

City of Steubenville, Ohio

*Reports Issued Pursuant to
OMB Circular A-133*

Year Ended December 31, 2008



Mary Taylor, CPA
Auditor of State

City Council
City of Steubenville
304 Market Street
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the City of Steubenville, Jefferson County, prepared by Rea & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 28, 2009

This Page is Intentionally Left Blank.

City of Steubenville, Ohio

DECEMBER 31, 2008

Table of Contents

Page

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	1-2
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	3-4
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7-11
Schedule of Prior Audit Findings	12
Corrective Action Plan.....	13-14

This Page is Intentionally Left Blank.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

August 31, 2009

Mayor and Members of Council
City of Steubenville
Steubenville, OH 43952

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited 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 (the "City") as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 31, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2008-004 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

City of Steubenville, Ohio
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe the significant deficiency described above as item 2008-004 is a material weakness.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the City in a separate letter dated August 31, 2009

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2008-001 through 2008-003.

We also noted certain matters that we reported to management of the City in a separate letter dated August 31, 2009.

The City's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the City's responses, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Hea & Associates, Inc.



Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

August 31, 2009

Mayor and Members of Council
City of Steubenville
Steubenville, OH 43952

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the City of Steubenville (the "City") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008. However, we noted a certain instance of noncompliance that we have reported to management of the City in a separate letter dated August 31, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

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 as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2009. Our audit was performed for the purpose of forming opinions on the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, City Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Rea & Associates, Inc.

**CITY OF STEUBENVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR - PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT/ PASS- THROUGH ENTITY NUMBER</u>	<u>DISBURSEMENTS</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grant Entitlement Grants	14.218	B05-MC-39-0020	\$ 626,700
Total U.S. Department of Housing and Urban Development			<u>626,700</u>
<u>U.S. Department of Agriculture:</u>			
Passed-Through Ohio Department of Education:			
Summer Food Program	10.559		<u>107,493</u>
Total U.S. Department of Agriculture			<u>107,493</u>
<u>U.S. Department of Transportation:</u>			
Passed-Through Ohio Department of Transportation:			
Highway Planning and Construction	20.205	PID # 78886	<u>550,320</u>
Total U.S. Department of Transportation			<u>550,320</u>
<u>U.S. Department of Justice:</u>			
Direct Programs:			
JAG Grant	16.804		<u>190</u>
Total U.S. Department of Justice			<u>190</u>
 Total Federal Financial Assistance			 <u>\$ 1,284,703</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF STEUBENVILLE
JEFFERSON COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B: MATCHING REQUIREMENTS

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

CITY OF STEUBENVILLE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
DECEMBER 31, 2008

1. SUMMARY OF AUDITOR'S RESULTS

A-133 Ref.
.505(d)

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other internal control deficiencies reported for major programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are any reportable findings under Section .510(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list): Community Development Block Grant – Entitlement Highway Planning and Construction	CFDA # 14.218 20.205
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

CITY OF STEUBENVILLE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
DECEMBER 31, 2008

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

Non-Compliance Citations

Finding Number	2008-001
-----------------------	-----------------

Ohio Rev. Code Section 5705.10 requires that monies paid into any fund be used only for the purposes for which the fund is established. The following funds had significant negative fund balances during fiscal year 2008:

General Fund (01): July- \$367,875; August- \$102,472; September- \$397,766; October- \$417,768; November- \$145,252.

Summer Food Program Fund (28): May - \$1,680

Community Development (70): February - \$7,005; July- \$241,449

General Capital Projects (80): October- \$1,331; November- \$7,331

The general fund negative fund balances are created due to a procedure in place at the City. The City's general fund pays the entire invoice for expenditures that are allocated among various funds; those funds then reimburse the general fund at year end. We recommend the City consider changing their policy, directly paying the expenses out of the fund incurring the expense; or reimburse the general fund timelier.

City's Response: See Corrective Action Plan.

CITY OF STEUBENVILLE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
DECEMBER 31, 2008

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

Finding Number	2008-002
-----------------------	-----------------

Ohio Rev. Code Section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated. We tested the months of March and September 2008 to determine if all amounts at the legal level of control, i.e. department and division level and within each the amount for personal services, were properly appropriated. We noted several instances where the expenditures plus encumbrances exceeded the appropriation at the legal level of control:

Fund	Department - Name and Number	Amount
March Testing		
(01) General	Recreation Admin- Personal Services (26-10)	\$ 6,197
(10) Fire Damage Removal	Maintenance and Operations (062-40)	8,409
(18) Law Enforcement Trust	Police Department - Other Uses (013-70)	2,590
(51) Sewer	Central Purchasing - Contractual Serv. (005-30)	1,396
(51) Sewer	WW Maintenance - Capital Outlay (047-50)	20,000
(79) FEMA	Capital Improvement - Capital Outlay (049-50)	6,100
September Testing		
(01) General	Central Purchasing- Personal Services (005-10)	116,785
(01) General	Central Purchasing- Contractual Services (005-30)	6,174
(01) General	Recreations Admin - Personal Services (026-10)	4,899
(07) .7% City Inc. Tax Street	.7% - Capital Outlay (026-10)	226,209
(32) Special Assessments	Special Assessments - Debt Service (057-60)	39,996
(50) Water Fund	Central Purchasing - Personal Services (005-010)	13,157
(51) Sewer Fund	Central Purchasing - Personal Services (005-010)	2,158
(62) Health Assurance	City Health Insurance - Personal Services (030-010)	111,952
(79) FEMA	Capital Improvement - Capital Outlay (049-50)	6,100

By allowing the departments to spend above the appropriated amount, the City is not sufficiently controlling the budget or approving expenditures. This could lead to unallowed expenses and possibly misappropriation of City assets.

We also noted at year end that three funds had expenditures exceeding appropriations. These funds were Health Care Fund, \$34,269, Health Assurance Fund, \$343,248, and Law Enforcement Trust Fund, \$48,627. We also noted there were immaterial violations at the legal level of control at year end.

