>	<u>(937,782)</u>	<u>-</u>
Income before capital contributions	445,108	573,454	1,361,993	2,380,555	68,671
Capital contributions.	-	8,998	-	8,998	-
Change in net position	445,108	582,452	1,361,993	2,389,553	68,671
Net position (deficit) at beginning of year (restated)	<u>10,091,535</u>	<u>8,757,998</u>	<u>(1,698,553)</u>		<u>(27,912)</u>
Net position (deficit) at end of year	<u>\$ 10,536,643</u>	<u>\$ 9,340,450</u>	<u>\$ (336,560)</u>		<u>\$ 40,759</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.				<u>20,563</u>	
Change in net position of business-type activities.				<u>\$ 2,410,116</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF STEUBENVILLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Refuse	Total	Activities - Internal Service Fund
Cash flows from operating activities:					
Cash received from charges for services	\$ 5,401,334	\$ 4,479,776	\$ 2,232,549	\$ 12,113,659	\$ 1,939,736
Cash received from other operations	354	27,228	7,815	35,397	-
Cash payments for personal services	(1,670,768)	(1,590,161)	(918,044)	(4,178,973)	-
Cash payments for contractual services	-	-	(348,949)	(348,949)	-
Cash payments for maintenance and operations	(1,289,569)	(1,456,879)	(182,826)	(2,929,274)	(45)
Cash payments for claims	-	-	-	-	(1,913,788)
Net cash provided by operating activities	<u>2,441,351</u>	<u>1,459,964</u>	<u>790,545</u>	<u>4,691,860</u>	<u>25,903</u>
Cash flows from noncapital financing activities:					
Cash received from grants and subsidies	-	10,692	-	10,692	-
Cash received from oil and gas lease	-	-	597,256	597,256	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>10,692</u>	<u>597,256</u>	<u>607,948</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(57,601)	(1,408,432)	(434,640)	(1,900,673)	-
Cash used for landfill closure/postclosure	-	-	(151,842)	(151,842)	-
Principal retirement on OPWC loans	(26,820)	(23,015)	-	(49,835)	-
Principal retirement on OWDA loans	(1,607,604)	(225,595)	-	(1,833,199)	-
Principal retirement on loans	-	(17,793)	-	(17,793)	-
Principal retirement on revenue bonds	-	-	(93,956)	(93,956)	-
Principal retirement on G.O. bonds	(54,000)	(66,000)	-	(120,000)	-
Loan issuance	-	537,756	-	537,756	-
Interest and fiscal charges	(1,050,082)	(481,016)	(12,209)	(1,543,307)	-
Net cash used in capital and related financing activities	<u>(2,796,107)</u>	<u>(1,684,095)</u>	<u>(692,647)</u>	<u>(5,172,849)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(354,756)	(213,439)	695,154	126,959	25,903
Cash and cash equivalents at beginning of year	<u>1,245,411</u>	<u>5,570,859</u>	<u>3,077,176</u>	<u>9,893,446</u>	<u>121,923</u>
Cash and cash equivalents at end of year	<u>\$ 890,655</u>	<u>\$ 5,357,420</u>	<u>\$ 3,772,330</u>	<u>\$ 10,020,405</u>	<u>\$ 147,826</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Total</u>	
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 1,506,892	\$ 1,032,335	\$ 779,110	\$ 3,318,337	\$ 68,671
Adjustments:					
Depreciation	925,536	376,679	111,540	1,413,755	-
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable.	(46,453)	80,148	(18,955)	14,740	-
Decrease (increase) in prepayments	6	(26)	6	(14)	-
Increase in due from other funds.	(13,949)	(36,264)	(77,729)	(127,942)	-
Increase (decrease) in accounts payable	21,648	(9,312)	(6,021)	6,315	-
Increase (decrease) in accrued wages and benefits	27,446	3,818	(451)	30,813	-
Decrease in intergovernmental payable.	(7,943)	(10,024)	(7,748)	(25,715)	-
Increase in compensated absences payable.	15,122	16,610	6,854	38,586	-
Increase in accrued vacation payable.	13,046	6,000	3,939	22,985	-
Decrease in claims payable.	-	-	-	-	(42,768)
Net cash provided by operating activities	<u>\$ 2,441,351</u>	<u>\$ 1,459,964</u>	<u>\$ 790,545</u>	<u>\$ 4,691,860</u>	<u>\$ 25,903</u>

Non-cash transactions:

During 2012 the OWDA forgave \$301 in principal on a loan in the water fund.
 During 2012 the OWDA increased the liability on a loan in the water fund by \$12,093.
 During 2012 the OWDA forgave \$17,340 in principal on a loan in the sewer fund.
 During 2012, the sewer fund received \$8,998 in capital contributions from other funds.
 At December 31, 2012, the sewer fund purchased \$311,608 in capital assets on account.
 At December 31, 2011, the sewer fund purchased \$211,531 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2012**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 372,303
Cash in segregated accounts.	<u>23,442</u>
Total assets	<u>\$ 395,745</u>
Liabilities:	
Deposits held and due to others	\$ 372,303
Undistributed monies.	<u>23,442</u>
Total liabilities	<u>\$ 395,745</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - DESCRIPTION OF THE CITY

The City of Steubenville, (the “City”), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

Beginning June 1, 1984, the City has operated under a council-manager form of government as provided by 705.51 to 705.60, Ohio Revised Code, inclusive. The powers and functions of the municipal governments are distributed among the municipality, its citizens, the various officers, boards, and commissions. The Mayor is the official head of the municipality for ceremonial purposes. Administration is not part of the duties of the Mayor. The City Council is composed of seven members, six of whom are elected by their respective electors within their designated wards. The Councilman at large, the seventh member of Council, is elected by the voters of the City at large. The City Council, by a majority vote, appoints the administrative City Manager.

The charter created two administrative departments: the Department of Finance and the Department of Law. The Directors of these departments are appointed by the City Manager and are approved by the Council.

Several board and commissions that serve the citizens of the City in various capacities are an integral part of the municipality’s government. The boards and commissions include: Civil Service Commission, Planning and Zoning Commission, Board of Engineering and Building Appeals, Parks and Recreation Board and the Board of Health. All members of these boards and commissions are appointed by the Mayor and are approved by Council.

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 local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City’s significant accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the City’s financial statement includes all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Component units are legally separate organizations for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization’s Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. Based upon the application of these criteria, the City has no component units.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

The primary government of the City consists of all funds, agencies, departments and offices that are not legally separate from the City. The primary government includes the City departments and agencies that provide the following services: police and fire protection, planning, zoning, refuse collection, street maintenance and repairs, community development, public health and welfare, parks and recreation and water and sewer utilities. The preceding financial statements include all funds of the City (the primary government).

The following organizations are described due to their relationship with the City.

JOINTLY GOVERNED ORGANIZATIONS

Jefferson County Regional Planning Commission: The City participates in the Jefferson County Regional Planning Commission (the Commission) which is a statutorily created political subdivision of the State of Ohio under Ohio Revised Code Chapter 713. The Commission is jointly governed among Jefferson County and municipalities and townships within Jefferson County. The Commission includes the three Jefferson County Commissioners, fourteen municipal mayors, fourteen township trustees, and six non-governmental representatives appointed by the member governments. Each member's control over the operation of the Commission is limited to its representation on the Board.

The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environment, social, economic and governmental functions and services of Jefferson County and applies for Community Development Block Grants on behalf of member governments. The Board exercises total control of the budgeting, appropriation, contracting and management. The City contributes a fee of \$3,875 annually. Continued existence of the Commission is not dependent on the continued participation of the City. Complete financial statements can be obtained from the Jefferson County Regional Planning Commission, Steubenville, Ohio.

Jefferson County Family and Children First Council: The Jefferson County Family and Children First Council (the Council) is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is currently governed by a 24 member Board, which includes the Health Commissioner of the City of Steubenville. During 2012, the City made no contributions to the Council. Continued existence of the Council is not dependent on the City's continued participation.

Jefferson County Port Authority: The Jefferson County Port Authority (the "Authority") was created in April 2012 and is a jointly governed organization between Jefferson County, the City of Steubenville and the Jefferson County Regional Planning Commission. The Authority was established pursuant to Ohio Revised Code Section 4582.21. The purpose of the Authority is to enhance, foster, aid, provide or promote transportation, economic development, housing, recreation, education, governmental operations, culture, research and the creation and preservation of jobs and employment opportunities.

The Authority is governed by a Board consisting of nine appointed members, four appointed by Jefferson County, four appointed by the City of Steubenville, and one appointed by the Jefferson County Regional Planning Commission.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

B. Basis of Presentation - Fund Accounting

The City's financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

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.

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 proprietary 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 statements. Fiduciary funds are reported by type.

C. 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 plus deferred outflows and liabilities plus deferred inflows is reported as fund balance. The following are the City's major governmental funds:

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

.7% City income tax - street improvement fund - The .7% city income tax - street improvement fund is used to account for income tax revenue and grants designated for improvement of streets within the City

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

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

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 its residential and commercial users located within the City.

Sewer fund - This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Refuse fund - This fund accounts for the operations providing refuse waste removal to the residents and commercial users located with the City.

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 on the activity of the centralized City self-insurance health program.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds, which are primarily to account for Municipal Court activity and for funds held in trust for deposits.

D. 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, deferred outflows, liabilities and deferred inflows associated with the operation of the City are included on the statement of net position.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 current liabilities 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, deferred inflows, liabilities and deferred outflows 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.

E. 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 fiduciary 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 inflows and in the presentation of expenses versus expenditures.

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. 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 thirty-one days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 6.B.). 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 tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures and licenses and permits and fees.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2012, are recorded as deferred inflows on the governmental fund financial statements.

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

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

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

F. 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 appropriations resolution, all of which 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. The legal level of budgetary control is by office, department, and division, and within each, appropriated for personal services. Budgetary modifications may only be made by resolution of the City Council at the legal level of budgetary control.

Tax Budget - During the first Council meeting in July, the Finance Director presents the annual operating budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 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. On or before December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal 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 appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. 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. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources at the time final 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 do not exceed current estimated resources, as certified. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for the fund that covers the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

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. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

G. Cash and Cash Equivalents

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2012, interest revenue credited to the general fund amounted to \$3,383, which includes \$3,150 assigned from other City funds.

For purpose of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities 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 are reported as investments, to the extent that the investment was purchased from a specific fund.

The City has segregated bank accounts for Municipal Court monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City treasury.

An analysis of the City's depository accounts at year-end is provided in Note 4.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

H. Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

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

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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 fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of streets, irrigation systems, traffic lights, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Improvements	10 - 15 years	10 - 15 years
Buildings	50 years	50 years
Equipment	10 - 20 years	10 - 20 years
Vehicles	5 - 20 years	5 - 20 years
Infrastructure:		
Sewer and water lines	N/A	50 years
Roads, traffic lights	10 - 65 years	10 - 65 years

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

J. Compensated Absences

Compensated absences of the City consist of sick leave to the extent that payment to the employee for these absences is attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee. Vacation earned in the current year must be used by December 31 of the following year.

In conformity with GASB Statement No. 16, "Accounting for 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 City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination (severance) payments and by those employees for whom it is probable they will become eligible to receive termination (severance) benefits in the future.

The total liability for sick leave payments has been calculated using pay rates in effect at the financial statement date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepaid Items

Prepayments made to vendors for services that will benefit future periods beyond December 31, 2012 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.

L. 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 fund financial statements only to the extent that they are due for payment during the current year.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

M. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Ordinance of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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.

N. 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 Council and that are either unusual in nature or infrequent in occurrence. During 2012, the City had no transactions classified as extraordinary or special items.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

O. Estimates

The preparation of the financial statements in conformity with GAAP 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.

P. Interfund Activity

Transfers between governmental and business-type activities on the governmental-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. Flows 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 non-operating revenues/expense in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. 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 its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the water, sewer and refuse enterprise funds and charges for services to other departments for the self-insurance internal service fund. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

S. Unamortized Bond Premiums

Bond premiums are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds.

On the 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

T. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable”. Receivables and payables for services provided by one fund to another fund are classified as “due to/from other funds.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2012, the City has implemented GASB Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements”, GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”, GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”, and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”.

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows or resources and deferred inflows of resources and their effects on a government’s *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the City’s financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had the following effect on the financial statements of the City:

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net assets as previously reported	\$ 37,344,828	\$ 17,194,535
Removal of unamortized bond issuance costs	<u>(120,739)</u>	<u>(59,252)</u>
Net position at January 1, 2012	<u>\$ 37,224,089</u>	<u>\$ 17,135,283</u>
	<u>Enterprise Funds</u>	
	<u>Water</u>	<u>Sewer</u>
Net assets as previously reported	\$ 10,118,198	\$ 8,790,587
Removal of unamortized bond issuance costs	<u>(26,663)</u>	<u>(32,589)</u>
Net position at January 1, 2012	<u>\$ 10,091,535</u>	<u>\$ 8,757,998</u>

B. Fund Reclassifications

Fund reclassifications are required in order to report funds in accordance with GASB Statement No 54. These fund reclassifications had the following effect on the City's governmental fund balances as previously reported:

	<u>General</u>	<u>ARRA Federal Grant</u>	<u>Emergency Management</u>	<u>.7% City Income Tax Street Improvement</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Fund balance (deficit) as previously reported	\$ 900,634	\$ (668,299)	\$ 54,516	\$ 1,118,204	\$ 3,537,895	\$ 4,942,950
Fund reclassifications:						
Safety fund	<u>966,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(966,327)</u>	<u>-</u>
Total fund reclassifications	<u>966,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(966,327)</u>	<u>-</u>
Restated fund balance (deficit) at January 1, 2012	<u>\$ 1,866,961</u>	<u>\$ (668,299)</u>	<u>\$ 54,516</u>	<u>\$ 1,118,204</u>	<u>\$ 2,571,568</u>	<u>\$ 4,942,950</u>

The fund reclassifications did not have an effect on net position as previously reported.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Net Position

The following fund had deficit net position as of December 31, 2012:

Major proprietary fund

Refuse \$ 336,560

This fund complied with Ohio state law, which does not permit a cash basis deficit at year end. The deficit net position in the refuse fund is caused by the reporting of a liability for estimated closure and post-closure care costs for the municipal landfill. The liability for estimated closure and post-closure care costs is more fully described in Note 16.

D. Compliance

Ohio Revised Code Section 5705.10(H) states that money paid into any fund shall only be used for the purposes for which the fund was established. During 2012, the City made expenditures from several funds which were not for the purposes for which the funds were established.

NOTE 4 - 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 Council 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.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal interest, or coupons; and,
3. Obligations of the City.

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

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

A. Cash in Segregated Accounts

At year end, the City had \$23,442 deposited with a financial institution for monies related to the Municipal Court which is reported as an agency fund. The entire balance is covered by the FDIC. The amount is not included in the City's depository balance below.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2012, the carrying amount of all City deposits was \$16,506,795. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2012, \$6,194,005 of the City’s bank balance of \$16,214,476 was exposed to custodial risk as discussed below, while \$10,020,471 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

C. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of December 31, 2012:

Cash and cash equivalents per note

Carrying amount of deposits	\$ 16,506,795
Cash in segregated accounts	<u>23,442</u>
Total	<u>\$ 16,530,237</u>

Cash and cash equivalents per statement of net position

Governmental activities	\$ 6,114,087
Business type activities	10,020,405
Agency funds	<u>395,745</u>
Total	<u>\$ 16,530,237</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund transfers for the year ended December 31, 2012, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:	
General fund	\$ 28,952

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

- B.** Due to/from other funds consisted of the following at December 31, 2012, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Water	General	\$ 13,949
Sewer	General	36,264
Refuse	General	<u>77,729</u>
Total due to/from other funds		<u>\$ 127,942</u>

The balances resulted from 2012 payments for salaries and wages made by the water, sewer and refuse funds for employees of general fund departments. The general fund will reimburse the water, sewer and refuse funds in 2013. Amounts due to/from between governmental activities and business-type activities are shown as internal balances on the statement of net position.

NOTE 6 - TAXES

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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 6 - TAXES - (Continued)

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. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Steubenville. 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, 2012 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes has been offset by deferred inflow 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.

The full tax rate for all City operations for the year ended December 31, 2012 was \$8.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2012 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 158,728,800
Commercial/industrial/mineral	72,299,040
<u>Public utility</u>	
Real	48,040
Personal	<u>12,429,730</u>
Total assessed value	<u><u>\$ 243,505,610</u></u>

B. Municipal Income Tax

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are allowed a credit for all income taxes paid to other municipalities up to 100% of the City's current rate.

Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. The income tax is collected by RITA and remitted to the City monthly.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 6 - TAXES - (Continued)

Municipal income taxes are allocated by City ordinance as follows: 100% of the original one percent of the City income tax is for the general fund; .7% of the second one percent is allocated in various amounts to the general, street improvement, equipment and recreation funds; and .3% of this second one percent is allocated in various amounts to the general and street improvement funds.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2012 consisted of taxes, accounts (billings for user charged services), and intergovernmental receivables arising from grants, entitlements and special assessments. Receivables have been recorded to the extent that they are measurable at December 31, 2012.

A summary of the items of receivables reported on the statement of net position follows:

Governmental activities:

Income taxes	\$	2,361,448
Property and other taxes		1,853,004
Accounts		72,259
Special assessments		2,997
Due from other governments		2,551,396

Business-type activities:

Accounts		1,494,260
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Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within the subsequent year, with the exception of special assessments which will be collected over the life of the assessment.

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CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 469,112	\$ -	\$ -	\$ 469,112
Construction in progress	<u>8,072,243</u>	<u>1,267,571</u>	<u>(9,047,153)</u>	<u>292,661</u>
Total capital assets, not being depreciated	<u>8,541,355</u>	<u>1,267,571</u>	<u>(9,047,153)</u>	<u>761,773</u>
<i>Capital assets, being depreciated:</i>				
Buildings	7,926,176	-	-	7,926,176
Improvements	5,507,754	55,670	-	5,563,424
Equipment	1,756,096	85,271	(6,630)	1,834,737
Vehicles	3,818,487	108,089	(33,435)	3,893,141
Infrastructure	<u>36,459,937</u>	<u>9,736,584</u>	<u>-</u>	<u>46,196,521</u>
Total capital assets, being depreciated	<u>55,468,450</u>	<u>9,985,614</u>	<u>(40,065)</u>	<u>65,413,999</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,553,414)	(159,179)	-	(1,712,593)
Improvements	(1,647,064)	(261,800)	-	(1,908,864)
Equipment	(776,876)	(144,776)	6,630	(915,022)
Vehicles	(3,240,954)	(258,854)	32,004	(3,467,804)
Infrastructure	<u>(21,667,435)</u>	<u>(1,500,795)</u>	<u>-</u>	<u>(23,168,230)</u>
Total accumulated depreciation	<u>(28,885,743)</u>	<u>(2,325,404)</u>	<u>38,634</u>	<u>(31,172,513)</u>
Total capital assets, being depreciated, net	<u>26,582,707</u>	<u>7,660,210</u>	<u>(1,431)</u>	<u>34,241,486</u>
Governmental activities capital assets, net	<u>\$ 35,124,062</u>	<u>\$ 8,927,781</u>	<u>\$ (9,048,584)</u>	<u>\$ 35,003,259</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 66,000	\$ -	\$ -	\$ 66,000
Construction in progress	<u>3,200,449</u>	<u>1,175,743</u>	<u>-</u>	<u>4,376,192</u>
Total capital assets, not being depreciated	<u>3,266,449</u>	<u>1,175,743</u>	<u>-</u>	<u>4,442,192</u>
<i>Capital assets, being depreciated:</i>				
Buildings	31,285,548	-	-	31,285,548
Improvements	4,513,326	-	-	4,513,326
Equipment	732,245	-	(13,405)	718,840
Vehicles	1,416,502	640,535	-	2,057,037
Infrastructure	<u>27,071,940</u>	<u>193,470</u>	<u>-</u>	<u>27,265,410</u>
Total capital assets, being depreciated	<u>65,019,561</u>	<u>834,005</u>	<u>(13,405)</u>	<u>65,840,161</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(7,656,212)	(544,887)	-	(8,201,099)
Improvements	(23,725)	(90,267)	-	(113,992)
Equipment	(250,501)	(52,698)	7,224	(295,975)
Vehicles	(1,233,062)	(175,133)	-	(1,408,195)
Infrastructure	<u>(2,957,720)</u>	<u>(550,770)</u>	<u>-</u>	<u>(3,508,490)</u>
Total accumulated depreciation	<u>(12,121,220)</u>	<u>(1,413,755)</u>	<u>7,224</u>	<u>(13,527,751)</u>
Total capital assets, being depreciated, net	<u>52,898,341</u>	<u>(579,750)</u>	<u>(6,181)</u>	<u>52,312,410</u>
Business-type activities capital assets, net	<u>\$ 56,164,790</u>	<u>\$ 595,993</u>	<u>\$ (6,181)</u>	<u>\$ 56,754,602</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 197,565
Security of persons and property	231,371
Transportation	1,577,571
Community environment	10,489
Leisure time activity	<u>308,408</u>
Total depreciation expense - governmental activities	<u>\$ 2,325,404</u>

Business-type activities:

Water	\$ 925,536
Sewer	376,679
Refuse	<u>111,540</u>
Total depreciation expense - business-type activities	<u>\$ 1,413,755</u>

NOTE 9 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Vacation - Employees earn vacation leave at varying rates based upon length of service. Vacation earned in any one year must be used within the following year with no carryover. At time of separation employees are entitled to any earned and unused vacation leave.

Sick leave - Sick leave is accrued according to contracts. Members of AFSCME, police and non-union personnel are credited with 120 hours at the beginning of each year and fire department personnel are credited with 168 hours. There is no limit to the amount employees can accumulate during their service time with the City. Upon termination, an employee with less than 10 years is entitled to 25% of accumulated sick hours. An employee with 10 years or more is entitled to 50% of accumulated sick hours. For AFSCME union members and non-union personnel there is a limit of 2,000 hours of accumulated sick hours that can be paid; police and fire personnel have no limit that can be paid. The total obligation for sick leave accrual for the City as a whole as of December 31, 2012 was \$1,702,505.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LEASES

In the current year and in prior years, the City entered into capitalized lease agreements for copiers. These lease agreements meet the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General capital assets consisting of equipment have been capitalized in the statement of net position in the amount of \$49,401. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2012 was \$26,906, leaving a current book value of \$22,495. A corresponding liability was recorded in the statement of net position. Principal payments in 2012 totaled \$5,376 paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2012:

<u>Year Ended</u> <u>December 31.</u>	<u>Amount</u>
2013	\$ 5,951
2014	5,951
2015	5,951
2016	5,951
2017	<u>1,488</u>
Total	25,292
Less: amount representing interest	<u>(3,879)</u>
Present value of net minimum lease payments	<u>\$ 21,413</u>

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CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - LONG-TERM OBLIGATIONS

- A. During 2012, the following changes occurred in the City's governmental activities long-term obligations:

	Interest Rate	Balance 12/31/11	Additions	Reductions	Balance 12/31/12	Due Within One Year
<u>Governmental activities:</u>						
<u>Loans:</u>						
Sunset Blvd (ODOT)	3.00%	\$ 708,174	\$ -	\$ (40,677)	\$ 667,497	\$ 42,009
Route 43 project	4.69%	251,990	-	(63,084)	188,906	66,095
Total loans		960,164	-	(103,761)	856,403	108,104
<u>General obligation bonds:</u>						
Current interest bonds	2%-5%	3,325,000	-	(85,000)	3,240,000	85,000
Capital appreciation bonds		92,612	-	-	92,612	-
Accreted interest		17,282	20,072	-	37,354	-
Total general obligation bonds		3,434,894	20,072	(85,000)	3,369,966	85,000
<u>Other long-term liabilities:</u>						
Police and fire pension liability		1,899,367	-	(48,518)	1,850,849	50,600
Capital lease obligation		1,794	24,995	(5,376)	21,413	4,435
Compensated absences		1,432,373	1,814	(13,806)	1,420,381	64,424
Total other long-term liabilities		3,333,534	26,809	(67,700)	3,292,643	119,459
Total governmental activities long-term liabilities		\$ 7,728,592	\$ 46,881	\$ (256,461)	7,519,012	\$ 312,563
				Unamortized premium on bonds	121,969	
				Total on statement of net position	\$ 7,640,981	

ODOT loan - During 2000, the City obtained a loan through the Ohio Department of Transportation (ODOT) to fund the Sunset Boulevard widening project. This loan bears an interest rate of 3.00% and matures in 2025. The loan is paid from the .7% City income tax - street improvement fund. Payment is derived from income tax levies.

