

CITY OF STEUBENVILLE, OHIO



Municipal Building

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016



Dave Yost • Auditor of State

Honorable Mayor and Members of City Council
City of Steubenville
115 South Third Street
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the City of Steubenville, Jefferson County, prepared by Julian & Grube, Inc., for the audit period January 1, 2016 through December 31, 2016. 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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

September 26, 2017

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CITY OF STEUBENVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016



PREPARED BY:

DAVID R. LEWIS, FINANCE DIRECTOR

115 SOUTH THIRD STREET
STEUBENVILLE, OHIO 43952

CITY OF STEUBENVILLE, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016**

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INTRODUCTORY SECTION



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

June 29, 2017

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, 2016, 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. Julian & Grube, Inc. performed the audit for the year ended December 31, 2016, and they have issued an unmodified ("clean") 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, 2016 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 18,072. 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 Liberty University, 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. 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, “Jefferson County Port Authority,” 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 has seen positive impacts from the natural gas and oil industry. With the majority of the activity within the eastern portion of Ohio, Jefferson County and Steubenville should continue to see an increase in economic development and employment.

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 stable or have increased. 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.

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 recently completed a major street improvement project on Mall Drive and Fort Steuben Drive. The designs for a roundabout project on Lovers Lane and the Sunset Boulevard / Lovers Lane intersection were continued in 2016. The City completed a water line replacement project on Bryden Road and East Carlton Road. The City was also in the process of completing a water meter replacement project during 2016. The water meter replacement project replaced residential and commercial water meters throughout the City with new meters with automatic read technology that reads the water meters every fifteen minutes. The City also completed construction of a \$2,000,000 sewer line project that relined the existing sewer line along University Boulevard through trenchless technology. The City is also in the process of making over \$4 million in improvements to the wastewater plant and wastewater operations.

The City has many recent, current, and upcoming projects to enhance the economic development within the City. Franciscan University is in the process of completing a major development on the former green strip property called Franciscan Square. The first building at Franciscan Square was an \$8.7 million Best Western Plus hotel also called The Inn at Franciscan Square. Two other buildings are being constructed at Franciscan Square in 2017. Rural King recently completed a renovation to move into space previously occupied by K-Mart. Some of the other recently completed projects are a Dairy Queen on Sunset Boulevard, a Convenient Fuel Mart on Sunset Boulevard, a \$1.1 million renovation at Eastern Gateway Community College, and a \$3.3 million upgrade to Egan Hall at Franciscan University. Projects currently under construction include a \$7 million convent on Lovers Lane, a \$600,000 improvement to a monastery on Belleview Boulevard, and improvements to Holy Name Cathedral in the South End District of Downtown Steubenville. Future projects include a Pilot J gas station off of State Route 7, improvements at Harding Stadium, and a Holiday Inn Express off of State Route 7.

The City has recently completed a new Comprehensive Plan and has begun the implementation phase. This plan is a guide to shape a 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 principles (GAAP), and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating.

Awards

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Steubenville, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Steubenville, Ohio has received a Certificate of Achievement for the last eight consecutive years (2008-2015). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

The City was also presented the Ohio Auditor of State Award with Distinction for the year ended December 31, 2015. The award was presented for excellence in financial reporting on the Comprehensive Annual Financial Report (CAFR) for year ended December 31, 2015. The City has received the Ohio Auditor of State Award with Distinction for the last two years. The Auditor of State's Office noted that the City's Comprehensive Annual Financial Report (CAFR) serves as the standard for clean, accountable government, representing the highest level of service to Ohioans.

In order to be awarded the Auditor of State Award with Distinction the City had to file the Comprehensive Annual Financial Report (CAFR) and timely financial reports in accordance with GAAP, as well as receive a "clean" audit report. The "clean" audit report means that the City's financial audit did not contain findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or any questioned costs.

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 Julian & Grube, Inc., who conducted a thorough audit of our finances.

Sincerely,



David R. Lewis
Finance Director

CITY OF STEUBENVILLE, OHIO

PRINCIPAL OFFICIALS

DECEMBER 31, 2016

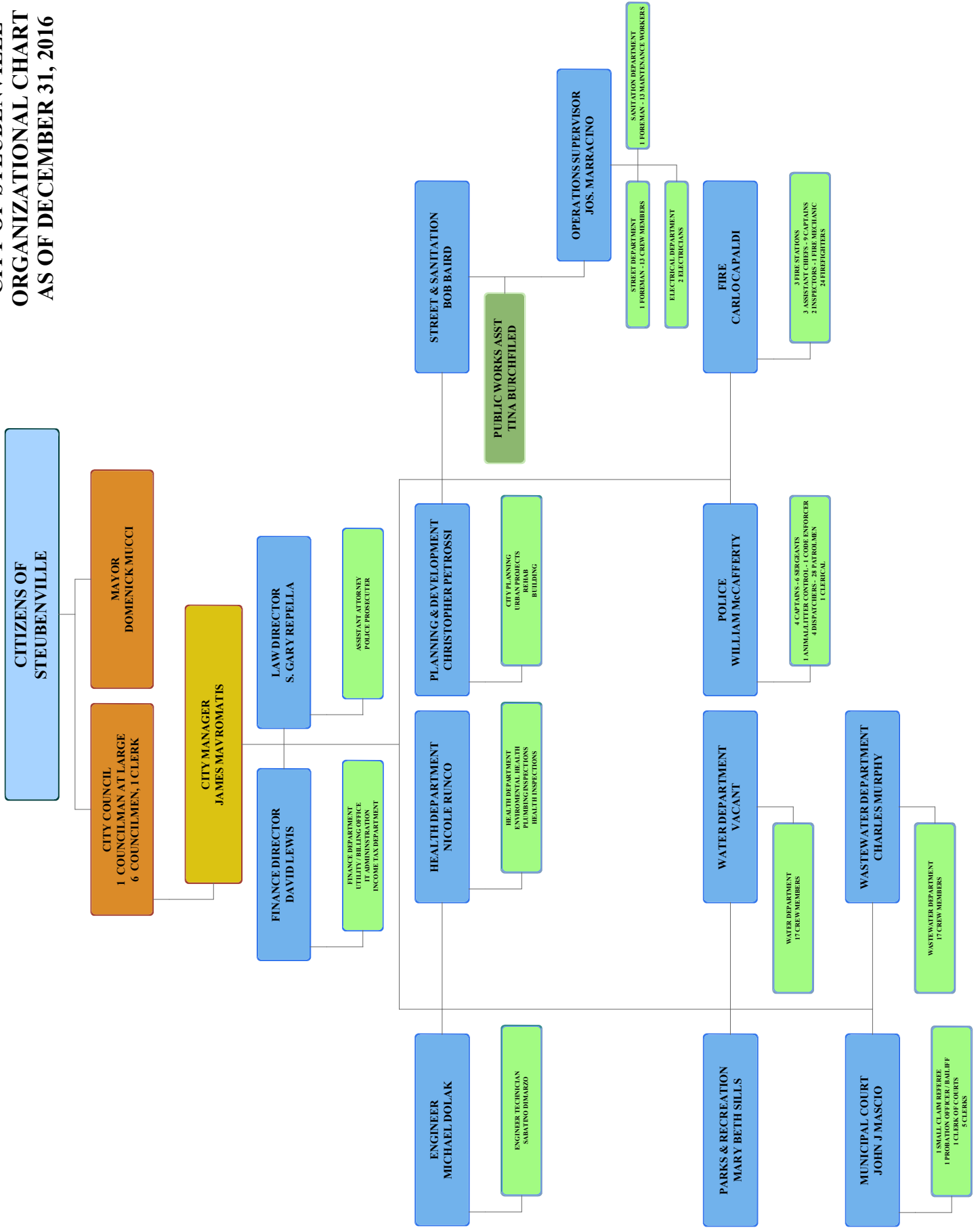
Elected Officials

Mayor	Domenick Mucci Jr.
City Council:	
Councilman at Large	Kimberly Hahn
1st Ward Councilman	Gerald DiLoreto
2nd Ward Councilman	Mike Johnson
3rd Ward Councilman	Eric Timmons
4th Ward Councilman	Scott Dressel
5th Ward Councilman	William Paul
6th Ward Councilman	Bob Villamagna
Municipal Court Judge	John J. Mascio

Appointed Officials

City Manager	James Mavromatis
Law Director	S. Gary Repella
Finance Director	David R. Lewis
Urban Project Director	Christopher Petrossi
Parks and Recreation Director	Mary Beth Sills
Fire Chief	Carlo Capaldi
Police Chief	William A. McCafferty
Interim Health Commissioner	Nicole Runco
City Engineer	Michael Dolak
Clerk of Council	Frankie Anderson
Utility Director	Charles Murphy
Street and Sanitation Superintendent	Robert Baird

**CITY OF STEUBENVILLE
ORGANIZATIONAL CHART
AS OF DECEMBER 31, 2016**





Government Finance Officers Association

**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, 2015

Executive Director/CEO

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FINANCIAL SECTION



Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

City of Steubenville
Jefferson County
115 South Third Street
Steubenville, Ohio 43952

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Steubenville, Jefferson County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Steubenville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City of Steubenville's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City of Steubenville's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Steubenville, Jefferson County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017, on our consideration of the City of Steubenville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Steubenville's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 29, 2017

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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, 2016. 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 2016 are as follows:

- The total net position of the City decreased \$67,514 or 0.12% from 2015 net position. Net position of governmental activities decreased \$1,489,677 or 4.96% from 2015 net position. Net position of business-type activities increased \$1,422,163 or 5.32% over 2015 net position.
- General revenues accounted for \$12,351,248, or 73.60% of total governmental activities revenue. Program specific revenues accounted for \$4,429,773 or 26.40% of total governmental activities revenue.
- The City had \$18,327,440 in expenses related to governmental activities; \$4,429,773 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$13,897,667 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,351,248 and transfers in of \$56,742.
- 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 \$12,533,452 in 2016. This represents a decrease of \$447,047 from 2015 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$11,955,758 in 2016, decreased \$478,693 from 2015. The net increase in fund balance for the general fund was \$577,694, from a balance of \$4,209,083 to a balance of \$4,786,777.
- The .7% City income tax - street improvement fund had \$1,327,086 in revenues in 2016. The expenditures of the .7% City income tax - street improvement fund totaled \$1,220,028 in 2016. The net increase in fund balance for the .7% City income tax - street improvement fund was \$107,058 from a balance of \$1,955,187 to a balance of \$2,062,245.
- Net position for the business-type activities, which are made up of the water, sewer, and refuse enterprise funds, increased in 2016 by \$1,422,163.
- In the general fund, the actual revenues and other financing sources came in \$31,836 greater than the final budgeted revenues and other financing sources. Actual expenditures and other financing uses were \$761,331 less than the amount in the final budget. 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, 2016 (UNAUDITED)

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 2016?" 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 25-27 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, 2016 (UNAUDITED)

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 28-32 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 34-39 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 40 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 41-88 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 90-96 of this report.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Government-wide Financial Analysis

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2016 and 2015.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<u>Assets</u>						
Current and other assets	\$ 16,373,522	\$ 16,555,681	\$ 16,266,525	\$ 18,959,055	\$ 32,640,047	\$ 35,514,736
Capital assets, net	<u>35,020,245</u>	<u>35,400,626</u>	<u>61,433,149</u>	<u>60,382,767</u>	<u>96,453,394</u>	<u>95,783,393</u>
Total assets	<u>51,393,767</u>	<u>51,956,307</u>	<u>77,699,674</u>	<u>79,341,822</u>	<u>129,093,441</u>	<u>131,298,129</u>
<u>Deferred outflows of resources</u>						
Pension	<u>4,714,607</u>	<u>1,842,788</u>	<u>1,283,122</u>	<u>413,182</u>	<u>5,997,729</u>	<u>2,255,970</u>
Total deferred outflows of resources	<u>4,714,607</u>	<u>1,842,788</u>	<u>1,283,122</u>	<u>413,182</u>	<u>5,997,729</u>	<u>2,255,970</u>
<u>Liabilities</u>						
Current liabilities	1,061,890	1,131,669	633,099	933,828	1,694,989	2,065,497
Long-term liabilities:						
Due within one year	283,964	298,306	3,011,683	3,008,981	3,295,647	3,307,287
Net pension liability	17,359,346	13,409,505	3,328,545	2,302,692	20,687,891	15,712,197
Other amounts	<u>7,459,385</u>	<u>7,627,632</u>	<u>43,734,216</u>	<u>46,696,293</u>	<u>51,193,601</u>	<u>54,323,925</u>
Total liabilities	<u>26,164,585</u>	<u>22,467,112</u>	<u>50,707,543</u>	<u>52,941,794</u>	<u>76,872,128</u>	<u>75,408,906</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,275,235	1,252,182	-	-	1,275,235	1,252,182
Pension	<u>121,580</u>	<u>43,150</u>	<u>81,730</u>	<u>41,850</u>	<u>203,310</u>	<u>85,000</u>
Total deferred inflows of resources	<u>1,396,815</u>	<u>1,295,332</u>	<u>81,730</u>	<u>41,850</u>	<u>1,478,545</u>	<u>1,337,182</u>
<u>Net position</u>						
Net investment in capital assets	31,429,821	31,655,663	20,119,667	18,461,579	51,549,488	50,117,242
Restricted	3,247,094	2,963,816	-	-	3,247,094	2,963,816
Unrestricted (deficit)	<u>(6,129,941)</u>	<u>(4,582,828)</u>	<u>8,073,856</u>	<u>8,309,781</u>	<u>1,943,915</u>	<u>3,726,953</u>
Total net position	<u>\$ 28,546,974</u>	<u>\$ 30,036,651</u>	<u>\$ 28,193,523</u>	<u>\$ 26,771,360</u>	<u>\$ 56,740,497</u>	<u>\$ 56,808,011</u>

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

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$56,740,497. At year-end, net position was \$28,546,974 and \$28,193,523 for the governmental activities and the business-type activities, respectively.

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 74.72% 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, 2016, was \$31,429,821 and \$20,119,667 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.

The decrease in current liabilities of the business-type activities is primarily due to a decrease in the amount of contracts payable outstanding at December 31, 2016. The majority of these contract payables at December 31, 2015 were for sewer construction projects.

A portion of the City's net position, \$3,247,094, represents resources that are subject to external restriction on how they may be used.

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CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The following table shows the changes in net position for 2016 and 2015.

	Change in Net Position					
	Governmental	Business-type	Governmental	Business-type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
	2016	2016	2015	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,602,552	\$ 12,077,940	\$ 1,498,701	\$ 12,117,252	\$ 13,680,492	\$ 13,615,953
Operating grants and contributions	2,042,812	-	2,043,064	-	2,042,812	2,043,064
Capital grants and contributions	784,409	57,000	569,297	301,700	841,409	870,997
Total program revenues	4,429,773	12,134,940	4,111,062	12,418,952	16,564,713	16,530,014
General revenues:						
Property taxes	1,259,002	-	1,155,665	-	1,259,002	1,155,665
Income taxes	9,876,223	-	9,713,810	-	9,876,223	9,713,810
Hotel taxes	220,403	-	319,548	-	220,403	319,548
Unrestricted grants and entitlements	863,425	-	852,143	-	863,425	852,143
Investment earnings	5,477	-	1,892	-	5,477	1,892
Miscellaneous	126,718	12,827	239,673	302,495	139,545	542,168
Total general revenues	12,351,248	12,827	12,282,731	302,495	12,364,075	12,585,226
Total revenues	16,781,021	12,147,767	16,393,793	12,721,447	28,928,788	29,115,240
Expenses:						
General government	3,242,172	-	3,225,266	-	3,242,172	3,225,266
Security of persons and property	8,785,738	-	7,719,461	-	8,785,738	7,719,461
Public health and welfare	532,254	-	591,661	-	532,254	591,661
Transportation	3,507,256	-	3,613,574	-	3,507,256	3,613,574
Community environment	1,238,946	-	793,755	-	1,238,946	793,755
Leisure time activity	726,855	-	825,576	-	726,855	825,576
Interest and fiscal charges	294,219	-	294,889	-	294,219	294,889
Water	-	4,860,258	-	6,544,983	4,860,258	6,544,983
Sewer	-	4,133,204	-	4,141,443	4,133,204	4,141,443
Refuse	-	1,675,400	-	1,463,393	1,675,400	1,463,393
Total expenses	18,327,440	10,668,862	17,064,182	12,149,819	28,996,302	29,214,001
Increase (decrease) in net position before transfers	(1,546,419)	1,478,905	(670,389)	571,628	(67,514)	(98,761)
Transfers	56,742	(56,742)	179,503	(179,503)	-	-
Change in net position	(1,489,677)	1,422,163	(490,886)	392,125	(67,514)	(98,761)
Net position at beginning of year	30,036,651	26,771,360	30,527,537	26,379,235	56,808,011	56,906,772
Net position at end of year	\$ 28,546,974	\$ 28,193,523	\$ 30,036,651	\$ 26,771,360	\$ 56,740,497	\$ 56,808,011

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Governmental Activities

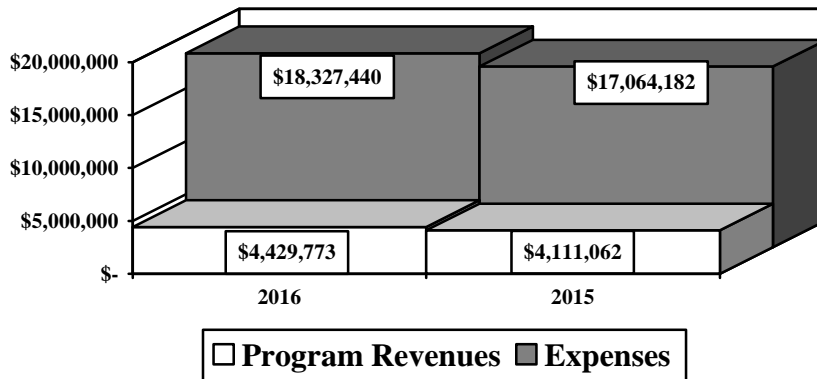
Governmental activities net position decreased \$1,489,677 in 2016. Expenses increased during 2016, however revenues slightly increased, which resulted in a decrease in net position. The primary reason for the increase in expenses was due to an increase in pension expense recorded under GASB 68.

Security of persons and property, which primarily supports the operations of the police and fire departments, had expenses of \$8,785,738, which accounted for 30.30% of the total expenses of the City. These expenses were partially funded by \$6,166 in direct user charges, \$512,019 in operating grants and contributions and \$357,143 in capital grants and contributions. The remaining security of persons and property expenses were funded by general revenues. General government expenses totaled \$3,242,172 or 11.19% of the total expenses of the City, which was partially funded by \$968,412 in direct user charges and \$173,336 in operating grants and contributions. The State and federal government contributed to the City a total of \$2,042,812 in operating grants and contributions, and \$784,409 in capital grants and contributions.

General revenues totaled \$12,351,248 and amounted to 73.60% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$11,135,225. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue and property tax reimbursements received from the State, making up \$863,425.

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

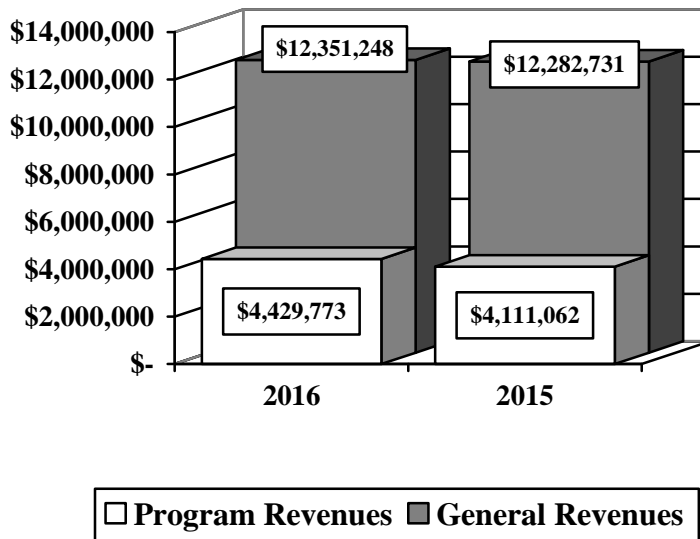
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Governmental Activities

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Program expenses:				
General government	\$ 3,242,172	\$ 2,100,424	\$ 3,225,266	\$ 2,163,739
Security of persons and property	8,785,738	7,910,410	7,719,461	7,206,896
Public health and welfare	532,254	205,334	591,661	296,265
Transportation	3,507,256	2,107,723	3,613,574	2,095,190
Community environment	1,238,946	613,261	793,755	195,506
Leisure time activity	726,855	666,296	825,576	700,635
Interest and fiscal charges	294,219	294,219	294,889	294,889
Total	<u>\$ 18,327,440</u>	<u>\$ 13,897,667</u>	<u>\$ 17,064,182</u>	<u>\$ 12,953,120</u>

The dependence upon general revenues for governmental activities is apparent, with 75.83% and 75.59% of expenses supported through taxes and other general revenues for 2016 and 2015, respectively.

Governmental Activities – General and Program Revenues



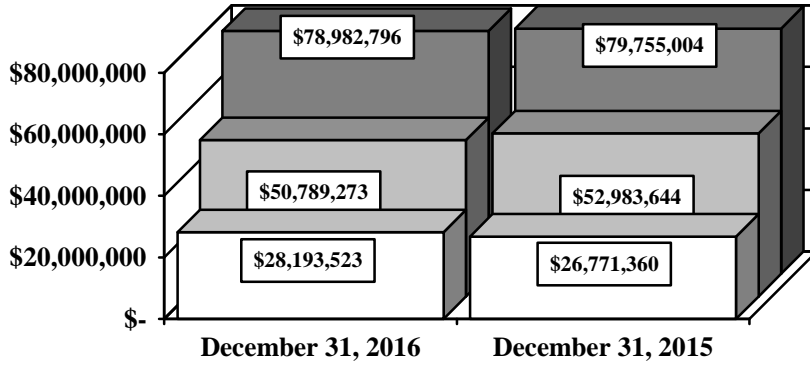
Business-type Activities

Business-type activities include the water, sewer, and refuse enterprise funds. These programs had program revenues of \$12,134,940, general revenues of \$12,827, expenses of \$10,668,862 and transfers out of \$56,742 for 2016. Expenses of the business-type activities decreased approximately \$1.48 million in 2016 due to a water meter replacement project in 2015 that was not capitalized. The net position of the business-type activities increased \$1,422,163 from 2015. The graph below shows the business-type activities assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position at year-end.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Net Position in Business-type Activities



Net Position
 Liabilities & Deferred Inflows
 Assets & Deferred Outflows

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 20) reported a combined fund balance of \$10,127,461, which is \$15,786 less than the previous year's fund balance of \$10,143,247. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2016 for all major and nonmajor governmental funds.

	Fund Balances 12/31/16	Fund Balances 12/31/15	Increase (Decrease)
Major funds:			
General	\$ 4,786,777	\$ 4,209,083	\$ 577,694
.7% City income tax - street improvement	2,062,245	1,955,187	107,058
Other nonmajor governmental funds	<u>3,278,439</u>	<u>3,978,977</u>	<u>(700,538)</u>
Total	<u>\$ 10,127,461</u>	<u>\$ 10,143,247</u>	<u>\$ (15,786)</u>

General Fund

The City's general fund balance increased \$577,694. The table that follows assists in illustrating the revenues of the general fund.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Taxes	\$ 10,109,777	\$ 10,251,372	(1.38) %
Charges for services	28,168	43,893	(35.83) %
Licenses and permits	713,443	733,770	(2.77) %
Fines and forfeitures	301,286	290,940	3.56 %
Investment income	5,477	1,888	190.10 %
Intergovernmental	1,208,364	1,389,319	(13.02) %
Rental income	90,446	96,544	(6.32) %
Other	<u>74,791</u>	<u>158,909</u>	(52.93) %
Total	<u>\$ 12,531,752</u>	<u>\$ 12,966,635</u>	(3.35) %

Tax revenue represents 80.68% of all general fund revenue. Tax revenue decreased slightly due to a decrease in hotel/motel tax revenue. Intergovernmental revenue decreased due less local government revenue received from the State. Other revenue decreased primarily due to a decrease in reimbursements compared to 2015. All other revenue remained consistent between 2015 and 2016.

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

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Expenditures:			
General government	\$ 2,691,259	\$ 2,886,798	(6.77) %
Security of persons and property	7,335,812	7,450,647	(1.54) %
Public health and welfare	455,695	493,999	(7.75) %
Transportation	847,825	940,266	(9.83) %
Community environment	74,628	70,192	6.32 %
Leisure time activity	348,059	381,752	(8.83) %
Debt service	<u>191,480</u>	<u>192,297</u>	(0.42) %
Total	<u>\$ 11,944,758</u>	<u>\$ 12,415,951</u>	(3.80) %

General fund expenditures of the City decreased 3.80% in 2016. The decreases in general fund expenditures were primarily due to the City making cuts to deal with decreased general fund revenue in 2016.

.7% City Income Tax - Street Improvement Fund

The .7% City income tax - street improvement fund had \$1,327,086 in revenues in 2016. The expenditures of the .7% City income tax - street improvement fund totaled \$1,220,028 in 2016. The City undertook several street improvement projects during 2016, which include the Sunset Blvd/Lovers Lane improvement, the Hot Mix paving program, the Lovers Lane/Ft Steuben Drive improvement project and Chestnut Alley rehab. 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 \$107,058 from a balance of \$1,955,187 to a balance of \$2,062,245.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

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 \$684,459. Appropriations were decreased by \$380,324 during 2016. Decreases to the appropriations were primarily due to decreased expenditure estimates for the street department. Actual revenues and other financing sources of \$13,267,768 were greater than final budgeted revenues and other financing sources by \$31,836. Actual expenditures and other financing uses of \$12,840,339 came in \$761,331 less than the final budgeted amounts.

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 2016, the City had \$96,453,394 (net of accumulated depreciation) invested in land, buildings, improvements, equipment, vehicles, infrastructure and construction in progress. Of this total, \$35,020,245 was reported in governmental activities and \$61,433,149 was reported in business-type activities. Additional details are provided in Note 8 of the notes to the financial statements. The following table shows 2016 balances compared to 2015:

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 469,112	\$ 469,112	\$ 66,000	\$ 66,000	\$ 535,112	\$ 535,112
Construction- in-progress	721,746	462,606	991,672	1,010,289	1,713,418	1,472,895
Buildings	5,599,158	5,752,762	26,821,680	27,555,779	32,420,838	33,308,541
Improvements	3,283,366	3,525,377	4,143,830	4,237,416	7,427,196	7,762,793
Equipment	762,981	827,558	1,737,515	1,721,517	2,500,496	2,549,075
Vehicles	1,365,990	659,518	622,420	722,991	1,988,410	1,382,509
Infrastructure	22,817,892	23,703,693	27,050,032	25,068,775	49,867,924	48,772,468
Totals	\$ 35,020,245	\$ 35,400,626	\$ 61,433,149	\$ 60,382,767	\$ 96,453,394	\$ 95,783,393

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

The City's largest capital asset category is infrastructure which includes roads constructed from 1980 through 2016. 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 65.16% of the City's total governmental capital assets.

The City's business-type infrastructure capital asset category 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 44.04% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2016 and 2015. Additional details are provided in Note 11 of the notes to the financial statements.