We recommend the City not allow expenses plus encumbrances to exceed the amount appropriated. Council and management should be monitoring the budget verses actual numbers monthly and amending the appropriations measures as necessary.

City's Response: See Corrective Action Plan.

CITY OF STEUBENVILLE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
DECEMBER 31, 2008

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

Finding Number	2008-003
-----------------------	-----------------

Ohio Rev. Code Section 5705.39 states the total appropriations from each fund shall not exceed the total of the estimated revenue available for appropriation therefrom, as certified by the budget commission. At year end the general fund had appropriations exceeding estimated resources in the amount of \$664,556.

We recommend the City monitor the budgetary information monthly and not allow the appropriations to exceed the estimated resources.

City’s Response: See Corrective Action Plan.

Material Weakness

Finding Number	2008-004
-----------------------	-----------------

In May of 2006, the American Institute of Certified Public Accountants (AICPA), the national professional organization for certified public accountants, issued its Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This standard became effective for audits of financial statements for periods ending on or after December 15, 2006.

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 112 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client’s internal control over financial reporting. This new standard requires the audit to report *in writing* to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, SAS No. 112 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

The compilation and presentation of materially correct financial statements and the related footnotes is the responsibility of management of the City. Independent auditors are not part of the City’s internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

As a result of our audit, we identified material misstatements in the City’s financial statements, as well as other misstatements that were not necessarily material, but were more than inconsequential. Material amounts noted above have been subsequently reported in the audited financial statements.

CITY OF STEUBENVILLE
JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
DECEMBER 31, 2008

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

Finding Number	2008-004 (continued)
-----------------------	-----------------------------

The City is relying on a contracted service provider to compile the financial statements. We recommend the City consider modifying the existing control procedures over the financial reporting process to include an independent review of the financial statements and the related journal entries. The review should be conducted by City personnel that are knowledgeable of generally accepted accounting principles. Additionally, the finance director and the contracted service provider should review the adjustments and reclassifications identified during the current audit and ensure that similar errors are not reported on financial statements in subsequent years.

City's Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None

**CITY OF STEUBENVILLE
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133, SECTION .315(b)
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2007-001	Ohio Revised Code Section 5705.10, various City funds had negative fund balances.	No	Re-issued as Finding 2008- 001
2007-002	Ohio Revised Code Section 5705.41(D), failure to properly certify expenditures.	No	Partially Corrected, City began using then and now certificates in October 2008. Council does not certify certificates exceeding \$3,000. Included in management letter.
2007-003	Ohio Revised code Section 5705.41(B), expenditures plus encumbrances exceeded appropriations	No	Re-issued as Finding 2008-002
2007-004	Material Weakness – Lack of controls over the recording of capital assets, particularly construction in progress.	Yes	
2007-005	Community Development Block Grant, OMB Circular A-87, Attachment B, paragraph 8 d(5), the City did not allocate fringe benefits in accordance with the allocated payroll percentage.	No	The city did not correct this during 2008 audit period. The amount of benefits charged incorrectly in 2009 was insignificant due to change in staffing. Included in management letter. The city fully corrected this in 2009.
2007-006	Community Development Block Grant, Material Weakness, the City did not file the quarterly cash transaction reports.	Yes	



City of Steubenville

Finance Office

City Annex Building • 304 Market Street • Steubenville, Ohio 43952-2193 • Phone: 740.283.6000 ext 1300
Fax: 740.283.6165 • Website: www.cityofsteubenville.us • Email: finance@cityofsteubenville.us

CORRECTIVE ACTION PLAN IN RESPONSE TO THE 2008 AUDIT FINDINGS

2008-001 Ohio Rev. Code Section 5705.10

The General Fund (01) incurred a deficit in July, August, September, October, and November of 2008. This is mostly caused by the timing of recording expenditures. The General Fund receives reimbursements from other funds of the city. The timing of those reimbursements caused the negative cash balance in these months of 2008.

The Summer Food Program (28) operated at a deficit because of timing issues in May. This grant is a reimbursement grant.

The Community Development Fund (70) incurred negative cash balances for two months in 2008. These negative balances were caused by the timing of recording journal entries.

The General Capital Projects Fund (80) incurred a deficit in October and November of 2008 due to the delayed transfer of funds from the General Bond Retirement Fund (31).

2008-002 Ohio Administrative Code Section 5705.41 (B)

The City of Steubenville passed its permanent budget in March of 2008 an amended budget in June of 2008 and its final budget passed in December of 2008. The later part of 2008 held significant changes in expenditures and revenues. The operating budget was not amended to account for these changes in September. In 2009 the City will amend its budget for the last quarter of the month to account for any changes in 2009.

2009-03 Ohio Administrative Code Section 5705.39

The City of Steubenville closed a purchase order that was initially encumbered for capital improvements within the City. These purchase orders were closed in 2008 and in previous years to offset increased operating costs. In 2009, a purchase order of the same nature will be closed and will be recorded as recommended by our auditor.



City of Steubenville

Finance Office

City Annex Building • 304 Market Street • Steubenville, Ohio 43952-2193 • Phone: 740.283.6000 ext 1300
Fax: 740.283.6165 • Website: www.cityofsteubenville.us • Email: finance@cityofsteubenville.us

2009-04 SAS 112 Communicating Internal Control Related Matters Identified in an Audit

For the audit year 2009 and it being a continual procedure, the City will develop a plan of review for the financial statements prepared by an outside firm. This review will involve the City have to approve journal entries and reclassifications being made for the financial statements.