Route 43 project loan - During 2005, the City issued a loan for the Route 43 construction project. The loan bears an interest rate of 4.69% and is paid from the motor vehicle license fund, a nonmajor governmental fund. The loan matures in 2015 and is funded by motor vehicle tax revenues.

Police and fire pension liability - The police and fire pension obligation payable was entered into in 1973 with a total principal amount financed of \$2,574,594. These obligations payable were offered to assist governments throughout the State of Ohio to fund their unfunded pension costs associated with police and fire service. Payments are due in May and November of each year, with the final payment due in May, 2035. This obligation is being repaid through the use of local property tax revenues in the general fund.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

General obligation bonds - On November 17, 2010, the City issued general obligation bonds to retire the municipal building note, which provided funds for construction of a new municipal building. These bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment. Accordingly, such unmatured obligations of the City are accounted for on the statement of net position. Payments of principal and interest relating to this bond are recorded as expenditures in the general bond retirement fund, a nonmajor governmental fund.

This issue is comprised of both current interest bonds, par value \$3,405,000, and capital appreciation bonds, par value \$92,612. The interest rates on the current interest bonds range from 2.00% to 5.00%. The capital appreciation bonds mature on December 1, 2017 (approximate initial offering yield to maturity 3.32%), December 1, 2018 (approximate initial offering yield to maturity 3.64%), December 1, 2019 (approximate initial offering yield to maturity 3.92%) and December 1, 2020 (approximate initial offering yield to maturity 4.31%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$380,000. A total of \$37,354 in accreted interest on the capital appreciation bonds has been included on the statement of net position at December 31, 2012.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2040.

Capital lease obligation - Capital lease payments are made from the general fund. See Note 10 for lease details.

Compensated absences - Compensated absences for governmental activities will be paid from the fund in which the employee who has earned the leave is paid from, which, for the City, is the general fund and the following nonmajor governmental funds: food fund, community development fund and CHIP loan fund.

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CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. The annual requirements amortize governmental activities long-term obligations outstanding as of December 31, 2012, are as follows:

Year Ended	ODOT Loan			Route 43 Loan		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 42,009	\$ 19,712	\$ 61,721	\$ 66,095	\$ 7,734	\$ 73,829
2014	43,386	18,442	61,828	69,250	4,579	73,829
2015	44,808	17,130	61,938	53,561	4,134	57,695
2016	46,275	15,775	62,050	-	-	-
2017	47,791	14,375	62,166	-	-	-
2018 - 2022	263,495	49,224	312,719	-	-	-
2023 - 2025	179,733	9,563	189,296	-	-	-
Totals	<u>\$ 667,497</u>	<u>\$ 144,221</u>	<u>\$ 811,718</u>	<u>\$ 188,906</u>	<u>\$ 16,447</u>	<u>\$ 205,353</u>

Year Ended	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 85,000	\$ 139,131	\$ 224,131	\$ -	\$ -	\$ -
2014	90,000	137,431	227,431	-	-	-
2015	90,000	135,631	225,631	-	-	-
2016	95,000	133,831	228,831	-	-	-
2017	-	131,694	131,694	29,261	65,739	95,000
2018 - 2022	195,000	654,668	849,668	63,351	221,649	285,000
2023 - 2027	550,000	577,470	1,127,470	-	-	-
2028 - 2032	675,000	453,393	1,128,393	-	-	-
2033 - 2037	845,000	281,788	1,126,788	-	-	-
2038 - 2040	615,000	62,500	677,500	-	-	-
Totals	<u>\$ 3,240,000</u>	<u>\$ 2,707,537</u>	<u>\$ 5,947,537</u>	<u>\$ 92,612</u>	<u>\$ 287,388</u>	<u>\$ 380,000</u>

Year Ended	Police and Fire Pension Liability		
	Principal	Interest	Total
2013	\$ 50,600	\$ 78,129	\$ 128,729
2014	52,774	75,956	128,730
2015	55,041	73,688	128,729
2016	57,404	71,325	128,729
2017	59,870	68,860	128,730
2018 - 2022	340,207	303,443	643,650
2023 - 2027	419,819	223,829	643,648
2028 - 2032	518,063	125,784	643,847
2033 - 2035	297,071	18,963	316,034
Totals	<u>\$ 1,850,849</u>	<u>\$ 1,039,977</u>	<u>\$ 2,890,826</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

C. During 2012, the following changes occurred in the City's business-type activities long-term obligations:

	<u>Interest Rate</u>	<u>Balance 12/31/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/12</u>	<u>Due Within One Year</u>
<u>Business-type activities:</u>						
<u>OWDA loans:</u>						
Sewer - OWDA #3868	3.53%	\$ 165,956	\$ -	\$ (17,340)	\$ 148,616	\$ 18,000
Sewer - OWDA #4791	4.11%	10,451,286	-	(225,595)	10,225,691	230,000
Sewer - OWDA #6194	3.45%	-	537,756	-	537,756	-
Water - OWDA #3441	3.90%	5,146,668	-	(382,848)	4,763,820	397,925
Water - OWDA #5093	4.95%	3,873,811	12,093	(70,861)	3,815,043	150,000
Water - OWDA #3686	3.95%	2,767,379	-	(175,062)	2,592,317	182,045
Water - OWDA #4427	3.25%	19,379,079	-	(979,134)	18,399,945	1,011,609
Total OWDA loans		<u>41,784,179</u>	<u>549,849</u>	<u>(1,850,840)</u>	<u>40,483,188</u>	<u>1,989,579</u>
<u>OPWC loans:</u>						
Sewer - OPWC #CN28D	0.00%	69,045	-	(23,015)	46,030	23,015
Water - OPWC #CN523	0.00%	23,492	-	(5,873)	17,619	5,873
Water - OPWC #CN729	0.00%	33,322	-	(6,058)	27,264	6,058
Water - OPWC #CN038	0.00%	156,343	-	(14,889)	141,454	14,889
Total OPWC loans		<u>282,202</u>	<u>-</u>	<u>(49,835)</u>	<u>232,367</u>	<u>49,835</u>
<u>Improvement loan:</u>						
Sewer improvement	4.60%	71,765	-	(17,793)	53,972	18,642
Total loan		<u>71,765</u>	<u>-</u>	<u>(17,793)</u>	<u>53,972</u>	<u>18,642</u>
<u>Revenue bond:</u>						
Refuse - garbage packer bond	2.59%	495,000	-	(93,956)	401,044	96,412
Total revenue bonds		<u>495,000</u>	<u>-</u>	<u>(93,956)</u>	<u>401,044</u>	<u>96,412</u>
<u>General obligation bonds:</u>						
Water refunding bonds	2%-5%	875,250	-	(54,000)	821,250	54,000
Sewer refunding bonds	2%-5%	1,069,750	-	(66,000)	1,003,750	66,000
Total general obligations bonds		<u>1,945,000</u>	<u>-</u>	<u>(120,000)</u>	<u>1,825,000</u>	<u>120,000</u>
<u>Other long-term liabilities:</u>						
Compensated absences	n/a	229,543	36,890	(16)	266,417	26,954
Landfill closure/postclosure	n/a	4,616,478	-	(151,842)	4,464,636	150,000
Total other long-term liabilities		<u>4,846,021</u>	<u>36,890</u>	<u>(151,858)</u>	<u>4,731,053</u>	<u>176,954</u>
Total business-type long-term obligations		<u>\$ 49,424,167</u>	<u>\$ 586,739</u>	<u>\$ (2,284,282)</u>	<u>\$ 47,726,624</u>	<u>\$ 2,451,422</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

OWDA loans - The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2012, the City has outstanding borrowings of \$40,483,188. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. These payments are reflected in the future maturities of principal and interest table and are subject to revision if the total amount is not drawn down. Future annual debt service principal and interest requirements for the open loans, which have a total balance of \$14,727,106 at December 31, 2012, are not available.

The City has pledged future water revenues to repay OWDA loans. The loans are payable solely from water fund revenues and are payable through 2029. Annual principal and interest payments on the loans are expected to require 108.12 percent of net revenues and 48.27 percent of total revenues. Principal and interest paid for the current year were \$2,630,041, total net revenues were \$2,432,428 and total revenues were \$5,448,442.

The City has pledged future sewer revenues to repay OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2039. Annual principal and interest payments on the loans are expected to require 47.54 percent of net revenues and 15.04 percent of total revenues. Principal and interest paid for the current year were \$669,793, total net revenues were \$1,409,014 and total revenues were \$4,454,888.

OPWC loans - During 2003, the City was granted a \$230,150 loan from the Ohio Public Works Commission (OPWC). The purpose of the loan is to finance and reimburse the costs of replacing a wastewater treatment laboratory facility to meet Ohio Environmental Protection Agency requirements. The loan is being paid from the sewer fund over 10 years, with semi-annual payments of \$11,507. As of December 31, 2012, the loan has a balance of \$46,030. In prior years the City received loans from OPWC to fund improvements of the water plant. The loans granted totaled \$536,402 and payments are made from the water fund in semi-annual payments over 20 years. During 2012, the City made principal payments of \$26,820 on the water improvement OPWC loans. There is no interest on these loans.

Improvement loan - During 2005 the City issued a loan to fund the construction of sewer lines for \$126,000 and an emergency sewer project for \$40,000, totaling \$166,000. The loan matures in 2015 and will be repaid using user charges collected by the sewer fund.

On November 17, 2010, the City issued bonds to retire the 2005 water and sewer bonds. The 2010 bonds are general obligation bonds and are direct obligations of the City for which its full faith, credit and resources are pledged for repayment. The 2010 bond issue is comprised of \$927,000 in water bonds and \$1,133,000 in sewer bonds. The bonds will be retired with user charges in the water and sewer funds. The bonds bear interest rates ranging from 2.00% to 5.00% and mature on December 1, 2025.

Revenue bonds: In 2011, the City issued \$495,000 in refuse garbage packer revenue bonds for the purchase of garbage packers. These bonds are direct obligations of the City's refuse utility and the revenues derived from charges for refuse collection are pledged to repay this debt.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future refuse customer revenues, net of specified operating expenses, to repay the 2011 refuse garbage packer revenue bonds. The 2011 refuse garbage packer revenue bonds are payable solely from refuse customer net revenues and are payable through 2016. The total principal and interest remaining to be paid on the 2011 refuse garbage packer revenue bonds is \$423,472. Annual principal and interest payments on the bonds are expected to require 11.89 percent of net revenues and 4.49 percent of total revenues. Principal and interest paid for the current year were \$105,868, total net revenues were \$890,650 and total revenues were \$2,358,862.

Landfill closure/postclosure liability - See Note 16 for landfill information.

Compensated absences - Compensated absences for business-type activities will be paid from the water, sewer and refuse funds.

- D.** The annual requirements amortize business-type activities long-term obligations outstanding as of December 31, 2012, are as follows:

Year Ended	OWDA Loans			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 1,591,579	\$ 872,408	\$ 2,463,987	\$ 49,835	\$ -	\$ 49,835
2014	1,647,655	816,332	2,463,987	49,835	-	49,835
2015	1,705,725	758,262	2,463,987	26,820	-	26,820
2016	1,765,858	698,129	2,463,987	20,947	-	20,947
2017	1,828,130	635,857	2,463,987	17,921	-	17,921
2018 - 2022	10,155,087	2,164,848	12,319,935	67,009	-	67,009
2023 - 2027	7,062,048	568,488	7,630,536	-	-	-
Totals	<u>\$ 25,756,082</u>	<u>\$ 6,514,324</u>	<u>\$ 32,270,406</u>	<u>\$ 232,367</u>	<u>\$ -</u>	<u>\$ 232,367</u>

Year Ended	Sewer Loan			Garbage Packer Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 18,642	\$ 2,181	\$ 20,823	\$ 96,412	\$ 9,456	\$ 105,868
2014	19,532	1,251	20,783	98,934	6,934	105,868
2015	15,798	538	16,336	101,521	4,346	105,867
2016	-	-	-	104,177	1,692	105,869
Totals	<u>\$ 53,972</u>	<u>\$ 3,970</u>	<u>\$ 57,942</u>	<u>\$ 401,044</u>	<u>\$ 22,428</u>	<u>\$ 423,472</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	Water & Sewer Refunding Bonds		
	Principal	Interest	Total
2013	\$ 120,000	\$ 59,031	\$ 179,031
2014	120,000	56,631	176,631
2015	125,000	54,231	179,231
2016	125,000	51,731	176,731
2017	130,000	48,919	178,919
2018 - 2022	710,000	182,488	892,488
2023 - 2025	495,000	40,000	535,000
Totals	<u>\$ 1,825,000</u>	<u>\$ 493,031</u>	<u>\$ 2,318,031</u>

- E. 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, 2012, the City's total debt margin was \$22,333,955 and the unvoted debt margin was \$13,392,809.

NOTE 12 - RISK MANAGEMENT

A. Comprehensive

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. The City was part of the Ohio Municipal Alliance, an insurance purchasing pool, for all property, crime, liability, boiler and machinery, and public official liability. The City has transferred its risk of loss to the insurance carrier to the extent of the limits shown below.

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
Property	\$ 25,000	
Employee dishonesty	1,000	100,000
Money and securities	1,000	25,000
Vehicle	2,500	1,000,000
General liabilities	25,000	1,000,000
Law enforcement	25,000	1,000,000
Public officials liability	25,000	1,000,000
Employment practices	25,000	1,000,000
Umbrella liability	N/A	2,000,000

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - RISK MANAGEMENT - (Continued)

B. Health Insurance

The City provides health care coverage through a self-insured program administered by Health Assurance. The City pays 100% of the monthly medical claims for full-time and part-time employees. The City’s insurance claims are transferred from various funds to the health care fund. Monthly, the administrator bills the City for an administrative fee and the amount of claims paid. The City issues a check from the general, water, sewer, refuse and community development funds for the administrative fee and a check from the health care fund for the amount of claims paid.

Claims payable is based on the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable at December 31, 2012, is estimated by the third party administrator at \$107,067. The changes in the claims liability for 2012 and 2011 were as follows:

<u>Year</u>	<u>Beginning Balance</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2012	\$ 149,835	\$ 1,871,020	\$ (1,913,788)	\$ 107,067
2011	112,660	1,804,257	(1,767,082)	149,835

C. Workers’ Compensation

Workers’ compensation coverage is provided by the State of Ohio. The City pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Claims have not exceeded coverage limitations in any of the past three years.

Post-employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the City.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 13 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.00% for members. The City's contribution rate for 2012 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2012 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2012 was 7.95%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$525,436, \$543,545, and \$467,613, respectively; 87.85% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 pension liability has been reported as due to other governments on the basic financial statements. Contributions to the member-directed plan for 2012 were \$4,982 made by the City and \$3,559 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 13 - PENSION PLANS – (Continued)

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2012, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$289,845 and \$343,993 for the year ended December 31, 2012, \$297,135 and \$356,041 for the year ended December 31, 2011, and \$310,558 and \$355,947, for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 70.17% has been contributed for police and firefighters for 2012. The remaining 2012 pension liability has been reported as due to other governments on the basic financial statements.

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2012, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2012 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2012 was 6.05%.

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

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$213,835, \$221,137, and \$265,050, respectively; 87.85% has been contributed for 2012 and 100% has been contributed for 2011 and 2010. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

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

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$151,859 and \$134,606 for the year ended December 31, 2012, \$157,307 and \$139,320 for the year ended December 31, 2011, and \$164,413 and \$139,284, for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 70.17% has been contributed for police and firefighters for 2012. The remaining 2012 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures/expenses and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. 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 or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
4. 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ 84,461
Net adjustment for revenue accruals	(581,236)
Net adjustment for expenditure accruals	360,006
Net adjustment for other sources/uses	24,995
Funds budgeted elsewhere	(119,574)
Adjustment for encumbrances	<u>478,857</u>
GAAP basis	<u><u>\$ 247,509</u></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 unclaimed monies fund and the safety fund.

NOTE 16 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its municipal landfill site and to perform certain maintenance and monitoring functions at the closed landfill site for thirty years after closure. The landfill is no longer being used; however, the final cover as required by State and federal laws has not been placed on the landfill. The first phase of placing the final cover on the landfill began in 2006. The estimated liability for the landfill is \$2,792,750 for closure costs and \$2,692,492 for the post closure care costs for a total liability of \$5,485,242. The estimated cost of landfill closure and postclosure care expenses is based on the amount that would be paid if all materials and services required to monitor and maintain the closed landfill were acquired as of December 31, 2004. However, the actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. At December 31, 2011, the landfill outstanding balance was \$4,616,478. Outlays of \$151,842 were made during 2012, which decreased the estimated liability to \$4,464,636.

NOTE 17 - WATER AND WASTEWATER COMPLIANCE

The City of Steubenville has been mandated by the Ohio Environmental Protection Agency to upgrade the water and wastewater system in the City. The City anticipates spending approximately \$54 million to upgrade these facilities over the next several years. Construction began in 2002 to upgrade the water system (raw water transmission mains, raw water intake lines and pump station). Some loans have been obtained through the Ohio Public Works Commission which are included in the long-term liabilities of the water and sewer enterprise funds and are described in Note 11.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2012.

B. Litigation

The City has been named in various lawsuits, however, according to the City's legal counsel pending litigation will not have a material effect, if any, on the financial condition of the City.

NOTE 19 - CONTRACTUAL COMMITMENTS

At of December 31, 2012, the City has commitments with the following companies for various construction projects.

<u>Contractor</u>	<u>Contract Amounts</u>	<u>Amount Paid as of December 31, 2012</u>	<u>Amount Remaining on Contracts</u>
Cattrell Companies, Inc.	\$ 2,968,590	\$ 214,537	\$ 2,754,053
MWH Constructors	<u>684,290</u>	<u>433,133</u>	<u>251,157</u>
Total	<u>\$ 3,652,880</u>	<u>\$ 647,670</u>	<u>\$ 3,005,210</u>

NOTE 20 - OIL AND GAS LEASE

On February 28, 2012, the City entered into an oil and gas lease with Hess Ohio Development, LLC (Hess). The lease gives Hess the right to explore and drill for oil and gas on approximately 111 acres of City land. The City received a one-time nonrefundable payment from Hess in the amount of \$597,256. In addition, the City will receive a 19% royalty on any oil or gas that is recovered from the land. The City recorded the one-time payment in the refuse fund during 2012 and intends to record any future royalty revenue in the refuse fund. This revenue will be used to pay for expenses incurred in the closing of the City's landfill.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 21 - 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	.7% City Income Tax Street Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 275,878	\$ -	\$ 153,025	\$ 428,903
Prepays	8,590	-	320,301	328,891
Unclaimed monies	<u>13,339</u>	-	<u>-</u>	<u>13,339</u>
Total nonspendable	<u>297,807</u>	<u>-</u>	<u>473,326</u>	<u>771,133</u>
Restricted:				
Capital improvements	-	-	273,468	273,468
Street construction, maintenance and repair	-	-	579,838	579,838
Municipal court improvements	-	-	78,158	78,158
Community development	-	-	103,610	103,610
Court programs	-	-	56,035	56,035
Police and fire programs	-	-	37,557	37,557
Other purposes	<u>-</u>	<u>-</u>	<u>140,295</u>	<u>140,295</u>
Total restricted	<u>-</u>	<u>-</u>	<u>1,268,961</u>	<u>1,268,961</u>
Committed:				
Debt service	-	-	98,478	98,478
Street construction, maintenance and repair	-	1,239,252	-	1,239,252
Equipment improvement	-	-	947,985	947,985
Recreation purposes	-	-	97,076	97,076
Other purposes	<u>-</u>	<u>-</u>	<u>12,813</u>	<u>12,813</u>
Total committed	<u>-</u>	<u>1,239,252</u>	<u>1,156,352</u>	<u>2,395,604</u>
Assigned:				
General government	191,907	-	-	191,907
Security of persons and property	52,088	-	-	52,088
Leisure time activity	45,412	-	-	45,412
Transportation	112,984	-	-	112,984
Community environment	358	-	-	358
Public health and welfare	24,136	-	-	24,136
Safety programs	850,922	-	-	850,922
Subsequent year's appropriations	<u>538,856</u>	<u>-</u>	<u>-</u>	<u>538,856</u>
Total assigned	<u>1,816,663</u>	<u>-</u>	<u>-</u>	<u>1,816,663</u>
Total fund balances	<u>\$ 2,114,470</u>	<u>\$ 1,239,252</u>	<u>\$ 2,898,639</u>	<u>\$ 6,252,361</u>

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 22 - CONDUIT DEBT

To provide funds to finance the cost of acquiring, constructing, installing and equipping certain hospital facilities and refunding prior debt obligations, the City has issued \$43,930,000 hospital facilities revenue refunding bonds, series 2010 (Trinity Health System Obligated Group). These bonds are special limited obligations of the City, payable solely from and secured by a sublease and pledged receipts. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported in the accompanying financial statements.

At December 31, 2012, hospital facilities revenue refunding bonds outstanding aggregated \$41,085,000.

NOTE 23 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 426,885
.7% City income tax - street improvement	73,942
Other governmental	<u>118,161</u>
Total	<u>\$ 618,988</u>

NOTE 24 - SUBSEQUENT EVENTS

- A. On March 12, 2013, City Council approved an amended agreed order for judgment regarding the closure of the City's landfill. The City agreed to use all oil and gas lease revenues for landfill closure costs.
- B. On May 7, 2013, the City approved a contract with Environmental Management Specialists in the amount of \$474,265 for landfill wetlands construction.
- C. On May 7, 2013, the City closed its Pleasant Heights Fire Station.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF STEUBENVILLE, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

GENERAL FUND

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.

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):

Unclaimed Monies Fund

This fund accounts for uncashed checks issued by the City.

Safety Fund

This fund accounts for monies and grants used for programs and equipment to prevent employee injuries and maintain a reasonable workers' compensation rate.

MAJOR CAPITAL PROJECTS FUND

.7% City Income Tax - Street Improvement Fund

This fund accounts for income tax and Ohio Department of Transportation grants designated for improvement of the streets within the City.

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

Street Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Litter

This fund accounts for grants for litter prevention.

Hotel/Motel Tax Fund

This fund accounts for hotel occupancy taxes levied for operation of the Steubenville Convention and Visitors Bureau.

Improvement Bond Escrow Fund

This fund accounts for miscellaneous escrow funds.

Floto Historical Site Fund

This fund accounts for money held to improve a historical site in Steubenville.

Indigent Drivers Fund

This fund accounts for fees and fines to be used as payment of the cost of attendance at an alcohol and drug addiction treatment program.

CITY OF STEUBENVILLE, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Enforcement and Education Fund

This fund accounts for grant monies received from DUI arrests to be used for enforcement and education and for DUI housing reimbursements pursuant to Ohio Revised Code Section 4511.191.