Governmental Activities		
	2016	2015
Loans payable	\$ 491,019	\$ 537,294
Compensated absences	1,388,046	1,380,242
Bonds payable	4,094,245	4,169,980
Capital lease obligation payable	1,460	7,030
Police and fire pension liability	1,635,030	1,692,434
Total long-term obligations	\$ 7,609,800	\$ 7,786,980
Business-type Activities		
	2016	2015
OWDA loans	\$ 35,927,718	\$ 38,170,275
OPWC loans	127,655	105,877
Capital lease obligation payable	198,981	239,074
Landfill closure/postclosure	1,545,349	1,629,541
Compensated absences	167,520	180,977
Bonds payable	8,522,220	9,108,570
Total long-term obligations	\$ 46,489,443	\$ 49,434,314

Economic Conditions and Outlook

The unemployment rates as of December 31, 2016 are 4.7% for the United States, 5.0% for the State of Ohio and 7.1% for Jefferson County. The rate for Jefferson County has decreased from 2015, however City income tax revenue decreased slightly. The reduction in local government revenue from the State, 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) and through the issuance of bonds.

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The City has also undertaken several other projects. The City was involved in the following street improvement projects during 2016: Sunset Blvd/Lovers Lane improvement, the Hot Mix paving program, the Lovers Lane/Ft Steuben Drive improvement project and Chestnut Alley rehab.

Continued diligence to control costs will be practiced by the City to meet its financial projections.

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: Mr. David Lewis, Finance Director, City of Steubenville, 115 South Third Street, Steubenville, Ohio 43952.

CITY OF STEUBENVILLE, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 9,615,173	\$ 15,006,223	\$ 24,621,396
Receivables:			
Income taxes.	2,442,915	-	2,442,915
Property and other taxes	1,617,208	-	1,617,208
Accounts.	68,237	1,158,729	1,226,966
Special assessments	87,259	-	87,259
Due from other governments.	1,863,942	-	1,863,942
Materials and supplies inventory.	382,109	-	382,109
Prepayments	290,821	43,364	334,185
Restricted assets:			
Equity in pooled cash and cash equivalents. . .	-	52,387	52,387
Net pension asset	5,858	5,822	11,680
Capital assets:			
Land and construction in progress.	1,190,858	1,057,672	2,248,530
Depreciable capital assets, net.	33,829,387	60,375,477	94,204,864
Total capital assets, net.	35,020,245	61,433,149	96,453,394
Total assets	51,393,767	77,699,674	129,093,441
Deferred outflows of resources:			
Pension - OPERS.	1,291,131	1,283,122	2,574,253
Pension - OP&F.	3,423,476	-	3,423,476
Total deferred outflows of resources	4,714,607	1,283,122	5,997,729
Liabilities:			
Accounts payable.	72,021	214,287	286,308
Contracts payable.	20,840	100,437	121,277
Accrued wages and benefits.	211,170	73,948	285,118
Matured compensated absences payable	12,618	-	12,618
Accrued vacation payable.	541,599	164,010	705,609
Due to other governments	172,151	46,120	218,271
Accrued interest payable	31,491	34,297	65,788
Long-term liabilities:			
Due within one year	283,964	3,011,683	3,295,647
Due in more than one year:			
Net pension liability.	17,359,346	3,328,545	20,687,891
Other amounts due in more than one year. . .	7,459,385	43,734,216	51,193,601
Total liabilities	26,164,585	50,707,543	76,872,128
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . .	1,275,235	-	1,275,235
Pension - OPERS	82,240	81,730	163,970
Pension - OP&F.	39,340	-	39,340
Total deferred inflows of resources	1,396,815	81,730	1,478,545
Net position:			
Net investment in capital assets.	31,429,821	20,119,667	51,549,488
Restricted for:			
Capital projects	181,122	-	181,122
Street construction, maintenance and repairs .	1,207,686	-	1,207,686
Community development programs	1,067,319	-	1,067,319
Police programs.	32,209	-	32,209
Court programs.	181,108	-	181,108
Municipal court improvements.	118,430	-	118,430
Other purposes.	459,220	-	459,220
Unrestricted (deficit)	(6,129,941)	8,073,856	1,943,915
Total net position	\$ 28,546,974	\$ 28,193,523	\$ 56,740,497

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,242,172	\$ 968,412	\$ 173,336	\$ -
Security of persons and property	8,785,738	6,166	512,019	357,143
Public health and welfare	532,254	286,766	40,154	-
Transportation	3,507,256	106,068	875,199	418,266
Community environment	1,238,946	191,813	433,872	-
Leisure time activity	726,855	43,327	8,232	9,000
Interest and fiscal charges	294,219	-	-	-
Total governmental activities	<u>18,327,440</u>	<u>1,602,552</u>	<u>2,042,812</u>	<u>784,409</u>
Business-type activities:				
Water	4,860,258	6,309,271	-	57,000
Sewer	4,133,204	3,814,237	-	-
Refuse	1,675,400	1,954,432	-	-
Total business-type activities	<u>10,668,862</u>	<u>12,077,940</u>	<u>-</u>	<u>57,000</u>
Total primary government	<u>\$ 28,996,302</u>	<u>\$ 13,680,492</u>	<u>\$ 2,042,812</u>	<u>\$ 841,409</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

Miscellaneous

Total general revenues

Transfers

Change in net position

Net position at beginning of year

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
\$ (2,100,424)	\$ -	\$ (2,100,424)
(7,910,410)	-	(7,910,410)
(205,334)	-	(205,334)
(2,107,723)	-	(2,107,723)
(613,261)	-	(613,261)
(666,296)	-	(666,296)
(294,219)	-	(294,219)
<u>(13,897,667)</u>	<u>-</u>	<u>(13,897,667)</u>
-	1,506,013	1,506,013
-	(318,967)	(318,967)
-	279,032	279,032
<u>-</u>	<u>1,466,078</u>	<u>1,466,078</u>
<u>(13,897,667)</u>	<u>1,466,078</u>	<u>(12,431,589)</u>
1,042,099	-	1,042,099
216,903	-	216,903
8,789,657	-	8,789,657
702,410	-	702,410
288,117	-	288,117
96,039	-	96,039
220,403	-	220,403
863,425	-	863,425
5,477	-	5,477
126,718	12,827	139,545
<u>12,351,248</u>	<u>12,827</u>	<u>12,364,075</u>
<u>56,742</u>	<u>(56,742)</u>	<u>-</u>
(1,489,677)	1,422,163	(67,514)
<u>30,036,651</u>	<u>26,771,360</u>	<u>56,808,011</u>
<u>\$ 28,546,974</u>	<u>\$ 28,193,523</u>	<u>\$ 56,740,497</u>

CITY OF STEUBENVILLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	<u>General</u>	<u>.7% City Income Tax Street Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 4,545,713	\$ 1,859,222	\$ 3,000,112	\$ 9,405,047
Receivables:				
Income taxes	2,172,399	174,716	95,800	2,442,915
Real and other taxes	1,355,185	-	262,023	1,617,208
Accounts	68,237	-	-	68,237
Special assessments	-	-	87,259	87,259
Due from other governments	371,486	33,493	1,458,963	1,863,942
Prepayments	97,041	189,877	3,903	290,821
Materials and supplies inventory	208,735	-	173,374	382,109
Total assets	<u>\$ 8,818,796</u>	<u>\$ 2,257,308</u>	<u>\$ 5,081,434</u>	<u>\$ 16,157,538</u>
Liabilities:				
Accounts payable	\$ 71,065	\$ 70	\$ 886	\$ 72,021
Contracts payable	-	20,840	-	20,840
Accrued wages and benefits	203,775	4,186	3,209	211,170
Matured compensated absences payable	10,725	-	1,893	12,618
Due to other governments	167,309	2,836	2,006	172,151
Total liabilities	<u>452,874</u>	<u>27,932</u>	<u>7,994</u>	<u>488,800</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year. . .	1,056,453	-	218,782	1,275,235
Delinquent property tax revenue not available. .	290,795	-	40,596	331,391
Special assessments revenue not available. . . .	-	-	87,259	87,259
Income tax revenue not available	1,842,892	167,131	95,800	2,105,823
Intergovernmental revenue not available.	320,768	-	1,352,564	1,673,332
Licenses and permits revenue not available. . . .	68,237	-	-	68,237
Total deferred inflows of resources	<u>3,579,145</u>	<u>167,131</u>	<u>1,795,001</u>	<u>5,541,277</u>
Fund balances:				
Nonspendable	335,584	189,877	177,277	702,738
Restricted	-	-	1,890,930	1,890,930
Committed	-	1,872,368	1,210,232	3,082,600
Assigned	1,538,914	-	-	1,538,914
Unassigned	2,912,279	-	-	2,912,279
Total fund balances	<u>4,786,777</u>	<u>2,062,245</u>	<u>3,278,439</u>	<u>10,127,461</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,818,796</u>	<u>\$ 2,257,308</u>	<u>\$ 5,081,434</u>	<u>\$ 16,157,538</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, 2016

Total governmental fund balances		\$	10,127,461
<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.			35,020,245
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	2,105,823	
Property and other taxes receivable		331,391	
Accounts receivable		68,237	
Intergovernmental receivable		1,673,332	
Special assessments receivable		87,259	
Total		4,266,042	4,266,042
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.			210,126
Interest is accrued on outstanding loans and bonds on the statement of net position whereas in governmental funds, interest expenditures are reported when due.			(31,491)
Unamortized premiums on bond issuances are not recognized in the funds.			(133,549)
Vacation is accrued for leave accrued on the statement of net position, whereas in the funds, vacation leave expenditures are reported when taken.			(541,599)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		5,858	
Deferred outflows of resources		4,714,607	
Deferred inflows of resources		(121,580)	
Net pension liability		(17,359,346)	
Total		(12,760,461)	(12,760,461)
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		1,388,046	
Police and fire pension liability		1,635,030	
Capital lease payable		1,460	
General obligation bonds payable		4,094,245	
Loans payable		491,019	
Total		(7,609,800)	(7,609,800)
Net position of governmental activities		\$	28,546,974

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, 2016

	<u>General</u>	<u>.7% City Income Tax Street Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 8,896,904	\$ 725,505	\$ 400,000	\$ 10,022,409
Property and other taxes.	1,212,873	-	272,754	1,485,627
Charges for services.	28,168	1,003	3,643	32,814
Licenses and permits	713,443	102,795	166,388	982,626
Fines and forfeitures	301,286	-	65,687	366,973
Intergovernmental.	1,208,364	497,043	1,995,597	3,701,004
Special assessments	-	-	78,628	78,628
Investment income.	5,477	-	1,056	6,533
Rental income	90,446	-	13,000	103,446
Contributions and donations.	12,705	-	232	12,937
Other	62,086	740	51,187	114,013
Total revenues	<u>12,531,752</u>	<u>1,327,086</u>	<u>3,048,172</u>	<u>16,907,010</u>
Expenditures:				
Current:				
General government	2,691,259	-	301,192	2,992,451
Security of persons and property	7,335,812	-	-	7,335,812
Public health and welfare.	455,695	-	95,013	550,708
Transportation	847,825	139,398	598,323	1,585,546
Community environment	74,628	-	935,627	1,010,255
Leisure time activity	348,059	-	32,227	380,286
Capital outlay	-	1,015,140	1,568,497	2,583,637
Debt service:				
Principal retirement.	82,974	46,275	95,000	224,249
Interest and fiscal charges	108,506	19,215	133,831	261,552
Total expenditures	<u>11,944,758</u>	<u>1,220,028</u>	<u>3,759,710</u>	<u>16,924,496</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>586,994</u>	<u>107,058</u>	<u>(711,538)</u>	<u>(17,486)</u>
Other financing sources (uses):				
Sale of capital assets.	1,700	-	-	1,700
Transfers in	-	-	11,000	11,000
Transfers (out).	(11,000)	-	-	(11,000)
Total other financing sources (uses)	<u>(9,300)</u>	<u>-</u>	<u>11,000</u>	<u>1,700</u>
Net change in fund balances	577,694	107,058	(700,538)	(15,786)
Fund balances at beginning of year	<u>4,209,083</u>	<u>1,955,187</u>	<u>3,978,977</u>	<u>10,143,247</u>
Fund balances at end of year	<u>\$ 4,786,777</u>	<u>\$ 2,062,245</u>	<u>\$ 3,278,439</u>	<u>\$ 10,127,461</u>

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, 2016

Net change in fund balances - total governmental funds	\$	(15,786)
<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	\$ 2,136,330	
Current year depreciation	<u>(2,568,200)</u>	
Total		(431,870)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to increase net position.		
		51,489
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(146,186)	
Property and other taxes	(6,222)	
Licenses and permits revenue	(1,560)	
Intergovernmental revenues	(20,646)	
Special assessments	<u>39,625</u>	
Total		(134,989)
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.		
		224,249
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	1,189	
Accreted interest on capital appreciation bonds	(39,265)	
Amortization of bond premiums	<u>5,409</u>	
Total		(32,667)
In the statement of activities, vacation leave is accrued when earned, whereas in governmental funds, an expenditure is reported when vacation leave is taken.		
		12,714
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.		
		(7,804)
Contractually required pension contributions are reported as an expenditure in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,238,210
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(2,393,519)
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 is allocated among the governmental activities.		
		<u>296</u>
Change in net position of governmental activities	\$	<u>(1,489,677)</u>

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 8,334,316	\$ 8,962,570	\$ 8,943,459	\$ (19,111)
Property and other taxes.	1,305,021	1,216,264	1,218,563	2,299
Charges for services.	30,517	27,928	28,168	240
Licenses and permits	683,283	715,185	713,443	(1,742)
Fines and forfeitures	287,000	301,863	301,286	(577)
Intergovernmental.	1,216,436	1,278,315	1,302,326	24,011
Investment income.	600	3,610	5,477	1,867
Rental income	72,800	85,057	90,446	5,389
Contributions and donations.	5,000	12,705	12,705	-
Other	436,500	630,735	650,195	19,460
Total revenues	12,371,473	13,234,232	13,266,068	31,836
Expenditures:				
Current:				
General government	4,665,251	4,550,471	4,221,412	329,059
Security of persons and property	6,883,786	6,938,581	6,705,455	233,126
Public health and welfare.	555,956	479,918	434,562	45,356
Transportation	1,366,272	1,057,550	942,933	114,617
Community environment	93,488	67,385	64,727	2,658
Leisure time activity	360,441	364,965	328,450	36,515
Debt service:				
Principal retirement.	20,000	20,000	20,000	-
Interest and fiscal charges	36,800	36,800	36,800	-
Total expenditures	13,981,994	13,515,670	12,754,339	761,331
Excess (deficiency) of revenues over (under) expenditures	(1,610,521)	(281,438)	511,729	793,167
Other financing sources (uses):				
Sale of capital assets.	-	1,700	1,700	-
Transfers in	180,000	-	-	-
Transfers (out).	-	(86,000)	(86,000)	-
Total other financing sources (uses)	180,000	(84,300)	(84,300)	-
Net change in fund balances	(1,430,521)	(365,738)	427,429	793,167
Fund balances at beginning of year	2,353,898	2,353,898	2,353,898	-
Prior year encumbrances appropriated	452,972	452,972	452,972	-
Fund balance at end of year	\$ 1,376,349	\$ 2,441,132	\$ 3,234,299	\$ 793,167

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF STEUBENVILLE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 3,730,688	\$ 5,692,691	\$ 5,582,844	\$ 15,006,223	\$ 210,126
Receivables:					
Accounts	633,079	410,692	114,958	1,158,729	-
Prepayments	14,094	18,183	11,087	43,364	-
Restricted assets:					
Equity in pooled cash and cash equivalents . .	-	-	52,387	52,387	-
Total current assets	<u>4,377,861</u>	<u>6,121,566</u>	<u>5,761,276</u>	<u>16,260,703</u>	<u>210,126</u>
Noncurrent assets:					
Net pension asset.	2,115	2,254	1,453	5,822	-
Capital assets:					
Land and construction in progress.	678,698	348,974	30,000	1,057,672	-
Depreciable capital assets, net.	<u>38,294,506</u>	<u>21,539,395</u>	<u>541,576</u>	<u>60,375,477</u>	-
Total capital assets, net.	<u>38,973,204</u>	<u>21,888,369</u>	<u>571,576</u>	<u>61,433,149</u>	-
Total noncurrent assets	<u>38,975,319</u>	<u>21,890,623</u>	<u>573,029</u>	<u>61,438,971</u>	-
Total assets	<u>43,353,180</u>	<u>28,012,189</u>	<u>6,334,305</u>	<u>77,699,674</u>	<u>210,126</u>
Deferred outflows of resources:					
Pension - OPERS.	466,142	496,739	320,241	1,283,122	-
Total deferred outflows of resources	<u>\$ 466,142</u>	<u>\$ 496,739</u>	<u>\$ 320,241</u>	<u>\$ 1,283,122</u>	<u>\$ -</u>

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CITY OF STEUBENVILLE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (CONTINUED)
 DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse	Total	
Liabilities:					
Current liabilities:					
Accounts payable	\$ 63,248	\$ 121,940	\$ 29,099	\$ 214,287	\$ -
Contracts payable	41,567	58,870	-	100,437	-
Accrued wages and benefits	25,783	29,196	18,969	73,948	-
Due to other governments	16,079	18,210	11,831	46,120	-
Accrued vacation payable	67,185	59,860	36,965	164,010	-
Accrued interest payable	10,409	23,888	-	34,297	-
Current portion of compensated absences	8,271	6,533	2,052	16,856	-
Current portion of OPWC loans	20,112	-	-	20,112	-
Current portion of OWDA loans	1,919,246	405,721	-	2,324,967	-
Current portion of general obligation bonds	203,500	151,500	-	355,000	-
Current portion of revenue bonds	94,046	72,000	-	166,046	-
Current portion of landfill closure/postclosure	-	-	74,000	74,000	-
Current portion of capital lease obligations	13,811	40,891	-	54,702	-
Total current liabilities	2,483,257	988,609	172,916	3,644,782	-
Long-term liabilities:					
Compensated absences	51,312	56,918	42,434	150,664	-
OWDA loans payable	20,771,075	12,831,676	-	33,602,751	-
OPWC loans payable	107,543	-	-	107,543	-
General obligation bonds payable	3,022,552	4,603,904	-	7,626,456	-
Revenue bonds payable	96,174	535,000	-	631,174	-
Capital lease obligations payable	59,177	85,102	-	144,279	-
Landfill closure/postclosure	-	-	1,471,349	1,471,349	-
Net pension liability	1,209,219	1,288,591	830,735	3,328,545	-
Total long-term liabilities	25,317,052	19,401,191	2,344,518	47,062,761	-
Total liabilities	27,800,309	20,389,800	2,517,434	50,707,543	-
Deferred inflows of resources:					
Pension - OPERS	29,691	31,641	20,398	81,730	-
Total deferred inflows of resources	29,691	31,641	20,398	81,730	-
Net position:					
Net investment in capital assets	14,807,222	4,740,869	571,576	20,119,667	-
Unrestricted	1,182,100	3,346,618	3,545,138	8,073,856	210,126
Total net position	\$ 15,989,322	\$ 8,087,487	\$ 4,116,714	\$ 28,193,523	\$ 210,126

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, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse	Total	
Operating revenues:					
Charges for services	\$ 6,309,271	\$ 3,814,237	\$ 1,954,432	\$ 12,077,940	\$ 296
Other operating revenues	609	667	11,551	12,827	-
Total operating revenues.	<u>6,309,880</u>	<u>3,814,904</u>	<u>1,965,983</u>	<u>12,090,767</u>	<u>296</u>
Operating expenses:					
Personal services	1,451,481	1,357,743	923,034	3,732,258	-
Contract services.	-	-	250,602	250,602	-
Maintenance and operations.	1,466,739	1,293,142	371,413	3,131,294	-
Landfill closure and post-closure costs . . .	-	-	6,316	6,316	-
Depreciation.	1,036,796	767,821	110,204	1,914,821	-
Total operating expenses.	<u>3,955,016</u>	<u>3,418,706</u>	<u>1,661,569</u>	<u>9,035,291</u>	<u>-</u>
Operating income	<u>2,354,864</u>	<u>396,198</u>	<u>304,414</u>	<u>3,055,476</u>	<u>296</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(865,920)	(714,498)	(1,017)	(1,581,435)	-
Loss on disposal of capital assets	(39,322)	-	(12,814)	(52,136)	-
Total nonoperating revenues (expenses)	<u>(905,242)</u>	<u>(714,498)</u>	<u>(13,831)</u>	<u>(1,633,571)</u>	<u>-</u>
Income before capital contributions and transfers.	1,449,622	(318,300)	290,583	1,421,905	296
Transfer out	(1,406)	(55,336)	-	(56,742)	-
Capital contributions.	57,000	-	-	57,000	-
Change in net position	1,505,216	(373,636)	290,583	1,422,163	296
Net position at beginning of year	<u>14,484,106</u>	<u>8,461,123</u>	<u>3,826,131</u>	<u>26,771,360</u>	<u>209,830</u>
Net position at end of year	<u>\$ 15,989,322</u>	<u>\$ 8,087,487</u>	<u>\$ 4,116,714</u>	<u>\$ 28,193,523</u>	<u>\$ 210,126</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, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse	Total	
Cash flows from operating activities:					
Cash received from charges for services	\$ 6,429,829	\$ 3,913,145	\$ 2,018,711	\$ 12,361,685	\$ 296
Cash received from other operations	609	667	11,551	12,827	-
Cash payments for personal services	(1,400,465)	(1,352,749)	(864,859)	(3,618,073)	-
Cash payments for contractual services	-	-	(250,147)	(250,147)	-
Cash payments for maintenance and operations	(1,516,402)	(1,275,141)	(360,905)	(3,152,448)	-
 Net cash provided by operating activities	 3,513,571	 1,285,922	 554,351	 5,353,844	 296
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(771,662)	(2,420,355)	(102,044)	(3,294,061)	-
Cash received from OPWC grant	57,000	-	-	57,000	-
Cash received from OPWC loan	43,820	-	-	43,820	-
Cash used for landfill closure/postclosure	-	-	(90,508)	(90,508)	-
Principal retirement on OPWC loans	(22,042)	-	-	(22,042)	-
Principal retirement on OWDA loans	(1,852,626)	(389,931)	-	(2,242,557)	-
Principal retirement on revenue bonds	(91,966)	(71,000)	(78,384)	(241,350)	-
Principal retirement on G.O. bonds	(196,250)	(148,750)	-	(345,000)	-
Principal retirement on capital lease	(23,772)	(39,823)	-	(63,595)	-
Interest and fiscal charges	(813,763)	(714,068)	(1,017)	(1,528,848)	-
 Net cash used in capital and related financing activities	 (3,671,261)	 (3,783,927)	 (271,953)	 (7,727,141)	 -
 Net increase (decrease) in cash and cash equivalents	 (157,690)	 (2,498,005)	 282,398	 (2,373,297)	 296
 Cash and cash equivalents at beginning of year	 <u>3,888,378</u>	 <u>8,190,696</u>	 <u>5,352,833</u>	 <u>17,431,907</u>	 <u>209,830</u>
Cash and cash equivalents at end of year	<u>\$ 3,730,688</u>	<u>\$ 5,692,691</u>	<u>\$ 5,635,231</u>	<u>\$ 15,058,610</u>	<u>\$ 210,126</u>

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CITY OF STEUBENVILLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Refuse	Total	
Reconciliation of operating income to net cash provided by operating activities:					
Operating income.	\$ 2,354,864	\$ 396,198	\$ 304,414	\$ 3,055,476	\$ 296
Adjustments:					
Depreciation	1,036,796	767,821	110,204	1,914,821	-
Changes in assets and liabilities:					
Decrease in accounts receivable	120,558	98,908	64,279	283,745	-
Increase in prepayments	(11,613)	(13,341)	(8,606)	(33,560)	-
Increase in net pension asset.	(458)	(421)	(370)	(1,249)	-
Increase in deferred outflows - pension - OPERS	(316,451)	(331,085)	(222,404)	(869,940)	-
Increase (decrease) in accounts payable.	(50,555)	17,823	26,623	(6,109)	-
Increase in accrued wages.	2,044	2,707	3,881	8,632	-
Decrease in intergovernmental payable.	(12,730)	(14,270)	(23,442)	(50,442)	-
Increase (decrease) in compensated absences payable	(2,135)	(11,666)	344	(13,457)	-
Increase in landfill closure/postclosure obligation .	-	-	6,316	6,316	-
Increase (decrease) in accrued vacation payable .	3,742	(7,008)	(2,856)	(6,122)	-
Increase in net pension liability.	374,980	365,393	285,480	1,025,853	-
Increase in deferred inflows - pension - OPERS. .	14,529	14,863	10,488	39,880	-
Net cash provided by operating activities	<u>\$ 3,513,571</u>	<u>\$ 1,285,922</u>	<u>\$ 554,351</u>	<u>\$ 5,353,844</u>	<u>\$ 296</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Non-cash transactions:

During 2016, the water fund entered into a capital lease agreement in the amount of \$72,988.
 During 2016, the water fund traded in capital assets in the amount of \$30,279.
 At December 31, 2016, the water fund purchased \$41,567 in capital assets on account.
 At December 31, 2015, the water fund purchased \$10,842 in capital assets on account.
 At December 31, 2016, the sewer fund purchased \$58,870 in capital assets on account.
 At December 31, 2015, the sewer fund purchased \$333,077 in capital assets on account.
 During 2016, the water fund provided \$1,406 in capital contributions to governmental activities.
 During 2016, the sewer fund provided \$55,336 in capital contributions to governmental activities.

CITY OF STEUBENVILLE, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2016**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 366,223
Cash in segregated accounts.	<u>23,233</u>
Total assets	<u>\$ 389,456</u>
Liabilities:	
Deposits held and due to others.	\$ 366,055
Undistributed monies	23,233
Accounts payable	<u>168</u>
Total liabilities.	<u>\$ 389,456</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, 2016

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, 2016

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 contributed a fee of \$250 in 2016. 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 2016, 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, 2016

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. The City does not eliminate interfund services provided or used when consolidating activities.

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 committed for, and grants restricted 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 within 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 primarily 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 of resources, liabilities and deferred inflows of resources 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, 2016

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 of resources, liabilities and deferred outflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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, 2016

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Note 13 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

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 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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.

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 re-appropriated 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 2016, interest revenue credited to the general fund amounted to \$5,477, which includes \$4,673 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.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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.

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:

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

<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

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, 2016 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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, net pension liability, 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.

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.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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. The City had no extraordinary or special items during 2016.

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.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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.

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. The City had no interfund balances at December 31, 2016.

U. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Certain resources set aside for the payment of landfill closure and post-closure costs are classified as restricted assets on the financial statements because their use is limited by a legal settlement.

V. Pensions

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

W. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2016, the water fund received contributions of capital in the amount of \$57,000 from the Ohio Public Works Commission (OPWC).

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the City.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City incorporated the corresponding GASB 79 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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, 2016

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 \$23,233 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, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2016, the carrying amount of all City deposits was \$25,040,006. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2016, \$23,662,278 of the City’s bank balance of \$25,007,389 was exposed to custodial risk as discussed below, while \$1,345,111 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, 2016:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 25,040,006
Cash in segregated accounts	23,233
Total	\$ 25,063,239
 <u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 9,615,173
Business type activities	15,058,610
Agency funds	389,456
Total	\$ 25,063,239

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2016, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	
General fund	\$ 11,000

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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

During 2016, the sewer and water funds provided \$55,336 and \$1,406, respectively, in capital contributions to the governmental activities.