Michael J. Marshall
Finance Director
City of Steubenville

8/27/09
Date

CITY OF STEUBENVILLE, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

CITY OF STEUBENVILLE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

PREPARED BY:

MICHAEL J. MARSHALL, DIRECTOR OF FINANCE
ALYSSA N. KERKER, SENIOR ACCOUNTING ADMINISTRATOR
DAVID R. LEWIS, FINANCIAL ACCOUNTANT

304 MARKET STREET
STEUBENVILLE, OHIO 43952

CITY OF STEUBENVILLE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Letter of Transmittal	1-4
List of Principal City Officials	5
Organizational Chart.....	6

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT.....	7-8
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	9-20
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	23
Statement of Activities	24-25
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	26
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): General Fund.....	30
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): .7% City Income Tax - Street Improvement Fund.....	31
Statement of Fund Net Assets - Proprietary Funds.....	32
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	33
Statement of Cash Flows - Proprietary Funds	34-35
Statement of Fiduciary Net Assets - Fiduciary Funds	36
Notes to the Basic Financial Statements.....	37-71

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements and Individual Fund Schedules - Governmental Funds:

Fund Descriptions - Governmental Funds	73-75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund	77-80
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) .7% City Income Tax - Street Improvement Fund.....	81
Combining Balance Sheet - Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	83
Combining Balance Sheet - Nonmajor Special Revenue Funds	84-90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	92-98
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Municipal Court Improvement Fund	99
Street Maintenance and Repair Fund	100
State Highway Improvement Fund.....	101
.7% City Income Tax - Equipment Improvement Fund.....	102
.7% City Income Tax - Recreation Improvement Fund.....	103
Litter Fund.....	104
Convention and Visitors Bureau Fund	105
Improvement Bond Escrow Fund.....	106
Floto Historical Site Fund	107
Indigent Drivers Fund	108
Enforcement and Education Fund	109
Parks Material Usage Fund	110
Law Enforcement Trust Fund.....	111
Court Security Fund	112
South End Economic Development Fund.....	113
Safety Fund	114
Unclaimed Monies Fund	115
Summer Food Program Fund	116
Special Assessments Fund.....	117
Motor Vehicle License Tax Fund.....	118
Zoning and Planning Fund	119
Justice Assistance Grant Fund.....	120
OJJDP Recreation Fund	121
Police Education Trust Fund	122
Lab Test Fees Fund	123
Food Fund	124
EPSDT Fund	125
Mears Relief Fund.....	126
Swimming Pool Fund.....	127
Route 7 Project Fund.....	128
Community Development Fund	129
CHIP Loan Fund	130
FEMA Fund	131
General Bond Retirement Fund.....	132
Capital Improvement Fund.....	133

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Combining Statements and Individual Fund Schedules - Proprietary Funds:

Fund Descriptions - Proprietary Funds.....	134
Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Water Fund.....	135
Sewer Fund.....	136
Refuse Fund	137
Combining Statement of Net Assets - Nonmajor Internal Service Funds.....	138
Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Internal Service Funds.....	139
Combining Statement of Cash Flows - Nonmajor Internal Service Funds	140
Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Health Care Fund	141
Health Assurance Fund	142
Fund Descriptions - Agency Funds	143
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	144-145

III. STATISTICAL SECTION

Table of Contents.....	147
Net Assets by Component - Last Six Years	148-149
Changes in Net Assets - Last Six Years	150-153
Fund Balances, Governmental Funds - Last Ten Years	154-155
Changes in Fund Balances, Governmental Funds - Last Ten Years	156-157
General Fund Expenditures Chart by Department	158
Enterprise Fund Expenses Chart by Department.....	159
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	160-161
Direct and Overlapping Property Tax Rates - Last Ten Years.....	162-163
Principal Property Taxpayers - Current Year	164
Property Tax Levies and Collections - Last Nine Years	165
Income Tax Rate and Collections - Last Ten Years.....	166
Ratios of Outstanding Debt by Type - Last Ten Years	168-169

STATISTICAL SECTION (CONTINUED):

Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita - Last Ten Years	170
Direct and Overlapping Governmental Activities Debt as of December 31, 2008.....	171
Computation of Legal Debt Margin - Last Ten Years.....	172-173
Demographic and Economic Statistics - Last Ten Years	174
Principal Employers - Current Year	175
Full Time Equivalent City Employees by Function /Program - Last Ten Years	176-177
Operating Indicators by Function - Last Ten Years	178-179
Capital Assets Statistics by Function - Last Ten Years.....	180-181

INTRODUCTORY SECTION



City of Steubenville

Finance Office

City Annex Building ▪ 304 Market Street ▪ Steubenville, Ohio 43952-2193 ▪ Phone: 740.283.6000 ext 1300
Fax: 740.283.6165 ▪ Website: www.cityofsteubenville.us ▪ Email: finance@cityofsteubenville.us

August 31, 2009

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, 2008, and has been developed to accurately detail the status of the City finances to Steubenville residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide all pertinent and necessary information to the citizens of Steubenville.

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

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

The City is required by State law to have an annual audit performed by the Auditor of State's Office or an independent public accounting firm, if permitted by the Auditor of State. Rea & Associates, Inc. performed the audit for the year ended December 31, 2008. The City continues to receive an unqualified opinion. The Independent Accountants' 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, 2008 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 Accountants' 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 19,329. 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 Jefferson Community College are both located within the City. The University of Pittsburgh, Bethany College, West Virginia Northern Community College, and Carnegie-Mellon University are all located within commuting distance of the City. The City is served by the Public Library of Steubenville and Jefferson County, which was named for and funded by industrialist Andrew Carnegie.

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

Economic Condition and Outlook

Local Economy

Historically, the City’s economy has been heavily rooted in the manufacturing sector, specifically steel mills. Local steel producers continue to face difficulties due to stiff foreign competition and the recent downturn of the nation’s economy. These factors have caused significant reorganizations and workforce reductions. It is believed that these steps will provide the local steel industry the ability to regain competitive viability in the future.

The completion of the U.S. Route 22 bypass has greatly enhanced transportation access to the City, particularly from the Pittsburgh area. The bypass has helped spur economic growth in the City.

In recent years, the City has seen the opening of a number of new businesses including an 880,000 square foot Wal-Mart food distribution center, which is located approximately 5 miles outside of the City. This facility services Wal-Mart stores within a 100 mile radius and has created approximately 800 jobs for the local economy. The Fort Steuben Mall has undergone a modernization project, which includes new anchor stores for Macy’s, Sears and JC Penney.