Parks Material Usage Fund

This fund accounts for fees assessed for using park facilities.

Law Enforcement Trust Fund

This fund accounts for monies received from Federal Law Enforcement agencies designated for law enforcement purposes.

Court Security Fund

This fund accounts for fines and forfeitures designated for municipal court improvements.

South End Economic Development Fund

This fund accounts for designated funds for the development of the South End of Downtown Steubenville.

Summer Food Program Fund

This fund accounts for federal grants to provide meals to school-aged children during summer months.

Special Assessments Fund

This fund accounts for special assessments charged to property owners for City services.

Motor Vehicle License Tax Fund

This fund accounts for fees from license plates to be used for street improvements within the City.

Zoning and Planning Fund

This fund accounts for fees paid by residents applying for a zoning permit.

Police Education Trust Fund

This fund accounts for monies designated to be used for police training and education.

Special Projects Fund

This fund accounts for the proceeds of the \$10 increase in municipal court criminal/traffic court costs.

IDIAM Court Fund

The Indigent Driver's Interlock and Monitoring (IDIAM) fund is used to account for court costs and fines in funding Interlock and SCRAM.

Court Community Correction Act Grant Fund

This fund accounts for all activity associated with the Court Community Corrections Act State Grant. The purpose of this grant is to provide community service, treatment, and house arrest as an alternative to jail time. The State grant is a complement to the Federal Stimulus Grant.

Fiber Infrastructure Fund

A fund used to account for rental income that has been committed by City Council for fiber infrastructure.

Food Fund

This fund accounts for license fees from local food service vendors.

CITY OF STEUBENVILLE, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

EPSDT Fund

This fund accounts for State monies designated for use in the health department.

Mears Relief Fund

This fund accounts for monies bequeathed to the City in 1871, held in a certificate of deposit, with interest payable to non-profit organizations.

Swimming Pool Fund

This fund accounts for license fees for public and private swimming pools within the City.

Route 7 Project Fund

This fund accounts for monies reserved for State Route 7 improvements.

Community Development Fund

This fund accounts for monies received from Community Development Block Grant projects.

CDP - Revolving Loan Fund

This fund accounts for monies loaned to local businesses for economic development purposes.

CHIP Loan Fund

This fund accounts for federal grant monies for first-time homebuyers and home rehabilitation projects.

ARRA Federal Grant Fund

This fund accounts for projects related to federal grants received, including grants from the American Recovery and Reinvestment Act (ARRA).

Emergency Management Fund

This fund accounts for grant monies received from federal, state or local sources for disaster relief efforts.

NONMAJOR DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the payments of general obligation and special assessment principal, interest, and related costs.

General Bond Retirement Fund

This fund accounts for the resources that are used for the payment of principal, interest, and other fiscal charges on general obligation debt.

NONMAJOR CAPITAL PROJECTS FUNDS

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Following are descriptions of the nonmajor capital project funds:

General Capital Improvement Fund

This fund accounts for the acquisition and construction of major capital improvements other than those financed by proprietary funds.

Municipal Court Improvement Fund

This fund accounts for fines and forfeitures designated for municipal court improvements.

.7% City Income Tax - Equipment Improvement Fund

This fund accounts for income tax revenue designated for purchases of new equipment for City departments.

.7% City Income Tax - Recreation Improvement Fund

This fund accounts for income tax revenue designated for improvement of the City's parks and recreational facilities.

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 7,836,777	\$ 7,836,777	\$ 8,148,333	\$ 311,556
Property and other taxes	1,166,467	1,201,582	1,216,531	14,949
Charges for services	90,187	75,504	76,308	804
Licenses and permits	641,380	748,528	775,096	26,568
Fines and forfeitures	297,161	314,964	322,927	7,963
Intergovernmental	1,292,394	1,498,887	1,560,787	61,900
Contributions and donations	-	10,322	10,342	20
Investment income	2,000	1,700	3,383	1,683
Rental income	107,231	109,199	113,625	4,426
Other	463,200	475,063	478,064	3,001
Total revenues	11,896,797	12,272,526	12,705,396	432,870
Expenditures:				
Current:				
General government				
Mayor				
Personal services	16,055	17,017	16,761	256
Maintenance and operations	3,314	1,720	1,720	-
Total mayor	19,369	18,737	18,481	256
Finance				
Personal services	162,522	164,966	164,266	700
Maintenance and operations	7,575	7,251	7,159	92
Other	107,800	-	-	-
Total finance	277,897	172,217	171,425	792
Law director				
Personal services	46,099	49,403	48,968	435
Maintenance and operations	24,900	48,176	42,444	5,732
Total law director	70,999	97,579	91,412	6,167
Civil service				
Maintenance and operations	13,860	14,666	14,666	-
Total civil service	13,860	14,666	14,666	-
Central purchasing				
Personal services	1,494,881	1,671,925	1,655,561	16,364
Contractual services	37,904	34,918	34,918	-
Maintenance and operations	610,625	396,223	389,904	6,319
Other	283,050	379,000	360,421	18,579
Total central purchasing	2,426,460	2,482,066	2,440,804	41,262
City manager				
Personal services	73,008	76,060	75,240	820
Maintenance and operations	7,192	8,167	8,167	-
Total city manager	80,200	84,227	83,407	820

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CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Engineering				
Personal services.	\$ 162,111	\$ 166,342	\$ 163,921	\$ 2,421
Maintenance and operations.	3,350	5,669	5,631	38
Total engineering	<u>165,461</u>	<u>172,011</u>	<u>169,552</u>	<u>2,459</u>
City buildings				
Maintenance and operations	149,760	190,711	176,291	14,420
Total city buildings	<u>149,760</u>	<u>190,711</u>	<u>176,291</u>	<u>14,420</u>
Council				
Personal services.	76,309	77,136	77,053	83
Maintenance and operations	7,096	10,365	10,331	34
Total council	<u>83,405</u>	<u>87,501</u>	<u>87,384</u>	<u>117</u>
Municipal court				
Personal services.	367,016	426,293	426,058	235
Contractual services	22,000	22,000	22,000	-
Maintenance and operations	74,350	92,706	90,057	2,649
Total municipal court	<u>463,366</u>	<u>540,999</u>	<u>538,115</u>	<u>2,884</u>
Building department				
Personal services.	50,360	50,120	49,960	160
Contractual services	35,000	35,227	35,227	-
Maintenance and operations	13,478	34,390	33,784	606
Total building department	<u>98,838</u>	<u>119,737</u>	<u>118,971</u>	<u>766</u>
Total general government.	<u>3,849,615</u>	<u>3,980,451</u>	<u>3,910,508</u>	<u>69,943</u>
Security of persons and property				
Consent decree/IA police				
Maintenance and operations	-	300	300	-
Total consent decree	<u>-</u>	<u>300</u>	<u>300</u>	<u>-</u>
Police				
Personal services.	3,157,997	3,240,448	3,229,172	11,276
Maintenance and operations	120,832	300,001	296,565	3,436
Total police	<u>3,278,829</u>	<u>3,540,449</u>	<u>3,525,737</u>	<u>14,712</u>
Fire				
Personal services.	2,722,277	2,805,033	2,798,139	6,894
Maintenance and operations	76,013	92,409	87,072	5,337
Total fire.	<u>2,798,290</u>	<u>2,897,442</u>	<u>2,885,211</u>	<u>12,231</u>
Electrical				
Personal services.	43,742	43,936	41,413	2,523
Maintenance and operations	15,766	12,548	9,957	2,591
Total electrical	<u>59,508</u>	<u>56,484</u>	<u>51,370</u>	<u>5,114</u>
Total security of persons and property.	<u>6,136,627</u>	<u>6,494,675</u>	<u>6,462,618</u>	<u>32,057</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public health and welfare				
Health services				
Personal services.	\$ 140,016	\$ 142,494	\$ 139,833	\$ 2,661
Maintenance and operations	7,835	8,486	8,486	-
Total health services	<u>147,851</u>	<u>150,980</u>	<u>148,319</u>	<u>2,661</u>
Health clinic				
Personal services.	57,735	59,201	58,920	281
Maintenance and operations	8,110	7,379	7,373	6
Total health clinic	<u>65,845</u>	<u>66,580</u>	<u>66,293</u>	<u>287</u>
Health administration				
Personal services.	153,488	157,118	155,161	1,957
Maintenance and operations	104,147	117,994	113,773	4,221
Total health administration.	<u>257,635</u>	<u>275,112</u>	<u>268,934</u>	<u>6,178</u>
Assistance to the needy				
Other.	17,125	11,250	11,250	-
Total assistance to the needy.	<u>17,125</u>	<u>11,250</u>	<u>11,250</u>	<u>-</u>
Total public health and welfare.	<u>488,456</u>	<u>503,922</u>	<u>494,796</u>	<u>9,126</u>
Transportation				
Street department				
Personal services.	613,092	564,707	575,192	(10,485)
Maintenance and operations	37,154	100,361	99,529	832
Total street department.	<u>650,246</u>	<u>665,068</u>	<u>674,721</u>	<u>(9,653)</u>
Lighting				
Maintenance and operations	448,843	448,790	450,515	(1,725)
Total lighting.	<u>448,843</u>	<u>448,790</u>	<u>450,515</u>	<u>(1,725)</u>
Total transportation	<u>1,099,089</u>	<u>1,113,858</u>	<u>1,125,236</u>	<u>(11,378)</u>
Community environment				
Planning				
Personal services.	74,186	75,538	74,711	827
Maintenance and operations	910	8,731	8,695	36
Total planning.	<u>75,096</u>	<u>84,269</u>	<u>83,406</u>	<u>863</u>
Total community environment	<u>75,096</u>	<u>84,269</u>	<u>83,406</u>	<u>863</u>
Leisure time activity				
Recreation-parks				
Personal services.	143,057	141,539	139,046	2,493
Maintenance and operations	86,688	87,902	85,227	2,675
Total recreation-parks	<u>229,745</u>	<u>229,441</u>	<u>224,273</u>	<u>5,168</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recreation-pools				
Personal services.	\$ 62,810	\$ 62,052	\$ 62,011	\$ 41
Maintenance and operations	21,000	17,716	15,035	2,681
Total recreation-pools	<u>83,810</u>	<u>79,768</u>	<u>77,046</u>	<u>2,722</u>
Recreation-indoors				
Personal services.	72,266	94,083	89,781	4,302
Maintenance and operations	65,321	60,755	57,939	2,816
Total recreation-indoors.	<u>137,587</u>	<u>154,838</u>	<u>147,720</u>	<u>7,118</u>
Recreation-administration				
Personal services.	71,912	84,687	83,004	1,683
Maintenance and operations	8,306	15,238	15,125	113
Total recreation-administration	<u>80,218</u>	<u>99,925</u>	<u>98,129</u>	<u>1,796</u>
Community celebrations				
Maintenance and operations	10,000	19,614	19,614	-
Total community celebrations	<u>10,000</u>	<u>19,614</u>	<u>19,614</u>	<u>-</u>
Total leisure time activity.	<u>541,360</u>	<u>583,586</u>	<u>566,782</u>	<u>16,804</u>
Total expenditures.	<u>12,190,243</u>	<u>12,760,761</u>	<u>12,643,346</u>	<u>117,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(293,446)</u>	<u>(488,235)</u>	<u>62,050</u>	<u>550,285</u>
Other financing sources (uses):				
Sale of capital assets.	22,201	1,363	1,363	-
Transfers in.	-	50,000	50,000	-
Transfers (out).	-	(28,952)	(28,952)	-
Total other financing sources (uses)	<u>22,201</u>	<u>22,411</u>	<u>22,411</u>	<u>-</u>
Net change in fund balance.	(271,245)	(465,824)	84,461	550,285
Fund balance at beginning of year	760,924	760,924	760,924	-
Prior year encumbrances appropriated	112,684	112,684	112,684	-
Fund balance at end of year.	<u>\$ 602,363</u>	<u>\$ 407,784</u>	<u>\$ 958,069</u>	<u>\$ 550,285</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UNCLAIMED MONIES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other.	\$ 7,866	\$ 8,215	\$ 1,920	\$ (6,295)
Total revenues	<u>7,866</u>	<u>8,215</u>	<u>1,920</u>	<u>(6,295)</u>
Expenditures:				
Current:				
General government				
Unclaimed monies				
Maintenance and operations	1,278	6,089	6,089	-
Total expenditures	<u>1,278</u>	<u>6,089</u>	<u>6,089</u>	<u>-</u>
Net change in fund balance	6,588	2,126	(4,169)	(6,295)
Fund balance at beginning of year.	<u>17,508</u>	<u>17,508</u>	<u>17,508</u>	<u>-</u>
Fund balance at end of year	<u>\$ 24,096</u>	<u>\$ 19,634</u>	<u>\$ 13,339</u>	<u>\$ (6,295)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SAFETY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 6,397	\$ 6,397	\$ -
Other	8,603	30,598	37,306	6,708
Total revenues	8,603	36,995	43,703	6,708
Expenditures:				
Current:				
General government				
Safety				
Contractual services	20,159	35,618	35,043	575
Maintenance and operations	77,018	92,117	89,582	2,535
Total expenditures	97,177	127,735	124,625	3,110
Excess (deficiency) of revenues over (under) expenditures.	(88,574)	(90,740)	(80,922)	9,818
Other financing uses:				
Transfers out	-	(50,000)	(50,000)	-
Total other financing uses	-	(50,000)	(50,000)	-
Net change in fund balance.	(88,574)	(140,740)	(130,922)	9,818
Fund balance at beginning of year	965,753	965,753	965,753	-
Prior year encumbrances appropriated.	4,112	4,112	4,112	-
Fund balance at end of year	\$ 881,291	\$ 829,125	\$ 838,943	\$ 9,818

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 .7% CITY INCOME TAX - STREET IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income taxes	\$ 643,651	\$ 694,651	\$ 708,274	\$ 13,623
Intergovernmental	3,624,393	1,329,545	1,325,296	(4,249)
Other.	11,086	-	-	-
Total revenues	<u>4,279,130</u>	<u>2,024,196</u>	<u>2,033,570</u>	<u>9,374</u>
Expenditures:				
Capital outlay				
Street department				
Maintenance and operations.	7,369	23,730	23,437	293
Capital outlay.	2,284,347	1,955,876	1,816,004	139,872
Other.	36,975	25,732	24,459	1,273
Total capital outlay	<u>2,328,691</u>	<u>2,005,338</u>	<u>1,863,900</u>	<u>141,438</u>
Debt service:				
Principal retirement.	40,454	40,454	40,454	-
Interest and fiscal charges.	24,664	24,664	24,664	-
Total debt service.	<u>65,118</u>	<u>65,118</u>	<u>65,118</u>	<u>-</u>
Total expenditures.	<u>2,393,809</u>	<u>2,070,456</u>	<u>1,929,018</u>	<u>141,438</u>
Excess of expenditures over revenues.	<u>1,885,321</u>	<u>(46,260)</u>	<u>104,552</u>	<u>150,812</u>
Other financing sources:				
Advances in.	579,000	579,000	579,000	-
Total other financing sources	<u>579,000</u>	<u>579,000</u>	<u>579,000</u>	<u>-</u>
Net change in fund balance	2,464,321	532,740	683,552	150,812
Fund balance at beginning of year	331,950	331,950	331,950	-
Prior year encumbrances appropriated	<u>184,821</u>	<u>184,821</u>	<u>184,821</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,981,092</u>	<u>\$ 1,049,511</u>	<u>\$ 1,200,323</u>	<u>\$ 150,812</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 859,386	\$ 98,478	\$ 1,421,768	\$ 2,379,632
Receivables (net of allowances of uncollectibles):				
Income taxes	-	-	105,759	105,759
Real and other taxes	3,673	262,778	-	266,451
Special assessments	2,997	-	-	2,997
Due from other governments	1,842,262	14,460	-	1,856,722
Prepayments	988	-	319,313	320,301
Materials and supplies inventory	153,025	-	-	153,025
Total assets	<u>\$ 2,862,331</u>	<u>\$ 375,716</u>	<u>\$ 1,846,840</u>	<u>\$ 5,084,887</u>
Liabilities:				
Accounts payable	\$ 26,433	\$ -	\$ 20,291	\$ 46,724
Contracts payable	7,263	-	-	7,263
Accrued wages and benefits	2,110	-	-	2,110
Due to other governments	12,654	-	-	12,654
Total liabilities	<u>48,460</u>	<u>-</u>	<u>20,291</u>	<u>68,751</u>
Deferred inflows of resources:				
Property taxes levied for the next year.	-	187,464	-	187,464
Delinquent property tax revenue not available. . .	-	75,314	-	75,314
Special assessments revenue not available.	2,997	-	-	2,997
Income tax revenue not available.	-	-	105,759	105,759
Intergovernmental revenue not available.	1,731,503	14,460	-	1,745,963
Total deferred inflows of resources	<u>1,734,500</u>	<u>277,238</u>	<u>105,759</u>	<u>2,117,497</u>
Fund balances:				
Nonspendable	154,013	-	319,313	473,326
Restricted	917,335	-	351,626	1,268,961
Committed	8,023	98,478	1,049,851	1,156,352
Total fund balances.	<u>1,079,371</u>	<u>98,478</u>	<u>1,720,790</u>	<u>2,898,639</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 2,862,331</u>	<u>\$ 375,716</u>	<u>\$ 1,846,840</u>	<u>\$ 5,084,887</u>

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 400,000	\$ 400,000
Property and other taxes	72,452	185,437	-	257,889
Charges for services	4,250	-	-	4,250
Licenses and permits	78,020	-	-	78,020
Fines and forfeitures	16,952	-	31,557	48,509
Intergovernmental	2,413,354	63,337	8,500	2,485,191
Special assessments	4,961	-	-	4,961
Investment income	15	-	-	15
Contributions and donations	1,510	-	-	1,510
Rental income.	1,478	-	-	1,478
Other	9,370	-	-	9,370
Total revenues	2,602,362	248,774	440,057	3,291,193
Expenditures:				
Current:				
General government	120,635	5,774	12,513	138,922
Security of persons and property	90,269	-	-	90,269
Public health and welfare.	91,585	-	-	91,585
Transportation	401,787	-	-	401,787
Community environment	847,231	-	-	847,231
Leisure time activity.	86,000	-	-	86,000
Capital outlay	129,850	-	293,987	423,837
Debt service:				
Principal retirement.	63,084	85,000	-	148,084
Interest and fiscal charges	10,745	140,831	-	151,576
Total expenditures	1,841,186	231,605	306,500	2,379,291
Excess of revenues over expenditures	761,176	17,169	133,557	911,902
Other financing sources:				
Transfers in.	18,952	-	10,000	28,952
Net change in fund balances	780,128	17,169	143,557	940,854
Fund balances at beginning of year (restated) . .	299,243	81,309	1,577,233	1,957,785
Fund balances at end of year.	\$ 1,079,371	\$ 98,478	\$ 1,720,790	\$ 2,898,639

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvement</u>	<u>Litter</u>	<u>Hotel/Motel Tax</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 250,557	\$ 239,390	\$ 4,771	\$ -
Receivables (net of allowances of uncollectibles):				
Real and other taxes	-	-	-	3,673
Special assessments	-	-	-	-
Due from other governments	285,766	23,170	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	153,025	-	-	-
Total assets	<u>\$ 689,348</u>	<u>\$ 262,560</u>	<u>\$ 4,771</u>	<u>\$ 3,673</u>
Liabilities:				
Accounts payable	\$ 2,673	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>2,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Special assessments revenue not available.	-	-	-	-
Intergovernmental revenue not available.	241,061	19,546	-	-
Total deferred inflows of resources	<u>241,061</u>	<u>19,546</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	153,025	-	-	-
Restricted	292,589	243,014	4,771	3,673
Committed	-	-	-	-
Total fund balances	<u>445,614</u>	<u>243,014</u>	<u>4,771</u>	<u>3,673</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 689,348</u>	<u>\$ 262,560</u>	<u>\$ 4,771</u>	<u>\$ 3,673</u>

Improvement Bond Escrow	Floto Historical Site	Indigent Drivers	Enforcement and Education	Parks Material Usage	Law Enforcement Trust
\$ 8,000	\$ 1,510	\$ 15,038	\$ 28,757	\$ 5,210	\$ 21,132
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,000</u>	<u>\$ 1,510</u>	<u>\$ 15,038</u>	<u>\$ 28,757</u>	<u>\$ 5,210</u>	<u>\$ 21,132</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	422
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,000	1,510	15,038	28,757	-	20,710
-	-	-	-	5,210	-
<u>8,000</u>	<u>1,510</u>	<u>15,038</u>	<u>28,757</u>	<u>5,210</u>	<u>20,710</u>
<u>\$ 8,000</u>	<u>\$ 1,510</u>	<u>\$ 15,038</u>	<u>\$ 28,757</u>	<u>\$ 5,210</u>	<u>\$ 21,132</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2012

	<u>Court Security</u>	<u>South End Economic Development</u>	<u>Summer Food Program</u>	<u>Special Assessments</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,824	\$ 6,671	\$ 1,631	\$ 8,105
Receivables (net of allowances of uncollectibles):				
Real and other taxes	-	-	-	-
Special assessments	-	-	-	2,997
Due from other governments	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 3,824</u>	<u>\$ 6,671</u>	<u>\$ 1,631</u>	<u>\$ 11,102</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	858	-
Total liabilities	<u>-</u>	<u>-</u>	<u>858</u>	<u>-</u>
Deferred inflows of resources:				
Special assessments revenue not available.	-	-	-	2,997
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,997</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	3,824	6,671	-	8,105
Committed	-	-	773	-
Total fund balances	<u>3,824</u>	<u>6,671</u>	<u>773</u>	<u>8,105</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 3,824</u>	<u>\$ 6,671</u>	<u>\$ 1,631</u>	<u>\$ 11,102</u>

Motor Vehicle License Tax	Zoning and Planning	Police Education Trust	Special Projects	IDIAM Court	Court Community Correction Act Grant
\$ 39,560	\$ 1,481	\$ 16,847	\$ 11,977	\$ 12,957	\$ 24,905
-	-	-	-	-	-
-	-	-	-	-	-
4,675	-	-	-	-	31,500
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 44,235</u>	<u>\$ 1,481</u>	<u>\$ 16,847</u>	<u>\$ 11,977</u>	<u>\$ 12,957</u>	<u>\$ 56,405</u>
\$ -	\$ 919	\$ -	\$ -	\$ -	\$ 9,554
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	919	-	-	-	9,554
-	-	-	-	-	-
-	-	-	-	-	15,750
-	-	-	-	-	15,750
-	-	-	-	-	-
44,235	-	16,847	11,977	12,957	31,101
-	562	-	-	-	-
<u>44,235</u>	<u>562</u>	<u>16,847</u>	<u>11,977</u>	<u>12,957</u>	<u>31,101</u>
<u>\$ 44,235</u>	<u>\$ 1,481</u>	<u>\$ 16,847</u>	<u>\$ 11,977</u>	<u>\$ 12,957</u>	<u>\$ 56,405</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)
DECEMBER 31, 2012

	<u>Fiber Infrastructure</u>	<u>Food</u>	<u>EPSDT</u>	<u>Mears Relief</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,478	\$ 23,912	\$ 29,017	\$ 10,157
Receivables (net of allowances of uncollectibles):				
Real and other taxes	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	988	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 1,478</u>	<u>\$ 23,912</u>	<u>\$ 30,005</u>	<u>\$ 10,157</u>
Liabilities:				
Accounts payable	\$ -	\$ 141	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	687	166	-
Due to other governments	-	2,927	814	-
Total liabilities	<u>-</u>	<u>3,755</u>	<u>980</u>	<u>-</u>
Deferred inflows of resources:				
Special assessments revenue not available.	-	-	-	-
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	988	-
Restricted	-	20,157	28,037	10,157
Committed	1,478	-	-	-
Total fund balances	<u>1,478</u>	<u>20,157</u>	<u>29,025</u>	<u>10,157</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 1,478</u>	<u>\$ 23,912</u>	<u>\$ 30,005</u>	<u>\$ 10,157</u>