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.

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. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 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, 2016 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 2016 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, 2016 was \$8.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows:

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6 - TAXES - (Continued)

<u>Real property</u>	
Residential/agricultural	\$ 148,499,890
Commercial/industrial/mineral	77,885,120
 <u>Public utility</u>	
Real	57,820
Personal	<u>19,141,360</u>
Total assessed value	<u><u>\$ 245,584,190</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.

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, 2016 consisted of taxes, accounts (billings for user charged services), intergovernmental receivables arising from grants, entitlements and special assessments. Receivables have been recorded to the extent that they are measurable at December 31, 2016.

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

Governmental activities:

Income taxes	\$ 2,442,915
Property and other taxes	1,617,208
Accounts	68,237
Special assessments	87,259
Due from other governments	1,863,942

Business-type activities:

Accounts	1,158,729
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CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - RECEIVABLES - (Continued)

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.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/16</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 469,112	\$ -	\$ -	\$ 469,112
Construction in progress	<u>462,606</u>	<u>276,640</u>	<u>(17,500)</u>	<u>721,746</u>
Total capital assets, not being depreciated	<u>931,718</u>	<u>276,640</u>	<u>(17,500)</u>	<u>1,190,858</u>
<i>Capital assets, being depreciated:</i>				
Buildings	7,926,176	-	-	7,926,176
Improvements	6,283,161	58,000	(14,000)	6,327,161
Equipment	1,957,044	117,600	(74,198)	2,000,446
Vehicles	4,141,568	976,643	(360,491)	4,757,720
Infrastructure	<u>51,712,411</u>	<u>790,689</u>	<u>-</u>	<u>52,503,100</u>
Total capital assets, being depreciated	<u>72,020,360</u>	<u>1,942,932</u>	<u>(448,689)</u>	<u>73,514,603</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(2,173,414)	(153,604)	-	(2,327,018)
Improvements	(2,757,784)	(300,011)	14,000	(3,043,795)
Equipment	(1,129,486)	(167,924)	59,945	(1,237,465)
Vehicles	(3,482,050)	(270,171)	360,491	(3,391,730)
Infrastructure	<u>(28,008,718)</u>	<u>(1,676,490)</u>	<u>-</u>	<u>(29,685,208)</u>
Total accumulated depreciation	<u>(37,551,452)</u>	<u>(2,568,200)</u>	<u>434,436</u>	<u>(39,685,216)</u>
Total capital assets, being depreciated, net	<u>34,468,908</u>	<u>(625,268)</u>	<u>(14,253)</u>	<u>33,829,387</u>
Governmental activities capital assets, net	<u>\$ 35,400,626</u>	<u>\$ (348,628)</u>	<u>\$ (31,753)</u>	<u>\$ 35,020,245</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/16</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 66,000	\$ -	\$ -	\$ 66,000
Construction in progress	<u>1,010,289</u>	<u>2,446,000</u>	<u>(2,464,617)</u>	<u>991,672</u>
Total capital assets, not being depreciated	<u>1,076,289</u>	<u>2,446,000</u>	<u>(2,464,617)</u>	<u>1,057,672</u>
<i>Capital assets, being depreciated:</i>				
Buildings	37,898,452	-	-	37,898,452
Improvements	4,628,450	-	-	4,628,450
Equipment	2,266,204	306,546	(148,426)	2,424,324
Vehicles	2,550,182	149,785	(542,626)	2,157,341
Infrastructure	<u>30,482,924</u>	<u>2,659,390</u>	<u>-</u>	<u>33,142,314</u>
Total capital assets, being depreciated	<u>77,826,212</u>	<u>3,115,721</u>	<u>(691,052)</u>	<u>80,250,881</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(10,342,673)	(734,099)	-	(11,076,772)
Improvements	(391,034)	(93,586)	-	(484,620)
Equipment	(544,687)	(177,836)	35,714	(686,809)
Vehicles	(1,827,191)	(231,167)	523,437	(1,534,921)
Infrastructure	<u>(5,414,149)</u>	<u>(678,133)</u>	<u>-</u>	<u>(6,092,282)</u>
Total accumulated depreciation	<u>(18,519,734)</u>	<u>(1,914,821)</u>	<u>559,151</u>	<u>(19,875,404)</u>
Total capital assets, being depreciated, net	<u>59,306,478</u>	<u>1,200,900</u>	<u>(131,901)</u>	<u>60,375,477</u>
Business-type activities capital assets, net	<u>\$ 60,382,767</u>	<u>\$ 3,646,900</u>	<u>\$ (2,596,518)</u>	<u>\$ 61,433,149</u>

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

Governmental activities:

General government	\$ 213,064
Security of persons and property	236,603
Transportation	1,778,960
Community environment	6,389
Leisure time activity	<u>333,184</u>
Total depreciation expense - governmental activities	<u>\$ 2,568,200</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

Business-type activities:

Water	\$ 1,036,796
Sewer	767,821
Refuse	<u>110,204</u>
Total depreciation expense - business-type activities	<u>\$ 1,914,821</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.

NOTE 10 - LEASES

In the current year and prior years, the City entered into capitalized lease agreements for copiers, an excavator and a van mounted sewer camera system. The lease for copiers is recorded in the governmental activities and the leases for the excavator and van mounted sewer camera system are recorded in the business-type activities. During 2016, the City traded in the old leased excavator equipment and obtained a lease for a new excavator and associated equipment. 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.

For the copiers, general capital assets consisting of equipment have been capitalized in the statement of net position in the amount of \$24,995. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2016 was \$22,496, leaving a current book value of \$2,499. A corresponding liability was recorded in the statement of net position. Principal payments in 2016 totaled \$5,570 paid by the general fund.

For the excavator and associated equipment, capital assets consisting of equipment and vehicles have been capitalized in the statement of net position in the amount of \$103,267. This amount represents the present value of the minimum lease payments at the time of acquisition. As the lease was entered into in December 2016, there was no accumulated depreciation on the leased capital assets at December 31, 2016. A corresponding liability was recorded in the statement of net position. Principal payments on the old lease totaled \$23,772 paid by the water fund during 2016. The remaining liability of \$49,486 on the old lease was netted against the equipment traded in for the new lease resulting in a loss of \$39,322.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LEASES - (Continued)

For the van mounted sewer camera system, capital assets consisting of vehicles have been capitalized in the statement of net position in the amount of \$210,087. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2016 was \$46,115, leaving a current book value of \$163,972. A corresponding liability was recorded in the statement of net position. Principal payments in 2016 totaled \$39,823 paid by the sewer 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, 2016:

Year Ended <u>December 31,</u>	Governmental Activities	Business-type Activities	
	Copiers Amount	Excavator Amount	Camera System Amount
2017	\$ 1,488	\$ 15,833	\$ 44,270
2018	-	15,833	44,271
2019	-	15,834	44,270
2020	-	15,833	-
2021	-	<u>15,832</u>	-
Total	1,488	79,165	132,811
Less: amount representing interest	<u>(28)</u>	<u>(6,177)</u>	<u>(6,818)</u>
Present value of net minimum lease payments	<u>\$ 1,460</u>	<u>\$ 72,988</u>	<u>\$ 125,993</u>

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CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS

A. During 2016, the following changes occurred in the City's governmental activities long-term obligations:

	<u>Interest Rate</u>	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>						
<u>Loans:</u>						
Sunset Blvd (ODOT)	3.00%	\$ 537,294	\$ -	\$ (46,275)	\$ 491,019	\$ 47,791
Total loans		<u>537,294</u>	<u>-</u>	<u>(46,275)</u>	<u>491,019</u>	<u>47,791</u>
<u>General obligation bonds:</u>						
Current interest bonds - series 2010	2%-5%	2,975,000	-	(95,000)	2,880,000	-
Capital appreciation bonds - series 2010		92,612	-	-	92,612	29,261
Accreted interest - series 2010		122,368	39,265	-	161,633	51,067
Current interest bonds - series 2014	1%-4%	980,000	-	(20,000)	960,000	20,000
Total general obligation bonds		<u>4,169,980</u>	<u>39,265</u>	<u>(115,000)</u>	<u>4,094,245</u>	<u>100,328</u>
<u>Other long-term liabilities:</u>						
Police and fire pension liability		1,692,434	-	(57,404)	1,635,030	59,870
Capital lease obligation		7,030	-	(5,570)	1,460	1,460
Net pension liability		13,409,505	3,949,841	-	17,359,346	-
Compensated absences		1,380,242	74,652	(66,848)	1,388,046	74,515
Total other long-term liabilities		<u>16,489,211</u>	<u>4,024,493</u>	<u>(129,822)</u>	<u>20,383,882</u>	<u>135,845</u>
Total governmental activities long-term liabilities		<u>\$ 21,196,485</u>	<u>\$ 4,063,758</u>	<u>\$ (291,097)</u>	24,969,146	<u>\$ 283,964</u>
				Unamortized premium on bonds	<u>133,549</u>	
				Total on statement of net position	<u>\$ 25,102,695</u>	

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.

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, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

General obligation bonds - series 2010 - 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 \$161,633 in accreted interest on the capital appreciation bonds has been included on the statement of net position at December 31, 2016.

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.

General obligation bonds - series 2014 - On November 25, 2014, the City issued general obligation bonds, which provided funds for demolition of buildings and structures and related clearing and site preparation for urban redevelopment programs. 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 fund.

This issue is comprised of both current interest bonds, par value \$1,000,000. The interest rates on the current interest bonds range from 1.00% to 4.00%.

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, 2044.

The proceeds of the general obligation bonds - series 2014 were not used to purchase capital assets. At December 31, 2016, \$125,386 of the bond proceeds remain unspent.

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

Net pension liability - See Note 13 for details on the City's net pension liability.

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 .7% City income tax - street improvement fund and the following nonmajor governmental funds: food fund, EPSDT fund and community development fund.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. The annual requirements amortize governmental activities long-term obligations outstanding as of December 31, 2016, are as follows:

Year Ended	Current Interest Bonds - series 2010			Capital Appreciation Bonds - series 2010		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ -	\$ 131,694	\$ 131,694	\$ 29,261	\$ 65,739	\$ 95,000
2018	-	131,694	131,694	24,742	70,258	95,000
2019	-	131,693	131,693	20,920	74,080	95,000
2020	-	131,694	131,694	17,689	77,311	95,000
2021	95,000	131,693	226,693	-	-	-
2022 - 2026	530,000	598,670	1,128,670	-	-	-
2027 - 2031	650,000	481,412	1,131,412	-	-	-
2032 - 2036	805,000	320,463	1,125,463	-	-	-
2037 - 2040	800,000	102,500	902,500	-	-	-
Totals	<u>\$ 2,880,000</u>	<u>\$ 2,161,513</u>	<u>\$ 5,041,513</u>	<u>\$ 92,612</u>	<u>\$ 287,388</u>	<u>\$ 380,000</u>

Year Ended	Police and Fire Pension Liability			Current Interest Bonds - series 2014		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 59,870	\$ 68,860	\$ 128,730	\$ 20,000	\$ 36,600	\$ 56,600
2018	62,442	66,288	128,730	20,000	36,300	56,300
2019	65,123	63,606	128,729	20,000	36,000	56,000
2020	67,922	60,809	128,731	20,000	35,600	55,600
2021	70,838	57,891	128,729	25,000	35,200	60,200
2022 - 2026	402,531	241,119	643,650	130,000	161,000	291,000
2027 - 2031	496,728	147,119	643,847	155,000	133,000	288,000
2032 - 2036	409,576	35,187	444,763	185,000	99,800	284,800
2037 - 2041	-	-	-	225,000	59,800	284,800
2042 - 2044	-	-	-	160,000	13,000	173,000
Totals	<u>\$ 1,635,030</u>	<u>\$ 740,879</u>	<u>\$ 2,375,909</u>	<u>\$ 960,000</u>	<u>\$ 646,300</u>	<u>\$ 1,606,300</u>

Year Ended	ODOT Loan		
	Principal	Interest	Total
2017	\$ 47,791	\$ 14,375	\$ 62,166
2018	49,357	12,930	62,287
2019	50,974	11,437	62,411
2020	52,645	9,895	62,540
2021	54,368	8,303	62,671
2022 - 2025	235,884	16,222	252,106
Totals	<u>\$ 491,019</u>	<u>\$ 73,162</u>	<u>\$ 564,181</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

C. During 2016, the following changes occurred in the City's business-type activities long-term obligations:

	Interest Rate	Balance 12/31/15	Additions	Reductions	Balance 12/31/16	Due Within One Year
<u>Business-type activities:</u>						
<u>OWDA loans:</u>						
Sewer - OWDA #3868	3.53%	\$ 135,072	\$ -	\$ (16,028)	\$ 119,044	\$ 16,599
Sewer - OWDA #4791	4.11%	9,547,995	-	(255,935)	9,292,060	266,562
Sewer - OWDA #6194	3.45%	3,944,261	-	(117,968)	3,826,293	122,560
Water - OWDA #3441	3.90%	3,522,418	-	(446,812)	3,075,606	464,407
Water - OWDA #5093	4.95%	3,731,823	-	(86,767)	3,645,056	91,116
Water - OWDA #3686	3.95%	2,024,107	-	(204,711)	1,819,396	212,877
Water - OWDA #4427	3.25%	15,264,599	-	(1,114,336)	14,150,263	1,150,846
Total OWDA loans		<u>38,170,275</u>	<u>-</u>	<u>(2,242,557)</u>	<u>35,927,718</u>	<u>2,324,967</u>
<u>OPWC loans:</u>						
Water - OPWC #CU19S	0.00%	-	43,820	(1,095)	42,725	2,191
Water - OPWC #CN729	0.00%	9,090	-	(6,058)	3,032	3,032
Water - OPWC #CN038	0.00%	96,787	-	(14,889)	81,898	14,889
Total OPWC loans		<u>105,877</u>	<u>43,820</u>	<u>(22,042)</u>	<u>127,655</u>	<u>20,112</u>
<u>Revenue bond:</u>						
Refuse - garbage packer bond	2.59%	78,384	-	(78,384)	-	-
Water - water utility bond	2.25%	282,186	-	(91,966)	190,220	94,046
Sewer - wastewater utility bond	3.08%	678,000	-	(71,000)	607,000	72,000
Total revenue bonds		<u>1,038,570</u>	<u>-</u>	<u>(241,350)</u>	<u>797,220</u>	<u>166,046</u>
<u>General obligation bonds:</u>						
Water refunding bonds	2%-5%	657,000	-	(56,250)	600,750	58,500
Sewer refunding bonds	2%-5%	803,000	-	(68,750)	734,250	71,500
Water various purpose bonds	1%-4%	2,625,000	-	(140,000)	2,485,000	145,000
Sewer various purpose bonds	1%-4%	3,985,000	-	(80,000)	3,905,000	80,000
Total general obligations bonds		<u>8,070,000</u>	<u>-</u>	<u>(345,000)</u>	<u>7,725,000</u>	<u>355,000</u>
<u>Other long-term liabilities:</u>						
Compensated absences	n/a	180,977	17,480	(30,937)	167,520	16,856
Water - capital lease	n/a	73,258	72,988	(73,258)	72,988	13,811
Sewer - capital lease	n/a	165,816	-	(39,823)	125,993	40,891
Net pension liability	n/a	2,302,692	1,025,853	-	3,328,545	-
Landfill closure/postclosure	n/a	1,629,541	6,316	(90,508)	1,545,349	74,000
Total other long-term liabilities		<u>4,352,284</u>	<u>1,122,637</u>	<u>(234,526)</u>	<u>5,240,395</u>	<u>145,558</u>
Total business-type long-term obligations		<u>\$ 51,737,006</u>	<u>\$ 1,166,457</u>	<u>\$ (3,085,475)</u>	49,817,988	<u>\$ 3,011,683</u>
					Unamortized premium on bonds	256,456
					Total on statement of net position	<u>\$ 50,074,444</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016, the City has outstanding borrowings of \$35,927,718. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned.

The City has pledged future water revenues to repay OWDA loans. The loans are payable solely from water fund revenues and are payable through 2039. The total principal and interest remaining to be paid on the water OWDA loans is \$27,660,531. Annual principal and interest payments on the loans are expected to require 75.12 percent of net revenues and 40.01 percent of total revenues. Principal and interest paid for the current year were \$2,547,647, total net revenues were \$3,391,660 and total revenues were \$6,366,880.

The City has pledged future sewer revenues to repay OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2038. The total principal and interest remaining to be paid on the sewer OWDA loans is \$19,657,721. Annual principal and interest payments on the loans are expected to require 77.54 percent of net revenues and 23.66 percent of total revenues. Principal and interest paid for the current year were \$902,633, total net revenues were \$1,164,019 and total revenues were \$3,814,904.

OPWC loans - The City received loans from OPWC to fund improvements of the water plant. The payments on the loans are made from the water fund in semi-annual payments over 20 years. During 2016, the City obtained a new loan for water improvements in the amount of \$43,820. During 2016, the City made principal payments of \$22,042 on the water improvement OPWC loans. There is no interest on these loans.

General obligation bonds - series 2010 - 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.

General obligation bonds - series 2014 - On November 25, 2014, the City issued bonds to pay for the costs of water and sewer improvements. The 2014 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 2014 bond issue is comprised of \$2,765,000 in water bonds and \$4,065,000 in sewer bonds. The bonds will be retired with user charges in the water and sewer funds. The bonds bear interest rates ranging from 1.00% to 4.00% and mature on December 1, 2044. \$2,055,000 represents the balance of the water meter replacement bonds at December 31, 2016. This balance is not included in the calculation of net investment in capital assets because the items purchased were not capitalized. \$1,637,164 of the sewer bonds are unspent at December 31, 2016.

Packer 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. The packer revenue bonds were completely retired during 2016.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Water utility revenue bonds - In 2013, the City issued \$460,000 in water utility revenue bonds for the construction of super pulsator covers at the water treatment plant. These bonds are direct obligations of the City's water utility and the revenues derived from charges for water are pledged to repay this debt.

The City has pledged future water customer revenues, net of specified operating expenses, to repay the 2013 water utility revenue bonds. The 2013 water utility revenue bonds are payable solely from water customer net revenues and are payable through 2018. The total principal and interest remaining to be paid on the 2013 water utility revenue bonds is \$195,600. Annual principal and interest payments on the bonds are expected to require 2.88 percent of net revenues and 1.54 percent of total revenues. Principal and interest paid for the current year were \$97,801, total net revenues were \$3,391,660 and total revenues were \$6,366,880.

Wastewater utility revenue bonds - In 2014, the City issued \$748,000 in wastewater utility revenue bonds for the acquisition of a sludge press. These bonds are direct obligations of the City's sewer utility and the revenues derived from charges for sewer are pledged to repay this debt.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the 2014 wastewater utility revenue bonds. The 2014 wastewater utility revenue bonds are payable solely from sewer customer net revenues and are payable through 2024. The total principal and interest remaining to be paid on the 2014 water utility revenue bonds is \$682,908. Annual principal and interest payments on the bonds are expected to require 7.80 percent of net revenues and 2.38 percent of total revenues. Principal and interest paid for the current year were \$90,789, total net revenues were \$1,164,019 and total revenues were \$3,814,904.

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

Capital lease obligation - Capital lease payments are made from the water and sewer funds. See Note 10 for lease details.

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

Net pension liability - See Note 13 for details on the City's net pension liability.

- D.** The annual requirements amortize business-type activities long-term obligations outstanding as of December 31, 2016, are as follows:

Year Ended	Water & Sewer Refunding Bonds			Water Utility Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 130,000	\$ 48,919	\$ 178,919	\$ 94,046	\$ 3,754	\$ 97,800
2018	135,000	45,669	180,669	96,174	1,626	97,800
2019	135,000	41,619	176,619	-	-	-
2020	140,000	37,400	177,400	-	-	-
2021	145,000	31,800	176,800	-	-	-
2022 - 2025	650,000	66,000	716,000	-	-	-
Totals	<u>\$ 1,335,000</u>	<u>\$ 271,407</u>	<u>\$ 1,606,407</u>	<u>\$ 190,220</u>	<u>\$ 5,380</u>	<u>\$ 195,600</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	OWDA Loans			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 2,324,967	\$ 1,206,119	\$ 3,531,086	\$ 20,112	\$ -	\$ 20,112
2018	2,409,944	1,131,567	3,541,511	17,080	-	17,080
2019	2,498,073	1,054,264	3,552,337	17,080	-	17,080
2020	2,589,473	974,109	3,563,582	17,080	-	17,080
2021	2,684,267	890,993	3,575,260	17,080	-	17,080
2022 - 2026	11,675,824	3,248,213	14,924,037	18,408	-	18,408
2027 - 2031	4,709,240	1,808,930	6,518,170	10,955	-	10,955
2032 - 2036	4,811,969	963,240	5,775,209	9,860	-	9,860
2037 - 2039	2,223,961	113,099	2,337,060	-	-	-
Totals	<u>\$ 35,927,718</u>	<u>\$ 11,390,534</u>	<u>\$ 47,318,252</u>	<u>\$ 127,655</u>	<u>\$ -</u>	<u>\$ 127,655</u>

Year Ended	Water & Sewer Various Purpose Bonds			Wastewater Utility Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 225,000	\$ 234,725	\$ 459,725	\$ 72,000	\$ 17,587	\$ 89,587
2018	230,000	231,350	461,350	73,000	15,354	88,354
2019	235,000	227,900	462,900	74,000	13,094	87,094
2020	240,000	223,200	463,200	75,000	10,599	85,599
2021	240,000	218,400	458,400	76,000	8,266	84,266
2022 - 2026	1,375,000	938,000	2,313,000	237,000	11,008	248,008
2027 - 2031	1,265,000	647,800	1,912,800	-	-	-
2032 - 2036	835,000	452,000	1,287,000	-	-	-
2037 - 2041	1,025,000	269,600	1,294,600	-	-	-
2042 - 2044	720,000	96,000	816,000	-	-	-
Totals	<u>\$ 6,390,000</u>	<u>\$ 3,538,975</u>	<u>\$ 9,928,975</u>	<u>\$ 607,000</u>	<u>\$ 75,908</u>	<u>\$ 682,908</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, 2016, the City's total debt margin was \$22,066,851 and the unvoted debt margin was \$13,507,130.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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	\$105,672,500
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

B. Health Insurance

On January 1, 2015, the City joined the Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The OPEC-HC consists of one hundred sixty (160) political subdivisions that pool risk for basic hospital, surgical and prescription drug coverage for approximately 3,300 employees. The OPEC-HC is governed by a seven member Board of Directors consisting of: three (3) duly elected representatives of the member organizations; the Plan Administrator; a representative of the plan’s marketing firm; the Executive Director of the Ohio Public Entity Consortium (OPEC); the OPEC Board Chairman. The Board elects a chairman, vice-chairman, and recording secretary. The Board is responsible for its own financial matters and the Plan Administrator maintains the plan’s books of account. Budgeting and financing of the OPEC-HC are subject to the approval of the Board. The City pays monthly contributions to the OPEC-HC, which are used to purchase excess loss insurance for the OPEC-HC, to pay current claims and related claim settlement expenses, and to establish and maintain sufficient reserves. The monthly contribution is determined for each member in accordance with the number of covered officers and employees, and the prior loss experience of the respective member group. The Board shall determine annually, on or before the annual meeting, the percentage increase or decrease in the excess reserves for future operations. The funds are maintained in a bank trust account established for the sole purpose and benefit of the OPEC-HC’s operations. Financial information for the OPEC-HC can be obtained from Erin Patton, President, Ohio Public Entity Consortium, 8120 Corporate Blvd, Suite 102, Plain City, Ohio 43064.

The OPEC-HC has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the OPEC-HC for medical claims in excess of \$500,000 per participant. In the event that the losses of the consortium in any year exceeds amounts paid to the OPEC-HC, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 12 - RISK MANAGEMENT - (Continued)

The City currently has no specified percentage share of the OPEC-HC. The only time at which a percentage share would be calculated occurs if the OPEC-HC voted to terminate ongoing operations. After a vote to terminate the OPEC-HC, the Board would wind-up the OPEC-HC's business as quickly as practicable, but in any event would complete this process no later than six months after the termination date. During such period, the OPEC-HC would continue to pay all claims and expenses until the OPEC-HC's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid six month period, any remaining surplus funds held by the OPEC-HC would be paid to the members of the OPEC-HC who are members as of the termination date. The Board would determine the manner in which such surplus funds would be distributed, and would consider the percentage relationship which each member's contributions to the OPEC-HC for the prior three calendar years of the OPEC-HC bore to all members' contributions to the OPEC-HC for that same period, and the loss experience of each plan in which the member participated for the prior three years of the OPEC-HC. The City's payment for health insurance coverage to OPEC-HC in 2016 was \$1,986,317.

Dental, vision and life insurance benefits are also provided. The family and single rates are not gender and age sensitive, and are the same for each class of employees.

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
 Employee	 10.0 %

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

The City’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$605,428 for 2016. Of this amount, \$88,131 is reported as due to other governments.

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

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

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	Police	Firefighters
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$934,554 for 2016. Of this amount \$124,997 is reported as due to other governments.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2016, the specific liability of the City was \$1,635,030 payable in semi-annual payments through the year 2035.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportion of the net pension liability prior measurement date	0.03877700%	0.21301870%	
Proportion of the net pension liability current measurement date	<u>0.03855300%</u>	<u>0.21778200%</u>	
Change in proportionate share	<u>-0.00022400%</u>	<u>0.00476330%</u>	
Proportion of the net pension asset prior measurement date	0.02412400%		
Proportion of the net pension asset current measurement date	<u>0.05309100%</u>		
Change in proportionate share	<u>0.02896700%</u>		
Proportionate share of the net pension liability	\$ 6,677,866	\$ 14,010,025	\$ 20,687,891
Proportionate share of the net pension asset	11,680	-	11,680
Pension expense	947,882	1,941,953	2,889,835

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 776	\$ -	\$ 776
Net difference between projected and actual earnings on pension plan investments	1,968,049	2,280,302	4,248,351
Changes in employer's proportionate percentage/ difference between employer contributions	-	208,620	208,620
City contributions subsequent to the measurement date	<u>605,428</u>	<u>934,554</u>	<u>1,539,982</u>
Total deferred outflows of resources	<u>\$ 2,574,253</u>	<u>\$ 3,423,476</u>	<u>\$ 5,997,729</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 134,308	\$ 39,340	\$ 173,648
Changes in employer's proportionate percentage/ difference between employer contributions	<u>29,662</u>	<u>-</u>	<u>29,662</u>
Total deferred inflows of resources	<u>\$ 163,970</u>	<u>\$ 39,340</u>	<u>\$ 203,310</u>

\$1,539,982 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2017.