Trinity Medical Center has seen the completion of a number of expansion projects over the past few years. These projects include the \$3.5 million Tony Teramana Cancer Center, a state-of-the-art cancer treatment facility, a \$7 million, 79,000 square foot patient care unit addition to Trinity's west campus, and a \$6 million office facility at the west campus. In the near future, construction is expected to begin on a \$7 million expansion project at the Tony Teramana Cancer Center.

Both Jefferson Community College and the Franciscan University of Steubenville continue to expand services and facilities. As enrollment steadily increases, both institutions have purchased surrounding property and facilities in order to expand services and handle the increase in student enrollment.

Long-Term Financial Planning

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

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

Major Initiatives

The City has seen the recent completion of a state of the art water treatment facility at a cost of \$23.9 million. This facility contains significant upgrades in operating efficiency, as well as the ability to produce 7.5 million gallons of water per day. As part of this project, the City has also recently completed a new water pumping facility, at an approximate cost of \$9.3 million, which also replaces an antiquated, inefficient facility. The new pumping facility is computer controlled, significantly reducing the necessary man hours needed for operation, while at the same time providing for a reliable water sourcing operation.

In a continuing effort to eliminate combined sewer overflows and to accommodate future growth in the western end of the City, the City just completed a new sewage transmission line which has significantly increased our capacity, and allows for a tie in to the system of several miles of rural home sites, which otherwise would continue to rely on septic systems. The cost of this project was approximately \$11.9 million.

The City has also begun to upgrade its public park system with a \$4.6 million improvement project primarily at its Belleview Park, by upgrading all the baseball fields, installing new fencing, erection of six new tennis courts, as well as increased paved parking areas. The project also includes significant upgrades at the Jim Wood Park in the west end of the City. These upgrades include a children's water play area, walking track improvements, as well as ball field improvements. All the park improvements are paid with existing City funds.

Around June 1, 2009, the City began construction of a new municipal building at a cost of \$4.1 million. The cost of repairs to the existing municipal building could not justify the investment, so a new building is under construction. The City's various departments will now be consolidated in one facility, and the downtown retail corridor will benefit from a new facility. This cost is funded with a long term loan of \$3.5 million, and with existing City funds.

In the near future, the City intends to rebuild a highly traveled roadway, which is currently in a state of deterioration. The rebuild will be accomplished with approximately \$7.5 million in Federal Stimulus funds.

Use of this Report

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

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

Acknowledgements

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

Sincerely,



Michael J. Marshall
Director of Finance

CITY OF STEUBENVILLE, OHIO

PRINCIPAL OFFICIALS

DECEMBER 31, 2008

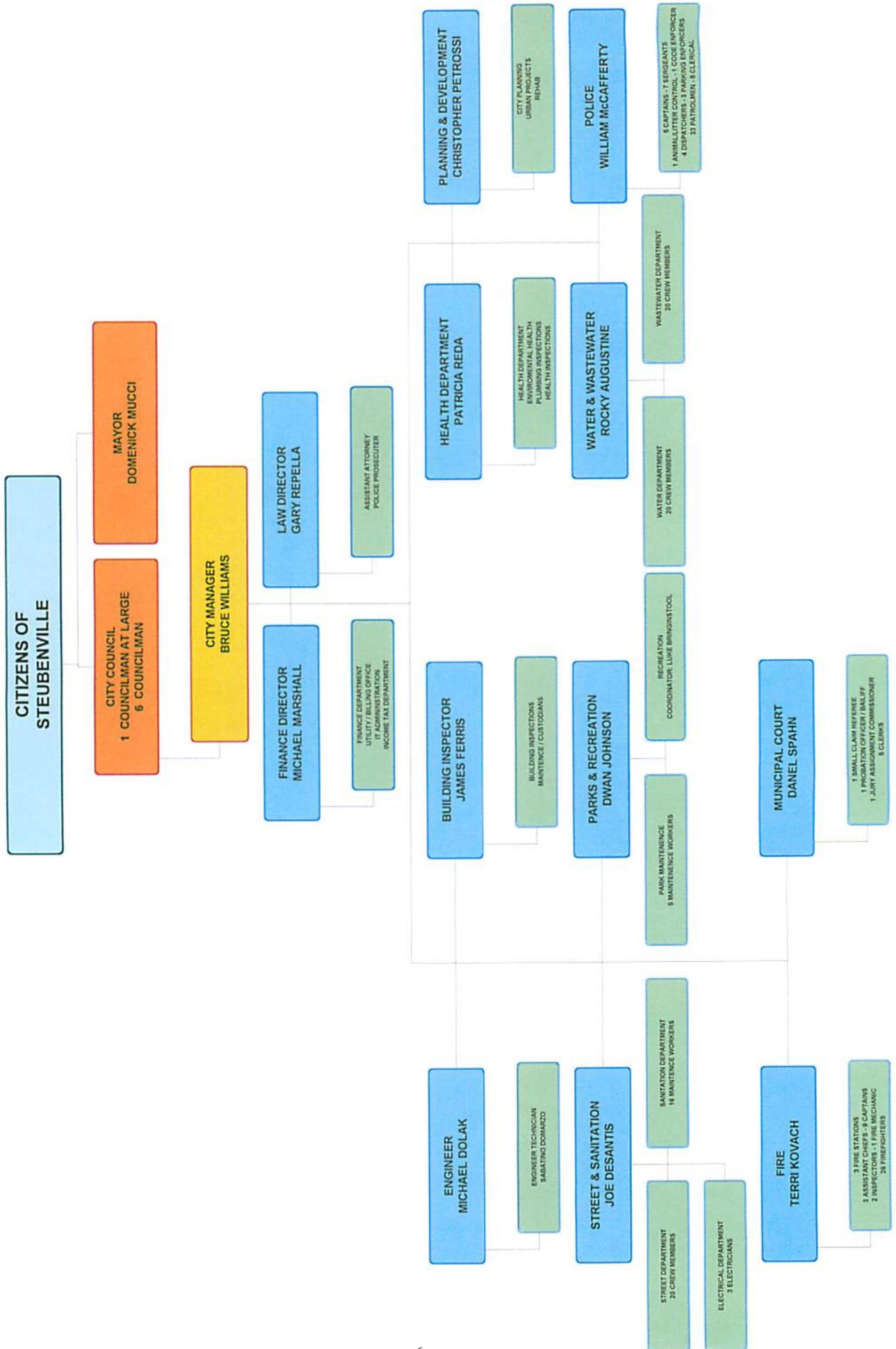
Elected Officials

Mayor	Domenick Mucci Jr.
City Council:	
Councilman at Large	Edward J. Chanoski Jr.
1st Ward Councilman	Gerald DiLoreto
2nd Ward Councilman	Richard Perkins
3rd Ward Councilman	Gregory Metcalf
4th Ward Councilman	David Fortunato
5th Ward Councilman	Albert Stasiulewicz
6th Ward Councilman	David Lalich
Municipal Court Judge	G. Daniel Spahn