<u>Route 7 Project</u>	<u>Community Development</u>	<u>CDP - Revolving Loan</u>	<u>CHIP Loan</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,595	\$ 2,743	\$ 7,442	\$ 80,719	\$ 859,386
-	-	-	-	3,673
-	-	-	-	2,997
-	1,497,151	-	-	1,842,262
-	-	-	-	988
-	-	-	-	153,025
<u>\$ 1,595</u>	<u>\$ 1,499,894</u>	<u>\$ 7,442</u>	<u>\$ 80,719</u>	<u>\$ 2,862,331</u>
\$ -	\$ 12,402	\$ -	\$ 322	\$ 26,433
-	7,263	-	-	7,263
-	1,257	-	-	2,110
-	7,461	-	594	12,654
-	28,383	-	916	48,460
-	-	-	-	2,997
-	1,455,146	-	-	1,731,503
-	1,455,146	-	-	1,734,500
-	-	-	-	154,013
1,595	16,365	7,442	79,803	917,335
-	-	-	-	8,023
<u>1,595</u>	<u>16,365</u>	<u>7,442</u>	<u>79,803</u>	<u>1,079,371</u>
<u>\$ 1,595</u>	<u>\$ 1,499,894</u>	<u>\$ 7,442</u>	<u>\$ 80,719</u>	<u>\$ 2,862,331</u>

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Street Maintenance and Repair	State Highway Improvement	Litter	Hotel/Motel Tax
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ 72,452
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	573,859	46,528	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Rental income.	-	-	-	-
Other.	-	-	-	-
Total revenues	<u>573,859</u>	<u>46,528</u>	<u>-</u>	<u>72,452</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare.	-	-	-	-
Transportation	396,164	5,623	-	-
Community environment	-	-	-	75,929
Leisure time activity.	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>396,164</u>	<u>5,623</u>	<u>-</u>	<u>75,929</u>
Excess (deficiency) of revenues over (under) expenditures	<u>177,695</u>	<u>40,905</u>	<u>-</u>	<u>(3,477)</u>
Other financing sources:				
Transfers in.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	177,695	40,905	-	(3,477)
Fund balances (deficit) at beginning of year (restated).	<u>267,919</u>	<u>202,109</u>	<u>4,771</u>	<u>7,150</u>
Fund balances at end of year	<u>\$ 445,614</u>	<u>\$ 243,014</u>	<u>\$ 4,771</u>	<u>\$ 3,673</u>

Improvement Bond Escrow	Floto Historical Site	Indigent Drivers	Enforcement and Education	Parks Material Usage	Law Enforcement Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	4,250	-
-	-	-	-	-	-
-	-	6,529	1,322	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	73
-	-	6,529	1,322	4,250	73
-	-	4,350	-	-	-
-	-	-	-	-	5,921
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,350	-	-	5,921
-	-	2,179	1,322	4,250	(5,848)
-	-	-	-	-	-
-	-	2,179	1,322	4,250	(5,848)
8,000	1,510	12,859	27,435	960	26,558
<u>\$ 8,000</u>	<u>\$ 1,510</u>	<u>\$ 15,038</u>	<u>\$ 28,757</u>	<u>\$ 5,210</u>	<u>\$ 20,710</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Court Security</u>	<u>South End Economic Development</u>	<u>Summer Food Program</u>	<u>Special Assessments</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	63,687	-
Special assessments	-	-	-	4,961
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Rental income.	-	-	-	-
Other.	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>63,687</u>	<u>4,961</u>
Expenditures:				
Current:				
General government	-	-	-	26,890
Security of persons and property	-	-	-	-
Public health and welfare.	-	-	-	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activity.	-	-	84,285	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>84,285</u>	<u>26,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(20,598)</u>	<u>(21,929)</u>
Other financing sources:				
Transfers in.	<u>-</u>	<u>-</u>	<u>18,952</u>	<u>-</u>
Net change in fund balances	-	-	(1,646)	(21,929)
Fund balances (deficit) at beginning of year (restated).	<u>3,824</u>	<u>6,671</u>	<u>2,419</u>	<u>30,034</u>
Fund balances at end of year	<u>\$ 3,824</u>	<u>\$ 6,671</u>	<u>\$ 773</u>	<u>\$ 8,105</u>

Motor Vehicle License Tax	Zoning and Planning	Police Education Trust	Special Projects	IDIAM Court	Court Community Correction Act Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,980	5,121	-
70,230	-	-	-	-	65,400
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,500	-	-	-	-
<u>70,230</u>	<u>2,500</u>	<u>-</u>	<u>3,980</u>	<u>5,121</u>	<u>65,400</u>
-	-	-	-	-	89,395
-	-	-	-	-	-
-	-	-	-	-	-
-	1,809	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
63,084	-	-	-	-	-
10,745	-	-	-	-	-
<u>73,829</u>	<u>1,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,395</u>
<u>(3,599)</u>	<u>691</u>	<u>-</u>	<u>3,980</u>	<u>5,121</u>	<u>(23,995)</u>
-	-	-	-	-	-
<u>(3,599)</u>	<u>691</u>	<u>-</u>	<u>3,980</u>	<u>5,121</u>	<u>(23,995)</u>
<u>47,834</u>	<u>(129)</u>	<u>16,847</u>	<u>7,997</u>	<u>7,836</u>	<u>55,096</u>
<u>\$ 44,235</u>	<u>\$ 562</u>	<u>\$ 16,847</u>	<u>\$ 11,977</u>	<u>\$ 12,957</u>	<u>\$ 31,101</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Fiber Infrastructure	Food	EPSDT	Mears Relief
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and permits	-	55,035	21,270	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	15
Contributions and donations	-	-	-	-
Rental income.	1,478	-	-	-
Other.	-	-	29	-
Total revenues	<u>1,478</u>	<u>55,035</u>	<u>21,299</u>	<u>15</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare.	-	68,340	23,245	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activity.	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>68,340</u>	<u>23,245</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,478</u>	<u>(13,305)</u>	<u>(1,946)</u>	<u>15</u>
Other financing sources:				
Transfers in.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,478	(13,305)	(1,946)	15
Fund balances (deficit) at beginning of year (restated).	<u>-</u>	<u>33,462</u>	<u>30,971</u>	<u>10,142</u>
Fund balances at end of year	<u>\$ 1,478</u>	<u>\$ 20,157</u>	<u>\$ 29,025</u>	<u>\$ 10,157</u>

Swimming Pool	Route 7 Project	Community Development	CDP - Revolving Loan	CHIP Loan	ARRA Federal Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,715	-	-	-	-	-
-	-	-	-	-	-
-	-	749,312	-	20,028	824,310
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,607	-	-
<u>1,715</u>	<u>-</u>	<u>749,312</u>	<u>4,607</u>	<u>20,028</u>	<u>824,310</u>
-	-	-	-	-	-
-	-	-	-	-	84,348
-	-	-	-	-	-
-	-	-	-	-	-
-	-	737,727	-	31,766	-
1,715	-	-	-	-	-
-	-	-	-	-	71,663
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,715</u>	<u>-</u>	<u>737,727</u>	<u>-</u>	<u>31,766</u>	<u>156,011</u>
-	-	11,585	4,607	(11,738)	668,299
-	-	-	-	-	-
-	-	11,585	4,607	(11,738)	668,299
-	1,595	4,780	2,835	91,541	(668,299)
<u>\$ -</u>	<u>\$ 1,595</u>	<u>\$ 16,365</u>	<u>\$ 7,442</u>	<u>\$ 79,803</u>	<u>\$ -</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Emergency Management</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:		
Property and other taxes	\$ -	\$ 72,452
Charges for services	-	4,250
Licenses and permits	-	78,020
Fines and forfeitures	-	16,952
Intergovernmental	-	2,413,354
Special assessments	-	4,961
Investment income	-	15
Contributions and donations	1,510	1,510
Rental income.	-	1,478
Other.	2,161	9,370
Total revenues	<u>3,671</u>	<u>2,602,362</u>
Expenditures:		
Current:		
General government	-	120,635
Security of persons and property	-	90,269
Public health and welfare.	-	91,585
Transportation	-	401,787
Community environment	-	847,231
Leisure time activity.	-	86,000
Capital outlay	58,187	129,850
Debt service:		
Principal retirement.	-	63,084
Interest and fiscal charges	-	10,745
Total expenditures	<u>58,187</u>	<u>1,841,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,516)</u>	<u>761,176</u>
Other financing sources:		
Transfers in.	<u>-</u>	<u>18,952</u>
Net change in fund balances	(54,516)	780,128
Fund balances (deficit) at beginning of year (restated).	<u>54,516</u>	<u>299,243</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 1,079,371</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental.	\$ 572,928	\$ 572,928	\$ 577,895	\$ 4,967
Investment income	7	-	-	-
Total revenues	<u>572,935</u>	<u>572,928</u>	<u>577,895</u>	<u>4,967</u>
Expenditures:				
Current:				
Transportation				
Street department				
Maintenance and operations.	286,490	226,116	222,001	4,115
Other.	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total transportation.	<u>486,490</u>	<u>426,116</u>	<u>422,001</u>	<u>4,115</u>
Total expenditures.	<u>486,490</u>	<u>426,116</u>	<u>422,001</u>	<u>4,115</u>
Net change in fund balance	86,445	146,812	155,894	9,082
Fund balance at beginning of year.	81,677	81,677	81,677	-
Prior year encumbrances appropriated	<u>7,608</u>	<u>7,608</u>	<u>7,608</u>	<u>-</u>
Fund balance at end of year	<u>\$ 175,730</u>	<u>\$ 236,097</u>	<u>\$ 245,179</u>	<u>\$ 9,082</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 73,170	\$ 73,170	\$ 46,856	\$ (26,314)
Investment income	19	-	-	-
Total revenues.	<u>73,189</u>	<u>73,170</u>	<u>46,856</u>	<u>(26,314)</u>
Expenditures:				
Current:				
Transportation				
Street department				
Maintenance and operations	<u>60,401</u>	<u>5,583</u>	<u>5,623</u>	<u>(40)</u>
Total transportation	<u>60,401</u>	<u>5,583</u>	<u>5,623</u>	<u>(40)</u>
Total expenditures.	<u>60,401</u>	<u>5,583</u>	<u>5,623</u>	<u>(40)</u>
Net change in fund balance	12,788	67,587	41,233	(26,354)
Fund balance at beginning of year.	<u>198,157</u>	<u>198,157</u>	<u>198,157</u>	<u>-</u>
Fund balance at end of year	<u>\$ 210,945</u>	<u>\$ 265,744</u>	<u>\$ 239,390</u>	<u>\$ (26,354)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LITTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year.	\$ 4,771	\$ 4,771	\$ 4,771	\$ -
Fund balance at end of year	<u>\$ 4,771</u>	<u>\$ 4,771</u>	<u>\$ 4,771</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HOTEL/MOTEL TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 59,880	\$ 90,252	\$ 75,929	\$ (14,323)
Total revenues	59,880	90,252	75,929	(14,323)
Expenditures:				
Current:				
Community environment				
Convention and visitors bureau				
Other.	48,513	88,688	75,929	12,759
Total expenditures	48,513	88,688	75,929	12,759
Net change in fund balance	11,367	1,564	-	(1,564)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 11,367	\$ 1,564	\$ -	\$ (1,564)

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 IMPROVEMENT BOND ESCROW FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Fund balance at end of year	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FLOTO HISTORICAL SITE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 1,510	\$ 1,510	\$ 1,510	\$ -
Fund balance at end of year.	<u>\$ 1,510</u>	<u>\$ 1,510</u>	<u>\$ 1,510</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 3,546	\$ 4,015	\$ 6,529	\$ 2,514
Total revenues	3,546	4,015	6,529	2,514
Expenditures:				
Current:				
General government				
Municipal court				
Other	-	4,350	4,350	-
Total expenditures	-	4,350	4,350	-
Net change in fund balance	3,546	(335)	2,179	2,514
Fund balance at beginning of year	12,859	12,859	12,859	-
Fund balance at end of year	\$ 16,405	\$ 12,524	\$ 15,038	\$ 2,514

CITY OF STEUBENVILLE, 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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,404	\$ 1,404	\$ 1,322	\$ (82)
Total revenues	<u>1,404</u>	<u>1,404</u>	<u>1,322</u>	<u>(82)</u>
Net change in fund balance	1,404	1,404	1,322	(82)
Fund balance at beginning of year	<u>27,435</u>	<u>27,435</u>	<u>27,435</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 28,839</u>	<u>\$ 28,839</u>	<u>\$ 28,757</u>	<u>\$ (82)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARKS MATERIAL USAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services.	\$ 140	\$ 4,250	\$ 4,250	\$ -
Total revenues.	<u>140</u>	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Net change in fund balance.	140	4,250	4,250	-
Fund balance at beginning of year	<u>960</u>	<u>960</u>	<u>960</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,100</u>	<u>\$ 5,210</u>	<u>\$ 5,210</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 7,939	\$ 73	\$ 73	\$ -
Total revenues.	<u>7,939</u>	<u>73</u>	<u>73</u>	<u>-</u>
Expenditures:				
Current:				
Security of persons and property				
Police				
Other	16,274	5,595	5,591	4
Total expenditures	<u>16,274</u>	<u>5,595</u>	<u>5,591</u>	<u>4</u>
Net change in fund balance.	(8,335)	(5,522)	(5,518)	4
Fund balance at beginning of year	26,558	26,558	26,558	-
Prior year encumbrances appropriated . . .	<u>47</u>	<u>47</u>	<u>47</u>	<u>-</u>
Fund balance at end of year	<u>\$ 18,270</u>	<u>\$ 21,083</u>	<u>\$ 21,087</u>	<u>\$ 4</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT SECURITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 3,824	\$ 3,824	\$ 3,824	\$ -
Fund balance at end of year	<u>\$ 3,824</u>	<u>\$ 3,824</u>	<u>\$ 3,824</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SOUTH END ECONOMIC DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 6,671	\$ 6,671	\$ 6,671	\$ -
Fund balance at end of year.	<u>\$ 6,671</u>	<u>\$ 6,671</u>	<u>\$ 6,671</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SUMMER FOOD PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental.	\$ 108,000	\$ 118,000	\$ 63,687	\$ (54,313)
Total revenues.	108,000	118,000	63,687	(54,313)
Expenditures:				
Current:				
Leisure time activity				
Recreation-administration				
Personal services	29,939	25,241	25,198	43
Maintenance and operations	81,430	59,929	59,929	-
Total expenditures.	111,369	85,170	85,127	43
Excess (deficiency) of revenues over (under) expenditures.	(3,369)	32,830	(21,440)	54,270
Other financing sources:				
Transfers in	-	18,952	18,952	-
Total other financing sources.	-	18,952	18,952	-
Net change in fund balance.	(3,369)	51,782	(2,488)	54,270
Fund balance at beginning of year	3,691	3,691	3,691	-
Fund balance at end of year.	\$ 322	\$ 55,473	\$ 1,203	\$ 54,270

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL ASSESSMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments.	\$ 13,137	\$ 4,961	\$ 4,961	\$ -
Total revenues	13,137	4,961	4,961	-
Expenditures:				
Current:				
General government				
Central purchasing				
Maintenance and operations.	29,161	-	-	-
Total central purchasing.	29,161	-	-	-
Special assessment				
Maintenance and operations.	3,321	26,890	26,890	-
Total special assessment.	3,321	26,890	26,890	-
Total general government.	32,482	26,890	26,890	-
Total expenditures	32,482	26,890	26,890	-
Net change in fund balance.	(19,345)	(21,929)	(21,929)	-
Fund balance at beginning of year	30,034	30,034	30,034	-
Fund balance at end of year	\$ 10,689	\$ 8,105	\$ 8,105	\$ -

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE LICENSE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 66,860	\$ 66,860	\$ 71,700	\$ 4,840
Total revenues	<u>66,860</u>	<u>66,860</u>	<u>71,700</u>	<u>4,840</u>
Expenditures:				
Debt service:				
Principal retirement.	63,088	63,088	63,088	-
Interest and fiscal charges.	<u>10,741</u>	<u>10,741</u>	<u>10,741</u>	<u>-</u>
Total expenditures	<u>73,829</u>	<u>73,829</u>	<u>73,829</u>	<u>-</u>
Net change in fund balance.	(6,969)	(6,969)	(2,129)	4,840
Fund balance at beginning of year	<u>41,689</u>	<u>41,689</u>	<u>41,689</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,720</u>	<u>\$ 34,720</u>	<u>\$ 39,560</u>	<u>\$ 4,840</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ZONING AND PLANNING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 4,000	\$ 4,000	\$ 2,500	\$ (1,500)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>2,500</u>	<u>(1,500)</u>
Expenditures:				
Current:				
Community environment				
Zoning and rezoning				
Maintenance and operations	3,672	1,571	1,533	38
Total expenditures.	<u>3,672</u>	<u>1,571</u>	<u>1,533</u>	<u>38</u>
Net change in fund balance.	328	2,429	967	(1,462)
Fund balance at beginning of year	<u>124</u>	<u>124</u>	<u>124</u>	<u>-</u>
Fund balance at end of year	<u>\$ 452</u>	<u>\$ 2,553</u>	<u>\$ 1,091</u>	<u>\$ (1,462)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE EDUCATION TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 16,847	\$ 16,847	\$ 16,847	\$ -
Fund balance at end of year	<u>\$ 16,847</u>	<u>\$ 16,847</u>	<u>\$ 16,847</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 2,712	\$ 3,825	\$ 3,980	\$ 155
Total revenues.	<u>2,712</u>	<u>3,825</u>	<u>3,980</u>	<u>155</u>
Net change in fund balance.	2,712	3,825	3,980	155
Fund balance at beginning of year	<u>7,997</u>	<u>7,997</u>	<u>7,997</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,709</u>	<u>\$ 11,822</u>	<u>\$ 11,977</u>	<u>\$ 155</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 IDIAM COURT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 2,843	\$ 4,753	\$ 5,121	\$ 368
Total revenues.	<u>2,843</u>	<u>4,753</u>	<u>5,121</u>	<u>368</u>
Net change in fund balance.	2,843	4,753	5,121	368
Fund balance at beginning of year	<u>7,836</u>	<u>7,836</u>	<u>7,836</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,679</u>	<u>\$ 12,589</u>	<u>\$ 12,957</u>	<u>\$ 368</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURT COMMUNITY CORRECTION ACT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 63,000	\$ 65,400	\$ 65,400	\$ -
Total revenues.	<u>63,000</u>	<u>65,400</u>	<u>65,400</u>	<u>-</u>
Expenditures:				
Current:				
General government				
Municipal court				
Maintenance and operations	60,739	79,976	79,976	-
Total expenditures	<u>60,739</u>	<u>79,976</u>	<u>79,976</u>	<u>-</u>
Net change in fund balance.	2,261	(14,576)	(14,576)	-
Fund balance at beginning of year	<u>39,481</u>	<u>39,481</u>	<u>39,481</u>	<u>-</u>
Fund balance at end of year	<u>\$ 41,742</u>	<u>\$ 24,905</u>	<u>\$ 24,905</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIBER INFRASTRUCTURE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Rental income.	\$ -	\$ 2,128	\$ 1,478	\$ (650)
Total revenues.	-	2,128	1,478	(650)
Net change in fund balance.	-	2,128	1,478	(650)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,128</u>	<u>\$ 1,478</u>	<u>\$ (650)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOOD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 60,663	\$ 60,663	\$ 55,035	\$ (5,628)
Other	247	1,059	1,846	787
Total revenues	<u>60,910</u>	<u>61,722</u>	<u>56,881</u>	<u>(4,841)</u>
Expenditures:				
Current:				
Public health and welfare				
Food				
Personal services	63,267	65,055	64,140	915
Maintenance and operations	6,615	6,837	6,824	13
Total expenditures	<u>69,882</u>	<u>71,892</u>	<u>70,964</u>	<u>928</u>
Net change in fund balance.	<u>(8,972)</u>	<u>(10,170)</u>	<u>(14,083)</u>	<u>(3,913)</u>
Fund balance at beginning of year	37,818	37,818	37,818	-
Prior year encumbrances appropriated . .	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 28,856</u>	<u>\$ 27,658</u>	<u>\$ 23,745</u>	<u>\$ (3,913)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EPSDT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits.	\$ 12,294	\$ 19,047	\$ 21,270	\$ 2,223
Other	-	29	29	-
Total revenues	<u>12,294</u>	<u>19,076</u>	<u>21,299</u>	<u>2,223</u>
Expenditures:				
Current:				
Public health and welfare				
EPSDT				
Personal services.	13,066	18,083	17,910	173
Maintenance and operations.	2,466	5,130	5,029	101
Other	-	131	131	-
Total expenditures	<u>15,532</u>	<u>23,344</u>	<u>23,070</u>	<u>274</u>
Net change in fund balance.	(3,238)	(4,268)	(1,771)	2,497
Fund balance at beginning of year	<u>30,788</u>	<u>30,788</u>	<u>30,788</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 27,550</u>	<u>\$ 26,520</u>	<u>\$ 29,017</u>	<u>\$ 2,497</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MEARS RELIEF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income.	\$ 18	\$ 18	\$ 15	\$ (3)
Total revenues.	<u>18</u>	<u>18</u>	<u>15</u>	<u>(3)</u>
Net change in fund balance.	18	18	15	(3)
Fund balance at beginning of year	<u>10,142</u>	<u>10,142</u>	<u>10,142</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,160</u>	<u>\$ 10,160</u>	<u>\$ 10,157</u>	<u>\$ (3)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SWIMMING POOL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits.	\$ 1,623	\$ 1,715	\$ 1,715	\$ -
Total revenues	1,623	1,715	1,715	-
Expenditures:				
Current:				
Leisure time activity				
Recreation-pools				
Maintenance and operations	838	928	928	-
Other	781	787	787	-
Total expenditures	1,619	1,715	1,715	-
Net change in fund balance.	4	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year.	\$ 4	\$ -	\$ -	\$ -

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ROUTE 7 PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 1,595	\$ 1,595	\$ 1,595	\$ -
Fund balance at end of year.	<u>\$ 1,595</u>	<u>\$ 1,595</u>	<u>\$ 1,595</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 891,323	\$ 891,323	\$ 725,814	\$ (165,509)
Total revenues	891,323	891,323	725,814	(165,509)
Expenditures:				
Current:				
Community environment				
Community development				
Personal services.	199,985	186,625	180,405	6,220
Maintenance and operations.	37,615	35,850	35,352	498
Capital outlay	513,384	522,876	508,425	14,451
Total expenditures	750,984	745,351	724,182	21,169
Net change in fund balance.	140,339	145,972	1,632	(144,340)
Fund balance at beginning of year	732	732	732	-
Fund balance at end of year.	\$ 141,071	\$ 146,704	\$ 2,364	\$ (144,340)