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$ 416,359	\$ 633,407	\$ 1,049,766
2018	447,772	633,407	1,081,179
2019	498,132	633,406	1,131,538
2020	444,811	511,076	955,887
2021	(571)	32,172	31,601
Thereafter	<u>(1,648)</u>	<u>6,114</u>	<u>4,466</u>
Total	<u>\$ 1,804,855</u>	<u>\$ 2,449,582</u>	<u>\$ 4,254,437</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3 percent, simple Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.80% simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 401 (h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 10,639,471	\$ 6,677,866	\$ 3,336,377
Combined Plan	(238)	(11,567)	(20,680)
Member-Directed Plan	293	(112)	(293)

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Changes Between Measurement Date and Report Date - In October 2016, the OPERS Board of Trustees adopted certain assumption changes which impacted their annual actuarial valuation prepared as of December 31, 2016. The most significant changes are a reduction in the expected investment return to 7.50% from 8.00%, the expected long-term average wage inflation was reduced to 3.25% from 3.75%, the expected long-term average price inflation was reduced to 2.50% from 3.00% and a change to various demographic assumptions. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 and 3.00 percent simple

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

The most recent experience study was completed for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	6.50 %	7.80 %
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation			
Protected Securities *	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

* levered 2x

** numbers include inflation

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

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 18,477,404	\$ 14,010,025	\$ 10,225,796

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$105,028, \$98,170, and \$90,090, respectively; 87.60% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

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 health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. 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).

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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 \$11,637 and \$10,475 for the year ended December 31, 2016, \$11,871 and \$10,614 for the year ended December 31, 2015, and \$10,987 and \$10,172, for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 86.49% has been contributed for police and 87.33% has been contributed for firefighters for 2016. The remaining 2016 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, 2016

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ 427,429
Net adjustment for revenue accruals	(739,868)
Net adjustment for expenditure accruals	721,489
Funds budgeted elsewhere	(266,758)
Adjustment for encumbrances	<u>435,402</u>
GAAP basis	<u>\$ 577,694</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, the safety fund and the general reserve fund.

NOTE 16 - LANDFILL CLOSURE AND POST-CLOSURE 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. In an agreement with the Ohio EPA, the City does not have to place a final cover on the landfill unless enough oil and gas royalties are generated to pay for it (see Note 18). Under the terms of the agreement with the Ohio EPA, the City is required to perform certain maintenance and monitoring functions at the landfill through 2034. The estimated liability for the landfill is \$1,545,349. The estimated cost of landfill closure and post-closure 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, 2016. However, the actual costs of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 17 - 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, 2016.

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.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 18 - 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 is required to record any future royalty revenue in the refuse fund. This revenue is restricted and will be used to pay for expenses incurred in the closing of the City's landfill.

NOTE 19 - 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, 2016, hospital facilities revenue refunding bonds outstanding aggregated \$34,535,000.

NOTE 20 - SUBSEQUENT EVENT

In January 2017, the City filed a complaint in the Court of Common Pleas of Jefferson County, Ohio against the Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC), Ohio Insurance Services Agency, Inc. (OISA) and Frank Harmon (Harmon). The City filed this complaint to obtain relief from alleged fraud, misrepresentations, breaches of fiduciary duty, breaches of contract and public records violations arising during the City's membership in OPEC-HC, as marketed by OISA and Harmon. The City is seeking, among other things, a declaratory judgement that the agreement between OPEC-HC and the City is unenforceable.

NOTE 21 - TAX ABATEMENTS

As of December 31, 2016, the City provides tax abatements through the Community Reinvestment Area (CRA) program. This program relates to the abatement of property taxes.

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

The City has no "clawback" provisions to recapture abated taxes, however a review board annually evaluates future status of each CRA. The total value of the City's share of taxes abated for 2016 was \$4,178.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 22 - 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	\$ 208,735	\$ -	\$ 173,374	\$ 382,109
Prepays	97,041	189,877	3,903	290,821
Unclaimed monies	29,808	-	-	29,808
Total nonspendable	<u>335,584</u>	<u>189,877</u>	<u>177,277</u>	<u>702,738</u>
Restricted:				
Capital improvements	-	-	306,508	306,508
Street construction, maintenance and repair	-	-	765,012	765,012
Municipal court improvements	-	-	118,430	118,430
Community development	-	-	131,248	131,248
Court programs	-	-	146,643	146,643
Police and fire programs	-	-	32,209	32,209
Other purposes	-	-	390,880	390,880
Total restricted	<u>-</u>	<u>-</u>	<u>1,890,930</u>	<u>1,890,930</u>
Committed:				
Debt service	-	-	213,123	213,123
Capital improvements	-	-	10,000	10,000
Street construction, maintenance and repair	-	1,872,368	-	1,872,368
Equipment improvement	-	-	704,287	704,287
Recreation purposes	-	-	217,545	217,545
Other purposes	-	-	65,277	65,277
Total committed	<u>-</u>	<u>1,872,368</u>	<u>1,210,232</u>	<u>3,082,600</u>
Assigned:				
Legal aid	38,620	-	-	38,620
Hospitalization insurance	134,000	-	-	134,000
Prisoner housing	29,261	-	-	29,261
Fire department equipment	36,560	-	-	36,560
Safety programs	344,221	-	-	344,221
Other purposes	177,987	-	-	177,987
Subsequent year's appropriations	778,265	-	-	778,265
Total assigned	<u>1,538,914</u>	<u>-</u>	<u>-</u>	<u>1,538,914</u>
Unassigned	<u>2,912,279</u>	<u>-</u>	<u>-</u>	<u>2,912,279</u>
Total fund balances	<u>\$ 4,786,777</u>	<u>\$ 2,062,245</u>	<u>\$ 3,278,439</u>	<u>\$ 10,127,461</u>

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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	\$ 429,871
.7% City income tax - street improvement	351,710
Other governmental	<u>278,784</u>
Total	<u>\$ 1,060,365</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STEUBENVILLE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
City's proportion of the net pension liability	0.038553%	0.038777%	0.038777%
City's proportionate share of the net pension liability	\$ 6,677,866	\$ 4,676,940	\$ 4,571,303
City's covered-employee payroll	\$ 4,823,992	\$ 4,755,025	\$ 4,674,669
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	138.43%	98.36%	97.79%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
<i>Combined Plan:</i>			
City's proportion of the net pension asset	0.023770%	0.024124%	0.024124%
City's proportionate share of the net pension asset	\$ 11,567	\$ 9,288	\$ 2,531
City's covered-employee payroll	\$ 84,508	\$ 88,175	\$ 91,208
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	13.69%	10.53%	2.77%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>			
City's proportion of the net pension asset	0.029321%	n/a	n/a
City's proportionate share of the net pension asset	\$ 112	n/a	n/a
City's covered-employee payroll	\$ 163,300	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.91%	n/a	n/a

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STEUBENVILLE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.21778200%	0.21301870%	0.21301870%
City's proportionate share of the net pension liability	\$ 14,010,025	\$ 11,035,257	\$ 10,374,679
City's covered-employee payroll	\$ 4,434,530	\$ 4,230,338	\$ 4,368,467
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	315.93%	260.86%	237.49%
Plan fiduciary net position as a percentage of the total pension liability	66.77%	72.20%	73.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STEUBENVILLE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 581,621	\$ 578,879	\$ 570,603	\$ 607,707
Contributions in relation to the contractually required contribution	<u>(581,621)</u>	<u>(578,879)</u>	<u>(570,603)</u>	<u>(607,707)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 4,846,842	\$ 4,823,992	\$ 4,755,025	\$ 4,674,669
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 10,377	\$ 10,141	\$ 10,581	\$ 11,857
Contributions in relation to the contractually required contribution	<u>(10,377)</u>	<u>(10,141)</u>	<u>(10,581)</u>	<u>(11,857)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 86,475	\$ 84,508	\$ 88,175	\$ 91,208
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 13,430	\$ 19,596		
Contributions in relation to the contractually required contribution	<u>(13,430)</u>	<u>(19,596)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered-employee payroll	\$ 111,917	\$ 163,300		
Contributions as a percentage of covered-employee payroll	12.00%	12.00%		

Note: Information prior to 2010 for the Combined Plan was unavailable.

Note: Information prior to 2015 for the Member Directed Plan was unavailable.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 515,295	\$ 533,244	\$ 455,322	\$ 480,843	\$ 468,907	\$ 494,889
<u>(515,295)</u>	<u>(533,244)</u>	<u>(455,322)</u>	<u>(480,843)</u>	<u>(468,907)</u>	<u>(494,889)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,152,950	\$ 5,332,440	\$ 5,104,507	\$ 5,914,428	\$ 6,698,671	\$ 5,926,814
10.00%	10.00%	8.92%	8.13%	7.00%	8.35%
\$ 10,141	\$ 10,301	\$ 12,291			
<u>(10,141)</u>	<u>(10,301)</u>	<u>(12,291)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 127,560	\$ 129,572	\$ 126,842			
7.95%	7.95%	9.69%			

CITY OF STEUBENVILLE, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Police:</i>				
Contractually required contribution	\$ 442,219	\$ 439,244	\$ 417,225	\$ 361,470
Contributions in relation to the contractually required contribution	<u>(442,219)</u>	<u>(439,244)</u>	<u>(417,225)</u>	<u>(361,470)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,327,468	\$ 2,311,811	\$ 2,195,921	\$ 2,276,259
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	15.88%
 <i>Fire:</i>				
Contractually required contribution	\$ 492,335	\$ 498,839	\$ 478,088	\$ 426,392
Contributions in relation to the contractually required contribution	<u>(492,335)</u>	<u>(498,839)</u>	<u>(478,088)</u>	<u>(426,392)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,095,043	\$ 2,122,719	\$ 2,034,417	\$ 2,092,208
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	23.50%	20.38%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 289,845	\$ 297,135	\$ 310,558	\$ 307,577	\$ 341,429	\$ 302,748
<u>(289,845)</u>	<u>(297,135)</u>	<u>(310,558)</u>	<u>(307,577)</u>	<u>(341,429)</u>	<u>(302,748)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,273,294	\$ 2,330,471	\$ 2,435,749	\$ 2,412,369	\$ 2,677,875	\$ 2,374,494
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 343,993	\$ 356,041	\$ 355,947	\$ 368,987	\$ 374,888	\$ 359,608
<u>(343,993)</u>	<u>(356,041)</u>	<u>(355,947)</u>	<u>(368,987)</u>	<u>(374,888)</u>	<u>(359,608)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,994,162	\$ 2,064,006	\$ 2,063,461	\$ 2,139,055	\$ 2,173,264	\$ 2,084,684
17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

CITY OF STEUBENVILLE, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF 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.

General Reserve Fund

This fund accounts for monies set-aside by the City for future expenses.

MAJOR CAPITAL PROJECTS FUND

.7% City Income Tax - Street Improvement Fund

This fund accounts for income tax revenue committed for, and Ohio Department of Transportation grants restricted 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 restricted or committed 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.

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.

Property Maintenance Code Enforcement Fund

This fund accounts for fines and forfeitures used to pay for property maintenance expenses and dilapidated property demolitions.

Drug Dog Fund

This fund accounts for monies received to purchase a drug dog and to cover expenses relating to the drug dog.

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.

Municipal Court Special Project Fund - Probation

This fund accounts for fees used to offset expenses of the Municipal Court Probation Department, including staff salaries, equipment and facilities.

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.

Bellevue Park Pool Fund

This fund accounts for fundraisers, donations and grants used for the operation and maintenance of the Bellevue Park pool.

CITY OF STEUBENVILLE, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

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.

Municipal Court Special Projects Fund

This fund accounts for fees used to offset expenses of the Municipal Court, including staff salaries, equipment and facilities.

NONMAJOR DEBT SERVICE FUND

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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.

CITY OF STEUBENVILLE, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

NONMAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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 restricted for municipal court improvements.

.7% City Income Tax - Equipment Improvement Fund

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

.7% City Income Tax - Recreation Improvement Fund

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

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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
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income taxes	\$ 8,334,316	\$ 8,962,570	\$ 8,943,459	\$ (19,111)
Property and other taxes	1,305,021	1,216,264	1,218,563	2,299
Charges for services	30,517	27,928	28,168	240
Licenses and permits.	683,283	715,185	713,443	(1,742)
Fines and forfeitures.	287,000	301,863	301,286	(577)
Intergovernmental	1,216,436	1,278,315	1,302,326	24,011
Contributions and donations.	5,000	12,705	12,705	-
Investment income	600	3,610	5,477	1,867
Rental income.	72,800	85,057	90,446	5,389
Other.	436,500	630,735	650,195	19,460
Total revenues.	12,371,473	13,234,232	13,266,068	31,836
Expenditures:				
Current:				
General government				
Mayor				
Personal services.	46,590	39,608	39,244	364
Maintenance and operations.	3,183	2,751	1,581	1,170
Total mayor	49,773	42,359	40,825	1,534
Finance				
Personal services.	142,647	142,431	141,197	1,234
Maintenance and operations.	11,807	11,484	8,700	2,784
Total finance.	154,454	153,915	149,897	4,018
Law director				
Personal services.	256,349	177,789	176,926	863
Contractual services	-	34,310	34,311	(1)
Maintenance and operations	64,366	74,080	63,850	10,230
Total law director	320,715	286,179	275,087	11,092
Civil service				
Maintenance and operations	23,380	16,826	14,518	2,308
Total civil service	23,380	16,826	14,518	2,308
Central purchasing				
Personal services.	1,799,899	1,624,980	1,579,902	45,078
Contractual services	27,100	13,925	13,925	-
Maintenance and operations.	575,982	603,690	525,234	78,456
Other.	338,609	419,596	341,525	78,071
Total central purchasing	2,741,590	2,662,191	2,460,586	201,605
City manager				
Personal services.	174,631	187,565	186,481	1,084
Maintenance and operations	9,556	5,697	3,410	2,287
Total city manager	184,187	193,262	189,891	3,371

- - 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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
City buildings				
Maintenance and operations	\$ 201,568	\$ 237,838	\$ 176,634	\$ 61,204
Total city buildings	<u>201,568</u>	<u>237,838</u>	<u>176,634</u>	<u>61,204</u>
Council				
Personal services.	79,281	80,065	79,863	202
Maintenance and operations	<u>3,360</u>	<u>2,392</u>	<u>2,245</u>	<u>147</u>
Total council	<u>82,641</u>	<u>82,457</u>	<u>82,108</u>	<u>349</u>
Municipal court				
Personal services.	567,418	525,811	523,257	2,554
Maintenance and operations	<u>93,297</u>	<u>95,490</u>	<u>86,653</u>	<u>8,837</u>
Total municipal court	<u>660,715</u>	<u>621,301</u>	<u>609,910</u>	<u>11,391</u>
Building department				
Personal services.	153,139	145,215	143,909	1,306
Contractual services	50,925	72,659	52,978	19,681
Maintenance and operations	<u>42,164</u>	<u>36,269</u>	<u>25,069</u>	<u>11,200</u>
Total building department	<u>246,228</u>	<u>254,143</u>	<u>221,956</u>	<u>32,187</u>
Total general government.	<u>4,665,251</u>	<u>4,550,471</u>	<u>4,221,412</u>	<u>329,059</u>
Police				
Personal services.	3,203,591	3,276,476	3,249,647	26,829
Maintenance and operations	462,903	505,363	361,011	144,352
Other	<u>180</u>	<u>165</u>	<u>150</u>	<u>15</u>
Total police	<u>3,666,674</u>	<u>3,782,004</u>	<u>3,610,808</u>	<u>171,196</u>
Fire				
Personal services.	2,965,039	2,882,825	2,865,479	17,346
Maintenance and operations	<u>149,819</u>	<u>193,947</u>	<u>157,692</u>	<u>36,255</u>
Total fire.	<u>3,114,858</u>	<u>3,076,772</u>	<u>3,023,171</u>	<u>53,601</u>
Electrical				
Personal services.	56,341	56,364	55,306	1,058
Maintenance and operations	<u>45,913</u>	<u>23,441</u>	<u>16,170</u>	<u>7,271</u>
Total electrical	<u>102,254</u>	<u>79,805</u>	<u>71,476</u>	<u>8,329</u>
Total security of persons and property.	<u>6,883,786</u>	<u>6,938,581</u>	<u>6,705,455</u>	<u>233,126</u>

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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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public health and welfare				
Health services				
Personal services.	\$ 128,103	\$ 126,898	\$ 125,427	\$ 1,471
Contractual services	300	-	-	-
Maintenance and operations	12,627	11,814	11,356	458
Total health services	141,030	138,712	136,783	1,929
Health clinic				
Personal services.	62,910	61,816	60,927	889
Maintenance and operations	12,450	8,783	8,735	48
Total health clinic	75,360	70,599	69,662	937
Health administration				
Personal services.	168,490	102,470	102,220	250
Maintenance and operations	153,951	156,137	115,572	40,565
Total health administration.	322,441	258,607	217,792	40,815
Assistance to the needy				
Other.	17,125	12,000	10,325	1,675
Total assistance to the needy.	17,125	12,000	10,325	1,675
Total public health and welfare.	555,956	479,918	434,562	45,356
Transportation				
Street department				
Personal services.	821,858	611,568	588,349	23,219
Maintenance and operations	114,898	81,027	36,851	44,176
Total street department.	936,756	692,595	625,200	67,395
Lighting				
Maintenance and operations	429,516	364,955	317,733	47,222
Total lighting.	429,516	364,955	317,733	47,222
Total transportation	1,366,272	1,057,550	942,933	114,617
Community environment				
Planning				
Personal services.	76,680	54,612	54,358	254
Maintenance and operations	16,808	12,773	10,369	2,404
Total planning.	93,488	67,385	64,727	2,658
Total community environment	93,488	67,385	64,727	2,658
Leisure time activity				
Recreation-parks				
Personal services.	97,839	97,704	97,117	587
Maintenance and operations	57,407	62,348	46,826	15,522
Total recreation-parks	155,246	160,052	143,943	16,109

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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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Recreation-pools				
Maintenance and operations	\$ 2,500	\$ 2,469	\$ 2,227	\$ 242
Total recreation-pools	<u>2,500</u>	<u>2,469</u>	<u>2,227</u>	<u>242</u>
Recreation-indoors				
Personal services.	60,178	43,939	43,384	555
Maintenance and operations	<u>47,082</u>	<u>57,741</u>	<u>50,047</u>	<u>7,694</u>
Total recreation-indoors.	<u>107,260</u>	<u>101,680</u>	<u>93,431</u>	<u>8,249</u>
Recreation-administration				
Personal services.	52,586	53,121	52,528	593
Maintenance and operations	<u>22,743</u>	<u>24,858</u>	<u>13,621</u>	<u>11,237</u>
Total recreation-administration	<u>75,329</u>	<u>77,979</u>	<u>66,149</u>	<u>11,830</u>
Community celebrations				
Maintenance and operations	<u>20,106</u>	<u>22,785</u>	<u>22,700</u>	<u>85</u>
Total community celebrations	<u>20,106</u>	<u>22,785</u>	<u>22,700</u>	<u>85</u>
Total leisure time activity.	<u>360,441</u>	<u>364,965</u>	<u>328,450</u>	<u>36,515</u>
Debt service:				
Principal retirement.	20,000	20,000	20,000	-
Interest and fiscal charges.	<u>36,800</u>	<u>36,800</u>	<u>36,800</u>	<u>-</u>
Total debt service.	<u>56,800</u>	<u>56,800</u>	<u>56,800</u>	<u>-</u>
Total expenditures.	<u>13,981,994</u>	<u>13,515,670</u>	<u>12,754,339</u>	<u>761,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,610,521)</u>	<u>(281,438)</u>	<u>511,729</u>	<u>793,167</u>
Other financing sources (uses):				
Sale of capital assets.	-	1,700	1,700	-
Transfers in.	180,000	-	-	-
Transfers (out).	<u>-</u>	<u>(86,000)</u>	<u>(86,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>180,000</u>	<u>(84,300)</u>	<u>(84,300)</u>	<u>-</u>
Net change in fund balance.	(1,430,521)	(365,738)	427,429	793,167
Fund balance at beginning of year	2,353,898	2,353,898	2,353,898	-
Prior year encumbrances appropriated	452,972	452,972	452,972	-
Fund balance at end of year	<u>\$ 1,376,349</u>	<u>\$ 2,441,132</u>	<u>\$ 3,234,299</u>	<u>\$ 793,167</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other.	\$ 7,000	\$ 3,338	\$ 3,338	\$ -
Total revenues	7,000	3,338	3,338	-
Expenditures:				
Current:				
General government				
Unclaimed monies				
Maintenance and operations	7,000	28	28	-
Total expenditures	7,000	28	28	-
Net change in fund balance	-	3,310	3,310	-
Fund balance at beginning of year.	26,498	26,498	26,498	-
Fund balance at end of year	\$ 26,498	\$ 29,808	\$ 29,808	\$ -

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 49,200	\$ 45,774	\$ 46,130	\$ 356
Total revenues	49,200	45,774	46,130	356
Expenditures:				
Current:				
General government				
Safety				
Contractual services	20,000	13,130	13,130	-
Maintenance and operations	154,497	452,935	398,285	54,650
Total expenditures	174,497	466,065	411,415	54,650
Excess (deficiency) of revenues over (under) expenditures.	(125,297)	(420,291)	(365,285)	55,006
Other financing uses:				
Transfers out	(180,000)	-	-	-
Total other financing uses	(180,000)	-	-	-
Net change in fund balance.	(305,297)	(420,291)	(365,285)	55,006
Fund balance at beginning of year	655,863	655,863	655,863	-
Prior year encumbrances appropriated.	40,337	40,337	40,337	-
Fund balance at end of year	\$ 390,903	\$ 275,909	\$ 330,915	\$ 55,006

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL RESERVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources:				
Transfers in	\$ -	\$ 75,000	\$ 75,000	\$ -
Total other financing sources	-	75,000	75,000	-
Net change in fund balance.	-	75,000	75,000	-
Fund balance at beginning of year	<u>426,328</u>	<u>426,328</u>	<u>426,328</u>	<u>-</u>
Fund balance at end of year	<u>\$ 426,328</u>	<u>\$ 501,328</u>	<u>\$ 501,328</u>	<u>\$ -</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 - STREET IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 712,555	\$ 727,016	\$ 726,576	\$ (440)
Charges for services	1,375	1,003	1,003	-
Licenses and permits.	75,000	90,033	102,795	12,762
Intergovernmental	1,516,697	481,207	480,342	(865)
Other.	-	740	740	-
Total revenues	2,305,627	1,299,999	1,311,456	11,457
Expenditures:				
Capital outlay				
Street department				
Personal services	171,928	139,503	136,998	2,505
Maintenance and operations.	42,847	25,080	17,604	7,476
Capital outlay.	2,777,481	1,834,091	1,450,928	383,163
Other.	27,383	31,766	26,700	5,066
Total capital outlay	3,019,639	2,030,440	1,632,230	398,210
Debt service:				
Principal retirement.	72,199	103,430	111,906	(8,476)
Interest and fiscal charges.	26,050	34,144	24,482	9,662
Total debt service.	98,249	137,574	136,388	1,186
Total expenditures.	3,117,888	2,168,014	1,768,618	399,396
Net change in fund balance	(812,261)	(868,015)	(457,162)	410,853
Fund balance at beginning of year	1,610,563	1,610,563	1,610,563	-
Prior year encumbrances appropriated	354,111	354,111	354,111	-
Fund balance at end of year	\$ 1,152,413	\$ 1,096,659	\$ 1,507,512	\$ 410,853

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,431,950	\$ 213,123	\$ 1,355,039	\$ 3,000,112
Receivables (net of allowances of uncollectibles):				
Income taxes	-	-	95,800	95,800
Real and other taxes	2,645	259,378	-	262,023
Special assessments	87,259	-	-	87,259
Due from other governments	1,445,182	13,781	-	1,458,963
Prepayments	3,903	-	-	3,903
Materials and supplies inventory	173,374	-	-	173,374
Total assets	<u>\$ 3,144,313</u>	<u>\$ 486,282</u>	<u>\$ 1,450,839</u>	<u>\$ 5,081,434</u>
Liabilities:				
Accounts payable	\$ 886	\$ -	\$ -	\$ 886
Accrued wages and benefits	3,209	-	-	3,209
Compensated absences payable	1,893	-	-	1,893
Due to other governments	2,006	-	-	2,006
Total liabilities	<u>7,994</u>	<u>-</u>	<u>-</u>	<u>7,994</u>
Deferred inflows of resources:				
Property taxes levied for the next year.	-	218,782	-	218,782
Delinquent property tax revenue not available. . .	-	40,596	-	40,596
Special assessments revenue not available.	87,259	-	-	87,259
Income tax revenue not available.	-	-	95,800	95,800
Intergovernmental revenue not available.	1,338,783	13,781	-	1,352,564
Total deferred inflows of resources	<u>1,426,042</u>	<u>273,159</u>	<u>95,800</u>	<u>1,795,001</u>
Fund balances:				
Nonspendable	177,277	-	-	177,277
Restricted	1,465,992	-	424,938	1,890,930
Committed	67,008	213,123	930,101	1,210,232
Total fund balances.	<u>1,710,277</u>	<u>213,123</u>	<u>1,355,039</u>	<u>3,278,439</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 3,144,313</u>	<u>\$ 486,282</u>	<u>\$ 1,450,839</u>	<u>\$ 5,081,434</u>

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	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	55,100	217,654	-	272,754
Charges for services	3,643	-	-	3,643
Licenses and permits	166,388	-	-	166,388
Fines and forfeitures	39,023	-	26,664	65,687
Intergovernmental	1,371,401	60,929	563,267	1,995,597
Special assessments	78,628	-	-	78,628
Investment income	1,056	-	-	1,056
Contributions and donations	232	-	-	232
Rental income.	13,000	-	-	13,000
Other	11,423	-	39,764	51,187
Total revenues	1,739,894	278,583	1,029,695	3,048,172
Expenditures:				
Current:				
General government	259,704	5,298	36,190	301,192
Public health and welfare.	95,013	-	-	95,013
Transportation	598,323	-	-	598,323
Community environment	222,442	-	713,185	935,627
Leisure time activity.	32,227	-	-	32,227
Capital outlay	358,345	-	1,210,152	1,568,497
Debt service:				
Principal retirement.	-	95,000	-	95,000
Interest and fiscal charges	-	133,831	-	133,831
Total expenditures.	1,566,054	234,129	1,959,527	3,759,710
Excess (deficiency) of revenues over (under) expenditures	173,840	44,454	(929,832)	(711,538)
Other financing sources:				
Transfers in	11,000	-	-	11,000
Total other financing uses	11,000	-	-	11,000
Net change in fund balances	184,840	44,454	(929,832)	(700,538)
Fund balances at beginning of year.	1,525,437	168,669	2,284,871	3,978,977
Fund balances at end of year.	\$ 1,710,277	\$ 213,123	\$ 1,355,039	\$ 3,278,439

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016

	<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	\$ 381,981	\$ 207,609	\$ 4,771	\$ -
Receivables (net of allowances of uncollectibles):				
Real and other taxes	-	-	-	2,645
Special assessments	-	-	-	-
Due from other governments	273,031	22,138	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	173,374	-	-	-
Total assets	<u>\$ 828,386</u>	<u>\$ 229,747</u>	<u>\$ 4,771</u>	<u>\$ 2,645</u>
Liabilities:				
Accounts payable	\$ 202	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>202</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Special assessments revenue not available.	-	-	-	-
Intergovernmental revenue not available.	229,825	18,635	-	-
Total deferred inflows of resources	<u>229,825</u>	<u>18,635</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	173,374	-	-	-
Restricted	424,985	211,112	4,771	2,645
Committed	-	-	-	-
Total fund balances	<u>598,359</u>	<u>211,112</u>	<u>4,771</u>	<u>2,645</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 828,386</u>	<u>\$ 229,747</u>	<u>\$ 4,771</u>	<u>\$ 2,645</u>