Appointed Officials

City Manager	Bruce Williams
Law Director	S. Gary Repella
Finance Director	Michael J. Marshall
Urban Project Director	Christopher Petrossi
Parks and Recreation Director	Dwan W. Johnson
Fire Chief	Terri Kovach
Police Chief	William A. McCafferty
Health Commissioner	Patricia Reda
City Engineer	Michael Dolak
Clerk of Council	Pam Orlando
Water & Sewer Superintendent	Rocky Augustine
Street and Sanitation Superintendent	Joe DeSantis

**CITY OF STEUBENVILLE
ORGANIZATIONAL CHART
DECEMBER 31, 2008**



FINANCIAL SECTION

This Page is Intentionally Left Blank.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

August 31, 2009

Mayor and Members of Council
City of Steubenville
Steubenville, OH 43952

Independent Auditor's Report

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 (the "City"), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2008, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and .7% City Income Tax-Street Improvement Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated July 31, 2009 on our consideration of the City'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 9 through 20 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

City of Steubenville
Independent Auditor's Report
August 31, 2009

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 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, 2008. 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 2008 are as follows:

- The total net assets of the City increased \$2,436,996 or 6.83% over 2007. Net assets of governmental activities decreased \$698,499 or 2.71% and net assets of business-type activities increased \$3,135,495 or 31.78%.
- General revenues accounted for \$12,595,937, or 73.99% of total governmental activities revenue. Program specific revenues accounted for \$4,429,004 or 26.01% of total governmental activities revenue.
- The City had \$17,723,440 in expenses related to governmental activities; \$4,429,004 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$13,294,436 were partially offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$12,595,937.
- The City's major governmental funds are the general fund and the .7% city income tax - street improvement fund. The general fund had revenues and other financing sources of \$12,262,276 in 2008. This represents a decrease of \$1,306,642 from 2007 revenues primarily due to a decrease in intergovernmental revenues compared to the prior year. The expenditures of the general fund, which totaled \$13,370,169 in 2008, increased \$124,596 from 2007. The net decrease in fund balance for the general fund was \$1,107,893, from \$1,310,921 to \$203,028.
- The .7% city income tax - street improvement fund had \$1,883,735 in revenues in 2008. The expenditures of the .7% city income tax - street improvement fund totaled \$1,356,419 in 2008. The net increase in fund balance for the .7% city income tax - street improvement fund was \$527,316 from \$1,010,725 to \$1,538,041.
- Net assets for the business-type activities, which are made up of the water, sewer, and refuse enterprise funds, increased in 2008 by \$3,135,495.
- In the general fund, the actual revenues and other financing sources came in \$741,023 below the final budgeted revenues and other financing sources. Actual expenditures were \$1,449,177 less than the amount in the final budget. This was primarily due to conservative spending. The revenue variances are the result of decreasing other revenues. Budgeted revenues and expenditures were amended a few times throughout the year.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

The statement of net assets 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 Assets 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 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, 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 assets and changes in those assets. This change in net assets 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 assets 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 assets and statement of activities can be found on pages 23-25 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 19.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 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 26-29 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. Internal service funds are 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 32-35 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 36 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 37-71 of this report.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

Government-wide Financial Analysis

The table below provides a summary of the City's net assets for 2008 and 2007.

	Net Assets					
	Governmental Activities 2008	Business-type Activities 2008	Governmental Activities 2007	Business-type Activities 2007	Total 2008	Total 2007
Assets						
Current and other assets	\$ 17,179,582	\$ 11,550,481	\$ 18,151,687	\$ 10,327,892	\$ 28,730,063	\$ 28,479,579
Capital assets, net	<u>18,034,692</u>	<u>53,661,530</u>	<u>17,595,495</u>	<u>43,165,033</u>	<u>71,696,222</u>	<u>60,760,528</u>
Total assets	<u>35,214,274</u>	<u>65,212,011</u>	<u>35,747,182</u>	<u>53,492,925</u>	<u>100,426,285</u>	<u>89,240,107</u>
Liabilities						
Long-term liabilities outstanding	5,506,168	51,056,138	5,818,004	42,497,890	56,562,306	48,315,894
Other liabilities	<u>4,570,942</u>	<u>1,153,590</u>	<u>4,093,515</u>	<u>1,128,247</u>	<u>5,724,532</u>	<u>5,221,762</u>
Total liabilities	<u>10,077,110</u>	<u>52,209,728</u>	<u>9,911,519</u>	<u>43,626,137</u>	<u>62,286,838</u>	<u>53,537,656</u>
Net assets						
Invested in capital assets, net of related debt	16,585,071	7,806,962	15,898,225	6,003,850	24,392,033	21,902,075
Restricted	10,716,030	-	9,754,075	-	10,716,030	9,754,075
Unrestricted (deficit)	<u>(2,163,937)</u>	<u>5,195,321</u>	<u>183,363</u>	<u>3,862,938</u>	<u>3,031,384</u>	<u>4,046,301</u>
Total net assets	<u>\$ 25,137,164</u>	<u>\$ 13,002,283</u>	<u>\$ 25,835,663</u>	<u>\$ 9,866,788</u>	<u>\$ 38,139,447</u>	<u>\$ 35,702,451</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2008, the City's assets exceeded liabilities by \$38,139,447. At year-end, net assets were \$25,137,164 and \$13,002,283 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 71.40% of total assets. Capital assets include land, buildings, improvements, equipment, vehicles, infrastructure and construction-in-progress. Capital assets, net of related debt to acquire the assets at December 31, 2008, were \$16,585,071 and \$7,806,962 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net assets, \$10,716,030, represents resources that are subject to external restriction on how they may be used.