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CDP - REVOLVING LOAN
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other.	\$ 2,481	\$ 4,607	\$ 4,607	\$ -
Total revenues	<u>2,481</u>	<u>4,607</u>	<u>4,607</u>	<u>-</u>
Net change in fund balance.	2,481	4,607	4,607	-
Fund balance at beginning of year	<u>2,835</u>	<u>2,835</u>	<u>2,835</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,316</u>	<u>\$ 7,442</u>	<u>\$ 7,442</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHIP LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 91,379	\$ 14,750	\$ 20,028	\$ 5,278
Total revenues	<u>91,379</u>	<u>14,750</u>	<u>20,028</u>	<u>5,278</u>
Expenditures:				
Current:				
Community environment				
Community development				
Personal services.	41,379	22,403	19,605	2,798
Other.	<u>65,300</u>	<u>30,422</u>	<u>15,251</u>	<u>15,171</u>
Total expenditures	<u>106,679</u>	<u>52,825</u>	<u>34,856</u>	<u>17,969</u>
Net change in fund balance.	(15,300)	(38,075)	(14,828)	23,247
Fund balance at beginning of year	79,025	79,025	79,025	-
Prior year encumbrances appropriated . .	<u>15,300</u>	<u>15,300</u>	<u>15,300</u>	-
Fund balance at end of year.	<u>\$ 79,025</u>	<u>\$ 56,250</u>	<u>\$ 79,497</u>	<u>\$ 23,247</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ARRA FEDERAL GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,650,624	\$ 1,705,177	\$ 1,582,998	\$ (122,179)
Total revenues	1,650,624	1,705,177	1,582,998	(122,179)
Expenditures:				
Current:				
Security of persons and property				
Police				
Personal services.	72,298	84,348	84,348	-
Total security of persons and property.	72,298	84,348	84,348	-
Capital outlay:				
Capital improvement				
Capital outlay.	1,011,855	1,065,946	1,059,778	6,168
Total capital outlay.	1,011,855	1,065,946	1,059,778	6,168
Total expenditures	1,084,153	1,150,294	1,144,126	6,168
Excess of revenues over expenditures.	566,471	554,883	438,872	(116,011)
Other financing uses:				
Advances out.	(579,000)	(579,000)	(579,000)	-
Total other financing uses	(579,000)	(579,000)	(579,000)	-
Net change in fund balance.	(12,529)	(24,117)	(140,128)	(116,011)
Fund balance at beginning of year	128,273	128,273	128,273	-
Prior year encumbrances appropriated	11,855	11,855	11,855	-
Fund balance at end of year.	\$ 127,599	\$ 116,011	\$ -	\$ (116,011)

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMERGENCY MANAGEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Contributions and donations.	\$ -	\$ 1,510	\$ 1,510	\$ -
Other.	-	279,096	2,161	(276,935)
Total revenues.	-	280,606	3,671	(276,935)
Expenditures:				
Transportation				
Street department				
Maintenance and operations	-	1,510	1,510	-
Total transportation.	-	1,510	1,510	-
Capital outlay:				
Capital improvement				
Capital outlay.	10,125	58,187	58,187	-
Total capital outlay.	10,125	58,187	58,187	-
Total expenditures	10,125	59,697	59,697	-
Net change in fund balance.	(10,125)	220,909	(56,026)	(276,935)
Fund balance at beginning of year	45,901	45,901	45,901	-
Prior year encumbrances appropriated . .	10,125	10,125	10,125	-
Fund balance at end of year.	<u>\$ 45,901</u>	<u>\$ 276,935</u>	<u>\$ -</u>	<u>\$ (276,935)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL BOND RETIREMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 186,170	\$ 186,170	\$ 185,437	\$ (733)
Intergovernmental.	38,633	63,402	63,337	(65)
Other	49,719	-	-	-
Total revenues.	<u>274,522</u>	<u>249,572</u>	<u>248,774</u>	<u>(798)</u>
Expenditures:				
Current:				
General government				
General bond retirement				
Maintenance and operations	5,541	5,494	5,494	-
Other.	<u>1,887</u>	<u>280</u>	<u>280</u>	<u>-</u>
Total general government.	<u>7,428</u>	<u>5,774</u>	<u>5,774</u>	<u>-</u>
Debt service:				
Principal retirement.	85,000	85,000	85,000	-
Interest and fiscal charges.	<u>140,831</u>	<u>140,831</u>	<u>140,831</u>	<u>-</u>
Total debt service	<u>225,831</u>	<u>225,831</u>	<u>225,831</u>	<u>-</u>
Total expenditures.	<u>233,259</u>	<u>231,605</u>	<u>231,605</u>	<u>-</u>
Net change in fund balance.	41,263	17,967	17,169	(798)
Fund balance at beginning of year	<u>81,309</u>	<u>81,309</u>	<u>81,309</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 122,572</u>	<u>\$ 99,276</u>	<u>\$ 98,478</u>	<u>\$ (798)</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2012

	<u>Capital Improvement</u>	<u>Municipal Court Improvement</u>	<u>.7% City Income Tax - Equipment Improvement</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 283,468	\$ 87,253	\$ 959,181
Receivables (net of allowances of uncollectibles):			
Income taxes	-	-	79,319
Prepayments	-	-	319,313
Total assets	<u>\$ 283,468</u>	<u>\$ 87,253</u>	<u>\$ 1,357,813</u>
Liabilities:			
Accounts payable	\$ -	\$ 9,095	\$ 11,196
Total liabilities	<u>-</u>	<u>9,095</u>	<u>11,196</u>
Deferred inflows of resources:			
Income tax revenue not available.	-	-	79,319
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>79,319</u>
Fund balances:			
Nonspendable	-	-	319,313
Restricted	273,468	78,158	-
Committed	10,000	-	947,985
Total fund balances	<u>283,468</u>	<u>78,158</u>	<u>1,267,298</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 283,468</u>	<u>\$ 87,253</u>	<u>\$ 1,357,813</u>

.7% City Income Tax - Recreation Improvement	Total Nonmajor Capital Projects Funds
\$ 91,866	\$ 1,421,768
26,440	105,759
-	319,313
<u>\$ 118,306</u>	<u>\$ 1,846,840</u>
<u>\$ -</u>	<u>\$ 20,291</u>
<u>-</u>	<u>20,291</u>
<u>26,440</u>	<u>105,759</u>
<u>26,440</u>	<u>105,759</u>
-	319,313
-	351,626
91,866	1,049,851
<u>91,866</u>	<u>1,720,790</u>
<u>\$ 118,306</u>	<u>\$ 1,846,840</u>

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Capital Improvement</u>	<u>Municipal Court Improvement</u>	<u>.7% City Income Tax - Equipment Improvement</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ 300,000
Fines and forfeitures	-	31,557	-
Intergovernmental	-	-	-
Total revenues	<u>-</u>	<u>31,557</u>	<u>300,000</u>
Expenditures:			
Current:			
General government	-	12,513	-
Capital outlay	4,405	-	218,478
Total expenditures	<u>4,405</u>	<u>12,513</u>	<u>218,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,405)</u>	<u>19,044</u>	<u>81,522</u>
Other financing sources:			
Transfers in.	<u>10,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,595	19,044	81,522
Fund balances at beginning of year	<u>277,873</u>	<u>59,114</u>	<u>1,185,776</u>
Fund balances at end of year	<u>\$ 283,468</u>	<u>\$ 78,158</u>	<u>\$ 1,267,298</u>

.7% City Income Tax - Recreation Improvement	Total Nonmajor Capital Projects Funds
\$ 100,000	\$ 400,000
-	31,557
8,500	8,500
<u>108,500</u>	<u>440,057</u>
-	12,513
71,104	293,987
<u>71,104</u>	<u>306,500</u>
<u>37,396</u>	<u>133,557</u>
-	10,000
37,396	143,557
54,470	1,577,233
<u>\$ 91,866</u>	<u>\$ 1,720,790</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital improvement				
Capital outlay	\$ -	\$ 4,405	\$ 4,405	\$ -
Total expenditures.	-	4,405	4,405	-
Excess of expenditures over revenues	-	(4,405)	(4,405)	-
Other financing sources:				
Transfers in.	-	10,000	10,000	-
Total other financing sources	-	10,000	10,000	-
Net change in fund balance.	-	5,595	5,595	-
Fund balance at beginning of year	<u>277,873</u>	<u>277,873</u>	<u>277,873</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 277,873</u>	<u>\$ 283,468</u>	<u>\$ 283,468</u>	<u>\$ -</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNICIPAL COURT IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 28,235	\$ 30,699	\$ 31,557	\$ 858
Total revenues.	<u>28,235</u>	<u>30,699</u>	<u>31,557</u>	<u>858</u>
Expenditures:				
Capital outlay				
Municipal court				
Maintenance and operations.	70	59	57	2
Capital outlay.	19,981	15,174	14,100	1,074
Other	<u>3,686</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures.	<u>23,737</u>	<u>15,233</u>	<u>14,157</u>	<u>1,076</u>
Net change in fund balance	4,498	15,466	17,400	1,934
Fund balance at beginning of year	<u>59,114</u>	<u>59,114</u>	<u>59,114</u>	<u>-</u>
Fund balance at end of year	<u>\$ 63,612</u>	<u>\$ 74,580</u>	<u>\$ 76,514</u>	<u>\$ 1,934</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 .7% CITY INCOME TAX - EQUIPMENT IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Expenditures:				
Capital outlay				
Equipment improvement				
Maintenance and operations.	572	623	608	15
Capital outlay	988,882	600,282	591,888	8,394
Other	11,148	11,036	10,442	594
Total expenditures.	<u>1,000,602</u>	<u>611,941</u>	<u>602,938</u>	<u>9,003</u>
Net change in fund balance	(700,602)	(311,941)	(302,938)	9,003
Fund balance at beginning of year.	1,184,568	1,184,568	1,184,568	-
Prior year encumbrances appropriated	<u>5,232</u>	<u>5,232</u>	<u>5,232</u>	<u>-</u>
Fund balance at end of year	<u>\$ 489,198</u>	<u>\$ 877,859</u>	<u>\$ 886,862</u>	<u>\$ 9,003</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 .7% CITY INCOME TAX - RECREATION IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Intergovernmental	-	8,500	8,500	-
Total revenues.	<u>100,000</u>	<u>108,500</u>	<u>108,500</u>	<u>-</u>
Expenditures:				
Capital outlay				
Recreation improvement				
Maintenance and operations	191	208	203	5
Capital outlay	108,950	104,776	101,209	3,567
Other.	3,529	3,675	3,480	195
Total expenditures.	<u>112,670</u>	<u>108,659</u>	<u>104,892</u>	<u>3,767</u>
 Net change in fund balance.	 (12,670)	 (159)	 3,608	 3,767
 Fund balance at beginning of year	 40,520	 40,520	 40,520	 -
Prior year encumbrances appropriated . . .	<u>13,950</u>	<u>13,950</u>	<u>13,950</u>	<u>-</u>
 Fund balance at end of year.	 <u>\$ 41,800</u>	 <u>\$ 54,311</u>	 <u>\$ 58,078</u>	 <u>\$ 3,767</u>

CITY OF STEUBENVILLE, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS

ENTERPRISE FUNDS

To account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

Major Enterprise Funds

Water Fund

This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Sewer Fund

This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Refuse Fund

This fund accounts for the operations of providing refuse waste removal to the residents and commercial users located within the City.

INTERNAL SERVICE FUND

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.

Internal Service Fund

Health Assurance Fund

This fund accounts for health care claims for the City's employees.

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,844,616	\$ 5,437,537	\$ 5,401,334	\$ (36,203)
Other.	-	11,046	354	(10,692)
Total revenues	5,844,616	5,448,583	5,401,688	(46,895)
Operating expenses:				
Personal services.	1,577,504	1,733,257	1,700,508	32,749
Maintenance and operations	1,547,329	1,551,046	1,445,851	105,195
Capital outlay	152,000	23,004	22,228	776
Total expenses	3,276,833	3,307,307	3,168,587	138,720
Operating income.	2,567,783	2,141,276	2,233,101	91,825
Nonoperating expenses:				
Reimbursements	-	(4,702)	(4,702)	-
Debt service:				
Principal retirement	(1,791,409)	(1,697,095)	(1,688,424)	8,671
Interest and fiscal charges.	(1,114,131)	(1,055,475)	(1,050,082)	5,393
Total nonoperating expenses.	(2,905,540)	(2,757,272)	(2,743,208)	14,064
Net change in fund equity	(337,757)	(615,996)	(510,107)	105,889
Fund equity at beginning of year.	1,098,982	1,098,982	1,098,982	-
Prior year encumbrances appropriated . . .	146,429	146,429	146,429	-
Fund equity at end of year	\$ 907,654	\$ 629,415	\$ 735,304	\$ 105,889

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 4,515,578	\$ 4,515,578	\$ 4,479,776	\$ (35,802)
Other.	-	651	27,228	26,577
Total revenues	4,515,578	4,516,229	4,507,004	(9,225)
Operating expenses:				
Personal services.	1,472,038	1,618,569	1,595,564	23,005
Maintenance and operations	2,037,721	2,823,358	2,575,624	247,734
Capital outlay	1,060,455	1,564,347	1,524,860	39,487
Total expenses	4,570,214	6,006,274	5,696,048	310,226
Operating income	(54,636)	(1,490,045)	(1,189,044)	301,001
Nonoperating revenues (expenses):				
Loans issued	-	257,041	537,756	280,715
Intergovernmental.	-	-	10,692	10,692
Reimbursements.	(10,534)	(25,876)	(25,587)	289
Debt service:				
Principal retirement	(344,068)	(346,397)	(341,224)	5,173
Interest and fiscal charges.	(495,073)	(492,744)	(485,386)	7,358
Total nonoperating revenues (expenses)	(849,675)	(607,976)	(303,749)	304,227
Net change in fund equity	(904,311)	(2,098,021)	(1,492,793)	605,228
Fund equity at beginning of year.	4,835,572	4,835,572	4,835,572	-
Prior year encumbrances appropriated	735,287	735,287	735,287	-
Fund equity at end of year	\$ 4,666,548	\$ 3,472,838	\$ 4,078,066	\$ 605,228

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REFUSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,285,201	\$ 2,285,201	\$ 2,232,549	\$ (52,652)
Other.	-	7,815	7,815	-
Total revenues	2,285,201	2,293,016	2,240,364	(52,652)
Operating expenses:				
Personal services.	1,100,345	937,830	926,423	11,407
Contractual services	388,727	355,773	353,689	2,084
Maintenance and operations	1,106,327	667,699	639,740	27,959
Capital outlay	131,146	223,385	214,170	9,215
Total expenses	2,726,545	2,184,687	2,134,022	50,665
Operating income	(441,344)	108,329	106,342	(1,987)
Nonoperating revenues (expenses):				
Oil & gas lease revenue.	-	597,256	597,256	-
Reimbursements.	(28,755)	(173)	(170)	3
Debt service:				
Principal retirement	(94,049)	(143,689)	(117,825)	25,864
Interest and fiscal charges.	(11,819)	(18,057)	(14,807)	3,250
Total nonoperating revenues (expenses). . .	(134,623)	435,337	464,454	29,117
Net change in fund equity	(575,967)	543,666	570,796	27,130
Fund equity at beginning of year.	2,568,830	2,568,830	2,568,830	-
Prior year encumbrances appropriated . . .	508,346	508,346	508,346	-
Fund equity at end of year	\$ 2,501,209	\$ 3,620,842	\$ 3,647,972	\$ 27,130

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH ASSURANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,911,324	\$ 1,935,687	\$ 1,939,736	\$ 4,049
Total revenues	<u>1,911,324</u>	<u>1,935,687</u>	<u>1,939,736</u>	<u>4,049</u>
Operating expenses:				
Claims	1,900,165	2,035,894	1,913,788	122,106
Maintenance and operations.	405	37	37	-
Total expenses	<u>1,900,570</u>	<u>2,035,931</u>	<u>1,913,825</u>	<u>122,106</u>
Net change in fund equity	10,754	(100,244)	25,911	126,155
Fund equity at beginning of year.	<u>121,915</u>	<u>121,915</u>	<u>121,915</u>	<u>-</u>
Fund equity at end of year	<u>\$ 132,669</u>	<u>\$ 21,671</u>	<u>\$ 147,826</u>	<u>\$ 126,155</u>

CITY OF STEUBENVILLE, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTION - AGENCY FUNDS

Agency Funds

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

Utility Service Deposit

This fund is to account for monies put forth by customers as deposits on their utility accounts.

Fire Damage Removal

This fund is to account for monies deposited with the City in escrow until proper completion of work on fire damaged buildings.

Zoning and Rezoning

This fund accounts for monies paid by residents or businesses applying for zoning or rezoning of their property.

Municipal Court

This fund accounts for fines and forfeitures used for the operation of the City's Municipal Court.

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Utility Service Deposit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 272,659	\$ 97,110	\$ 84,397	\$ 285,372
Total assets	<u>\$ 272,659</u>	<u>\$ 97,110</u>	<u>\$ 84,397</u>	<u>\$ 285,372</u>
Liabilities:				
Deposits held and due to others	\$ 272,659	\$ 97,110	\$ 84,397	\$ 285,372
Total liabilities	<u>\$ 272,659</u>	<u>\$ 97,110</u>	<u>\$ 84,397</u>	<u>\$ 285,372</u>
 Fire Damage Removal				
Assets:				
Equity in pooled cash and cash equivalents	\$ 40,113	\$ 42,324	\$ 4,140	\$ 78,297
Total assets	<u>\$ 40,113</u>	<u>\$ 42,324</u>	<u>\$ 4,140</u>	<u>\$ 78,297</u>
Liabilities:				
Deposits held and due to others	\$ 40,113	\$ 42,324	\$ 4,140	\$ 78,297
Total liabilities	<u>\$ 40,113</u>	<u>\$ 42,324</u>	<u>\$ 4,140</u>	<u>\$ 78,297</u>
 Zoning and Rezoning				
Assets:				
Equity in pooled cash and cash equivalents	\$ 10,613	\$ 1,000	\$ 2,979	\$ 8,634
Total assets	<u>\$ 10,613</u>	<u>\$ 1,000</u>	<u>\$ 2,979</u>	<u>\$ 8,634</u>
Liabilities:				
Deposits held and due to others	\$ 10,613	\$ 1,000	\$ 2,979	\$ 8,634
Total liabilities	<u>\$ 10,613</u>	<u>\$ 1,000</u>	<u>\$ 2,979</u>	<u>\$ 8,634</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONCLUDED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Municipal Court				
Assets:				
Cash in segregated accounts.	\$ 12,663	\$ 1,002,065	\$ 991,286	\$ 23,442
Total assets	<u>\$ 12,663</u>	<u>\$ 1,002,065</u>	<u>\$ 991,286</u>	<u>\$ 23,442</u>
Liabilities:				
Undistributed monies.	\$ 12,663	\$ 1,002,065	\$ 991,286	\$ 23,442
Total liabilities	<u>\$ 12,663</u>	<u>\$ 1,002,065</u>	<u>\$ 991,286</u>	<u>\$ 23,442</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 323,385	\$ 140,434	\$ 91,516	\$ 372,303
Cash in segregated accounts.	12,663	1,002,065	991,286	23,442
Total assets	<u>\$ 336,048</u>	<u>\$ 1,142,499</u>	<u>\$ 1,082,802</u>	<u>\$ 395,745</u>
Liabilities:				
Undistributed monies.	\$ 12,663	\$ 1,002,065	\$ 991,286	\$ 23,442
Deposits held and due to others	323,385	140,434	91,516	372,303
Total liabilities	<u>\$ 336,048</u>	<u>\$ 1,142,499</u>	<u>\$ 1,082,802</u>	<u>\$ 395,745</u>

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STATISTICAL SECTION

CITY OF STEUBENVILLE, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	162-175
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income and property taxes.	176-182
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	184-193
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	194-195
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	196-201

Sources: Sources are noted on the individual schedules. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF STEUBENVILLE, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:				
Net investment in capital assets	\$ 30,592,967	\$ 30,618,154	\$ 26,909,300	\$ 23,206,767
Restricted for:				
Capital projects	273,468	277,873	288,314	-
Debt service	-	-	-	420,527
Street construction, maintenance and repair	991,621	775,909	622,845	1,728,087
Police and fire	37,557	43,405	82,567	102,051
Municipal court improvements	78,158	59,114	54,566	60,325
Recreation	-	-	15,831	29,430
Community development projects	1,501,925	1,670,954	1,747,983	1,829,627
Health programs	-	-	57,079	114,445
Safety programs	-	-	1,051,792	1,136,229
Equipment improvement	-	-	-	786,267
Court programs	71,785	86,679	-	-
Emergency management	-	54,516	-	-
Other purposes	119,724	168,242	156,074	63,380
Unrestricted (deficit)	4,434,985	3,469,243	1,813,032	(2,205,828)
Total governmental activities net position	<u>\$ 38,102,190</u>	<u>\$ 37,224,089</u>	<u>\$ 32,799,383</u>	<u>\$ 27,271,307</u>
Business-type activities:				
Net investment in capital assets	\$ 13,135,521	\$ 12,022,392	\$ 10,317,812	\$ 10,038,419
Restricted for:				
Debt service	-	-	1,996,135	-
Capital projects	-	-	-	-
Unrestricted (deficit)	6,409,878	5,112,891	2,994,392	3,603,255
Total business-type activities net position (deficit)	<u>\$ 19,545,399</u>	<u>\$ 17,135,283</u>	<u>\$ 15,308,339</u>	<u>\$ 13,641,674</u>
Total primary government:				
Net investment in capital assets	\$ 43,728,488	\$ 42,640,546	\$ 37,227,112	\$ 33,245,186
Restricted for:				
Capital projects	273,468	277,873	288,314	-
Debt service	-	-	1,996,135	420,527
Street construction, maintenance and repair	991,621	775,909	622,845	1,728,087
Police and fire	37,557	43,405	82,567	102,051
Court computer	78,158	59,114	54,566	60,325
Recreation	-	-	15,831	29,430
Community development projects	1,501,925	1,670,954	1,747,983	1,829,627
Health programs	-	-	57,079	114,445
Safety programs	-	-	1,051,792	1,136,229
Equipment improvement	-	-	-	786,267
Court programs	71,785	86,679	-	-
Emergency management	-	54,516	-	-
Other purposes	119,724	168,242	156,074	63,380
Unrestricted (deficit)	10,844,863	8,582,134	4,807,424	1,397,427
Total primary government net position	<u>\$ 57,647,589</u>	<u>\$ 54,359,372</u>	<u>\$ 48,107,722</u>	<u>\$ 40,912,981</u>

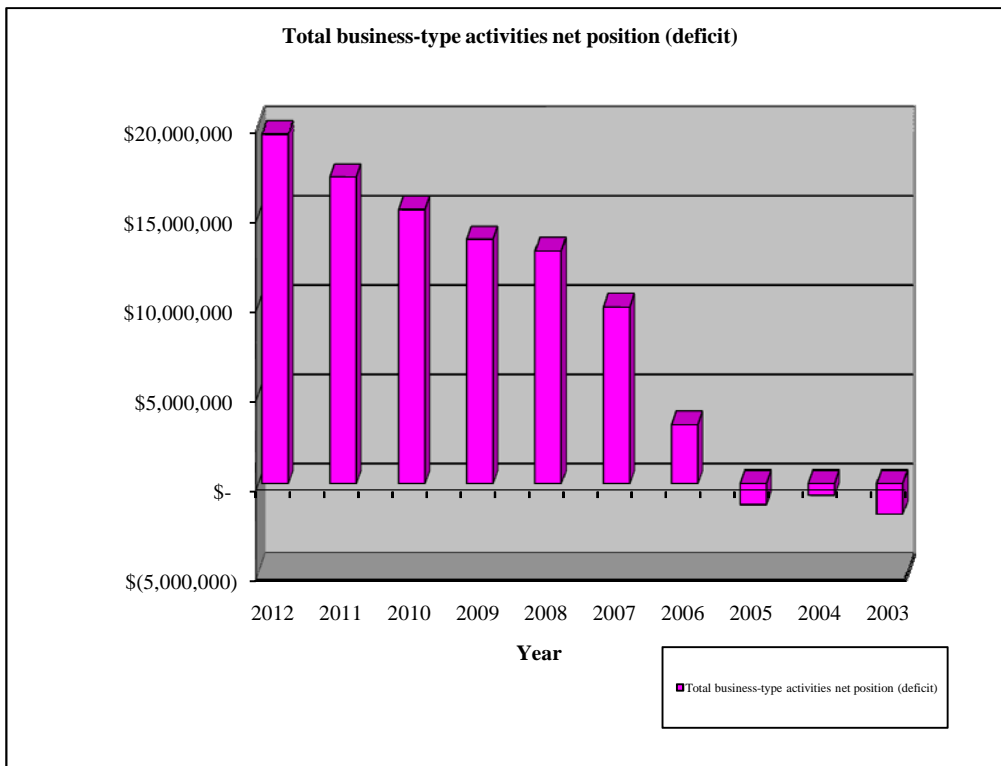
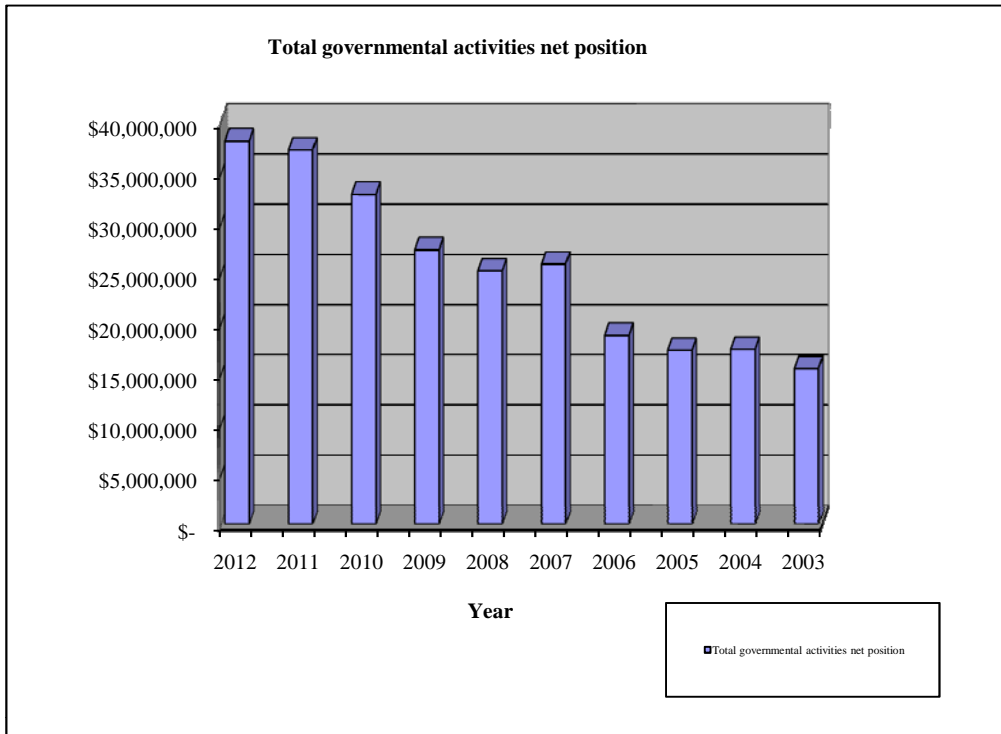
Source: City financial records

Notes: 2011 amounts have been restated to reflect the implementation of GASB Statement No. 65 in 2012.