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2016

	South End Economic Development	Property Maintenance Code Enforcement	Drug Dog	Summer Food Program
Assets:				
Equity in pooled cash and cash equivalents	\$ 6,671	\$ 16,800	\$ 1,872	\$ 376
Receivables (net of allowances of uncollectibles):				
Real and other taxes	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 6,671</u>	<u>\$ 16,800</u>	<u>\$ 1,872</u>	<u>\$ 376</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</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	-	-	-	-
Restricted	6,671	-	1,872	-
Committed	-	16,800	-	376
Total fund balances	<u>6,671</u>	<u>16,800</u>	<u>1,872</u>	<u>376</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,671</u>	<u>\$ 16,800</u>	<u>\$ 1,872</u>	<u>\$ 376</u>

Special Assessments	Municipal Court Special Project Probation	Motor Vehicle License Tax	Zoning and Planning	Police Education Trust	Special Projects
\$ 147,982	\$ 5,563	\$ 123,535	\$ 1,067	\$ 17,883	\$ 22,312
-	-	-	-	-	-
87,259	-	-	-	-	-
-	-	5,380	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 235,241</u>	<u>\$ 5,563</u>	<u>\$ 128,915</u>	<u>\$ 1,067</u>	<u>\$ 17,883</u>	<u>\$ 22,312</u>
\$ -	\$ 576	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	576	-	-	-	-
-	-	-	-	-	-
87,259	-	-	-	-	-
-	-	-	-	-	-
<u>87,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
147,982	4,987	128,915	-	17,883	22,312
-	-	-	1,067	-	-
<u>147,982</u>	<u>4,987</u>	<u>128,915</u>	<u>1,067</u>	<u>17,883</u>	<u>22,312</u>
<u>\$ 235,241</u>	<u>\$ 5,563</u>	<u>\$ 128,915</u>	<u>\$ 1,067</u>	<u>\$ 17,883</u>	<u>\$ 22,312</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2016

	IDIAM Court	Court Community Correction Act Grant	Belleview Park Pool	Fiber Infrastructure
Assets:				
Equity in pooled cash and cash equivalents	\$ 29,067	\$ 29,696	\$ 1,355	\$ 47,410
Receivables (net of allowances of uncollectibles):				
Real and other taxes	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	76,578	-	-
Prepayments	-	-	383	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 29,067</u>	<u>\$ 106,274</u>	<u>\$ 1,738</u>	<u>\$ 47,410</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Special assessments revenue not available	-	-	-	-
Intergovernmental revenue not available	-	38,289	-	-
Total deferred inflows of resources	<u>-</u>	<u>38,289</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	383	-
Restricted	29,067	67,985	-	-
Committed	-	-	1,355	47,410
Total fund balances	<u>29,067</u>	<u>67,985</u>	<u>1,738</u>	<u>47,410</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,067</u>	<u>\$ 106,274</u>	<u>\$ 1,738</u>	<u>\$ 47,410</u>

<u>Food</u>	<u>EPSDT</u>	<u>Mears Relief</u>	<u>Swimming Pool</u>	<u>Route 7 Project</u>	<u>Community Development</u>
\$ 14,126	\$ 131,190	\$ 10,277	\$ 527	\$ 1,603	\$ 18,007
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,068,055
867	1,316	-	-	-	1,337
-	-	-	-	-	-
<u>\$ 14,993</u>	<u>\$ 132,506</u>	<u>\$ 10,277</u>	<u>\$ 527</u>	<u>\$ 1,603</u>	<u>\$ 1,087,399</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108
130	352	-	-	-	2,727
-	1,893	-	-	-	-
88	237	-	-	-	1,681
<u>218</u>	<u>2,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,516</u>
-	-	-	-	-	-
-	-	-	-	-	1,052,034
-	-	-	-	-	<u>1,052,034</u>
867	1,316	-	-	-	1,337
13,908	128,708	10,277	527	1,603	29,512
-	-	-	-	-	-
<u>14,775</u>	<u>130,024</u>	<u>10,277</u>	<u>527</u>	<u>1,603</u>	<u>30,849</u>
<u>\$ 14,993</u>	<u>\$ 132,506</u>	<u>\$ 10,277</u>	<u>\$ 527</u>	<u>\$ 1,603</u>	<u>\$ 1,087,399</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)
DECEMBER 31, 2016

	<u>CDP - Revolving Loan</u>	<u>CHIP Loan</u>	<u>Municipal Court Special Projects</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 24,468	\$ 77,268	\$ 18,468	\$ 1,431,950
Receivables (net of allowances of uncollectibles):				
Real and other taxes	-	-	-	2,645
Special assessments	-	-	-	87,259
Due from other governments	-	-	-	1,445,182
Prepayments	-	-	-	3,903
Materials and supplies inventory	-	-	-	173,374
Total assets	<u>\$ 24,468</u>	<u>\$ 77,268</u>	<u>\$ 18,468</u>	<u>\$ 3,144,313</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 886
Accrued wages and benefits	-	-	-	3,209
Compensated absences payable.	-	-	-	1,893
Due to other governments	-	-	-	2,006
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,994</u>
Deferred inflows of resources:				
Special assessments revenue not available.	-	-	-	87,259
Intergovernmental revenue not available.	-	-	-	1,338,783
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,426,042</u>
Fund balances:				
Nonspendable	-	-	-	177,277
Restricted	24,468	77,268	18,468	1,465,992
Committed	-	-	-	67,008
Total fund balances	<u>24,468</u>	<u>77,268</u>	<u>18,468</u>	<u>1,710,277</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 24,468</u>	<u>\$ 77,268</u>	<u>\$ 18,468</u>	<u>\$ 3,144,313</u>

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CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Street Maintenance and Repair	State Highway Improvement	Litter	Hotel/Motel Tax
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ 55,100
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	559,302	45,349	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Rental income.	-	-	-	-
Other.	-	-	-	-
Total revenues	559,302	45,349	-	55,100
Expenditures:				
Current:				
General government	-	-	-	-
Public health and welfare.	-	-	-	-
Transportation	471,804	126,519	-	-
Community environment	-	-	-	56,997
Leisure time activity.	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	471,804	126,519	-	56,997
Excess (deficiency) of revenues over (under) expenditures	87,498	(81,170)	-	(1,897)
Other financing sources:				
Transfers in.	-	-	-	-
Net change in fund balances	87,498	(81,170)	-	(1,897)
Fund balances at beginning of year.	510,861	292,282	4,771	4,542
Fund balances at end of year	\$ 598,359	\$ 211,112	\$ 4,771	\$ 2,645

Improvement Bond Escrow	Floto Historical Site	Indigent Drivers	Enforcement and Education	Law Enforcement Trust	Court Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,084	827	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,084	827	-	-
-	-	-	-	-	-
-	-	435	685	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	435	685	-	-
-	-	-	-	-	-
-	-	1,649	142	-	-
-	-	-	-	-	-
-	-	1,649	142	-	-
8,000	1,510	26,147	34,468	14,326	3,824
\$ 8,000	\$ 1,510	\$ 27,796	\$ 34,610	\$ 14,326	\$ 3,824

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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, 2016

	South End Economic Development	Property Maintenance Code Enforcement	Drug Dog	Summer Food Program
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and permits	-	14,250	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Rental income.	-	-	-	-
Other.	-	-	1,744	87
Total revenues	-	14,250	1,744	87
Expenditures:				
Current:				
General government	-	8,450	-	-
Public health and welfare.	-	-	-	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activity.	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	8,450	-	-
Excess (deficiency) of revenues over (under) expenditures	-	5,800	1,744	87
Other financing sources:				
Transfers in.	-	-	-	-
Net change in fund balances	-	5,800	1,744	87
Fund balances at beginning of year.	6,671	11,000	128	289
Fund balances at end of year	\$ 6,671	\$ 16,800	\$ 1,872	\$ 376

Special Assessments	Municipal Court Special Project Probation	Motor Vehicle License Tax	Zoning and Planning	Police Education Trust	Special Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	8,529	-	-	-	3,303
-	-	72,860	-	-	-
78,628	-	-	-	-	-
-	-	-	-	1,036	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,025	-	-
<u>78,628</u>	<u>8,529</u>	<u>72,860</u>	<u>4,025</u>	<u>1,036</u>	<u>3,303</u>
74,215	5,296	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,833	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>74,215</u>	<u>5,296</u>	<u>-</u>	<u>3,833</u>	<u>-</u>	<u>-</u>
<u>4,413</u>	<u>3,233</u>	<u>72,860</u>	<u>192</u>	<u>1,036</u>	<u>3,303</u>
-	-	-	-	-	-
4,413	3,233	72,860	192	1,036	3,303
143,569	1,754	56,055	875	16,847	19,009
<u>\$ 147,982</u>	<u>\$ 4,987</u>	<u>\$ 128,915</u>	<u>\$ 1,067</u>	<u>\$ 17,883</u>	<u>\$ 22,312</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, 2016

	IDIAM Court	Court Community Correction Act Grant	Bellevue Park Pool	Fiber Infrastructure
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	3,643	-
Licenses and permits	-	-	-	-
Fines and forfeitures	5,812	-	-	-
Intergovernmental	-	154,736	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	232	-
Rental income.	-	-	-	13,000
Other.	-	-	148	-
Total revenues	5,812	154,736	4,023	13,000
Expenditures:				
Current:				
General government	-	169,155	-	1,468
Public health and welfare.	-	-	-	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activity.	-	-	31,327	-
Capital outlay	-	-	-	-
Total expenditures	-	169,155	31,327	1,468
Excess (deficiency) of revenues over (under) expenditures	5,812	(14,419)	(27,304)	11,532
Other financing sources:				
Transfers in.	-	-	3,500	-
Net change in fund balances	5,812	(14,419)	(23,804)	11,532
Fund balances at beginning of year.	23,255	82,404	25,542	35,878
Fund balances at end of year	\$ 29,067	\$ 67,985	\$ 1,738	\$ 47,410

Food	EPSDT	Mears Relief	Swimming Pool	Route 7 Project	Community Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
59,532	91,179	-	1,427	-	-
-	-	-	-	-	-
-	15,000	-	-	-	523,904
-	-	-	-	-	-
-	-	10	-	8	-
-	-	-	-	-	-
-	-	-	-	-	-
355	6	-	-	-	806
<u>59,887</u>	<u>106,185</u>	<u>10</u>	<u>1,427</u>	<u>8</u>	<u>524,710</u>
-	-	-	-	-	-
61,202	33,811	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	161,054
-	-	-	900	-	-
-	-	-	-	-	358,345
<u>61,202</u>	<u>33,811</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>519,399</u>
(1,315)	72,374	10	527	8	5,311
7,500	-	-	-	-	-
6,185	72,374	10	527	8	5,311
8,590	57,650	10,267	-	1,595	25,538
<u>\$ 14,775</u>	<u>\$ 130,024</u>	<u>\$ 10,277</u>	<u>\$ 527</u>	<u>\$ 1,603</u>	<u>\$ 30,849</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, 2016

	CDP - Revolving Loan	CHIP Loan	Municipal Court Special Projects	Total Nonmajor Special Revenue Funds
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ 55,100
Charges for services	-	-	-	3,643
Licenses and permits	-	-	-	166,388
Fines and forfeitures	-	-	18,468	39,023
Intergovernmental	-	250	-	1,371,401
Special assessments	-	-	-	78,628
Investment income	2	-	-	1,056
Contributions and donations	-	-	-	232
Rental income.	-	-	-	13,000
Other.	4,252	-	-	11,423
Total revenues	4,254	250	18,468	1,739,894
Expenditures:				
Current:				
General government	-	-	-	259,704
Public health and welfare.	-	-	-	95,013
Transportation	-	-	-	598,323
Community environment	-	558	-	222,442
Leisure time activity.	-	-	-	32,227
Capital outlay	-	-	-	358,345
Total expenditures	-	558	-	1,566,054
Excess (deficiency) of revenues over (under) expenditures	4,254	(308)	18,468	173,840
Other financing sources:				
Transfers in.	-	-	-	11,000
Net change in fund balances	4,254	(308)	18,468	184,840
Fund balances at beginning of year.	20,214	77,576	-	1,525,437
Fund balances at end of year	\$ 24,468	\$ 77,268	\$ 18,468	\$ 1,710,277

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental.	\$ 562,939	\$ 555,604	\$ 560,619	\$ 5,015
Total revenues.	<u>562,939</u>	<u>555,604</u>	<u>560,619</u>	<u>5,015</u>
Expenditures:				
Current:				
Transportation				
Street department				
Maintenance and operations.	514,262	515,742	261,335	254,407
Other.	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total expenditures.	<u>714,262</u>	<u>715,742</u>	<u>461,335</u>	<u>254,407</u>
Net change in fund balance	(151,323)	(160,138)	99,284	259,422
Fund balance at beginning of year.	210,029	210,029	210,029	-
Prior year encumbrances appropriated . . .	<u>67,312</u>	<u>67,312</u>	<u>67,312</u>	<u>-</u>
Fund balance at end of year	<u>\$ 126,018</u>	<u>\$ 117,203</u>	<u>\$ 376,625</u>	<u>\$ 259,422</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 48,500	\$ 44,809	\$ 45,456	\$ 647
Total revenues.	<u>48,500</u>	<u>44,809</u>	<u>45,456</u>	<u>647</u>
Expenditures:				
Current:				
Transportation				
Street department				
Maintenance and operations	195,756	265,720	126,519	139,201
Total expenditures.	<u>195,756</u>	<u>265,720</u>	<u>126,519</u>	<u>139,201</u>
Net change in fund balance	(147,256)	(220,911)	(81,063)	139,848
Fund balance at beginning of year.	211,066	211,066	211,066	-
Prior year encumbrances appropriated . . .	<u>77,606</u>	<u>77,606</u>	<u>77,606</u>	<u>-</u>
Fund balance at end of year	<u>\$ 141,416</u>	<u>\$ 67,761</u>	<u>\$ 207,609</u>	<u>\$ 139,848</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, 2016

	<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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 90,000	\$ 71,969	\$ 56,997	\$ (14,972)
Total revenues	90,000	71,969	56,997	(14,972)
Expenditures:				
Current:				
Community environment				
Convention and visitors bureau				
Other.	90,000	71,969	56,997	14,972
Total expenditures	90,000	71,969	56,997	14,972
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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, 2016

	<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	\$ 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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 6,217	\$ 1,952	\$ 2,084	\$ 132
Total revenues	6,217	1,952	2,084	132
Expenditures:				
Current:				
General government				
Municipal court				
Other	2,500	462	435	27
Total expenditures	2,500	462	435	27
Net change in fund balance	3,717	1,490	1,649	159
Fund balance at beginning of year	26,147	26,147	26,147	-
Fund balance at end of year	\$ 29,864	\$ 27,637	\$ 27,796	\$ 159

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, 2016

	<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	\$ 3,321	\$ 753	\$ 828	\$ 75
Total revenues	<u>3,321</u>	<u>753</u>	<u>828</u>	<u>75</u>
Expenditures:				
Current:				
General government				
Municipal court				
Maintenance and operations.	-	1,032	686	346
Total expenditures.	<u>-</u>	<u>1,032</u>	<u>686</u>	<u>346</u>
Net change in fund balance	3,321	(279)	142	421
Fund balance at beginning of year	<u>34,468</u>	<u>34,468</u>	<u>34,468</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 37,789</u>	<u>\$ 34,189</u>	<u>\$ 34,610</u>	<u>\$ 421</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of persons and property				
Police				
Other	\$ 3,200	\$ -	\$ -	\$ -
Total expenditures	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	(3,200)	-	-	-
Fund balance at beginning of year	<u>14,326</u>	<u>14,326</u>	<u>14,326</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,126</u>	<u>\$ 14,326</u>	<u>\$ 14,326</u>	<u>\$ -</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, 2016

	<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, 2016

	<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	\$ 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)
 PROPERTY MAINTENANCE CODE ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<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	\$ 4,000	\$ 13,450	\$ 14,250	\$ 800
Total revenues	<u>4,000</u>	<u>13,450</u>	<u>14,250</u>	<u>800</u>
Expenditures:				
Current:				
General government				
Building department				
Maintenance and operations	3,100	13,279	12,840	439
Total expenditures	<u>3,100</u>	<u>13,279</u>	<u>12,840</u>	<u>439</u>
Net change in fund balance.	900	171	1,410	1,239
Fund balance at beginning of year	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 11,900</u>	<u>\$ 11,171</u>	<u>\$ 12,410</u>	<u>\$ 1,239</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG DOG FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other.	\$ -	\$ 1,744	\$ 1,744	\$ -
Total revenues	-	1,744	1,744	-
Net change in fund balance.	-	1,744	1,744	-
Fund balance at beginning of year	<u>128</u>	<u>128</u>	<u>128</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 128</u>	<u>\$ 1,872</u>	<u>\$ 1,872</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 21,440	\$ -	\$ -	\$ -
Other	-	5	5	-
Total revenues	<u>21,440</u>	<u>5</u>	<u>5</u>	<u>-</u>
Expenditures:				
Current:				
Leisure time activity				
Recreation-administration				
Personal services	-	69	69	-
Total expenditures	<u>-</u>	<u>69</u>	<u>69</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>21,440</u>	<u>(64)</u>	<u>(64)</u>	<u>-</u>
Other financing sources:				
Transfers in	18,500	-	-	-
Total other financing sources.	<u>18,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	39,940	(64)	(64)	-
Fund balance at beginning of year	<u>440</u>	<u>440</u>	<u>440</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 40,380</u>	<u>\$ 376</u>	<u>\$ 376</u>	<u>\$ -</u>

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments.	\$ 146,724	\$ 78,628	\$ 78,628	\$ -
Total revenues	146,724	78,628	78,628	-
Expenditures:				
Current:				
General government				
Special assessment				
Maintenance and operations.	15,800	8,703	8,703	-
Other.	120,446	70,512	65,512	5,000
Total general government.	136,246	79,215	74,215	5,000
Debt service:				
Principal retirement.	10,478	-	-	-
Total debt service.	10,478	-	-	-
Total expenditures	146,724	79,215	74,215	5,000
Net change in fund balance.	-	(587)	4,413	5,000
Fund balance at beginning of year	143,569	143,569	143,569	-
Fund balance at end of year	\$ 143,569	\$ 142,982	\$ 147,982	\$ 5,000

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNICIPAL COURT SPECIAL PROJECT FUND - PROBATION
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<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	\$ -	\$ 7,133	\$ 8,529	\$ 1,396
Total revenues	-	7,133	8,529	1,396
Expenditures:				
Current:				
Security of persons and property				
Police				
Maintenance and operations	-	4,768	4,720	48
Total expenditures	-	4,768	4,720	48
Net change in fund balance.	-	2,365	3,809	1,444
Fund balance at beginning of year	<u>1,754</u>	<u>1,754</u>	<u>1,754</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,754</u>	<u>\$ 4,119</u>	<u>\$ 5,563</u>	<u>\$ 1,444</u>

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 66,900	\$ 70,870	\$ 72,535	\$ 1,665
Total revenues	<u>66,900</u>	<u>70,870</u>	<u>72,535</u>	<u>1,665</u>
Net change in fund balance.	66,900	70,870	72,535	1,665
Fund balance at beginning of year	<u>51,000</u>	<u>51,000</u>	<u>51,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 117,900</u>	<u>\$ 121,870</u>	<u>\$ 123,535</u>	<u>\$ 1,665</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 4,200	\$ 4,025	\$ 4,025	\$ -
Total revenues	4,200	4,025	4,025	-
Expenditures:				
Current:				
Community environment				
Zoning and rezoning				
Maintenance and operations	2,052	3,885	3,833	52
Total expenditures.	2,052	3,885	3,833	52
Net change in fund balance.	2,148	140	192	52
Fund balance at beginning of year	823	823	823	-
Prior year encumbrances appropriated . . .	52	52	52	-
Fund balance at end of year	\$ 3,023	\$ 1,015	\$ 1,067	\$ 52

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ 1,036	\$ 1,036	\$ -
Total revenues.	<u>-</u>	<u>1,036</u>	<u>1,036</u>	<u>-</u>
Net change in fund balance.	-	1,036	1,036	-
Fund balance at beginning of year	<u>\$ 16,847</u>	<u>\$ 16,847</u>	<u>\$ 16,847</u>	<u>\$ -</u>
Fund balance at end of year	<u><u>\$ 16,847</u></u>	<u><u>\$ 17,883</u></u>	<u><u>\$ 17,883</u></u>	<u><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, 2016

	<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.	\$ 4,037	\$ 3,038	\$ 3,303	\$ 265
Total revenues.	<u>4,037</u>	<u>3,038</u>	<u>3,303</u>	<u>265</u>
Net change in fund balance.	4,037	3,038	3,303	265
Fund balance at beginning of year	<u>19,009</u>	<u>19,009</u>	<u>19,009</u>	<u>-</u>
Fund balance at end of year	<u>\$ 23,046</u>	<u>\$ 22,047</u>	<u>\$ 22,312</u>	<u>\$ 265</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 5,568	\$ 5,628	\$ 5,812	\$ 184
Total revenues	5,568	5,628	5,812	184
Expenditures:				
Current:				
General government				
Municipal court				
Capital outlay	3,300	-	-	-
Total expenditures	3,300	-	-	-
Net change in fund balance	2,268	5,628	5,812	184
Fund balance at beginning of year	23,255	23,255	23,255	-
Fund balance at end of year	\$ 25,523	\$ 28,883	\$ 29,067	\$ 184

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 153,000	\$ 154,736	\$ 154,736	\$ -
Total revenues.	153,000	154,736	154,736	-
Expenditures:				
Current:				
General government				
Municipal court				
Maintenance and operations	156,674	173,542	169,155	4,387
Total expenditures	156,674	173,542	169,155	4,387
Net change in fund balance.	(3,674)	(18,806)	(14,419)	4,387
Fund balance at beginning of year	40,441	40,441	40,441	-
Prior year encumbrances appropriated . . .	3,674	3,674	3,674	-
Fund balance at end of year	\$ 40,441	\$ 25,309	\$ 29,696	\$ 4,387

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BELLEVIEW PARK POOL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<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	\$ -	\$ 3,643	\$ 3,643	\$ -
Contributions and donations	-	232	232	-
Other	-	13	148	135
Total revenues.	<u>-</u>	<u>3,888</u>	<u>4,023</u>	<u>135</u>
Expenditures:				
Current:				
Leisure time activity				
Recreation-pools				
Personal services	35,548	24,899	24,899	-
Maintenance and operations	19,435	8,968	7,440	1,528
Total expenditures	<u>54,983</u>	<u>33,867</u>	<u>32,339</u>	<u>1,528</u>
Excess of expenditures over revenues.	<u>(54,983)</u>	<u>(29,979)</u>	<u>(28,316)</u>	<u>1,663</u>
Other financing sources:				
Transfers in.	-	3,500	3,500	-
Total other financing sources.	<u>-</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Net change in fund balance.	(54,983)	(26,479)	(24,816)	1,663
Fund balance at beginning of year	24,486	24,486	24,486	-
Prior year encumbrances appropriated	1,435	1,435	1,435	-
Fund balance (deficit) at end of year	<u>\$ (29,062)</u>	<u>\$ (558)</u>	<u>\$ 1,105</u>	<u>\$ 1,663</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Rental income.	\$ 12,000	\$ 12,000	\$ 13,000	\$ 1,000
Total revenues.	<u>12,000</u>	<u>12,000</u>	<u>13,000</u>	<u>1,000</u>
Expenditures:				
Current:				
General government				
Electrical department				
Maintenance and operations	14,100	4,668	1,468	3,200
Total expenditures	<u>14,100</u>	<u>4,668</u>	<u>1,468</u>	<u>3,200</u>
Net change in fund balance.	(2,100)	7,332	11,532	4,200
Fund balance at beginning of year	33,778	33,778	33,778	-
Prior year encumbrances appropriated . . .	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>-</u>
Fund balance at end of year	<u>\$ 33,778</u>	<u>\$ 43,210</u>	<u>\$ 47,410</u>	<u>\$ 4,200</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, 2016

	<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	\$ 62,008	\$ 59,532	\$ 59,532	\$ -
Other	600	355	355	-
Total revenues	<u>62,608</u>	<u>59,887</u>	<u>59,887</u>	<u>-</u>
Expenditures:				
Current:				
Public health and welfare				
Food				
Personal services	64,126	56,004	55,831	173
Maintenance and operations	10,188	16,824	9,441	7,383
Total expenditures	<u>74,314</u>	<u>72,828</u>	<u>65,272</u>	<u>7,556</u>
Excess of expenditures over revenues.	<u>(11,706)</u>	<u>(12,941)</u>	<u>(5,385)</u>	<u>7,556</u>
Other financing sources:				
Transfers in	7,500	7,500	7,500	-
Total other financing sources.	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Net change in fund balance.	(4,206)	(5,441)	2,115	7,556
Fund balance at beginning of year	11,187	11,187	11,187	-
Prior year encumbrances appropriated	<u>268</u>	<u>268</u>	<u>268</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 7,249</u>	<u>\$ 6,014</u>	<u>\$ 13,570</u>	<u>\$ 7,556</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, 2016

	<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.	\$ 34,000	\$ 78,425	\$ 91,179	\$ 12,754
Intergovernmental.	-	15,000	15,000	-
Other.	-	6	6	-
Total revenues	<u>34,000</u>	<u>93,431</u>	<u>106,185</u>	<u>12,754</u>
Expenditures:				
Current:				
Public health and welfare				
EPSDT				
Personal services.	15,749	14,695	14,562	133
Maintenance and operations.	<u>18,002</u>	<u>17,672</u>	<u>17,664</u>	<u>8</u>
Total expenditures	<u>33,751</u>	<u>32,367</u>	<u>32,226</u>	<u>141</u>
Net change in fund balance.	249	61,064	73,959	12,895
Fund balance at beginning of year	57,179	57,179	57,179	-
Prior year encumbrances appropriated	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 57,430</u>	<u>\$ 118,245</u>	<u>\$ 131,140</u>	<u>\$ 12,895</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income.	\$ 10	\$ 10	\$ 10	\$ -
Total revenues.	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Net change in fund balance.	10	10	10	-
Fund balance at beginning of year	<u>10,267</u>	<u>10,267</u>	<u>10,267</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,277</u>	<u>\$ 10,277</u>	<u>\$ 10,277</u>	<u>\$ -</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits.	\$ 1,350	\$ 1,427	\$ 1,427	\$ -
Total revenues	<u>1,350</u>	<u>1,427</u>	<u>1,427</u>	<u>-</u>
Expenditures:				
Current:				
Leisure time activity				
Recreation-pools				
Maintenance and operations	800	900	900	-
Other	<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,350</u>	<u>900</u>	<u>900</u>	<u>-</u>
Net change in fund balance.	-	527	527	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 527</u>	<u>\$ 527</u>	<u>\$ -</u>

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income.	\$ -	\$ 8	\$ 8	\$ -
Total revenues.	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Net change in fund balance.	-	8	8	-
Fund balance at beginning of year	<u>\$ 1,595</u>	<u>\$ 1,595</u>	<u>\$ 1,595</u>	<u>\$ -</u>
Fund balance at end of year.	<u><u>\$ 1,595</u></u>	<u><u>\$ 1,603</u></u>	<u><u>\$ 1,603</u></u>	<u><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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 800,000	\$ 608,537	\$ 528,568	\$ (79,969)
Other	-	802	806	4
Total revenues	800,000	609,339	529,374	(79,965)
Expenditures:				
Current:				
Community environment				
Community development				
Personal services.	175,944	139,997	134,856	5,141
Maintenance and operations.	50,073	38,952	29,463	9,489
Capital outlay	579,006	423,819	375,894	47,925
Total expenditures	805,023	602,768	540,213	62,555
Net change in fund balance.	(5,023)	6,571	(10,839)	(17,410)
Fund balance at beginning of year	5,911	5,911	5,911	-
Prior year encumbrances appropriated	5,023	5,023	5,023	-
Fund balance at end of year.	\$ 5,911	\$ 17,505	\$ 95	\$ (17,410)