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

The table below shows the changes in net assets for fiscal year 2008 and 2007.

	Change in Net Assets					
	Governmental	Business-type	Governmental	Business-type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
	2008	2008	2007	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 1,221,790	\$ 13,379,807	\$ 1,170,665	\$ 14,759,175	\$ 14,601,597	\$ 15,929,840
Operating grants and contributions	2,085,508	-	2,075,776	-	2,085,508	2,075,776
Capital grants and contributions	1,121,706	-	336,145	-	1,121,706	336,145
Total program revenues	4,429,004	13,379,807	3,582,586	14,759,175	17,808,811	18,341,761
General revenues:						
Property taxes	1,306,035	-	1,408,055	-	1,306,035	1,408,055
Income taxes	8,490,753	-	8,681,044	-	8,490,753	8,681,044
Hotel taxes	252,246	-	268,287	-	252,246	268,287
Unrestricted grants and entitlements	2,156,652	-	2,921,033	-	2,156,652	2,921,033
Investment earnings	148,934	150,867	238,765	283,091	299,801	521,856
Contributions and donations	15,864	-	20,915	-	15,864	20,915
Miscellaneous	225,453	17,276	195,974	610,079	242,729	806,053
Total general revenues	12,595,937	168,143	13,734,073	893,170	12,764,080	14,627,243
Total revenues	17,024,941	13,547,950	17,316,659	15,652,345	30,572,891	32,969,004
Expenses:						
General government	3,483,576	-	3,709,120	-	3,483,576	3,709,120
Security of persons and property	8,339,319	-	7,899,412	-	8,339,319	7,899,412
Public health and welfare	673,311	-	584,846	-	673,311	584,846
Transportation	3,128,182	-	3,108,143	-	3,128,182	3,108,143
Community environment	798,136	-	766,962	-	798,136	766,962
Leisure time activity	1,134,775	-	1,150,102	-	1,134,775	1,150,102
Interest and fiscal charges	166,141	-	110,959	-	166,141	110,959
Water	-	5,109,929	-	4,196,897	5,109,929	4,196,897
Sewer	-	3,544,872	-	3,261,806	3,544,872	3,261,806
Refuse	-	1,757,654	-	1,643,833	1,757,654	1,643,833
Total expenses	17,723,440	10,412,455	17,329,544	9,102,536	28,135,895	26,432,080
Increase (decrease) in net assets before transfers and special item	(698,499)	3,135,495	(12,885)	6,549,809	2,436,996	6,536,924
Transfers	-	-	(30,000)	30,000	-	-
Special item	-	-	2,617,966	-	-	2,617,966
Change in net assets	(698,499)	3,135,495	2,575,081	6,579,809	2,436,996	9,154,890
Net assets at beginning of year	25,835,663	9,866,788	23,260,582	3,286,979	35,702,451	26,547,561
Net assets at end of year	\$ 25,137,164	\$ 13,002,283	\$ 25,835,663	\$ 9,866,788	\$ 38,139,447	\$ 35,702,451

CITY OF STEUBENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED**

Governmental Activities

Governmental activities net assets decreased \$698,499 in 2008. The decrease is a result of several factors. First of all, the City received approximately \$1,000,000 less in estate taxes during 2008 compared to 2007. Next, the City received approximately \$300,000 less in property and income tax revenue when compared to 2007. This is due to the economic slowdown and the phase-out of the tangible personal property tax on businesses. Finally, expenses increase approximately \$400,000 over 2007 due to the increased cost of personnel.

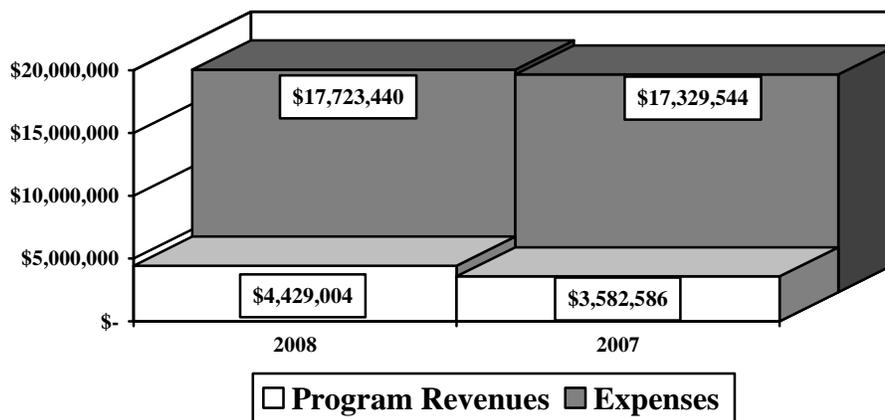
Security of persons and property, which primarily supports the operations of the police and fire departments, had expenses of \$8,339,319 which accounted for 29.64% of the total expenses of the City. These expenses were entirely funded by general revenues. General government expenses totaled \$3,483,576 or 12.39% of the total expenses of the City, which was partially funded by \$672,740 in direct user charges and \$8,120 in operating grants and contributions.

The State and federal government contributed to the City a total of \$2,085,508 in operating grants and contributions.

General revenues totaled \$12,595,937 and amounted to 73.99% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$9,796,788. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue, estate taxes and property tax reimbursements received from the State, making up \$2,156,652.