	2008	2007	2006	2005	2004	2003
\$	16,585,071	\$ 15,898,225	\$ 11,569,280	\$ 10,295,202	\$ 10,697,004	\$ 8,989,950
	-	5,669	6,163	6,064	59,433	-
	879,230	606,116	349,711	96,880	1,990,719	1,676,511
	2,435,015	2,154,123	1,901,304	1,206,031	813,741	-
	88,829	51,763	22,519	16,172	18,771	-
	59,684	45,815	77,582	79,110	55,966	-
	2,846,834	3,045,062	387,185	264,184	228,884	-
	2,354,668	1,619,150	1,433,165	1,496,213	1,626,304	-
	128,361	165,029	170,125	155,792	202,038	-
	1,210,404	1,303,307	1,334,423	1,397,229	1,453,509	-
	654,301	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	58,704	758,041	811,675	626,979	459,717	2,175,397
	(2,163,937)	183,363	681,931	1,597,186	(252,988)	2,604,997
\$	<u>25,137,164</u>	<u>\$ 25,835,663</u>	<u>\$ 18,745,063</u>	<u>\$ 17,237,042</u>	<u>\$ 17,353,098</u>	<u>\$ 15,446,855</u>
\$	7,806,962	\$ 6,003,850	\$ 4,329,702	\$ 3,617,908	\$ 3,521,041	\$ 1,660,889
	-	-	-	-	-	-
	-	-	-	-	-	672,331
	5,195,321	3,862,938	(1,042,723)	(4,784,303)	(4,193,054)	(4,037,621)
\$	<u>13,002,283</u>	<u>\$ 9,866,788</u>	<u>\$ 3,286,979</u>	<u>\$ (1,166,395)</u>	<u>\$ (672,013)</u>	<u>\$ (1,704,401)</u>
\$	24,392,033	\$ 21,902,075	\$ 15,898,982	\$ 13,913,110	\$ 14,218,045	\$ 10,650,839
	-	5,669	6,163	6,064	59,433	672,331
	879,230	606,116	349,711	96,880	1,990,719	1,676,511
	2,435,015	2,154,123	1,901,304	1,206,031	813,741	-
	88,829	51,763	22,519	16,172	18,771	-
	59,684	45,815	77,582	79,110	55,966	-
	2,846,834	3,045,062	387,185	264,184	228,884	-
	2,354,668	1,619,150	1,433,165	1,496,213	1,626,304	-
	128,361	165,029	170,125	155,792	202,038	-
	1,210,404	1,303,307	1,334,423	1,397,229	1,453,509	-
	654,301	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	58,704	758,041	811,675	626,979	459,717	2,175,397
	3,031,384	4,046,301	(360,792)	(3,187,117)	(4,446,042)	(1,432,624)
\$	<u>38,139,447</u>	<u>\$ 35,702,451</u>	<u>\$ 22,032,042</u>	<u>\$ 16,070,647</u>	<u>\$ 16,681,085</u>	<u>\$ 13,742,454</u>

CITY OF STEUBENVILLE, OHIO

**NET POSITION CHART BY YEAR
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)**



Source: City financial records.

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CITY OF STEUBENVILLE, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 733,045	\$ 657,322	\$ 646,991	\$ 801,003
Security of persons and property	14,296	2,064	1,466	-
Public health and welfare	245,919	225,540	232,830	225,164
Transportation	97,248	51,905	41,896	57,906
Community environment	145,779	104,721	129,981	72,974
Leisure time activity	181,111	191,819	191,177	153,526
Operating grants and contributions	1,762,522	5,814,008	2,651,845	1,695,188
Capital grants and contributions	1,479,365	4,950,871	5,745,507	1,225,697
Total governmental activities program revenues	<u>4,659,285</u>	<u>11,998,250</u>	<u>9,641,693</u>	<u>4,231,458</u>
Business-type activities:				
Charges for services:				
Water	5,447,787	4,674,343	4,795,414	4,835,011
Sewer	4,399,628	5,296,897	5,324,955	5,484,921
Refuse	2,251,504	2,265,419	2,323,022	2,291,258
Operating grants & contributions	10,692	-	-	5,000
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>12,109,611</u>	<u>12,236,659</u>	<u>12,443,391</u>	<u>12,616,190</u>
Total primary government	<u>\$ 16,768,896</u>	<u>\$ 24,234,909</u>	<u>\$ 22,085,084</u>	<u>\$ 16,847,648</u>
Expenses:				
Governmental activities:				
General government	\$ 2,851,065	\$ 2,990,157	\$ 2,911,400	\$ 2,934,361
Security of persons and property	7,359,922	7,694,175	7,306,577	7,992,803
Public health and welfare	657,200	654,869	676,872	666,247
Transportation	3,220,095	6,606,547	3,109,896	3,033,970
Community environment	748,089	941,681	1,306,035	978,797
Leisure time activity	993,906	1,047,822	952,104	1,049,465
Interest and fiscal charges	271,234	278,428	262,986	200,235
Total governmental activities expenses	<u>16,101,511</u>	<u>20,213,679</u>	<u>16,525,870</u>	<u>16,855,878</u>
Business-type activities:				
Water	4,993,615	4,969,172	5,090,449	5,329,685
Sewer	3,872,870	3,798,340	4,075,627	3,293,273
Refuse	1,492,302	1,593,846	1,653,505	1,678,034
Total business-type activities expenses	<u>10,358,787</u>	<u>10,361,358</u>	<u>10,819,581</u>	<u>10,300,992</u>
Total primary government	<u>\$ 26,460,298</u>	<u>\$ 30,575,037</u>	<u>\$ 27,345,451</u>	<u>\$ 27,156,870</u>
Net (expense) revenue:				
Governmental activities	\$ (11,442,226)	\$ (8,215,429)	\$ (6,884,177)	\$ (12,624,420)
Business-type activities	1,750,824	1,875,301	1,623,810	2,315,198
Total primary government net expense	<u>\$ (9,691,402)</u>	<u>\$ (6,340,128)</u>	<u>\$ (5,260,367)</u>	<u>\$ (10,309,222)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 672,740	\$ 722,722	\$ 859,967	\$ 1,162,228	\$ 570,338	\$ 44,056
-	-	-	-	-	7,098
222,305	96,972	116,237	116,747	112,663	-
61,712	80,782	42,126	12,174	15,344	-
91,980	122,548	117,697	92,777	113,147	-
173,053	147,641	141,343	150,299	138,125	129,212
2,085,508	2,075,776	2,845,380	3,299,749	2,341,005	505,542
1,121,706	336,145	693,500	156,930	-	2,160,102
<u>4,429,004</u>	<u>3,582,586</u>	<u>4,816,250</u>	<u>4,990,904</u>	<u>3,290,622</u>	<u>2,846,010</u>
6,173,116	7,097,240	5,208,970	2,953,427	5,272,318	4,391,282
5,135,268	5,607,176	4,261,270	3,303,677	2,659,158	2,946,954
2,071,423	2,054,759	1,879,283	1,558,520	1,224,700	1,585,341
-	-	-	-	1,884	-
-	-	-	-	82,933	236,654
<u>13,379,807</u>	<u>14,759,175</u>	<u>11,349,523</u>	<u>7,815,624</u>	<u>9,240,993</u>	<u>9,160,231</u>
<u>\$ 17,808,811</u>	<u>\$ 18,341,761</u>	<u>\$ 16,165,773</u>	<u>\$ 12,806,528</u>	<u>\$ 12,531,615</u>	<u>\$ 12,006,241</u>
\$ 3,483,576	\$ 3,709,120	\$ 3,068,472	\$ 3,643,118	\$ 2,922,021	\$ 4,291,920
8,339,319	7,899,412	7,396,326	7,039,478	7,219,148	6,637,134
673,311	584,846	554,806	552,773	551,723	483,774
3,128,182	3,108,143	2,524,113	2,662,626	2,578,988	2,177,323
798,136	766,962	996,697	1,152,806	1,204,524	1,714,799
1,134,775	1,150,102	1,094,251	1,330,663	1,136,809	1,252,440
166,141	110,959	155,708	157,898	139,162	59,187
<u>17,723,440</u>	<u>17,329,544</u>	<u>15,790,373</u>	<u>16,539,362</u>	<u>15,752,375</u>	<u>16,616,577</u>
5,109,929	4,196,897	3,005,936	3,883,618	3,774,894	2,904,483
3,544,872	3,261,806	2,668,393	2,926,004	2,706,380	2,430,305
1,757,654	1,643,833	1,480,158	1,566,337	1,560,753	1,435,658
<u>10,412,455</u>	<u>9,102,536</u>	<u>7,154,487</u>	<u>8,375,959</u>	<u>8,042,027</u>	<u>6,770,446</u>
<u>\$ 28,135,895</u>	<u>\$ 26,432,080</u>	<u>\$ 22,944,860</u>	<u>\$ 24,915,321</u>	<u>\$ 23,794,402</u>	<u>\$ 23,387,023</u>
\$ (13,294,436)	\$ (13,746,958)	\$ (10,974,123)	\$ (11,548,458)	\$ (12,461,753)	\$ (13,770,567)
2,967,352	5,656,639	4,195,036	(560,335)	1,198,966	2,389,785
<u>\$ (10,327,084)</u>	<u>\$ (8,090,319)</u>	<u>\$ (6,779,087)</u>	<u>\$ (12,108,793)</u>	<u>\$ (11,262,787)</u>	<u>\$ (11,380,782)</u>

-- Continued

CITY OF STEUBENVILLE, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 999,622	\$ 1,111,461	\$ 986,308	\$ 1,045,944
Debt service	185,150	229,331	211,596	218,263
Special revenue	-	-	-	-
Municipal income taxes levied for:				
General purposes	8,379,389	7,866,863	7,389,061	7,943,321
Street improvement	741,205	646,294	679,734	734,850
Equipment improvement	308,845	305,337	293,627	316,041
Recreation	102,949	101,779	97,875	105,347
Other taxes:				
Hotel occupancy taxes	292,107	220,348	181,220	215,029
General purposes	-	-	-	-
Special revenue	-	-	-	-
Grants and entitlements				
not restricted to specific programs	1,192,720	2,056,140	2,353,784	1,857,377
Investment earnings	3,383	9,160	40,629	87,574
Contributions and donations	-	-	-	15,941
Other	123,955	214,161	184,657	225,452
Special item	-	-	-	-
Transfers	(8,998)	-	(6,238)	1,993,424
Total governmental activities	<u>12,320,327</u>	<u>12,760,874</u>	<u>12,412,253</u>	<u>14,758,563</u>
Business-type activities:				
Investment earnings	-	-	195	3,606
Other	53,038	10,895	36,422	171,224
Oil & gas lease revenue	597,256	-	-	-
Special item	-	-	-	142,787
Transfers	8,998	-	6,238	(1,993,424)
Total business-type activities	<u>659,292</u>	<u>10,895</u>	<u>42,855</u>	<u>(1,675,807)</u>
Total primary government	<u>\$ 12,979,619</u>	<u>\$ 12,771,769</u>	<u>\$ 12,455,108</u>	<u>\$ 13,082,756</u>
Change in net position:				
Governmental activities	\$ 878,101	\$ 4,545,445	\$ 5,528,076	\$ 2,134,143
Business-type activities	2,410,116	1,886,196	1,666,665	639,391
Total primary government	<u>\$ 3,288,217</u>	<u>\$ 6,431,641</u>	<u>\$ 7,194,741</u>	<u>\$ 2,773,534</u>

Source: City financial records

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,081,165	\$ 1,166,643	\$ 1,250,706	\$ 1,205,469	\$ 1,285,355	\$ 1,148,257
224,870	241,412	236,710	227,932	207,605	349,618
-	-	-	-	-	203,203
7,236,415	7,585,986	7,562,801	7,404,956	6,808,783	8,402,304
780,379	695,058	1,094,769	1,091,160	1,082,904	881,748
355,469	300,000	-	-	-	-
118,490	100,000	-	-	-	-
252,246	268,287	2,607	237,241	81,902	-
-	-	-	-	-	1,352,889
-	-	-	-	-	946,005
2,156,652	2,921,033	1,899,649	1,939,642	2,237,786	1,307,095
148,934	238,765	233,119	161,181	67,950	80,441
15,864	20,915	-	-	-	-
225,453	195,974	295,708	225,647	215,819	723,195
-	2,617,966	-	-	-	-
-	(30,000)	(93,925)	6,896	-	-
<u>12,595,937</u>	<u>16,322,039</u>	<u>12,482,144</u>	<u>12,500,124</u>	<u>11,988,104</u>	<u>15,394,755</u>
150,867	283,091	128,394	72,849	18,112	15,384
17,276	610,079	36,019	-	4,700	339,058
-	-	-	-	-	-
-	-	-	-	-	-
-	30,000	93,925	(6,896)	-	-
<u>168,143</u>	<u>923,170</u>	<u>258,338</u>	<u>65,953</u>	<u>22,812</u>	<u>354,442</u>
<u>\$ 12,764,080</u>	<u>\$ 17,245,209</u>	<u>\$ 12,740,482</u>	<u>\$ 12,566,077</u>	<u>\$ 12,010,916</u>	<u>\$ 15,749,197</u>
\$ (698,499)	\$ 2,575,081	\$ 1,508,021	\$ 951,666	\$ (473,649)	\$ 1,624,188
3,135,495	6,579,809	4,453,374	(494,382)	1,221,778	2,744,227
<u>\$ 2,436,996</u>	<u>\$ 9,154,890</u>	<u>\$ 5,961,395</u>	<u>\$ 457,284</u>	<u>\$ 748,129</u>	<u>\$ 4,368,415</u>

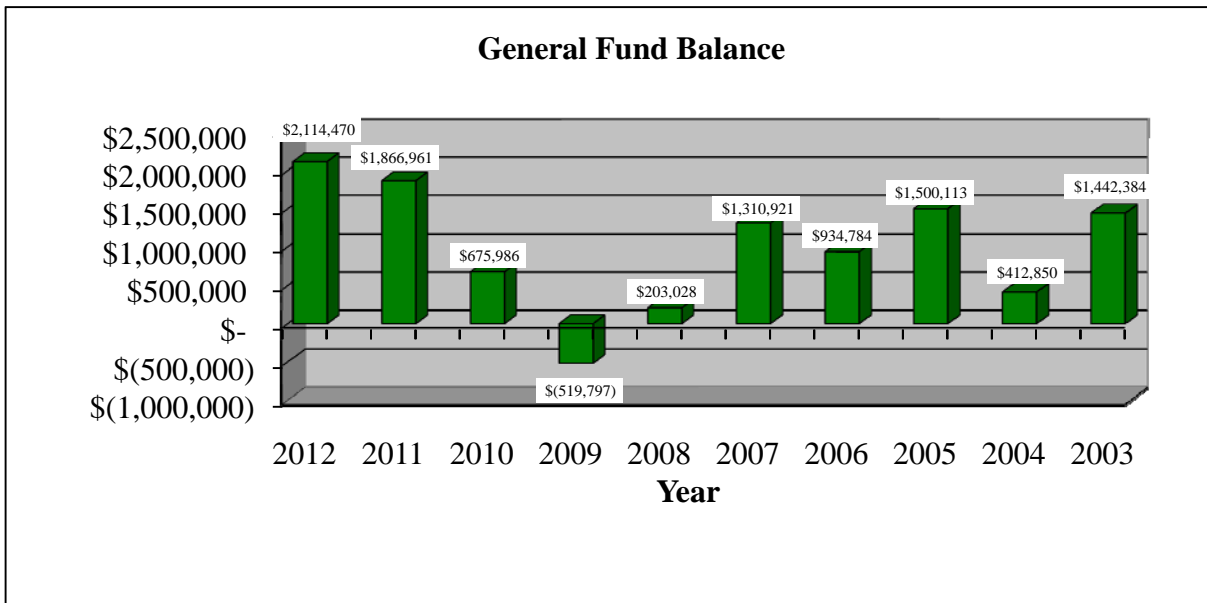
CITY OF STEUBENVILLE, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General fund:						
Nonspendable	\$ 297,807	\$ 341,304	\$ -	\$ -	\$ -	\$ -
Assigned	1,816,663	1,059,384	-	-	-	-
Unassigned	-	466,273	-	-	-	-
Reserved	-	-	361,587	319,606	1,279,272	2,166,736
Unreserved (deficit)	-	-	314,399	(839,403)	(1,076,244)	(855,815)
Total general fund	\$ 2,114,470	\$ 1,866,961	\$ 675,986	\$ (519,797)	\$ 203,028	\$ 1,310,921
All other governmental funds:						
Nonspendable	\$ 473,326	\$ 131,273	\$ -	\$ -	\$ -	\$ -
Restricted	1,268,961	1,172,425	-	-	-	-
Committed	2,395,604	2,440,719	-	-	-	-
Unassigned (deficit)	-	(668,428)	-	-	-	-
Reserved	-	-	312,317	1,472,789	1,339,217	214,565
Unreserved (deficit), reported in:						
Special revenue funds	-	-	1,994,119	3,094,366	6,033,891	7,731,775
Capital projects funds	-	-	288,314	483,583	(114,796)	5,669
Debt service fund	-	-	64,342	344,483	806,046	542,029
Total all other governmental funds	\$ 4,137,891	\$ 3,075,989	\$ 2,659,092	\$ 5,395,221	\$ 8,064,358	\$ 8,494,038

Source: City financial records

Note: The City implemented GASB Statement No. 54 in 2011 which changed the fund balance classifications in governmental funds.