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income.	\$ 5	\$ 2	\$ 2	\$ -
Other.	4,252	4,252	4,252	-
Total revenues.	4,257	4,254	4,254	-
Net change in fund balance.	4,257	4,254	4,254	-
Fund balance at beginning of year	20,214	20,214	20,214	-
Fund balance at end of year.	\$ 24,471	\$ 24,468	\$ 24,468	\$ -

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 139,626	\$ 250	\$ 250	\$ -
Total revenues	<u>139,626</u>	<u>250</u>	<u>250</u>	<u>-</u>
Expenditures:				
Current:				
Community environment				
Community development				
Personal services.	69,813	835	658	177
Other.	<u>103,572</u>	<u>33,759</u>	<u>-</u>	<u>33,759</u>
Total expenditures	<u>173,385</u>	<u>34,594</u>	<u>658</u>	<u>33,936</u>
Net change in fund balance.	(33,759)	(34,344)	(408)	33,936
Fund balance at beginning of year	43,817	43,817	43,817	-
Prior year encumbrances appropriated . .	<u>33,759</u>	<u>33,759</u>	<u>33,759</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 43,817</u>	<u>\$ 43,232</u>	<u>\$ 77,168</u>	<u>\$ 33,936</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNICIPAL COURT SPECIAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<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	\$ -	\$ 15,482	\$ 18,468	\$ 2,986
Total revenues	-	15,482	18,468	2,986
Net change in fund balance.	-	15,482	18,468	2,986
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 15,482</u>	<u>\$ 18,468</u>	<u>\$ 2,986</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 215,957	\$ 217,654	\$ 217,654	\$ -
Intergovernmental.	57,794	60,929	60,929	-
Total revenues.	273,751	278,583	278,583	-
Expenditures:				
Current:				
General government				
General bond retirement				
Maintenance and operations	12,200	5,298	5,298	-
Total general government.	12,200	5,298	5,298	-
Debt service:				
Principal retirement.	95,000	95,000	95,000	-
Interest and fiscal charges.	133,831	133,831	133,831	-
Total debt service	228,831	228,831	228,831	-
Total expenditures.	241,031	234,129	234,129	-
Net change in fund balance.	32,720	44,454	44,454	-
Fund balance at beginning of year	168,669	168,669	168,669	-
Fund balance at end of year.	\$ 201,389	\$ 213,123	\$ 213,123	\$ -

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CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2016

	Capital Improvement	Municipal Court Improvement	.7% City Income Tax - Equipment Improvement
Assets:			
Equity in pooled cash and cash equivalents	\$ 316,508	\$ 118,430	\$ 704,287
Receivables (net of allowances of uncollectibles):			
Income taxes	-	-	71,850
Total assets	<u>\$ 316,508</u>	<u>\$ 118,430</u>	<u>\$ 776,137</u>
Deferred inflows of resources:			
Income tax revenue not available	\$ -	\$ -	\$ 71,850
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>71,850</u>
Fund balances:			
Restricted	306,508	118,430	-
Committed	10,000	-	704,287
Total fund balances	<u>316,508</u>	<u>118,430</u>	<u>704,287</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 316,508</u>	<u>\$ 118,430</u>	<u>\$ 776,137</u>

.7% City Income Tax - Recreation Improvement	Total Nonmajor Capital Projects Funds
\$ 215,814	\$ 1,355,039
<u>23,950</u>	<u>95,800</u>
<u>\$ 239,764</u>	<u>\$ 1,450,839</u>
\$ 23,950	\$ 95,800
<u>23,950</u>	<u>95,800</u>
-	424,938
<u>215,814</u>	<u>930,101</u>
<u>215,814</u>	<u>1,355,039</u>
<u>\$ 239,764</u>	<u>\$ 1,450,839</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, 2016

	<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	-	26,664	-
Intergovernmental	544,667	18,600	-
Other	4,833	-	34,931
	<hr/>	<hr/>	<hr/>
Total revenues	549,500	45,264	334,931
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	-	36,190	-
Community environment	713,185	-	-
Capital outlay	536,667	-	628,264
	<hr/>	<hr/>	<hr/>
Total expenditures	1,249,852	36,190	628,264
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(700,352)	9,074	(293,333)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	1,016,860	109,356	997,620
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 316,508	\$ 118,430	\$ 704,287
	<hr/>	<hr/>	<hr/>

.7% City Income Tax - Recreation Improvement	Total Nonmajor Capital Projects Funds
\$ 100,000	\$ 400,000
-	26,664
-	563,267
-	39,764
<hr/>	<hr/>
100,000	1,029,695
<hr/>	<hr/>
-	36,190
-	713,185
45,221	1,210,152
<hr/>	<hr/>
45,221	1,959,527
<hr/>	<hr/>
54,779	(929,832)
161,035	2,284,871
<hr/>	<hr/>
\$ 215,814	\$ 1,355,039
<hr/>	<hr/>

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 357,000	\$ 544,667	\$ 544,667	\$ -
Other	-	4,833	4,833	-
Total revenues	<u>357,000</u>	<u>549,500</u>	<u>549,500</u>	<u>-</u>
Expenditures:				
Capital improvement				
Capital outlay	<u>1,196,528</u>	<u>1,372,791</u>	<u>1,371,534</u>	<u>1,257</u>
Total expenditures.	<u>1,196,528</u>	<u>1,372,791</u>	<u>1,371,534</u>	<u>1,257</u>
Net change in fund balance.	(839,528)	(823,291)	(822,034)	1,257
Fund balance at beginning of year	1,017,603	1,017,603	1,017,603	-
Prior year encumbrances appropriated . . .	<u>(743)</u>	<u>(743)</u>	<u>(743)</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 177,332</u>	<u>\$ 193,569</u>	<u>\$ 194,826</u>	<u>\$ 1,257</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures.	\$ 28,000	\$ 26,785	\$ 26,664	\$ (121)
Intergovernmental.	-	18,600	18,600	-
Total revenues.	28,000	45,385	45,264	(121)
Expenditures:				
Capital outlay				
Municipal court				
Maintenance and operations.	102	68	63	5
Capital outlay.	87,000	41,262	36,541	4,721
Total expenditures.	87,102	41,330	36,604	4,726
 Net change in fund balance	 (59,102)	 4,055	 8,660	 4,605
 Fund balance at beginning of year	 109,354	 109,354	 109,354	 -
Prior year encumbrances appropriated.	2	2	2	-
 Fund balance at end of year	 \$ 50,254	 \$ 113,411	 \$ 118,016	 \$ 4,605

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Other	-	34,931	34,931	-
Total revenues	<u>300,000</u>	<u>334,931</u>	<u>334,931</u>	<u>-</u>
Expenditures:				
Capital outlay				
Equipment improvement				
Maintenance and operations.	925	770	715	55
Capital outlay	987,212	1,231,140	727,817	503,323
Other	15,147	16,500	11,306	5,194
Total expenditures.	<u>1,003,284</u>	<u>1,248,410</u>	<u>739,838</u>	<u>508,572</u>
 Net change in fund balance	(703,284)	(913,479)	(404,907)	508,572
 Fund balance at beginning of year.	506,383	506,383	506,383	-
Prior year encumbrances appropriated	<u>491,237</u>	<u>491,237</u>	<u>491,237</u>	<u>-</u>
 Fund balance at end of year	<u>\$ 294,336</u>	<u>\$ 84,141</u>	<u>\$ 592,713</u>	<u>\$ 508,572</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total revenues.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Expenditures:				
Capital outlay				
Recreation improvement				
Maintenance and operations	408	287	268	19
Capital outlay	104,525	68,732	57,707	11,025
Other.	<u>5,000</u>	<u>6,000</u>	<u>3,746</u>	<u>2,254</u>
Total expenditures.	<u>109,933</u>	<u>75,019</u>	<u>61,721</u>	<u>13,298</u>
Net change in fund balance.	(9,933)	24,981	38,279	13,298
Fund balance at beginning of year	151,101	151,101	151,101	-
Prior year encumbrances appropriated . . .	<u>9,934</u>	<u>9,934</u>	<u>9,934</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 151,102</u>	<u>\$ 186,016</u>	<u>\$ 199,314</u>	<u>\$ 13,298</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,087,142	\$ 6,400,606	\$ 6,429,829	\$ 29,223
Other.	-	609	609	-
Total revenues	6,087,142	6,401,215	6,430,438	29,223
Operating expenses:				
Personal services.	1,453,102	1,463,153	1,432,713	30,440
Maintenance and operations	1,978,202	2,147,211	1,639,749	507,462
Capital outlay	1,021,960	1,267,469	959,437	308,032
Total expenses	4,453,264	4,877,833	4,031,899	845,934
Operating income.	1,633,878	1,523,382	2,398,539	875,157
Nonoperating revenues (expenses):				
Intergovernmental	-	57,000	57,000	-
OPWC loan	-	43,820	43,820	-
Debt service:				
Principal retirement	(2,300,025)	(2,162,884)	(2,162,884)	-
Interest and fiscal charges.	(863,257)	(811,785)	(811,785)	-
Total nonoperating revenues (expenses) . . .	(3,163,282)	(2,873,849)	(2,873,849)	-
Net change in fund equity	(1,529,404)	(1,350,467)	(475,310)	875,157
Fund equity at beginning of year.	3,202,206	3,202,206	3,202,206	-
Prior year encumbrances appropriated . . .	686,172	686,172	686,172	-
Fund equity at end of year	\$ 2,358,974	\$ 2,537,911	\$ 3,413,068	\$ 875,157

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, 2016

	<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	\$ 3,901,500	\$ 3,922,081	\$ 3,913,145	\$ (8,936)
Other.	-	667	667	-
Total revenues	<u>3,901,500</u>	<u>3,922,748</u>	<u>3,913,812</u>	<u>(8,936)</u>
Operating expenses:				
Personal services.	1,464,303	1,425,353	1,371,838	53,515
Maintenance and operations	2,179,268	2,481,346	1,717,621	763,725
Capital outlay	4,959,662	5,150,880	3,044,698	2,106,182
Total expenses	<u>8,603,233</u>	<u>9,057,579</u>	<u>6,134,157</u>	<u>2,923,422</u>
Operating loss	<u>(4,701,733)</u>	<u>(5,134,831)</u>	<u>(2,220,345)</u>	<u>2,914,486</u>
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement	(771,749)	(777,993)	(681,084)	96,909
Interest and fiscal charges.	(658,825)	(731,876)	(719,565)	12,311
Total nonoperating revenues (expenses) . . .	<u>(1,430,574)</u>	<u>(1,509,869)</u>	<u>(1,400,649)</u>	<u>109,220</u>
Net change in fund equity	(6,132,307)	(6,644,700)	(3,620,994)	3,023,706
Fund equity at beginning of year.	4,849,544	4,849,544	4,849,544	-
Prior year encumbrances appropriated . . .	<u>3,341,152</u>	<u>3,341,152</u>	<u>3,341,152</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,058,389</u>	<u>\$ 1,545,996</u>	<u>\$ 4,569,702</u>	<u>\$ 3,023,706</u>

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,016,694	\$ 2,007,531	\$ 2,018,710	\$ 11,179
Other.	-	11,550	11,550	-
Total revenues	2,016,694	2,019,081	2,030,260	11,179
Operating expenses:				
Personal services.	926,478	888,835	876,759	12,076
Contractual services	414,756	414,649	340,655	73,994
Maintenance and operations	1,559,731	1,933,590	1,575,475	358,115
Capital outlay	52,837	-	-	-
Total expenses	2,953,802	3,237,074	2,792,889	444,185
Operating loss	(937,108)	(1,217,993)	(762,629)	455,364
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement	(104,499)	(78,374)	(78,374)	-
Interest and fiscal charges.	(1,369)	(1,027)	(1,027)	-
Total nonoperating revenues (expenses). . .	(105,868)	(79,401)	(79,401)	-
Net change in fund equity	(1,042,976)	(1,297,394)	(842,030)	455,364
Fund equity at beginning of year.	5,148,305	5,148,305	5,148,305	-
Prior year encumbrances appropriated . . .	204,528	204,528	204,528	-
Fund equity at end of year	\$ 4,309,857	\$ 4,055,439	\$ 4,510,803	\$ 455,364

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, 2016

	<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	\$ -	\$ 296	\$ 296	\$ -
Total revenues	<u>-</u>	<u>296</u>	<u>296</u>	<u>-</u>
Operating expenses:				
Claims	30,000	-	-	-
Maintenance and operations.	120	100	-	100
Total expenses	<u>30,120</u>	<u>100</u>	<u>-</u>	<u>100</u>
Net change in fund equity	(30,120)	196	296	100
Fund equity at beginning of year.	<u>209,830</u>	<u>209,830</u>	<u>209,830</u>	<u>-</u>
Fund equity at end of year	<u>\$ 179,710</u>	<u>\$ 210,026</u>	<u>\$ 210,126</u>	<u>\$ 100</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, 2016

	Beginning Balance 12/31/2015	Additions	Reductions	Ending Balance 12/31/2016
Utility Service Deposit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 324,179	\$ 89,380	\$ 88,737	\$ 324,822
Total assets	<u>\$ 324,179</u>	<u>\$ 89,380</u>	<u>\$ 88,737</u>	<u>\$ 324,822</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Deposits held and due to others	\$ 324,179	\$ 89,380	\$ 88,737	\$ 324,822
Total liabilities	<u>\$ 324,179</u>	<u>\$ 89,380</u>	<u>\$ 88,737</u>	<u>\$ 324,822</u>
Fire Damage Removal				
Assets:				
Equity in pooled cash and cash equivalents	\$ 22,683	\$ 23,460	\$ 17,460	\$ 28,683
Total assets	<u>\$ 22,683</u>	<u>\$ 23,460</u>	<u>\$ 17,460</u>	<u>\$ 28,683</u>
Liabilities:				
Deposits held and due to others	\$ 22,683	\$ 23,460	\$ 17,460	\$ 28,683
Total liabilities	<u>\$ 22,683</u>	<u>\$ 23,460</u>	<u>\$ 17,460</u>	<u>\$ 28,683</u>
Zoning and Rezoning				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,414	\$ 8,500	\$ 5,196	\$ 12,718
Total assets	<u>\$ 9,414</u>	<u>\$ 8,500</u>	<u>\$ 5,196</u>	<u>\$ 12,718</u>
Liabilities:				
Accounts payable.	\$ -	\$ 168	\$ -	\$ 168
Deposits held and due to others	9,414	8,332	5,196	12,550
Total liabilities	<u>\$ 9,414</u>	<u>\$ 8,500</u>	<u>\$ 5,196</u>	<u>\$ 12,718</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, 2016

	Beginning Balance 12/31/2015	Additions	Reductions	Ending Balance 12/31/2016
Municipal Court				
Assets:				
Cash in segregated accounts	\$ 22,980	\$ 948,374	\$ 948,121	\$ 23,233
Total assets	<u>\$ 22,980</u>	<u>\$ 948,374</u>	<u>\$ 948,121</u>	<u>\$ 23,233</u>
Liabilities:				
Undistributed monies	\$ 22,980	\$ 948,374	\$ 948,121	\$ 23,233
Total liabilities	<u>\$ 22,980</u>	<u>\$ 948,374</u>	<u>\$ 948,121</u>	<u>\$ 23,233</u>
 Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 356,276	\$ 121,340	\$ 111,393	\$ 366,223
Cash in segregated accounts	22,980	948,374	948,121	23,233
Total assets	<u>\$ 379,256</u>	<u>\$ 1,069,714</u>	<u>\$ 1,059,514</u>	<u>\$ 389,456</u>
Liabilities:				
Accounts payable	\$ -	\$ 168	\$ -	\$ 168
Undistributed monies	22,980	948,374	948,121	23,233
Deposits held and due to others	356,276	121,172	111,393	366,055
Total liabilities	<u>\$ 379,256</u>	<u>\$ 1,069,714</u>	<u>\$ 1,059,514</u>	<u>\$ 389,456</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.	182-195
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income and property taxes.	196-202
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.	204-215
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.	216-217
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.	218-223

CITY OF STEUBENVILLE, OHIO

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

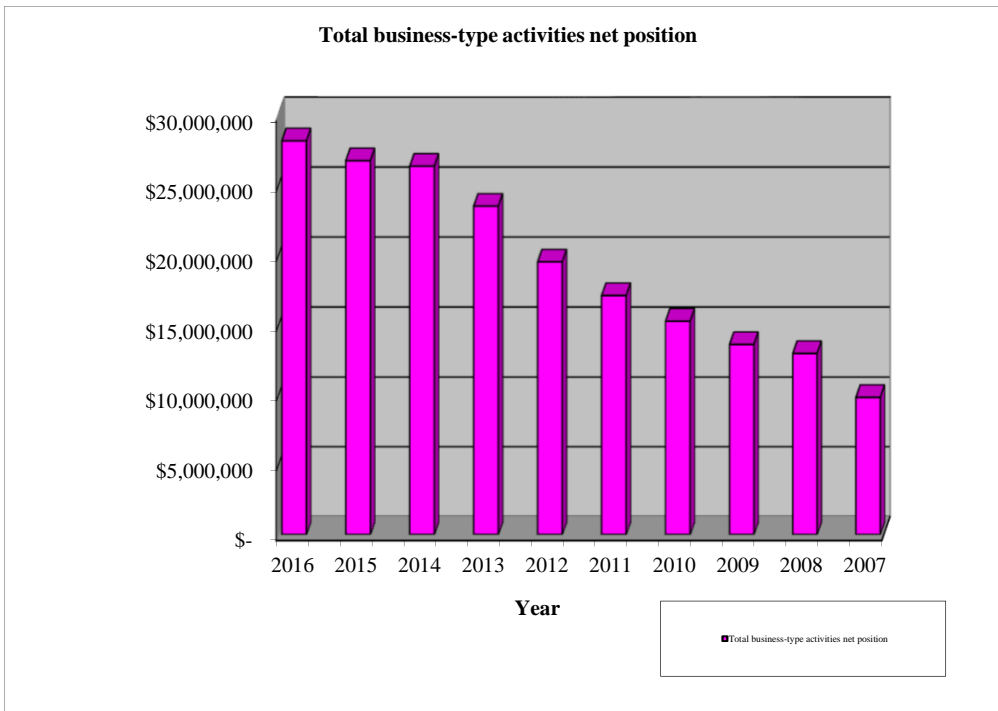
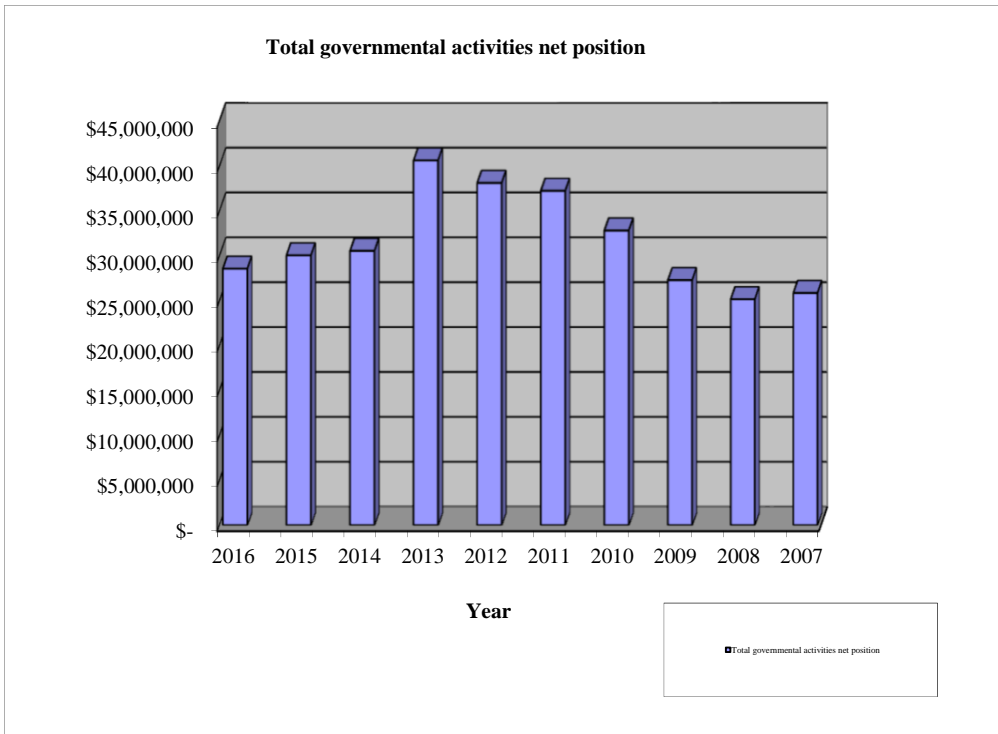
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:				
Net investment in capital assets	\$ 31,429,821	\$ 31,655,663	\$ 31,621,010	\$ 29,968,932
Restricted for:				
Capital projects	181,122	168,289	282,850	273,468
Debt service	-	-	-	-
Street construction, maintenance and repair	1,207,686	1,138,040	1,750,025	4,801,831
Police and fire	32,209	31,173	32,516	35,395
Municipal court improvements	118,430	109,356	99,258	91,867
Recreation	-	-	-	-
Community development projects	1,067,319	1,012,633	1,177,269	1,204,789
Health programs	-	-	-	-
Safety programs	-	-	-	-
Equipment improvement	-	-	-	-
Court programs	181,108	164,711	108,757	103,236
Emergency management	-	-	-	-
Other purposes	459,220	339,614	367,539	215,047
Unrestricted (deficit)	<u>(6,129,941)</u>	<u>(4,582,828)</u>	<u>(4,911,687)</u>	<u>3,932,979</u>
Total governmental activities net position	<u>\$ 28,546,974</u>	<u>\$ 30,036,651</u>	<u>\$ 30,527,537</u>	<u>\$ 40,627,544</u>
Business-type activities:				
Net investment in capital assets	\$ 20,119,667	\$ 18,461,579	\$ 15,606,124	\$ 14,664,196
Restricted for:				
Debt service	-	-	-	-
Unrestricted (deficit)	<u>8,073,856</u>	<u>8,309,781</u>	<u>10,773,111</u>	<u>8,858,962</u>
Total business-type activities net position	<u>\$ 28,193,523</u>	<u>\$ 26,771,360</u>	<u>\$ 26,379,235</u>	<u>\$ 23,523,158</u>
Total primary government:				
Net investment in capital assets	\$ 51,549,488	\$ 50,117,242	\$ 47,227,134	\$ 44,633,128
Restricted for:				
Capital projects	181,122	168,289	282,850	273,468
Debt service	-	-	-	-
Street construction, maintenance and repair	1,207,686	1,138,040	1,750,025	4,801,831
Police and fire	32,209	31,173	32,516	35,395
Court computer	118,430	109,356	99,258	91,867
Recreation	-	-	-	-
Community development projects	1,067,319	1,012,633	1,177,269	1,204,789
Health programs	-	-	-	-
Safety programs	-	-	-	-
Equipment improvement	-	-	-	-
Court programs	181,108	164,711	108,757	103,236
Emergency management	-	-	-	-
Other purposes	459,220	339,614	367,539	215,047
Unrestricted (deficit)	<u>1,943,915</u>	<u>3,726,953</u>	<u>5,861,424</u>	<u>12,791,941</u>
Total primary government net position	<u>\$ 56,740,497</u>	<u>\$ 56,808,011</u>	<u>\$ 56,906,772</u>	<u>\$ 64,150,702</u>

Source: City financial records

2012	2011	2010	2009	2008	2007
\$ 30,592,967	\$ 30,618,154	\$ 26,909,300	\$ 23,206,767	\$ 16,585,071	\$ 15,898,225
273,468	277,873	288,314	-	-	5,669
-	-	-	420,527	879,230	606,116
991,621	775,909	622,845	1,728,087	2,435,015	2,154,123
37,557	43,405	82,567	102,051	88,829	51,763
78,158	59,114	54,566	60,325	59,684	45,815
-	-	15,831	29,430	2,846,834	3,045,062
1,501,925	1,670,954	1,747,983	1,829,627	2,354,668	1,619,150
-	-	57,079	114,445	128,361	165,029
-	-	1,051,792	1,136,229	1,210,404	1,303,307
-	-	-	786,267	654,301	-
71,785	86,679	-	-	-	-
-	54,516	-	-	-	-
119,724	168,242	156,074	63,380	58,704	758,041
4,434,985	3,469,243	1,813,032	(2,205,828)	(2,163,937)	183,363
<u>\$ 38,102,190</u>	<u>\$ 37,224,089</u>	<u>\$ 32,799,383</u>	<u>\$ 27,271,307</u>	<u>\$ 25,137,164</u>	<u>\$ 25,835,663</u>
\$ 13,135,521	\$ 12,022,392	\$ 10,317,812	\$ 10,038,419	\$ 7,806,962	\$ 6,003,850
-	-	1,996,135	-	-	-
6,409,878	5,112,891	2,994,392	3,603,255	5,195,321	3,862,938
<u>\$ 19,545,399</u>	<u>\$ 17,135,283</u>	<u>\$ 15,308,339</u>	<u>\$ 13,641,674</u>	<u>\$ 13,002,283</u>	<u>\$ 9,866,788</u>
\$ 43,728,488	\$ 42,640,546	\$ 37,227,112	\$ 33,245,186	\$ 24,392,033	\$ 21,902,075
273,468	277,873	288,314	-	-	5,669
-	-	1,996,135	420,527	879,230	606,116
991,621	775,909	622,845	1,728,087	2,435,015	2,154,123
37,557	43,405	82,567	102,051	88,829	51,763
78,158	59,114	54,566	60,325	59,684	45,815
-	-	15,831	29,430	2,846,834	3,045,062
1,501,925	1,670,954	1,747,983	1,829,627	2,354,668	1,619,150
-	-	57,079	114,445	128,361	165,029
-	-	1,051,792	1,136,229	1,210,404	1,303,307
-	-	-	786,267	654,301	-
71,785	86,679	-	-	-	-
-	54,516	-	-	-	-
119,724	168,242	156,074	63,380	58,704	758,041
10,844,863	8,582,134	4,807,424	1,397,427	3,031,384	4,046,301
<u>\$ 57,647,589</u>	<u>\$ 54,359,372</u>	<u>\$ 48,107,722</u>	<u>\$ 40,912,981</u>	<u>\$ 38,139,447</u>	<u>\$ 35,702,451</u>

CITY OF STEUBENVILLE, OHIO

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



Source: City financial records.

Notes: 2014 amounts have been restated to reflect the implementation of GASB Statements Nos. 68 & 71 in 2015.