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

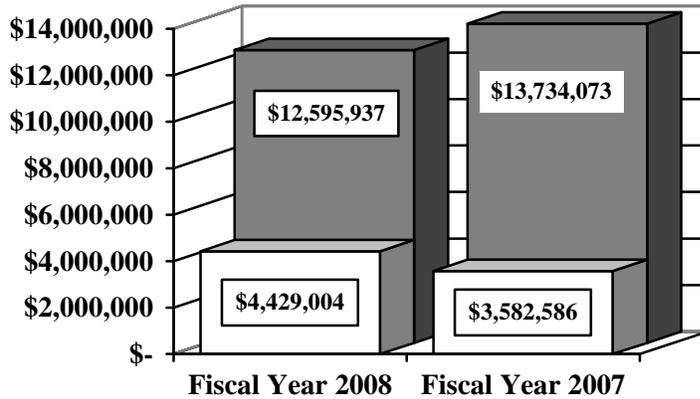
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Program expenses:				
General government	\$ 3,483,576	\$ 2,802,716	\$ 3,709,120	\$ 2,974,056
Security of persons and property	8,339,319	8,339,319	7,899,412	7,898,632
Public health and welfare	673,311	450,695	584,846	487,531
Transportation	3,128,182	1,140,043	3,108,143	1,619,899
Community environment	798,136	(448,291)	766,962	(149,303)
Leisure time activity	1,134,775	843,813	1,150,102	805,184
Interest and fiscal charges	166,141	166,141	110,959	110,959
Total	<u>\$ 17,723,440</u>	<u>\$ 13,294,436</u>	<u>\$ 17,329,544</u>	<u>\$ 13,746,958</u>

The dependence upon general revenues for governmental activities is apparent, with 75.01% and 79.33% of expenses supported through taxes and other general revenues for 2008 and 2007, respectively.

Governmental Activities – General and Program Revenues



□ Program Revenues ■ General Revenues

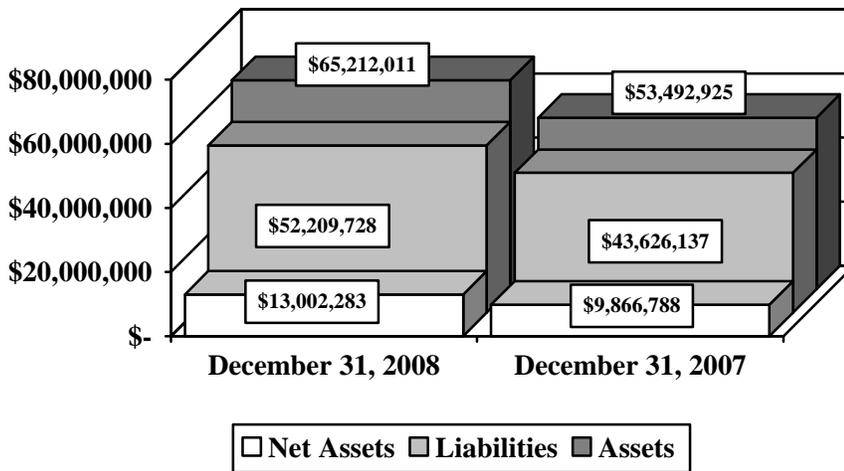
CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

Business-type Activities

Business-type activities include the water, sewer, and refuse enterprise funds. These programs had program revenues of \$13,379,807, general revenues of \$168,143, and expenses of \$10,412,455 for 2008. During 2008, the City was able to reduce the amounts charged to consumers for services while spending more to provide additional water, sewer and refuse service. Even with the reduced charges and increase expenses, the net assets of the business-type activities increase \$3,135,495 over 2007. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business-type Activities



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 26) reported a combined fund balance of \$8,267,386, which is \$1,537,573 less than the previous year's fund balance of \$9,804,959. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2008 for all major and nonmajor governmental funds.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

	<u>Fund Balances</u> <u>12/31/08</u>	<u>Fund Balances</u> <u>12/31/07</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 203,028	\$ 1,310,921	\$ (1,107,893)
.7% city income tax - street improvement	1,538,041	1,010,725	527,316
Other nonmajor governmental funds	<u>6,526,317</u>	<u>7,483,313</u>	<u>(956,996)</u>
 Total	 <u>\$ 8,267,386</u>	 <u>\$ 9,804,959</u>	 <u>\$ (1,537,573)</u>

General Fund

The City's general fund balance decreased \$1,107,893. The table that follows assists in illustrating the revenues of the general fund.

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Taxes	\$ 8,848,107	\$ 9,155,727	(3.36) %
Charges for services	107,288	113,196	(5.22) %
Licenses and permits	574,004	498,424	15.16 %
Fines and forfeitures	326,745	344,299	(5.10) %
Investment income	148,934	235,602	(36.79) %
Intergovernmental	2,063,036	3,030,950	(31.93) %
Rental income	102,971	86,991	18.37 %
Other	<u>76,290</u>	<u>118,225</u>	(35.47) %
 Total	 <u>\$ 12,247,375</u>	 <u>\$ 13,583,414</u>	 (9.84) %

Tax revenue represents 72.25% of all general fund revenue. The decrease in tax revenue is due to the phase out of the tangible personal property tax on general businesses under H.B. 66. Also, increasing unemployment has contributed to a decrease in income tax collections. The most significant decrease in revenues occurred in intergovernmental revenue due to a decrease in estate tax receipts. Interest income decreased because of lower interest rates during 2008. Other revenue decreased due to a decrease in contributions and donations and reimbursements. All other revenue remained consistent between 2007 and 2008.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

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

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Expenditures:			
General government	\$ 2,607,017	\$ 2,970,717	(12.24) %
Security of persons and property	7,854,420	7,714,091	1.82 %
Public health and welfare	549,003	490,409	11.95 %
Transportation	1,236,673	1,091,139	13.34 %
Community environment	60,617	62,828	(3.52) %
Leisure time activity	904,076	781,700	15.66 %
Capital outlay	-	24,406	(100.00) %
Debt service	<u>158,363</u>	<u>110,283</u>	43.60 %
Total	<u>\$ 13,370,169</u>	<u>\$ 13,245,573</u>	0.94 %

The largest expenditure line item, security of persons and property, increased slightly, which is primarily attributed to overall cost increases in wages and purchased goods and services. The decrease in general government is partially due to cost cutting measures implemented in various administrative departments. The increase in transportation expenditures was due to an increase in street department expenditures in 2008. The increase in leisure time activities was due to increases that result from the operation of the City's parks and other recreation programs. The increase in public health and welfare expenditures was due to the increased cost of operation the City's health clinic. All other expenditures remained consistent between 2007 and 2008.