<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
1,355,508	1,715,504	926,792	2,133,430
(420,724)	(215,391)	(513,942)	(691,046)
<u>\$ 934,784</u>	<u>\$ 1,500,113</u>	<u>\$ 412,850</u>	<u>\$ 1,442,384</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
546,490	412,947	225,847	1,779,022
4,175,135	3,434,654	2,992,219	3,734,689
6,163	6,064	59,433	-
287,488	-	1,931,570	-
<u>\$ 5,015,276</u>	<u>\$ 3,853,665</u>	<u>\$ 5,209,069</u>	<u>\$ 5,513,711</u>

CITY OF STEUBENVILLE, OHIO

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

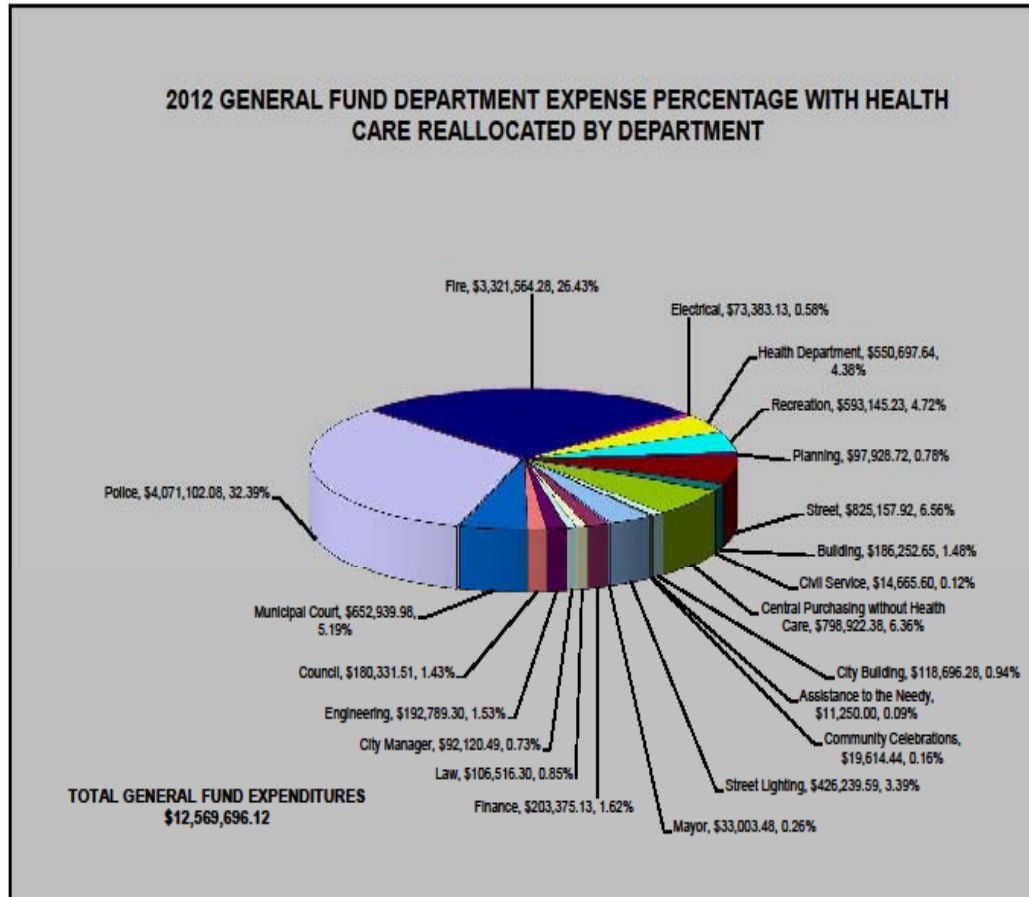
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues					
Taxes	\$ 10,656,734	\$ 10,145,540	\$ 10,022,014	\$ 10,334,853	\$ 10,270,175
Charges for services	80,558	80,638	93,014	99,956	108,076
Licenses and permits	853,116	707,714	746,178	531,924	644,608
Fines and forfeitures	371,436	334,151	328,654	385,276	366,135
Intergovernmental	5,282,808	13,908,820	9,041,850	4,840,646	4,808,235
Special assessments	4,961	11,071	37,481	24,546	17,396
Investment income	3,398	9,206	41,021	94,164	177,626
Rental income	115,103	121,706	106,107	88,750	102,971
Contributions and donations	11,852	26,377	87,358	320,987	15,864
Other	113,613	162,443	220,932	225,452	210,552
Total revenues	<u>17,493,579</u>	<u>25,507,666</u>	<u>20,724,609</u>	<u>16,946,554</u>	<u>16,721,638</u>
Expenditures					
Current:					
General government	2,617,083	2,754,883	2,802,787	3,082,262	3,182,833
Security of persons and property	7,092,438	7,408,184	6,901,448	7,739,712	8,116,321
Public health and welfare	655,812	649,477	668,145	654,942	657,005
Transportation	1,455,190	5,129,288	4,216,869	3,931,171	3,475,403
Community environment	942,727	1,137,272	1,631,489	1,365,997	800,670
Leisure time activity	652,209	685,042	666,609	4,143,221	1,341,137
Capital outlay	2,295,269	5,678,947	4,871,515	1,968,845	120,465
Debt service:					
Principal retirement	242,655	231,646	3,706,834	804,310	412,361
Interest and fiscal charges	257,143	267,063	303,767	148,056	167,917
Bond issuance cost	-	-	125,262	-	-
Total expenditures	<u>16,210,526</u>	<u>23,941,802</u>	<u>25,894,725</u>	<u>23,838,516</u>	<u>18,274,112</u>
Excess of revenues over (under) expenditures	<u>1,283,053</u>	<u>1,565,864</u>	<u>(5,170,116)</u>	<u>(6,891,962)</u>	<u>(1,552,474)</u>
Other financing sources (uses)					
Notes issued	-	-	-	3,500,000	-
Loans issued	-	-	-	-	-
Bonds issued	-	-	3,497,612	-	-
Premium on bonds	-	-	131,071	-	-
Capital lease transaction	24,995	-	-	-	-
Sale of capital assets	1,363	42,008	1,087	-	14,901
Transfers in	28,952	-	344,482	150,000	-
Transfers (out)	(28,952)	-	(344,482)	(150,000)	-
Proceeds from sale of golf course	-	-	-	-	-
Total other financing sources (uses)	<u>26,358</u>	<u>42,008</u>	<u>3,629,770</u>	<u>3,500,000</u>	<u>14,901</u>
Net change in fund balances	<u>\$ 1,309,411</u>	<u>\$ 1,607,872</u>	<u>\$ (1,540,346)</u>	<u>\$ (3,391,962)</u>	<u>\$ (1,537,573)</u>
Capital expenditures	2,206,032	5,645,566	7,497,907	10,162,964	2,099,841
Debt service as a percentage of noncapital expenditures.	3.57%	2.73%	21.80%	6.96%	3.59%

Source: City financial records

2007	2006	2005	2004	2003
\$ 10,609,414	\$ 9,896,164	\$ 10,114,019	\$ 9,746,602	\$ 10,275,944
115,666	117,442	141,887	122,305	180,367
578,566	574,840	508,617	531,805	672,008
389,442	400,215	627,392	237,781	-
5,208,001	5,550,198	5,534,534	4,430,523	5,383,232
19,532	21,917	21,052	17,206	-
400,646	254,387	158,753	67,302	80,441
86,991	105,189	89,754	57,726	-
35,915	-	-	-	-
182,084	333,118	225,647	197,313	790,994
<u>17,626,257</u>	<u>17,253,470</u>	<u>17,421,655</u>	<u>15,408,563</u>	<u>17,382,986</u>
3,818,711	2,994,448	3,557,204	3,048,252	4,238,125
7,730,624	7,304,695	7,056,162	7,203,239	6,634,632
567,287	550,636	541,450	558,459	478,712
2,883,481	1,982,037	3,964,513	3,494,551	2,176,920
790,370	995,509	1,142,684	1,184,462	1,832,466
1,095,447	1,023,240	1,275,090	1,278,909	1,183,695
24,900	1,286,959	497,326	310,546	941,600
226,195	362,045	120,688	324,404	29,033
110,716	157,552	136,303	138,909	46,887
-	-	-	-	-
<u>17,247,731</u>	<u>16,657,121</u>	<u>18,291,420</u>	<u>17,541,731</u>	<u>17,562,070</u>
<u>378,526</u>	<u>596,349</u>	<u>(869,765)</u>	<u>(2,133,168)</u>	<u>(179,084)</u>
750,000	-	-	183,000	-
-	-	586,100	-	-
-	-	-	-	-
-	-	-	-	-
24,406	-	7,377	26,401	-
13,890	-	1,251	81,569	-
695	54,692	2,163,120	400,000	88,853
(695)	(54,759)	(2,156,224)	-	(88,853)
2,688,077	-	-	-	-
<u>3,476,373</u>	<u>(67)</u>	<u>601,624</u>	<u>690,970</u>	<u>-</u>
<u>\$ 3,854,899</u>	<u>\$ 596,282</u>	<u>\$ (268,141)</u>	<u>\$ (1,442,198)</u>	<u>\$ (179,084)</u>
1,336,789	1,339,728	2,356,926	2,203,905	1,026,613
2.12%	3.39%	1.61%	3.02%	0.46%

CITY OF STEUBENVILLE, OHIO

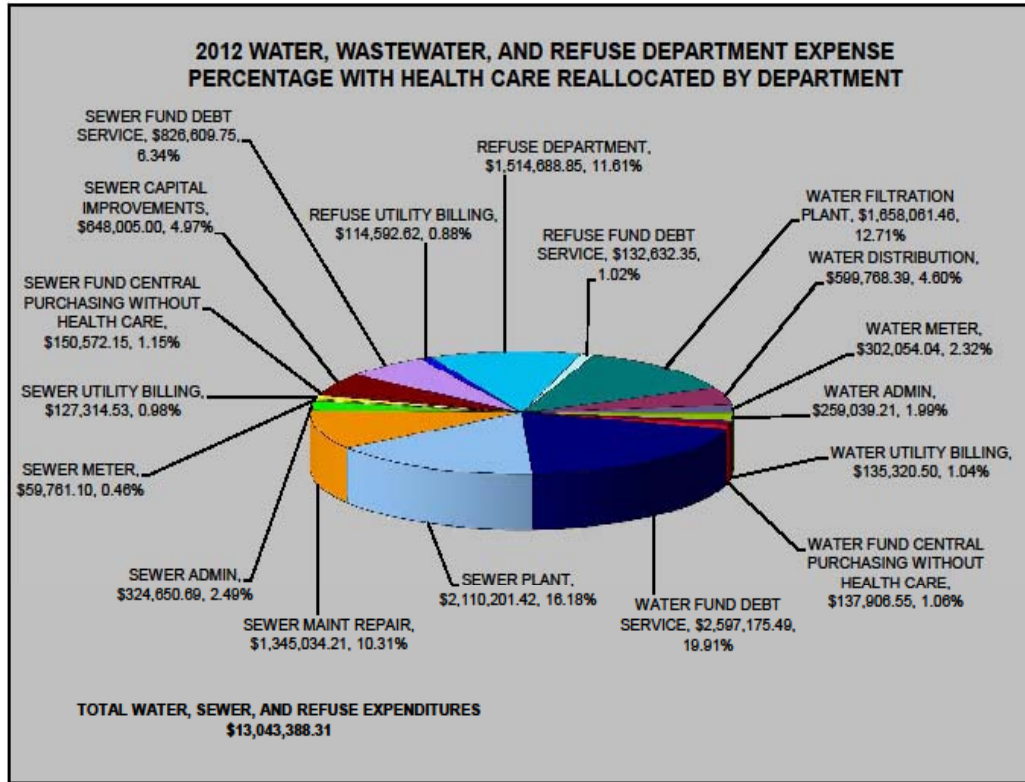
**GENERAL FUND EXPENDITURES CHART BY DEPARTMENT
CURRENT YEAR
(CASH BASIS)**



Source: City financial records.

CITY OF STEUBENVILLE, OHIO

**ENTERPRISE FUNDS EXPENSES BY DEPARTMENT
CURRENT YEAR
(CASH BASIS)**



Source: City financial records.

CITY OF STEUBENVILLE, OHIO

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (a)	Assessed Value	Estimated Actual Value (b)	Assessed Value	Estimated Actual Value (c)
2012	\$ 231,075,880	\$ 660,216,800	\$ 12,429,730	\$ 14,124,693	\$ -	\$ -
2011	230,747,900	659,279,714	11,691,860	13,286,205	-	-
2010	232,243,400	663,552,571	11,301,060	12,842,114	553,008	8,848,128
2009	237,605,420	678,872,629	10,779,200	12,249,091	1,079,888	17,278,208
2008	234,308,020	669,451,486	10,902,720	12,389,455	14,664,912	234,638,592
2007	230,981,890	659,948,257	12,857,380	14,610,659	19,189,085	153,512,680
2006	206,432,060	589,805,886	13,051,460	14,831,205	22,470,997	119,845,317
2005	203,563,940	581,611,257	13,235,020	15,039,795	31,607,557	126,430,228
2004	205,439,310	586,969,457	12,935,750	14,699,716	29,566,069	118,264,276
2003	194,790,780	556,545,086	12,849,760	14,602,000	27,607,706	110,430,824

Source: Jefferson County, Ohio; Auditor's Office

- (a) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.
- (b) Public utility is assessed at 88% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.
- (c) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% percent of true value for inventory. For 2006, tangible personal personal property tax is assessed at 18.75% of property value, including inventory. For 2007, tangible personal personal property tax is assessed at 12.50% of property value, including inventory. For 2008, tangible personal personal property tax is assessed at 6.25% of property value, including inventory. For 2009 and 2010, tangible personal personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010, telephone tangible is the only taxable tangible personal property. The tangible personal property tax was phased out in 2011.

Total

Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate
\$ 243,505,610	\$ 674,341,493	36.11%	\$ 8.20
242,439,760	672,565,919	36.05%	8.20
244,097,468	685,242,813	35.62%	8.20
249,464,508	708,399,928	35.22%	8.20
259,875,652	916,479,533	28.36%	8.20
263,028,355	828,071,596	31.76%	8.20
241,954,517	724,482,409	33.40%	8.20
248,406,517	723,081,282	34.35%	8.20
247,941,129	719,933,450	34.44%	8.20
235,248,246	681,577,910	34.52%	8.20

CITY OF STEUBENVILLE, OHIO

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Collection Year	City Direct Rates				Overlapping Rates				
	Operating	Debt Service	Police and Fire Pension	Total Direct Rate	Jefferson County	Steubenville City School District	Jefferson County Joint Vocational School	Steel Valley Regional Transit Authority	
2012	\$ 6.60	\$ 1.00	\$ 0.60	\$ 8.20	\$ 11.95	\$ 35.35	\$ 1.50	\$ 1.50	
2011	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50	
2010	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50	
2009	6.60	1.00	0.60	8.20	13.25	35.35	1.50	1.50	
2008	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50	
2007	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50	
2006	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50	
2005	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.00	
2004	6.60	1.00	0.60	8.20	10.95	35.35	1.50	1.00	
2003	6.60	1.00	0.60	8.20	10.95	35.95	1.50	1.00	

Source: Jefferson County, Ohio; Auditor's Office

Note: Prior to 2010, Eastern Gateway Community College was known as Jefferson County Community College.

Overlapping Rates (continued)

Eastern Gateway Community College	Indian Creek Local School District	Public Library of Steubenville and Jefferson County	Total Overlapping Rates	Total Direct and Overlapping Rates
\$ 1.00	\$ 42.65	\$ 1.00	\$ 94.95	\$ 103.15
1.00	42.65	1.00	94.95	103.15
1.00	42.65	1.00	94.95	103.15
1.00	42.65	-	95.25	103.45
1.00	39.10	-	90.40	98.60
1.00	39.10	-	90.40	98.60
1.00	39.10	-	90.40	98.60
1.00	39.10	-	89.90	98.10
1.00	39.10	-	88.90	97.10
1.00	39.10	-	89.50	97.70

CITY OF STEUBENVILLE, OHIO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND FOUR YEARS AGO

<u>December 31, 2012</u>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Assessed Value</u>
Fort Steuben Improvements	\$ 12,847,660	1	5.28%
Ohio Power Company	11,027,194	2	4.53%
Hollywood Center, Inc.	3,783,150	3	1.55%
Cal-Steuben Limited	2,325,925	4	0.96%
Columbia Gas of Ohio, Inc.	2,049,439	5	0.84%
Carriage Inn of Steubenville, Inc.	1,952,615	6	0.80%
Laurels of Steubenville LLC	1,902,180	7	0.78%
Lowe's Home Centers Inc.	1,589,805	8	0.65%
Wheeling Pittsburgh Steel	1,529,675	9	0.63%
L & L Realty Holding Company LLC	1,312,535	10	0.54%
Total, top ten principal property taxpayers	<u>\$ 40,320,178</u>		<u>16.56%</u>
Total City property tax assessed valuation	<u>\$ 243,505,610</u>		

<u>December 31, 2008</u>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Assessed Value</u>
Fort Steuben Improvements	\$ 12,726,650	1	4.90%
Ohio Power Company	9,750,000	2	3.75%
Hollywood Center, Inc.	3,847,730	3	1.48%
Wheeling Pittsburgh Steel	2,784,680	4	1.07%
Cal-Steuben Limited	2,325,930	5	0.90%
Carriage Inn of Steubenville, Inc.	1,948,010	6	0.75%
Crown Hotels, Inc.	1,236,970	7	0.48%
L Steubenville LLC	1,155,000	8	0.44%
Albert Ltd.	1,086,560	9	0.42%
Columbia Gas of Ohio, Inc.	1,069,280	10	0.41%
Total, top ten principal property taxpayers	<u>\$ 37,930,810</u>		<u>14.60%</u>
Total City property tax assessed valuation	<u>\$ 259,875,652</u>		

Source: Jefferson County, Ohio; Auditor's Office

Note: Information prior to 2008 is not available

CITY OF STEUBENVILLE, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2012	\$ 1,347,254	\$ 1,291,062	95.83%	\$ 74,526	\$ 1,365,588	101.36%	\$ 488,814	36.28%
2011	1,379,576	1,144,649	82.97%	77,282	1,221,931	88.57%	617,236	44.74%
2010	1,314,478	1,119,407	85.16%	58,587	1,177,994	89.62%	512,001	38.95%
2009	1,327,149	1,128,015	85.00%	72,954	1,200,969	90.49%	495,411	37.33%
2008	1,348,726	1,176,758	87.25%	63,689	1,240,447	91.97%	467,612	34.67%
2007	1,496,121	1,331,222	88.98%	60,922	1,392,144	93.05%	427,988	28.61%
2006	1,442,041	1,296,800	89.93%	49,154	1,345,954	93.34%	425,422	29.50%
2005	1,428,992	1,310,667	91.72%	58,691	1,369,358	95.83%	383,321	26.82%
2004	1,409,396	1,294,223	91.83%	68,589	1,362,812	96.69%	379,912	26.96%
2003	1,362,805	1,204,289	88.37%	49,740	1,254,029	92.02%	378,798	27.80%

Source: Jefferson County, Ohio; Auditor's Office

CITY OF STEUBENVILLE, OHIO

**INCOME TAX RATE AND COLLECTIONS
LAST TEN YEARS
(CASH BASIS)**

Year	Tax Rate	Total Tax Collected
2012	2.000%	\$ 9,256,607
2011	1.925% (a)	8,560,807
2010	2.00%	8,641,927
2009	2.00%	8,772,925
2008	2.00%	8,809,796
2007	2.00%	8,915,531
2006	2.00%	8,476,037
2005	2.00%	8,445,071
2004	2.00%	8,106,255
2003	2.00%	8,917,898

Source: Regional Income Tax Agency (RITA)

(a) The income tax rate was reduced from 2% to 1.7% for the period of May 4, 2011 through August 2, 2011. The increase from 1.7% to 2% was approved by voters August 2, 2011. The City allowed for the use of a blended rate of 1.925% for tax year 2011.

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CITY OF STEUBENVILLE, OHIO

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

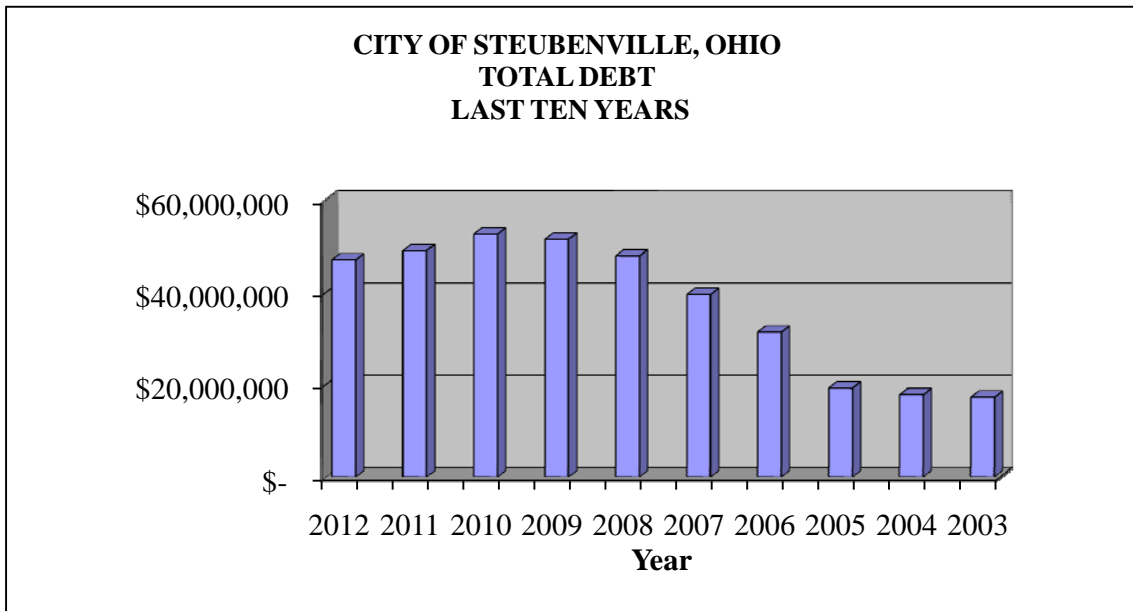
Year	Governmental Activities				Business-type Activities		
	General Obligation Bonds	Loans	Notes	Capital Leases	General Obligation Bonds	Revenue Bonds	Loans
2012	\$ 3,369,966	\$ 856,403	\$ -	\$ 21,413	\$ 1,825,000	\$ 401,044	\$ 40,537,160
2011	3,434,894	960,164	-	1,794	1,945,000	495,000	42,138,146
2010	3,497,922	1,059,760	-	7,326	4,559,776	-	43,466,803
2009	-	1,216,006	3,500,000	13,311	2,698,876	-	44,001,171
2008	-	1,429,942	541,239	19,679	2,888,630	-	42,890,909
2007	-	1,650,340	681,864	30,013	3,069,261	-	33,332,047
2006	-	1,759,540	-	15,150	3,245,984	-	25,481,533
2005	-	2,076,248	-	22,790	3,414,000	-	13,658,121
2004	-	1,568,226	-	21,878	-	-	14,635,825
2003	-	1,670,451	-	-	-	-	13,988,341

Sources:

- (a) See notes to the financial statements regarding the City's outstanding debt information.
- (b) See Schedule " Demographic and Economic Statistics - Last Ten Years" for personal income and population.

Business-type Activities (Continued)

Notes	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ -	\$ -	\$ 47,010,986	\$ 577,891,160	8.13%	18,440	\$ 2,549
-	-	48,974,998	561,244,061	8.73%	18,659	2,625
26,304	-	52,617,891	590,762,599	8.91%	18,659	2,820
51,292	-	51,480,656	591,493,780	8.70%	18,820	2,735
75,029	-	47,845,428	568,021,323	8.42%	19,329	2,475
749,579	10,296	39,523,400	528,103,595	7.48%	19,015	2,079
787,257	20,121	31,309,585	498,421,180	6.28%	19,015	1,647
42,334	29,495	19,242,988	494,351,970	3.89%	19,015	1,012
1,557,414	38,439	17,821,782	475,260,910	3.75%	19,015	937
1,576,881	46,973	17,282,646	466,856,280	3.70%	19,015	909



CITY OF STEUBENVILLE, OHIO

RATIO OF GENERAL BONDED DEBT TO ASSESSED
VALUE AND BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Estimated Actual Value of Taxable Property	Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Property	Bonded Debt Per Capita
2012	18,440	\$ 674,341,493	\$ 5,194,966	0.77%	\$ 282
2011	18,659	672,565,919	5,379,894	0.80%	288
2010	18,659	685,242,813	8,057,698	1.18%	432
2009	18,820	708,399,928	2,698,876	0.38%	143
2008	19,329	916,479,533	2,888,630	0.32%	149
2007	19,015	828,071,596	3,069,261	0.37%	161
2006	19,015	724,482,409	3,245,984	0.45%	171
2005	19,015	723,081,282	3,414,000	0.47%	180
2004	19,015	719,933,450	-	0.00%	-
2003	19,015	681,577,910	-	0.00%	-

Source: (1) U.S Census Bureau

CITY OF STEUBENVILLE, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Steubenville	\$ 4,247,782	100.00%	\$ 4,247,782
Total of direct debt	<u>4,247,782</u>		<u>4,247,782</u>
Overlapping debt:			
Steubenville City School District	4,648,448	96.60%	4,490,401
Jefferson County	1,815,000	20.04%	363,726
Jefferson County Joint Vocational School	943,882	19.47%	183,774
Indian Creek Local School District	10,669,999	24.85%	2,651,495
Total of overlapping debt	<u>18,077,329</u>		<u>7,689,396</u>
Total direct and overlapping debt	<u>\$ 22,325,111</u>		<u>\$ 11,937,178</u>

Source: Ohio Municipal Advisory Council

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the subdivision's boundaries and dividing it by the City's total taxable assessed value.

CITY OF STEUBENVILLE, OHIO

**WATER OWDA LOAN PLEDGED REVENUE COVERAGE
LAST TEN YEARS**

<u>Year</u>	<u>Operating Revenues</u>	<u>Direct Operating Expenses (1)</u>	<u>Net Available Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2012	\$ 5,448,141	\$ 3,015,713	\$ 2,432,428	\$ 1,607,604	\$ 1,022,437	0.92
2011	4,678,829	2,833,944	1,844,885	1,621,849	1,175,766	0.66
2010	4,824,259	2,985,940	1,838,319	1,564,824	1,232,791	0.66
2009	4,769,977	3,235,982	1,533,995	1,448,648	1,182,229	0.58
2008	6,182,944	3,096,569	3,086,375	1,881,887	1,137,062	1.02
2007	7,663,037	2,665,927	4,997,110	1,471,497	817,390	2.18
2006	5,235,595	2,110,122	3,125,473	1,125,350	507,860	1.91
2005	2,953,427	2,960,570	(7,143)	1,087,056	531,682	(0.00)
2004	5,272,318	2,986,474	2,285,844	985,598	489,370	1.55
2003	4,721,626	2,743,890	1,977,736	425,790	350,598	2.55

(1) Operating expenses do not include depreciation.