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CITY OF STEUBENVILLE, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 968,412	\$ 904,621	\$ 1,039,119	\$ 1,019,762
Security of persons and property	6,166	13,730	15,614	16,202
Public health and welfare	286,766	252,086	241,025	237,519
Transportation	106,068	79,712	124,182	201,701
Community environment	191,813	220,178	173,887	179,916
Leisure time activity	43,327	28,374	44,536	52,863
Operating grants and contributions	2,042,812	2,043,064	1,652,528	2,983,006
Capital grants and contributions	784,409	569,297	1,229,473	1,869,869
Total governmental activities program revenues	<u>4,429,773</u>	<u>4,111,062</u>	<u>4,520,364</u>	<u>6,560,838</u>
Business-type activities:				
Charges for services:				
Water	6,309,271	5,989,762	5,956,995	5,267,519
Sewer	3,814,237	3,836,102	3,842,815	4,231,045
Refuse	1,954,432	2,291,388	2,243,643	2,220,288
Operating grants & contributions	-	-	-	-
Capital grants and contributions	57,000	301,700	106,738	84,234
Total business-type activities program revenues	<u>12,134,940</u>	<u>12,418,952</u>	<u>12,150,191</u>	<u>11,803,086</u>
Total primary government	<u>\$ 16,564,713</u>	<u>\$ 16,530,014</u>	<u>\$ 16,670,555</u>	<u>\$ 18,363,924</u>
Expenses:				
Governmental activities:				
General government	\$ 3,242,172	\$ 3,225,266	\$ 2,918,782	\$ 2,963,682
Security of persons and property	8,785,738	7,719,461	7,038,402	7,194,554
Public health and welfare	532,254	591,661	573,512	634,498
Transportation	3,507,256	3,613,574	3,215,726	3,397,420
Community environment	1,238,946	793,755	681,418	1,681,840
Leisure time activity	726,855	825,576	796,512	719,238
Interest and fiscal charges	294,219	294,889	291,849	268,026
Total governmental activities expenses	<u>18,327,440</u>	<u>17,064,182</u>	<u>15,516,201</u>	<u>16,859,258</u>
Business-type activities:				
Water	4,860,258	6,544,983	4,832,198	4,568,647
Sewer	4,133,204	4,141,443	4,283,771	3,630,546
Refuse	1,675,400	1,463,393	1,313,113	1,307,220
Total business-type activities expenses	<u>10,668,862</u>	<u>12,149,819</u>	<u>10,429,082</u>	<u>9,506,413</u>
Total primary government	<u>\$ 28,996,302</u>	<u>\$ 29,214,001</u>	<u>\$ 25,945,283</u>	<u>\$ 26,365,671</u>
Net (expense) revenue:				
Governmental activities	\$ (13,897,667)	\$ (12,953,120)	\$ (10,995,837)	\$ (10,298,420)
Business-type activities	1,466,078	269,133	1,721,109	2,296,673
Total primary government net expense	<u>\$ (12,431,589)</u>	<u>\$ (12,683,987)</u>	<u>\$ (9,274,728)</u>	<u>\$ (8,001,747)</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 733,045	\$ 657,322	\$ 646,991	\$ 801,003	\$ 672,740	\$ 722,722
14,296	2,064	1,466	-	-	-
245,919	225,540	232,830	225,164	222,305	96,972
97,248	51,905	41,896	57,906	61,712	80,782
145,779	104,721	129,981	72,974	91,980	122,548
181,111	191,819	191,177	153,526	173,053	147,641
1,762,522	5,814,008	2,651,845	1,695,188	2,085,508	2,075,776
1,479,365	4,950,871	5,745,507	1,225,697	1,121,706	336,145
<u>4,659,285</u>	<u>11,998,250</u>	<u>9,641,693</u>	<u>4,231,458</u>	<u>4,429,004</u>	<u>3,582,586</u>
5,447,787	4,674,343	4,795,414	4,835,011	6,173,116	7,097,240
4,399,628	5,296,897	5,324,955	5,484,921	5,135,268	5,607,176
2,251,504	2,265,419	2,323,022	2,291,258	2,071,423	2,054,759
10,692	-	-	5,000	-	-
-	-	-	-	-	-
<u>12,109,611</u>	<u>12,236,659</u>	<u>12,443,391</u>	<u>12,616,190</u>	<u>13,379,807</u>	<u>14,759,175</u>
<u>\$ 16,768,896</u>	<u>\$ 24,234,909</u>	<u>\$ 22,085,084</u>	<u>\$ 16,847,648</u>	<u>\$ 17,808,811</u>	<u>\$ 18,341,761</u>
\$ 2,851,065	\$ 2,990,157	\$ 2,911,400	\$ 2,934,361	\$ 3,483,576	\$ 3,709,120
7,359,922	7,694,175	7,306,577	7,992,803	8,339,319	7,899,412
657,200	654,869	676,872	666,247	673,311	584,846
3,220,095	6,606,547	3,109,896	3,033,970	3,128,182	3,108,143
748,089	941,681	1,306,035	978,797	798,136	766,962
993,906	1,047,822	952,104	1,049,465	1,134,775	1,150,102
271,234	278,428	262,986	200,235	166,141	110,959
<u>16,101,511</u>	<u>20,213,679</u>	<u>16,525,870</u>	<u>16,855,878</u>	<u>17,723,440</u>	<u>17,329,544</u>
4,993,615	4,969,172	5,090,449	5,329,685	5,109,929	4,196,897
3,872,870	3,798,340	4,075,627	3,293,273	3,544,872	3,261,806
1,492,302	1,593,846	1,653,505	1,678,034	1,757,654	1,643,833
<u>10,358,787</u>	<u>10,361,358</u>	<u>10,819,581</u>	<u>10,300,992</u>	<u>10,412,455</u>	<u>9,102,536</u>
<u>\$ 26,460,298</u>	<u>\$ 30,575,037</u>	<u>\$ 27,345,451</u>	<u>\$ 27,156,870</u>	<u>\$ 28,135,895</u>	<u>\$ 26,432,080</u>
\$ (11,442,226)	\$ (8,215,429)	\$ (6,884,177)	\$ (12,624,420)	\$ (13,294,436)	\$ (13,746,958)
1,750,824	1,875,301	1,623,810	2,315,198	2,967,352	5,656,639
<u>\$ (9,691,402)</u>	<u>\$ (6,340,128)</u>	<u>\$ (5,260,367)</u>	<u>\$ (10,309,222)</u>	<u>\$ (10,327,084)</u>	<u>\$ (8,090,319)</u>

-- Continued

CITY OF STEUBENVILLE, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 1,042,099	\$ 951,459	\$ 940,815	\$ 916,282
Debt service	216,903	204,206	203,185	198,808
Municipal income taxes levied for:				
General purposes	8,789,657	8,622,606	8,376,021	8,822,516
Street improvement	702,410	703,363	703,978	758,523
Equipment improvement	288,117	290,881	294,506	319,027
Recreation	96,039	96,960	98,169	106,342
Other taxes:				
Hotel occupancy taxes	220,403	319,548	396,254	307,047
Grants and entitlements				
not restricted to specific programs	863,425	852,143	907,314	1,169,401
Investment earnings	5,477	1,892	1,972	3,357
Contributions and donations	-	-	-	-
Other	126,718	239,673	386,495	222,471
Special item	-	-	-	-
Transfers	56,742	179,503	90,785	-
Total governmental activities	<u>12,407,990</u>	<u>12,462,234</u>	<u>12,399,494</u>	<u>12,823,774</u>
Business-type activities:				
Investment earnings	-	-	-	-
Other	12,827	302,495	149,043	105,187
Oil & gas lease revenue	-	-	-	-
Special item	-	-	3,040,000	1,575,899
Transfers	(56,742)	(179,503)	(90,785)	-
Total business-type activities	<u>(43,915)</u>	<u>122,992</u>	<u>3,098,258</u>	<u>1,681,086</u>
Total primary government	<u>\$ 12,364,075</u>	<u>\$ 12,585,226</u>	<u>\$ 15,497,752</u>	<u>\$ 14,504,860</u>
Change in net position:				
Governmental activities	\$ (1,489,677)	\$ (490,886)	\$ 1,403,657	\$ 2,525,354
Business-type activities	1,422,163	392,125	4,819,367	3,977,759
Total primary government	<u>\$ (67,514)</u>	<u>\$ (98,761)</u>	<u>\$ 6,223,024</u>	<u>\$ 6,503,113</u>

Source: City financial records

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 999,622	\$ 1,111,461	\$ 986,308	\$ 1,045,944	\$ 1,081,165	\$ 1,166,643
185,150	229,331	211,596	218,263	224,870	241,412
8,379,389	7,866,863	7,389,061	7,943,321	7,236,415	7,585,986
741,205	646,294	679,734	734,850	780,379	695,058
308,845	305,337	293,627	316,041	355,469	300,000
102,949	101,779	97,875	105,347	118,490	100,000
292,107	220,348	181,220	215,029	252,246	268,287
1,192,720	2,056,140	2,353,784	1,857,377	2,156,652	2,921,033
3,383	9,160	40,629	87,574	148,934	238,765
-	-	-	15,941	15,864	20,915
123,955	214,161	184,657	225,452	225,453	195,974
-	-	-	-	-	2,617,966
(8,998)	-	(6,238)	1,993,424	-	(30,000)
<u>12,320,327</u>	<u>12,760,874</u>	<u>12,412,253</u>	<u>14,758,563</u>	<u>12,595,937</u>	<u>16,322,039</u>
-	-	195	3,606	150,867	283,091
53,038	10,895	36,422	171,224	17,276	610,079
597,256	-	-	-	-	-
-	-	-	142,787	-	-
8,998	-	6,238	(1,993,424)	-	30,000
<u>659,292</u>	<u>10,895</u>	<u>42,855</u>	<u>(1,675,807)</u>	<u>168,143</u>	<u>923,170</u>
<u>\$ 12,979,619</u>	<u>\$ 12,771,769</u>	<u>\$ 12,455,108</u>	<u>\$ 13,082,756</u>	<u>\$ 12,764,080</u>	<u>\$ 17,245,209</u>
\$ 878,101	\$ 4,545,445	\$ 5,528,076	\$ 2,134,143	\$ (698,499)	\$ 2,575,081
2,410,116	1,886,196	1,666,665	639,391	3,135,495	6,579,809
<u>\$ 3,288,217</u>	<u>\$ 6,431,641</u>	<u>\$ 7,194,741</u>	<u>\$ 2,773,534</u>	<u>\$ 2,436,996</u>	<u>\$ 9,154,890</u>

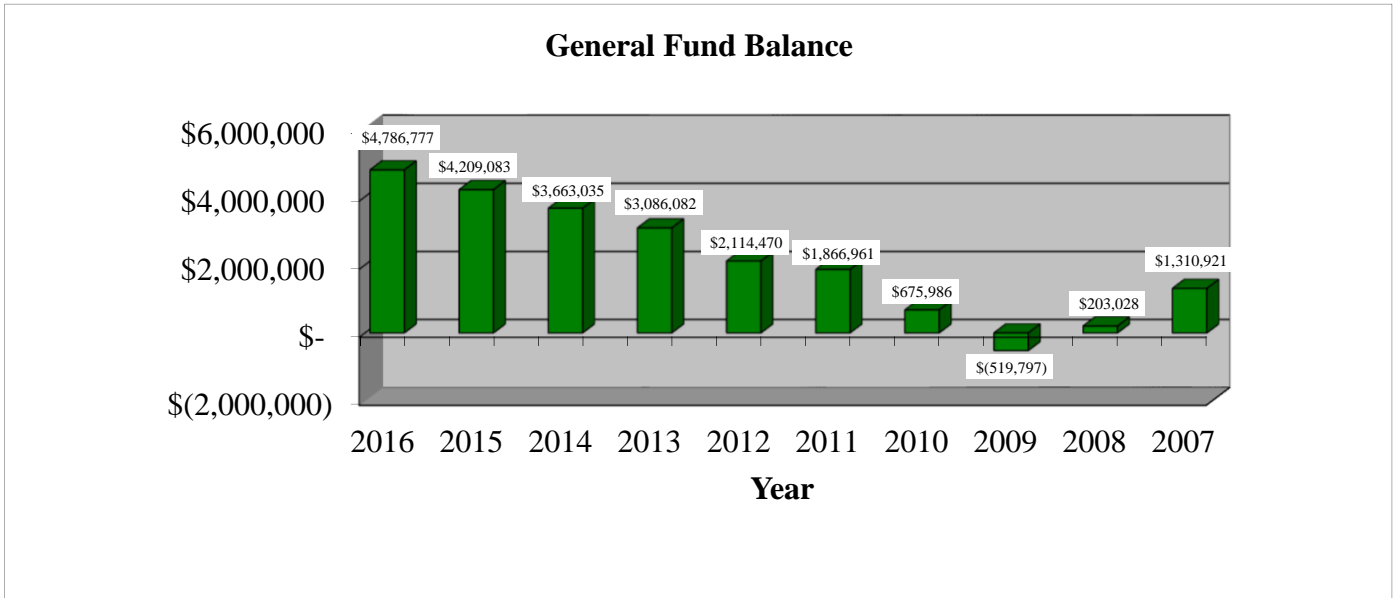
CITY OF STEUBENVILLE, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund:						
Nonspendable	\$ 335,584	\$ 243,792	\$ 245,030	\$ 233,270	\$ 297,807	\$ 341,304
Assigned	1,538,914	1,716,997	1,520,850	1,770,542	1,816,663	1,059,384
Unassigned	2,912,279	2,248,294	1,897,155	1,082,270	-	466,273
Reserved	-	-	-	-	-	-
Unreserved (deficit)	-	-	-	-	-	-
Total general fund	<u>\$ 4,786,777</u>	<u>\$ 4,209,083</u>	<u>\$ 3,663,035</u>	<u>\$ 3,086,082</u>	<u>\$ 2,114,470</u>	<u>\$ 1,866,961</u>
All other governmental funds:						
Nonspendable	\$ 367,154	\$ 191,255	\$ 53,783	\$ 43,230	\$ 473,326	\$ 131,273
Restricted	1,890,930	2,376,814	2,751,828	1,527,646	1,268,961	1,172,425
Committed	3,082,600	3,366,095	2,970,141	1,316,247	2,395,604	2,440,719
Unassigned (deficit)	-	-	-	(160,843)	-	(668,428)
Reserved	-	-	-	-	-	-
Unreserved (deficit), reported in:						
Special revenue funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 5,340,684</u>	<u>\$ 5,934,164</u>	<u>\$ 5,775,752</u>	<u>\$ 2,726,280</u>	<u>\$ 4,137,891</u>	<u>\$ 3,075,989</u>

Source: City financial records

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



<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
361,587	319,606	1,279,272	2,166,736
<u>314,399</u>	<u>(839,403)</u>	<u>(1,076,244)</u>	<u>(855,815)</u>
<u>\$ 675,986</u>	<u>\$ (519,797)</u>	<u>\$ 203,028</u>	<u>\$ 1,310,921</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
312,317	1,472,789	1,339,217	214,565
1,994,119	3,094,366	6,033,891	7,731,775
288,314	483,583	(114,796)	5,669
<u>64,342</u>	<u>344,483</u>	<u>806,046</u>	<u>542,029</u>
<u>\$ 2,659,092</u>	<u>\$ 5,395,221</u>	<u>\$ 8,064,358</u>	<u>\$ 8,494,038</u>

CITY OF STEUBENVILLE, OHIO

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

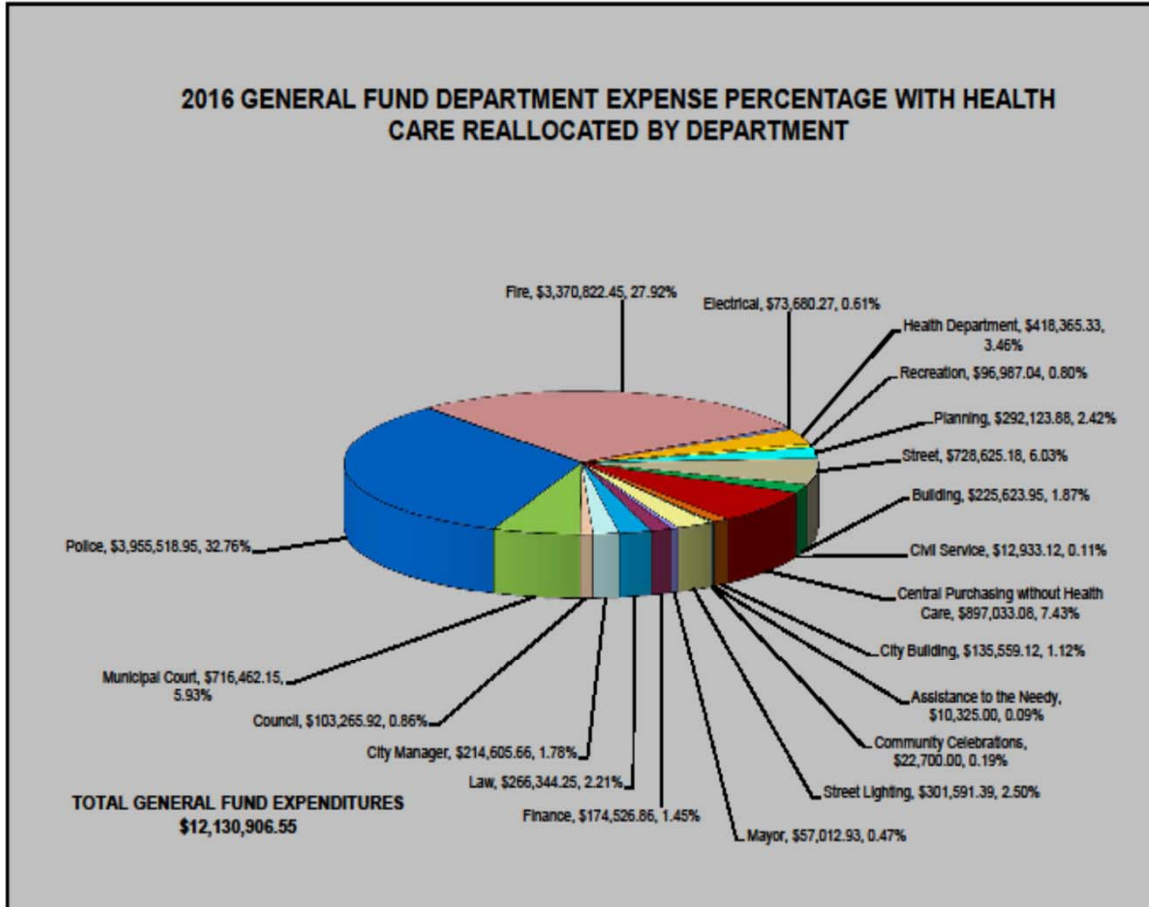
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues					
Taxes	\$ 11,508,036	\$ 11,675,407	\$ 11,129,961	\$ 10,941,486	\$ 10,656,734
Charges for services	32,814	46,755	52,638	58,640	80,558
Licenses and permits	982,626	926,413	893,575	1,003,244	853,116
Fines and forfeitures	366,973	329,193	382,097	434,304	371,436
Intergovernmental	3,701,004	3,596,867	5,482,153	4,708,251	5,282,808
Special assessments	78,628	168,227	96,479	31,943	4,961
Investment income	6,533	1,902	1,982	3,357	3,398
Rental income	103,446	108,544	129,643	138,587	115,103
Contributions and donations	12,937	7,073	11,390	52,925	11,852
Other	114,013	241,388	375,019	209,726	113,613
Total revenues	<u>16,907,010</u>	<u>17,101,769</u>	<u>18,554,937</u>	<u>17,582,463</u>	<u>17,493,579</u>
Expenditures					
Current:					
General government	2,992,451	3,151,213	2,696,811	2,587,744	2,617,083
Security of persons and property	7,335,812	7,452,012	7,005,187	6,885,508	7,092,438
Public health and welfare	550,708	593,208	639,995	635,243	655,812
Transportation	1,585,546	1,779,687	1,518,671	1,594,075	1,455,190
Community environment	1,010,255	650,823	500,175	1,268,090	942,727
Leisure time activity	380,286	459,277	490,645	367,899	652,209
Capital outlay	2,583,637	1,786,730	2,600,886	4,170,686	2,295,269
Debt service:					
Principal retirement	224,249	268,573	243,199	265,135	242,655
Interest and fiscal charges	261,552	269,650	239,611	251,182	257,143
Bond issuance cost	-	-	25,712	-	-
Total expenditures	<u>16,924,496</u>	<u>16,411,173</u>	<u>15,960,892</u>	<u>18,025,562</u>	<u>16,210,526</u>
Excess of revenues over (under) expenditures	<u>(17,486)</u>	<u>690,596</u>	<u>2,594,045</u>	<u>(443,099)</u>	<u>1,283,053</u>
Other financing sources (uses)					
Notes issued	-	-	-	-	-
Bonds issued	-	-	1,000,000	-	-
Premium on bonds	-	-	31,224	-	-
Capital lease transaction	-	-	-	-	24,995
Sale of capital assets	1,700	13,864	1,156	3,100	1,363
Transfers in	11,000	18,500	52,993	27,956	28,952
Transfers (out)	(11,000)	(18,500)	(52,993)	(27,956)	(28,952)
Proceeds from sale of golf course	-	-	-	-	-
Total other financing sources (uses)	<u>1,700</u>	<u>13,864</u>	<u>1,032,380</u>	<u>3,100</u>	<u>26,358</u>
Net change in fund balances	<u>\$ (15,786)</u>	<u>\$ 704,460</u>	<u>\$ 3,626,425</u>	<u>\$ (439,999)</u>	<u>\$ 1,309,411</u>
Capital expenditures	2,136,330	1,578,054	2,340,972	3,557,473	2,206,032
Debt service as a percentage of noncapital expenditures.	3.29%	3.63%	3.54%	3.57%	3.57%

Source: City financial records

2011	2010	2009	2008	2007
\$ 10,145,540	\$ 10,022,014	\$ 10,334,853	\$ 10,270,175	\$ 10,609,414
80,638	93,014	99,956	108,076	115,666
707,714	746,178	531,924	644,608	578,566
334,151	328,654	385,276	366,135	389,442
13,908,820	9,041,850	4,840,646	4,808,235	5,208,001
11,071	37,481	24,546	17,396	19,532
9,206	41,021	94,164	177,626	400,646
121,706	106,107	88,750	102,971	86,991
26,377	87,358	320,987	15,864	35,915
162,443	220,932	225,452	210,552	182,084
<u>25,507,666</u>	<u>20,724,609</u>	<u>16,946,554</u>	<u>16,721,638</u>	<u>17,626,257</u>
2,754,883	2,802,787	3,082,262	3,182,833	3,818,711
7,408,184	6,901,448	7,739,712	8,116,321	7,730,624
649,477	668,145	654,942	657,005	567,287
5,129,288	4,216,869	3,931,171	3,475,403	2,883,481
1,137,272	1,631,489	1,365,997	800,670	790,370
685,042	666,609	4,143,221	1,341,137	1,095,447
5,678,947	4,871,515	1,968,845	120,465	24,900
231,646	3,706,834	804,310	412,361	226,195
267,063	303,767	148,056	167,917	110,716
-	125,262	-	-	-
<u>23,941,802</u>	<u>25,894,725</u>	<u>23,838,516</u>	<u>18,274,112</u>	<u>17,247,731</u>
<u>1,565,864</u>	<u>(5,170,116)</u>	<u>(6,891,962)</u>	<u>(1,552,474)</u>	<u>378,526</u>
-	-	3,500,000	-	750,000
-	3,497,612	-	-	-
-	131,071	-	-	-
-	-	-	-	24,406
42,008	1,087	-	14,901	13,890
-	344,482	150,000	-	695
-	(344,482)	(150,000)	-	(695)
-	-	-	-	2,688,077
<u>42,008</u>	<u>3,629,770</u>	<u>3,500,000</u>	<u>14,901</u>	<u>3,476,373</u>
<u>\$ 1,607,872</u>	<u>\$ (1,540,346)</u>	<u>\$ (3,391,962)</u>	<u>\$ (1,537,573)</u>	<u>\$ 3,854,899</u>
5,645,566	7,497,907	10,162,964	2,099,841	1,336,789
2.73%	21.80%	6.96%	3.59%	2.12%

CITY OF STEUBENVILLE, OHIO

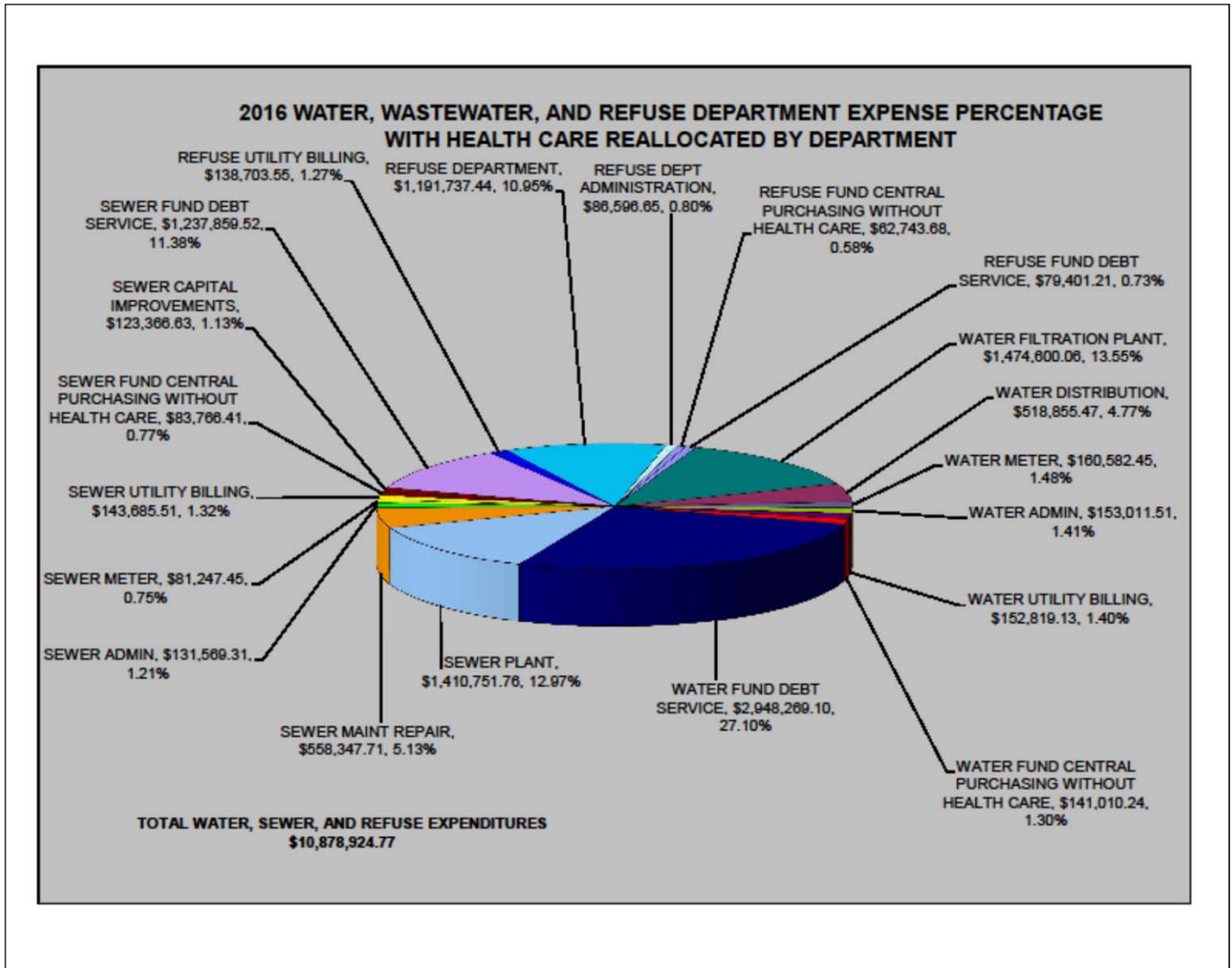
**GENERAL FUND EXPENDITURES CHART BY DEPARTMENT
CURRENT YEAR
(CASH BASIS)**



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)
2016	\$ 226,442,830	\$ 646,979,514	\$ 19,141,360	\$ 21,751,545	\$ -	\$ -
2015	226,820,990	648,059,971	15,812,610	17,968,875	-	-
2014	224,014,650	640,041,857	14,191,520	16,126,727	-	-
2013	224,091,290	640,260,829	13,453,550	15,288,125	-	-
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

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 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
\$ 245,584,190	\$ 668,731,060	36.72%	\$ 8.20
242,633,600	666,028,846	36.43%	8.20
238,206,170	656,168,584	36.30%	8.20
237,544,840	655,548,954	36.24%	8.20
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

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	
2016	\$ 6.60	\$ 1.00	\$ 0.60	\$ 8.20	\$ 12.15	\$ 35.35	\$ 2.50	\$ 1.50	
2015	6.60	1.00	0.60	8.20	12.15	35.35	2.50	1.50	
2014	6.60	1.00	0.60	8.20	11.95	35.35	2.50	1.50	
2013	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50	
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	

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	\$ 96.15	\$ 104.35
1.00	42.65	1.00	96.15	104.35
1.00	42.65	1.00	95.95	104.15
1.00	42.65	1.00	94.95	103.15
1.00	42.65	1.00	94.95	103.15
1.00	42.65	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

CITY OF STEUBENVILLE, OHIO

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND EIGHT YEARS AGO**

December 31, 2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Power Company	\$ 13,918,257	1	5.67%
Fort Steuben Improvements	13,709,599	2	5.58%
Columbia Gas of Ohio, Inc.	5,609,950	3	2.28%
Hollywood Center, Inc.	3,449,709	4	1.40%
Carriage Inn of Steubenville	2,109,520	5	0.86%
Laurels of Steubenville LLC	2,010,085	6	0.82%
Lowe's Home Centers Inc.	1,755,565	7	0.71%
River Rail Development	1,510,650	8	0.62%
L & L Realty Holding Company LLC	1,479,240	9	0.60%
Crown Hotels, Inc.	1,236,970	10	0.50%
Total, top ten principal property taxpayers	<u>\$ 46,789,545</u>		<u>19.04%</u>
Total City property tax assessed valuation	<u>\$ 245,584,190</u>		

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
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

Year	Total Levy	Current Collection	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
2016	\$ 1,390,968	\$ 1,349,396	97.01%	\$ 57,225	\$ 1,406,621	101.13%	\$ 326,390	23.46%
2015	1,366,365	1,321,710	96.73%	73,191	1,394,901	102.09%	360,990	26.42%
2014	1,339,769	1,288,885	96.20%	88,834	1,377,719	102.83%	347,572	25.94%
2013	1,328,278	1,273,602	95.88%	81,587	1,355,189	102.03%	483,185	36.38%
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%

Source: Jefferson County, Ohio; Auditor's Office

Note: Delinquent tax collections are available only by collection year rather than the year in which they were levied; therefore, the percentage of total collections to tax levy exceeds 100 percent in some years. The City will continue to work with the County Auditor to retrieve this information in the future.