Source: City financial records

CITY OF STEUBENVILLE, OHIO

**SEWER OWDA LOAN PLEDGED REVENUE COVERAGE
LAST TEN YEARS**

<u>Year</u>	<u>Operating Revenues</u>	<u>Direct Operating Expenses (1)</u>	<u>Net Available Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2012	\$ 4,426,856	\$ 3,017,842	\$ 1,409,014	\$ 225,595	\$ 444,198	2.10
2011	5,298,290	2,926,266	2,372,024	233,786	462,389	3.41
2010	5,327,028	3,230,109	2,096,919	224,560	471,615	3.01
2009	5,433,208	3,386,044	2,047,164	215,698	480,477	2.94
2008	5,140,602	3,366,498	1,774,104	330,086	23,638	5.02
2007	5,647,788	3,019,514	2,628,274	319,723	33,998	7.43
2006	4,262,096	2,448,946	1,813,150	309,685	44,035	5.13
2005	3,303,677	2,619,793	683,884	299,963	53,685	1.93
2004	2,659,158	2,390,149	269,009	153,098	36,953	1.42
2003	2,954,058	1,898,114	1,055,944	6,551	6,639	80.06

(1) Operating expenses do not include depreciation.

Source: City financial records

CITY OF STEUBENVILLE, OHIO

REFUSE REVENUE BOND PLEDGED REVENUE COVERAGE
THIS YEAR

<u>Year</u>	<u>Operating Revenues</u>	<u>Direct Operating Expenses (1)</u>	<u>Net Available Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2012	\$ 2,259,319	\$ 1,368,669	\$ 890,650	\$ 93,956	\$ 12,209	8.39

(1) Operating expenses do not include depreciation.

Source: City financial records

Note: The City did not have debt service payments on revenue bonds prior to 2012.

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CITY OF STEUBENVILLE, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed value (a)	\$ 243,505,610	\$ 242,439,760	\$ 243,544,460	\$ 248,384,620
Legal debt margin:				
Debt limitation - 10.5% of assessed value	25,568,089	25,456,175	25,572,168	26,080,385
Debt applicable to limitation:				
General obligation bonds	5,157,612	5,362,612	8,057,388	2,698,876
Gross indebtedness (Total voted and unvoted debt)	<u>5,157,612</u>	<u>5,362,612</u>	<u>8,057,388</u>	<u>2,698,876</u>
Less: debt outside limitations				
General obligation bonds	<u>(1,825,000)</u>	<u>(1,945,000)</u>	<u>(4,559,776)</u>	<u>(2,698,876)</u>
Total debt outside limitations	<u>(1,825,000)</u>	<u>(1,945,000)</u>	<u>(4,559,776)</u>	<u>(2,698,876)</u>
Total debt applicable to limitation - Within 10.5% limitations	3,332,612	3,417,612	3,497,612	-
Less: amount available in debt service fund to pay debt applicable to limitation	<u>(98,478)</u>	<u>(81,309)</u>	<u>(64,342)</u>	<u>(344,483)</u>
Net debt within 10.5% limitation	<u>3,234,134</u>	<u>3,336,303</u>	<u>3,433,270</u>	<u>(344,483)</u>
Overall debt margin within 10.5% limitation	<u>\$ 22,333,955</u>	<u>\$ 22,119,872</u>	<u>\$ 22,138,898</u>	<u>\$ 26,424,868</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 13,392,809	\$ 13,334,187	\$ 13,394,945	\$ 13,661,154
Gross indebtedness authorized by council	5,157,612	5,362,612	8,057,388	2,698,876
Less: debt outside limitations: Total debt outside limitations	<u>(5,157,612)</u>	<u>(5,362,612)</u>	<u>(8,057,388)</u>	<u>(2,698,876)</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 13,392,809</u>	<u>\$ 13,334,187</u>	<u>\$ 13,394,945</u>	<u>\$ 13,661,154</u>

Source: City of Steubenville financial records

(a) Beginning in 2007, the debt limit excludes the assessed valuation of tangible personal property tax, as well as railroad and telephone public utility personal property in accordance with Ohio House Bill 530.

2008	2007	2006	2005	2004	2003
\$ 244,714,840	\$ 241,293,590	\$ 724,482,408	\$ 723,081,280	\$ 719,933,447	\$ 681,577,910
25,695,058	25,335,827	76,070,653	75,923,534	75,593,012	71,565,681
2,888,630	3,069,261	3,245,984	3,414,000	-	-
4,104,636	3,069,261	3,245,984	3,414,000	-	-
(2,888,630)	(3,069,261)	(3,245,984)	(3,414,000)	-	-
(2,888,630)	(3,069,261)	(3,245,984)	(3,414,000)	-	-
1,216,006	-	-	-	-	-
(806,046)	(542,029)	(287,488)	(37,683)	(1,931,570)	(1,676,511)
409,960	(542,029)	(287,488)	(37,683)	(1,931,570)	(1,676,511)
<u>\$ 25,285,098</u>	<u>\$ 25,877,856</u>	<u>\$ 76,358,141</u>	<u>\$ 75,961,217</u>	<u>\$ 77,524,582</u>	<u>\$ 73,242,192</u>
\$ 13,459,316	\$ 13,271,147	\$ 39,846,532	\$ 39,769,470	\$ 39,596,340	\$ 37,486,785
4,104,636	3,069,261	3,245,984	3,414,000	-	-
(2,888,630)	(3,069,261)	(3,245,984)	(3,414,000)	-	-
<u>\$ 12,243,310</u>	<u>\$ 13,271,147</u>	<u>\$ 39,846,532</u>	<u>\$ 39,769,470</u>	<u>\$ 39,596,340</u>	<u>\$ 37,486,785</u>

CITY OF STEUBENVILLE, OHIO

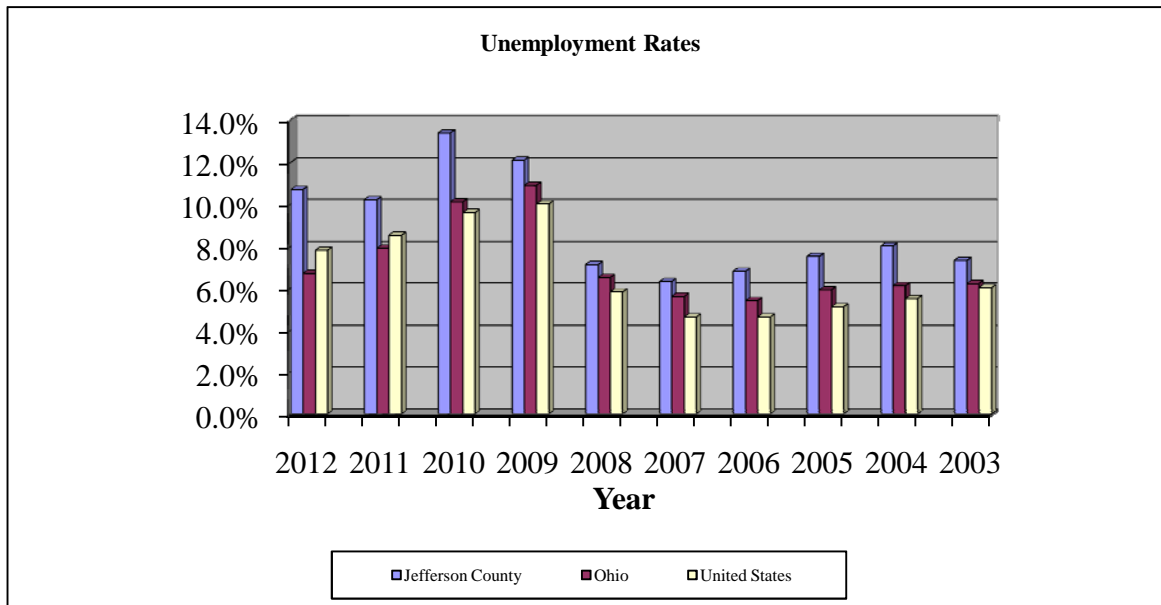
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income (3)	Annual Average Unemployment Rates (2)		
				Jefferson County	Ohio	United States
2012	18,440	\$ 577,891,160	\$ 31,339	10.7%	6.7%	7.8%
2011	18,659	561,244,061	30,079	10.2%	7.9%	8.5%
2010	18,659	590,762,599	31,661	13.4%	10.1%	9.6%
2009	18,820	591,493,780	31,429	12.1%	10.9%	10.0%
2008	19,329	568,021,323	29,387	7.1%	6.5%	5.8%
2007	19,015	528,103,595	27,773	6.3%	5.6%	4.6%
2006	19,015	498,421,180	26,212	6.8%	5.4%	4.6%
2005	19,015	494,351,970	25,998	7.5%	5.9%	5.1%
2004	19,015	475,260,910	24,994	8.0%	6.1%	5.5%
2003	19,015	466,856,280	24,552	7.3%	6.2%	6.0%

Sources:

- (1) U.S. Census Bureau
- (2) Ohio Department of Job & Family Services, Office of Workforce Development
- (3) U.S. Department of Commerce, Bureau of Economic Analysis

Note: Per capita personal income is presented for the Weirton-Steubenville Metropolitan Statistical Area (MSA).



CITY OF STEUBENVILLE, OHIO

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOUR YEARS AGO**

Employer	2012		
	Number of Employees	Rank	Percent of Total Employment
Franciscan University	1,975	1	21.84%
Trinity Medical Center West	1,557	2	17.22%
Wal-Mart Associates Inc.	625	3	6.91%
Jefferson County	601	4	6.65%
Eastern Gateway Community College	439	5	4.85%
Steubenville City School District	318	6	3.52%
Trinity Medical Center East	306	7	3.38%
Wheeling-Pittsburgh Steel	242	8	2.68%
Lowe's Home Centers Inc.	228	9	2.52%
City of Steubenville	201	10	2.22%
Total of top ten	<u>6,492</u>		<u>71.81%</u>
Total City employment	<u>9,043</u>		

Employer	2008		
	Number of Employees	Rank	Percent of Total Employment
Franciscan University	1,859	1	18.02%
Trinity Medical Center West	1,508	2	14.62%
Jefferson County	660	3	6.40%
Wal-Mart Associates Inc.	637	4	6.18%
Eastern Gateway Community College	445	5	4.31%
Trinity Medical Center East	345	6	3.34%
Steubenville City School District	344	7	3.34%
City of Steubenville	245	8	2.38%
Lowe's Home Centers Inc.	245	9	2.38%
Wheeling-Pittsburgh Steel	240	10	2.33%
Total of top ten	<u>6,528</u>		<u>63.30%</u>
Total City employment	<u>10,314</u>		

Source: Regional Income Tax Agency (RITA)

Note: Information prior to 2008 was not available.

CITY OF STEUBENVILLE, OHIO

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

Function/Program	2012	2011	2010	2009	2008	2007
General government:						
Mayor	2.00	2.00	1.00	1.00	1.00	1.00
Finance	5.00	5.00	5.00	5.00	5.00	5.00
Law director	2.00	2.00	1.00	1.00	1.00	1.00
Civil service	1.00	1.00	1.00	1.00	1.00	1.00
City manager	1.00	1.00	1.00	1.00	1.00	1.00
Engineering	2.00	2.00	1.00	1.00	1.00	1.00
City council	8.00	8.00	8.00	8.00	8.00	8.00
Municipal court	10.00	10.00	7.00	7.00	7.00	7.00
Building	1.00	1.00	1.00	3.00	4.00	4.00
Information systems	1.00	1.00	1.00	1.00	1.00	1.00
Security of persons and property:						
Police	47.00	47.00	47.00	47.00	46.00	43.00
Fire	37.00	37.00	38.00	38.00	40.00	40.00
Electrical	2.00	2.00	2.00	2.00	3.00	3.00
Public health and welfare:						
Health services	3.00	3.00	3.00	3.00	3.00	3.00
Health clinic	3.00	3.00	3.00	3.00	3.00	3.00
Health administration	3.00	3.00	3.00	3.00	3.00	3.00
Food	1.00	1.00	1.00	1.00	1.00	1.00
Transportation:						
Street	13.00	14.00	18.00	19.00	22.00	20.00
Weed control	-	-	-	-	8.00	6.00
Community environment:						
Community development	4.00	4.00	5.00	5.00	4.00	4.00
Leisure time activity:						
Parks	3.00	3.00	-	-	5.00	5.00
Indoors	2.00	2.00	5.00	7.00	7.00	6.00
Administration	1.00	1.00	1.00	1.00	2.00	2.00
Swimming pool	10.00	10.00	20.00	16.00	17.00	20.00
Utility services:						
Water	26.00	26.00	26.00	26.00	26.00	26.00
Sewer	19.00	19.00	19.00	18.00	19.00	19.00
Refuse	12.00	12.00	12.00	12.00	13.00	15.00
Total	219.00	220.00	230.00	230.00	252.00	249.00

Source: City of Steubenville records

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
1.00	1.00	1.00	1.00
5.00	7.00	8.00	8.00
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
8.00	8.00	8.00	8.00
7.00	7.00	7.00	7.00
4.00	4.00	4.00	4.00
1.00	-	-	-
46.00	45.00	45.00	47.00
40.00	40.00	40.00	40.00
4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00
23.00	23.00	23.00	23.00
6.00	10.00	11.00	14.00
4.00	4.00	4.00	4.00
5.00	6.00	8.00	8.00
9.00	5.00	5.00	4.00
2.00	3.00	3.00	3.00
19.00	18.00	20.00	20.00
25.00	30.00	31.00	31.00
19.00	19.00	19.00	19.00
15.00	15.00	17.00	17.00
<u>257.00</u>	<u>263.00</u>	<u>272.00</u>	<u>276.00</u>

CITY OF STEUBENVILLE, OHIO

**OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
General government:							
Positions filled	219	220	220	230	326	316	331
Ordinances & resolutions	121	112	90	107	101	116	110
Security of persons and property:							
Police:							
Physical arrests	1,612	1,505	1,510	1,518	1,603	1,531	1,488
Parking violations	273	427	644	288	392	429	828
Traffic violations	1,249	936	772	856	1,250	1,364	2,040
Leisure time activity:							
Recreation center attendance	24,000	24,019	16,245	21,408	2,154	2,159	761
Transportation:							
Tons of salt used	3,000	2,400	3,000	3,114	1,642	3,611	2,005
Water:							
New connections	10	7	7	4	3	7	7
Water main breaks	103	69	103	75	57	119	73

Source: City of Steubenville Departments.

Note: N/A indicates the information was not available.

<u>2005</u>	<u>2004</u>	<u>2003</u>
315	332	321
121	158	99
1,507	1,628	1,886
1,540	948	1,366
1,672	1,072	1,201
N/A	N/A	N/A
2,872	1,020	5,552
3	13	9
60	66	82

CITY OF STEUBENVILLE, OHIO

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS**

Function	2012	2011	2010	2009	2008	2007	2006
Security of persons and property:							
Police:							
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire:							
Stations	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Leisure time activities:							
Parks	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Park acreage	261.32	261.32	261.32	261.32	261.32	261.32	369.19
Fitness center	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Swimming pools	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wading pools	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tennis courts	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Baseball diamonds	8.00	8.00	8.00	8.00	4.00	4.00	4.00
Softball fields	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Transportation:							
Streets (paved miles)	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Water:							
Water mains (miles)	84.00	84.00	84.00	84.00	84.00	84.00	84.00
Sewer:							
Sanitary sewers (miles)	81.00	81.00	81.00	81.00	81.00	81.00	81.00

Source: City of Steubenville Departments.

<u>2005</u>	<u>2004</u>	<u>2003</u>
1.00	1.00	1.00
3.00	3.00	3.00
13.00	13.00	13.00
369.19	369.19	369.19
1.00	1.00	1.00
1.00	1.00	1.00
1.00	1.00	1.00
6.00	6.00	6.00
4.00	4.00	4.00
1.00	1.00	1.00
120.00	120.00	120.00
84.00	84.00	84.00
81.00	81.00	81.00

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City of Steubenville, Ohio

Jefferson County, Ohio

*Reports Issued Pursuant to Government
Audit Standards and OMB Circular A-133*

For the Year Ended
December 31, 2012

**City of Steubenville, Ohio
Jefferson County, Ohio**

DECEMBER 31, 2012

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June 28, 2013

Mayor and Members of Council
City of Steubenville
Jefferson County, Ohio
304 Market Street
Steubenville, OH 43952

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*

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Steubenville, Jefferson County, Ohio (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2013 in which we noted the City restated net position to account for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63 and GASB Statement No. 65, and restated fund balances in accordance with GASB Statement No. 54.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-001.

The City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

New Philadelphia, Ohio

June 28, 2013

Mayor and Members of Council
City of Steubenville
Jefferson County, Ohio
304 Market Street
Steubenville, Ohio 43952

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

Report on Compliance for Each Major Federal Program

We have audited the City of Steubenville's, Jefferson County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2012. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

City of Steubenville

Report on Compliance for Each Major Federal Program;

Report on Internal Control over Compliance; and Report on the

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

Page 3 of 3

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2012, and have issued our report thereon dated June 28, 2013, which contained an unmodified opinion on those financial statements, wherein we noted the City restated net position to account for the implementation of Governmental Accounting Standard Board (GASB) No. 63 and GASB No. 64 and restated fund balances in accordance with GASB No. 54. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Rea & Associates, Inc.

New Philadelphia, Ohio

**CITY OF STEUBENVILLE
JEFFERSON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR - PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT/ PASS- THROUGH ENTITY NUMBER</u>	<u>DISBURSEMENTS</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Programs:</i>			
Community Development Block Grant Entitlement Grants:			
Community Development Block Grant Entitlement Grants	14.218	B09-MC-39-0020	\$ 165,863
Community Development Block Grant Entitlement Grants	14.218	B10-MC-39-0020	556,247
Total Community Development Block Grant Entitlement Grants			<u>722,110</u>
<i>Passed-Through Ohio Department of Development:</i>			
Home Investment Partnerships Program	14.239	A-C-08-296-2	<u>35,310</u>
Total U.S. Department of Housing and Urban Development			<u>757,420</u>
<u>U.S. Department of Agriculture:</u>			
<i>Passed-Through Ohio Department of Education:</i>			
Summer Food Program	10.559	FY12	<u>65,747</u>
Total U.S. Department of Agriculture			<u>65,747</u>
<u>U.S. Department of Transportation:</u>			
<i>Passed-Through Ohio Department of Transportation:</i>			
Highway Planning and Construction:			
Lovers Lane Connector Resurfacing & Safety	20.205	PID No. 90233	763,419
John Scott Highway/Mall Drive	20.205	PID No. 87380	136,698
Washington Street	20.205	PID No. 86367	21,224
Washington Street - ARRA	20.205	PID No. 86367	902,877
Total Highway Planning and Construction			<u>1,824,218</u>
Total U.S. Department of Transportation			<u>1,824,218</u>
<u>U.S. Department of Justice:</u>			
<i>Direct Programs:</i>			
Public Safety Partnership and Community Policing Grants - ARRA	16.710	2009-RK-WX-0680	72,298
Bulletproof Vest Partnership Program	16.607		<u>2,960</u>
Total U.S. Department of Justice			<u>75,258</u>
<u>U.S. Department of Homeland Security:</u>			
<i>Passed-Through Ohio Department of Public Safety:</i>			
Disaster Grants	97.036	FEMA-DR-4002-OH	60,930
<i>Direct Programs:</i>			
Staffing for Adequate Fire and Emergency Response Grants	97.044	EMW-2010-FH-00406	<u>153,435</u>
Total U.S. Department of Homeland Security			<u>214,365</u>
<u>U.S. Department of Energy:</u>			
<i>Passed-Through Ohio Department of Development:</i>			
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	ARRA-EECBG-10-22	<u>25,274</u>
Total U.S. Department of Energy			<u>25,274</u>
Total Federal Expenditures			<u>\$ 2,962,282</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF STEUBENVILLE
JEFFERSON COUNTY, OHIO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B: MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

CITY OF STEUBENVILLE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
DECEMBER 31, 2012

1. SUMMARY OF AUDITOR'S RESULTS
--

A-133 Ref.
.505(d)

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other internal control deficiencies reported for major programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are any reportable findings under Section .510(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list): Highway Planning and Construction	CFDA # 20.205
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

Material Non-Compliance

Finding Number	2012-001
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Criteria: Ohio Rev. Code Section 5705.10(H) states money paid into any fund shall be used only for the purposes for which the fund was established.

CITY OF STEUBENVILLE
JEFFERSON COUNTY, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505 (Continued)
DECEMBER 31, 2012

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Material Non-Compliance (Continued)

Finding Number	2012-001 (Continued)
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Condition Found: During the performance of audit procedures, we noted certain employees were paid from the Water, Sewer and Refuse funds based on set percentages established by the City Manager. However, time records maintained did not support these payments. It was found that the majority of these payroll costs should have been paid from the General Fund.

Cause: Certain employee's salaries were allocated to various funds based upon percentages established by the City Manager, rather than by actual duties performed for the funds.

Effect: The time records maintained for certain employees did not support the allocation percentages established by the City Manager. This resulted in \$13,949 in unallowable payroll expenditures from the Water Fund, \$36,264 from the Sewer Fund and \$77,729 from the Refuse Fund. These expenditures should have been paid from the General Fund. The financial statements have been adjusted to reflect these adjustments however; the City has not yet posted the adjustments to their accounting system. The City intends to repay these funds in their accounting system over the next two years.

Recommendations: We recommend the City allocate payroll expenses based upon actual time spent working for special funds, if adequate time records are available. We would also recommend the City formally approve a cost allocation plan based upon time studies to allocate payroll expenses, however, the City had already put a cost allocation plan in place for 2013.

Management Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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NONE

CITY OF STEUBENVILLE
JEFFERSON COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2011-001	Material Non-Compliance – Expenditures plus encumbrances exceeding appropriations	No	Partially corrected – Moved to the Management Letter.
2011-002	Significant Deficiency – Monitoring of tax levies	Yes	



City of Steubenville

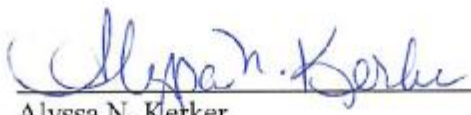
Finance Office

115 South Third Street • Suite 106 • Steubenville, Ohio 43952 • Phone: 740.283.6000 ext 1300
Fax: 740.283.6165 • Website: www.cityofsteubenville.us • Email: finance@cityofsteubenville.us

CORRECTIVE ACTION PLAN IN RESPONSE TO THE 2012 AUDIT FINDINGS

2012-001

In 2012, the City of Steubenville contracted with Julian and Grube to prepare a Cost Allocation Plan. This plan was adopted by Council in an ordinance and effective January 1, 2013. Any changes to this plan or the allocations of the employees listed within this plan will require action to be taken by Council. Any other employee reimbursement between funds will be based on detailed timesheets and/or timecards kept by employees and approved by the department head and verified by the finance office.



Alyssa N. Kerker
Finance Director
City of Steubenville



Date

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Dave Yost • Auditor of State

CITY OF STEUBENVILLE

JEFFERSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 12, 2013**