CITY OF STEUBENVILLE, OHIO

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

Year	Tax Rate	Total Tax Collected
2016	2.00%	\$ 10,070,035
2015	2.00%	9,942,058
2014	2.00%	9,551,821
2013	2.00%	9,423,734
2012	2.00%	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

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**

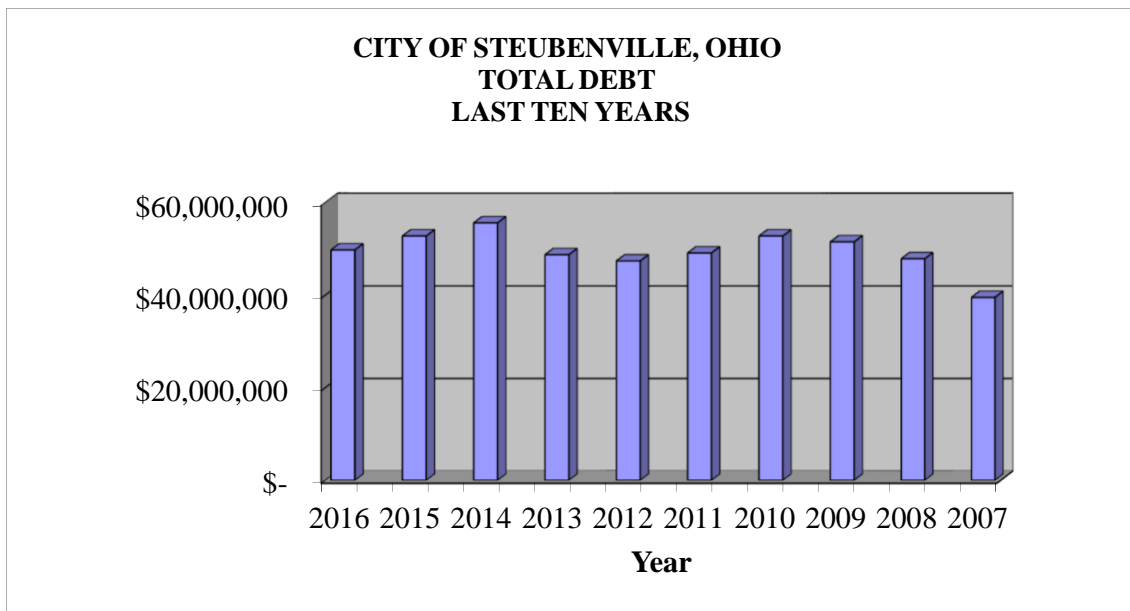
Year	Governmental Activities				Business-type Activities		
	General Obligation Bonds	Loans	Notes	Capital Leases	General Obligation Bonds	Revenue Bonds	Loans
2016	\$ 4,227,794	\$ 491,019	\$ -	\$ 1,460	\$ 7,981,456	\$ 797,220	\$ 36,055,373
2015	4,308,938	537,294	-	7,030	8,340,960	1,038,570	38,276,152
2014	4,391,146	635,663	-	12,193	8,700,462	1,255,814	40,482,981
2013	3,426,304	731,303	-	16,978	1,705,000	740,137	42,104,837
2012	3,491,935	856,403	-	21,413	1,825,000	401,044	40,769,527
2011	3,561,232	960,164	-	1,794	1,945,000	495,000	42,138,146
2010	3,628,629	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

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
\$ -	\$ 198,981	\$ 49,753,303	\$ 660,152,088	7.54%	18,072	\$ 2,753
-	239,074	52,748,018	645,178,250	8.18%	18,355	2,874
-	96,405	55,574,664	624,749,135	8.90%	18,355	3,028
-	-	48,724,559	609,478,880	7.99%	18,440	2,642
-	-	47,365,322	577,891,160	8.20%	18,440	2,569
-	-	49,101,336	561,244,061	8.75%	18,659	2,632
26,304	-	52,748,598	590,762,599	8.93%	18,659	2,827
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



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
2016	18,072	\$ 668,731,060	\$ 12,209,250	1.83%	\$ 676
2015	18,355	666,028,846	12,649,898	1.90%	689
2014	18,355	656,168,584	13,091,608	2.00%	713
2013	18,440	655,548,954	5,131,304	0.78%	278
2012	18,440	674,341,493	5,316,935	0.79%	288
2011	18,659	672,565,919	5,506,232	0.82%	295
2010	18,659	685,242,813	8,188,405	1.19%	439
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

Source: (1) U.S Census Bureau

CITY OF STEUBENVILLE, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Steubenville	\$ 4,720,273	100.00%	\$ 4,720,273
Total of direct debt	<u>4,720,273</u>		<u>4,720,273</u>
Overlapping debt:			
Steubenville City School District	1,340,000	96.57%	1,294,038
Jefferson County	9,741,000	17.41%	1,695,908
Jefferson County Joint Vocational School	680,974	17.02%	115,902
Indian Creek Local School District	9,889,030	23.38%	2,312,055
Total of overlapping debt	<u>21,651,004</u>		<u>5,417,903</u>
Total direct and overlapping debt	<u>\$ 26,371,277</u>		<u>\$ 10,138,176</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>	
2016	\$ 6,309,880	\$ 2,918,220	\$ 3,391,660	\$ 1,852,626	\$ 695,021	1.33
2015	5,992,250	4,561,397	1,430,853	1,788,352	881,468	0.54
2014	5,980,304	2,513,960	3,466,344	1,726,339	1,008,080	1.27
2013	5,283,449	2,449,493	2,833,956	1,629,500	1,067,913	1.05
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

(1) Operating expenses do not include depreciation.

Source: City financial records

CITY OF STEUBENVILLE, OHIO

**WATER REVENUE BOND PLEDGED REVENUE COVERAGE
LAST THREE 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>	
2016	\$ 6,309,880	\$ 2,918,220	\$ 3,391,660	\$ 91,966	\$ 5,835	34.68
2015	5,992,250	4,561,397	1,430,853	89,930	7,870	14.63
2014	5,980,304	2,513,960	3,466,344	87,884	9,916	35.44

(1) Operating expenses do not include depreciation.

Source: City financial records

Note: The City did not have debt service payments on water revenue bonds prior to 2014.

CITY OF STEUBENVILLE, OHIO

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

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2016	\$ 3,814,904	\$ 2,650,885	\$ 1,164,019	\$ 389,931	\$ 512,702	1.29
2015	3,838,467	2,672,987	1,165,480	375,859	538,801	1.27
2014	3,843,695	2,992,434	851,261	351,271	561,733	0.93
2013	4,252,505	2,658,274	1,594,231	184,368	492,207	2.36
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

(1) Operating expenses do not include depreciation.

Source: City financial records

CITY OF STEUBENVILLE, OHIO

**SEWER REVENUE BOND PLEDGED REVENUE COVERAGE
LAST THREE YEARS**

Year	Operating Revenues	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2016	\$ 3,814,904	\$ 2,650,885	\$ 1,164,019	\$ 71,000	\$ 19,789	12.82
2015	3,838,467	2,672,987	1,165,480	-	10,441	111.63
2014	3,843,695	2,992,434	851,261	70,000	13,838	10.15

(1) Operating expenses do not include depreciation.

Source: City financial records

Note: The City did not have debt service payments on sewer revenue bonds prior to 2014.

CITY OF STEUBENVILLE, OHIO

REFUSE REVENUE BOND PLEDGED REVENUE COVERAGE
LAST FIVE 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>	
2016	\$ 1,965,983	\$ 1,551,365	\$ 414,618	\$ 78,384	\$ 1,017	5.22
2015	2,291,407	1,362,396	929,011	127,314	4,611	7.04
2014	2,244,058	1,216,037	1,028,021	74,439	4,962	12.95
2013	2,222,432	1,194,320	1,028,112	120,907	11,428	7.77
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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed value (a)	\$ 245,584,190	\$ 242,633,600	\$ 238,206,170	\$ 237,544,840
Legal debt margin:				
Debt limitation - 10.5% of assessed value	25,786,340	25,476,528	25,011,648	24,942,208
Debt applicable to limitation:				
General obligation bonds	<u>11,657,612</u>	<u>12,117,612</u>	<u>12,572,612</u>	<u>4,952,612</u>
Gross indebtedness (Total voted and unvoted debt)	<u>11,657,612</u>	<u>12,117,612</u>	<u>12,572,612</u>	<u>4,952,612</u>
Less: debt outside limitations				
General obligation bonds	<u>(7,725,000)</u>	<u>(8,070,000)</u>	<u>(8,415,000)</u>	<u>(1,705,000)</u>
Total debt outside limitations	<u>(7,725,000)</u>	<u>(8,070,000)</u>	<u>(8,415,000)</u>	<u>(1,705,000)</u>
Total debt applicable to limitation - Within 10.5% limitations	3,932,612	4,047,612	4,157,612	3,247,612
Less: amount available in debt service fund to pay debt applicable to limitation	<u>(213,123)</u>	<u>(168,669)</u>	<u>(126,251)</u>	<u>(112,157)</u>
Net debt within 10.5% limitation	<u>3,719,489</u>	<u>3,878,943</u>	<u>4,031,361</u>	<u>3,135,455</u>
Overall debt margin within 10.5% limitation	<u>\$ 22,066,851</u>	<u>\$ 21,597,585</u>	<u>\$ 20,980,287</u>	<u>\$ 21,806,753</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 13,507,130	\$ 13,344,848	\$ 13,101,339	\$ 13,064,966
Gross indebtedness authorized by council	11,657,612	12,117,612	12,572,612	4,952,612
Less: debt outside limitations: Total debt outside limitations	<u>(11,657,612)</u>	<u>(12,117,612)</u>	<u>(12,572,612)</u>	<u>(4,952,612)</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 13,507,130</u>	<u>\$ 13,344,848</u>	<u>\$ 13,101,339</u>	<u>\$ 13,064,966</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.

2012	2011	2010	2009	2008	2007
\$ 243,505,610	\$ 242,439,760	\$ 243,544,460	\$ 248,384,620	\$ 244,714,840	\$ 241,293,590
25,568,089	25,456,175	25,572,168	26,080,385	25,695,058	25,335,827
<u>5,157,612</u>	<u>5,362,612</u>	<u>8,057,388</u>	<u>2,698,876</u>	<u>2,888,630</u>	<u>3,069,261</u>
<u>5,157,612</u>	<u>5,362,612</u>	<u>8,057,388</u>	<u>2,698,876</u>	<u>4,104,636</u>	<u>3,069,261</u>
<u>(1,825,000)</u>	<u>(1,945,000)</u>	<u>(4,559,776)</u>	<u>(2,698,876)</u>	<u>(2,888,630)</u>	<u>(3,069,261)</u>
<u>(1,825,000)</u>	<u>(1,945,000)</u>	<u>(4,559,776)</u>	<u>(2,698,876)</u>	<u>(2,888,630)</u>	<u>(3,069,261)</u>
3,332,612	3,417,612	3,497,612	-	1,216,006	-
<u>(98,478)</u>	<u>(81,309)</u>	<u>(64,342)</u>	<u>(344,483)</u>	<u>(806,046)</u>	<u>(542,029)</u>
<u>3,234,134</u>	<u>3,336,303</u>	<u>3,433,270</u>	<u>(344,483)</u>	<u>409,960</u>	<u>(542,029)</u>
<u>\$ 22,333,955</u>	<u>\$ 22,119,872</u>	<u>\$ 22,138,898</u>	<u>\$ 26,424,868</u>	<u>\$ 25,285,098</u>	<u>\$ 25,877,856</u>
\$ 13,392,809	\$ 13,334,187	\$ 13,394,945	\$ 13,661,154	\$ 13,459,316	\$ 13,271,147
5,157,612	5,362,612	8,057,388	2,698,876	4,104,636	3,069,261
<u>(5,157,612)</u>	<u>(5,362,612)</u>	<u>(8,057,388)</u>	<u>(2,698,876)</u>	<u>(2,888,630)</u>	<u>(3,069,261)</u>
<u>\$ 13,392,809</u>	<u>\$ 13,334,187</u>	<u>\$ 13,394,945</u>	<u>\$ 13,661,154</u>	<u>\$ 12,243,310</u>	<u>\$ 13,271,147</u>

CITY OF STEUBENVILLE, OHIO

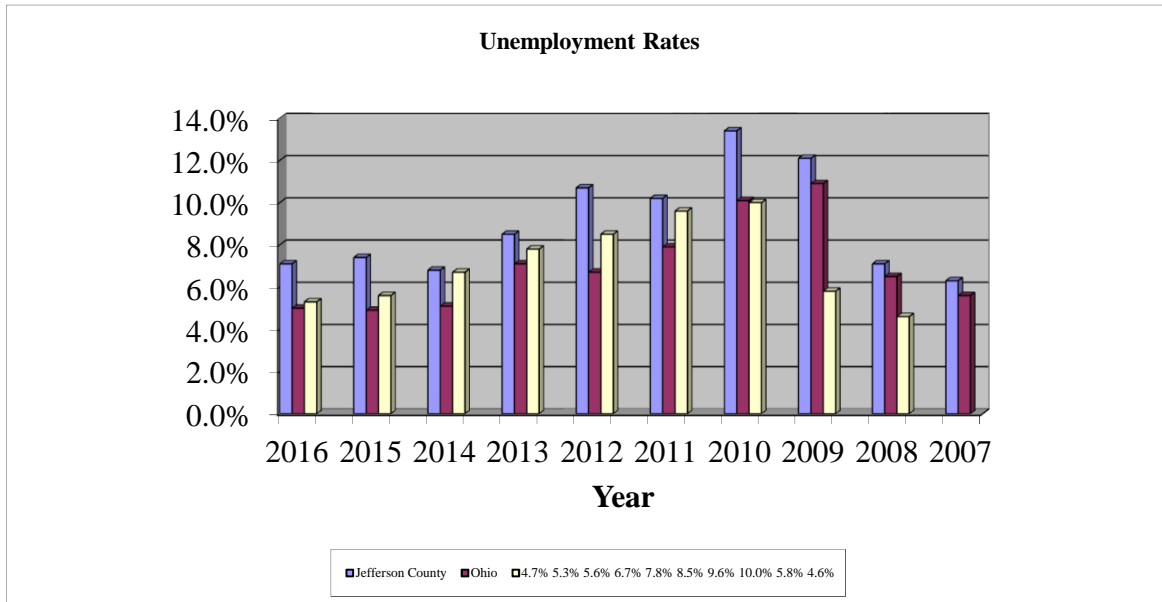
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income (3)	Annual Average Unemployment Rates (2)		
				Jefferson County	Ohio	United States
2016	18,072	\$ 660,152,088	\$ 36,529	7.1%	5.0%	4.7%
2015	18,355	645,178,250	35,150	7.4%	4.9%	5.3%
2014	18,355	624,749,135	34,037	6.8%	5.1%	5.6%
2013	18,440	609,478,880	33,052	8.5%	7.1%	6.7%
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%

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 EIGHT YEARS AGO

Employer	2016		
	Number of Employees	Rank	Percent of Total Employment
Franciscan University	2,104	1	17.71%
Trinity Medical Center West	1,492	2	12.56%
Jefferson County	653	3	5.50%
Wal-Mart Associates Inc.	628	4	5.29%
Steubenville City School District	546	5	4.60%
The Kroger Company	309	6	2.60%
Eastern Gateway Community College	300	7	2.52%
Trinity Management Service Organization	246	8	2.07%
Lowe's Home Centers Inc.	242	9	2.04%
Trinity Medical Center East	237	10	1.99%
Total of top ten	<u>6,757</u>		<u>56.88%</u>
Total City employment	<u>11,882</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	2016	2015	2014	2013	2012
General government:					
Mayor	2.00	2.00	2.00	2.00	2.00
Finance	5.00	5.00	5.00	5.00	5.00
Law director	2.00	2.00	2.00	2.00	2.00
Civil service	1.00	1.00	1.00	1.00	1.00
City manager	2.00	2.00	2.00	1.00	1.00
Engineering	2.00	2.00	2.00	2.00	2.00
City council	8.00	8.00	8.00	8.00	8.00
Municipal court	12.00	9.00	9.00	10.00	10.00
Building	1.00	1.00	1.00	1.00	1.00
Information systems	-	1.00	1.00	1.00	1.00
Security of persons and property:					
Police	45.00	43.00	45.00	45.00	47.00
Fire	37.00	39.00	40.00	36.00	37.00
Electrical	1.00	1.00	1.00	1.00	2.00
Public health and welfare:					
Health services	3.00	3.00	3.00	3.00	3.00
Health clinic	3.00	3.00	3.00	3.00	3.00
Health administration	2.00	3.00	3.00	3.00	3.00
Food	1.00	1.00	1.00	1.00	1.00
Transportation:					
Street	11.00	11.00	12.00	12.00	13.00
Weed control	-	-	-	-	-
Community environment:					
Community development	4.00	4.00	4.00	4.00	4.00
Leisure time activity:					
Parks	2.00	2.00	2.00	3.00	3.00
Indoors	3.00	3.00	2.00	1.00	2.00
Administration	1.00	1.00	1.00	-	1.00
Swimming pool	21.00	16.00	10.00	-	10.00
Utility services:					
Water	22.00	22.00	21.00	23.00	26.00
Sewer	16.00	18.00	18.00	18.00	19.00
Refuse	12.00	11.00	12.00	12.00	12.00
Total	219.00	214.00	211.00	198.00	219.00

Source: City of Steubenville records

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
2.00	1.00	1.00	1.00	1.00
5.00	5.00	5.00	5.00	5.00
2.00	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
2.00	1.00	1.00	1.00	1.00
8.00	8.00	8.00	8.00	8.00
10.00	7.00	7.00	7.00	7.00
1.00	1.00	3.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
47.00	47.00	47.00	46.00	43.00
37.00	38.00	38.00	40.00	40.00
2.00	2.00	2.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
14.00	18.00	19.00	22.00	20.00
-	-	-	8.00	6.00
4.00	5.00	5.00	4.00	4.00
3.00	-	-	5.00	5.00
2.00	5.00	7.00	7.00	6.00
1.00	1.00	1.00	2.00	2.00
10.00	20.00	16.00	17.00	20.00
26.00	26.00	26.00	26.00	26.00
19.00	19.00	18.00	19.00	19.00
12.00	12.00	12.00	13.00	15.00
<u>220.00</u>	<u>230.00</u>	<u>230.00</u>	<u>252.00</u>	<u>249.00</u>

CITY OF STEUBENVILLE, OHIO

**OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

Function	2016	2015	2014	2013	2012	2011
General government:						
Positions filled	219	214	211	198	219	220
Ordinances & resolutions	115	123	149	95	121	112
Security of persons and property:						
Police:						
Physical arrests	1,745	1,870	1,927	1,924	1,612	1,505
Parking violations	1,132	918	433	281	273	427
Traffic violations	1,320	998	1,214	1,572	1,249	936
Leisure time activity:						
Recreation center attendance	12,544	15,181	8,772	N/A	24,000	24,019
Transportation:						
Tons of salt used	3,607	3,177	N/A	5,547	3,000	2,400
Water:						
New connections	5	4	1	3	10	7
Water main breaks	70	83	108	127	103	69

Source: City of Steubenville Departments.

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

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
220	230	326	316
90	107	101	116
1,510	1,518	1,603	1,531
644	288	392	429
772	856	1,250	1,364
16,245	21,408	2,154	2,159
3,000	3,114	1,642	3,611
7	4	3	7
103	75	57	119

CITY OF STEUBENVILLE, OHIO

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

Function	2016	2015	2014	2013	2012	2011
Security of persons and property:						
Police:						
Stations	1.00	1.00	1.00	1.00	1.00	1.00
Fire:						
Stations	3.00	3.00	3.00	2.00	3.00	3.00
Leisure time activities:						
Parks	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
Fitness center	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
Wading pools	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
Baseball diamonds	8.00	8.00	8.00	8.00	8.00	8.00
Softball fields	0.00	0.00	0.00	0.00	0.00	0.00
Transportation:						
Streets (paved miles)	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
Sewer:						
Sanitary sewers (miles)	81.00	81.00	81.00	81.00	81.00	81.00

Source: City of Steubenville Departments.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00
13.00	13.00	13.00	13.00
261.32	261.32	261.32	261.32
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00
6.00	6.00	6.00	6.00
8.00	8.00	4.00	4.00
0.00	0.00	0.00	0.00
120.00	120.00	120.00	120.00
84.00	84.00	84.00	84.00
81.00	81.00	81.00	81.00

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**CITY OF STEUBENVILLE
JEFFERSON COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

DAVID LEWIS, DIRECTOR OF FINANCE

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**CITY OF STEUBENVILLE
JEFFERSON COUNTY, OHIO**

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**CITY OF STEUBENVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH / ENTITY GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct</i>			
(B) Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-39-0020	\$ 216,040
(B) Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-39-0020	302,959
Total Community Development Block Grants/Entitlement Grants			<u>518,999</u>
<i>Passed through the Ohio Department of Development</i>			
Home Investment Partnerships Program	14.239	A-C-13-2IA-2	4,773
Total U.S. Department of Housing and Urban Development			<u>523,772</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct</i>			
Bulletproof Vest Partnership Program	16.607	2016BUBX16083912	8,775
Total U.S. Department of Justice			<u>8,775</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	90234	31,762
Highway Planning and Construction	20.205	90235	148,133
Total Highway Planning and Construction			<u>179,895</u>
Total U.S. Department of Transportation			<u>179,895</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct</i>			
Assistance to Firefighters Grant	97.044	EMW-2014-FV-01693	357,143
Assistance to Firefighters Grant	97.044	EMW-2015-FO-03135	179,524
Total Assistance to Firefighters Grant			<u>536,667</u>
Staffing for Adequate Fire and Emergency Response Grant	97.083	EMW-2013-FH-00057	475,580
Total U.S. Department of Homeland Security			<u>1,012,247</u>
Total Federal Financial Assistance			<u>\$ 1,724,689</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

(A) This schedule includes the federal award activity of the City of Steubenville under programs of the federal government for the year ended December 31, 2016 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Steubenville, it is not intended to and does not represent the financial position, changes in net position, or cash flows of the City of Steubenville.

(B) The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans. These loans are collateralized by a lien against the equipment of the borrower. Activity in the CDBG revolving loan fund during 2016 is as follows:

Beginning loans receivable balance as of January 1, 2016	\$ 20,106
Loans Made	-
Loan principal repaid	(4,254)
	<u>\$ 15,852</u>

Cash balance on hand in the revolving loan fund as of December 31, 2016:	\$ 24,468
Administrative costs expended during 2016:	\$ -

(C) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimis indirect cost rate.

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Julian & Grube, Inc.

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

City of Steubenville
Jefferson County
115 South Third Street
Steubenville, Ohio 43952

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Steubenville, Jefferson County, Ohio as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Steubenville's basic financial statements and have issued our report thereon dated June 29, 2017.

Internal Control Over Financial Reporting

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

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

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

Members of Council and Mayor
City of Steubenville

Compliance and Other Matters

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

Purpose of this Report

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

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

Julian & Grube, Inc.
June 29, 2017



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

**Independent Auditor's Report on Compliance with Requirements Applicable
to the Major Federal Program and on Internal Control Over Compliance
and the Schedule of Expenditures of Federal Awards
Required by *Uniform Guidance***

City of Steubenville
Jefferson County
115 South Third Street
Steubenville, Ohio 43952

To the Members of Council and Mayor:

Report on Compliance for the Major Federal Program

We have audited the City of Steubenville's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Steubenville's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Steubenville's major federal program.

Management's Responsibility

The City of Steubenville's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of Steubenville complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

Members of Council and Mayor
City of Steubenville

Report on Internal Control Over Compliance

The City of Steubenville's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Steubenville's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Steubenville's internal control over compliance.

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Steubenville as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Steubenville's basic financial statements. We issued our unmodified report thereon dated June 29, 2017. We conducted our audit to opine on the City of Steubenville's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
June 29, 2017

**CITY OF STEUBENVILLE
JEFFERSON COUNTY, OHIO**

**SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
DECEMBER 31, 2016**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Assistance to Firefighters Grant - CFDA # 97.044
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None

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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
OCTOBER 10, 2017