.7% City Income Tax - Street Improvement Fund

The .7% city income tax - street improvement fund had \$1,883,735 in revenues in 2008. This represents a \$635,246 increase over 2007 revenues. This is primarily due to the City receiving more grant money from the Ohio Department of Transportation during 2008 when compared to 2007. The expenditures of the .7% city income tax - street improvement fund totaled \$1,356,419 in 2008. This represents an increase of \$319,396 over 2007 expenditures. This is primarily due to the City spending more on street improvement projects during 2008. The net increase in fund balance for the .7% city income tax - street improvement fund was \$527,316 from \$1,010,725 to \$1,538,041.

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 increased \$521,883. Appropriations were increased by \$1,199,887 during 2008. Increases to the appropriations were primarily due to increasing health care costs and purchased services. Actual revenues and other financing sources of \$13,992,121 were lower than final budgeted revenues and other financing sources by \$741,023. Actual expenditures of \$15,954,704 came in \$1,449,177 less than the final budgeted amounts.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

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 fiscal 2008, the City had \$71,696,222 (net of accumulated depreciation) invested in land, buildings, improvements, equipment, vehicles, infrastructure and construction in progress. Of this total, \$18,034,692 was reported in governmental activities and \$53,661,530 was reported in business-type activities. The following table shows fiscal 2008 balances compared to 2007:

	Capital Assets at December 31 (Net of Depreciation)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 334,112	\$ 334,112	\$ 66,000	\$ 66,000	\$ 400,112	\$ 400,112
Construction- in-progress	1,682,823	235,986	14,084,235	3,804,201	15,767,058	4,040,187
Buildings	1,768,737	1,531,540	25,162,008	24,557,256	26,930,745	26,088,796
Improvements	700,891	706,694	20,051	20,488	720,942	727,182
Equipment	494,692	526,753	226,967	250,616	721,659	777,369
Vehicles	1,364,005	1,437,470	179,858	236,317	1,543,863	1,673,787
Infrastructure	<u>11,689,432</u>	<u>12,822,940</u>	<u>13,922,411</u>	<u>14,230,155</u>	<u>25,611,843</u>	<u>27,053,095</u>
Totals	<u>\$ 18,034,692</u>	<u>\$ 17,595,495</u>	<u>\$ 53,661,530</u>	<u>\$ 43,165,033</u>	<u>\$ 71,696,222</u>	<u>\$ 60,760,528</u>

The City's largest capital asset category is infrastructure which includes roads constructed from 1980 through 2008. 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 64.82% of the City's total governmental capital assets.

The City's second largest business-type capital asset category is infrastructure that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 25.95% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2008 and 2007. Additional details are provided in Note 10 of the notes to the financial statements.

CITY OF STEUBENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Loans payable	\$ 1,429,942	\$ 1,650,340
Compensated absences	1,482,053	1,381,528
Notes payable	541,239	681,864
Capital lease obligation payable	19,679	30,013
Police and fire pension liability	<u>2,033,255</u>	<u>2,074,259</u>
Total long-term obligations	<u>\$ 5,506,168</u>	<u>\$ 5,818,004</u>
	Business-type Activities	
	<u>2008</u>	<u>2007</u>
Long-term notes payable	\$ 75,029	\$ 97,579
Capital lease obligation payable	-	10,296
OWDA loans	42,338,779	32,715,318
OPWC loans	431,704	481,538
Bond anticipation note	-	652,000
Landfill closure/postclosure	4,918,410	5,007,661
Compensated absences	283,160	329,046
Loans payable	120,426	135,191
Bonds payable	<u>2,888,630</u>	<u>3,069,261</u>
Total long-term obligations	<u>\$ 51,056,138</u>	<u>\$ 42,497,890</u>

Economic Conditions and Outlook

The unemployment rates as of December 31, 2008 are 5.8% for the United States, 6.5% for the State of Ohio and 7.1% for Jefferson County. These rates are on an upward trend, which would lead to decreasing income tax revenues for 2009. On the other hand, the City has seen a surge in health care providers locating in Steubenville as well as continued profitability from major national retailers located in and around Steubenville. The net result of this is a more stable income tax revenue stream than otherwise would be possible.

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

The City has also undertaken several other projects. Construction continues on the John Scott Highway Roadway Repair and the Sunset intersection improvement. These projects are partially financed through grants obtained from the Ohio Department of Transportation (ODOT). Also, the City is in the process of making improvements to many City parks.

The net result of the above is a continued precarious formal outlook. 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. Michael Marshall, Finance Director, City of Steubenville, 304 Market Street, Steubenville, Ohio 43952.

**BASIC
FINANCIAL STATEMENTS**

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STEUBENVILLE, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 9,481,693	\$ 9,446,631	\$ 18,928,324
Receivables (net of allowances for uncollectibles):			
Income taxes	1,700,263	-	1,700,263
Property and other taxes	2,017,500	-	2,017,500
Accounts	71,967	1,300,130	1,372,097
Special assessments	17,396	-	17,396
Due from other governments.	3,509,407	-	3,509,407
Internal balances	333	(333)	-
Prepayments	9,295	804,053	813,348
Materials and supplies inventory.	371,728	-	371,728
Capital assets:			
Land and construction-in-progress	2,016,935	14,150,235	16,167,170
Depreciable capital assets, net	16,017,757	39,511,295	55,529,052
Total capital assets, net	18,034,692	53,661,530	71,696,222
Total assets.	35,214,274	65,212,011	100,426,285
Liabilities:			
Accounts payable.	267,881	176,239	444,120
Contracts payable.	615,611	423,531	1,039,142
Accrued wages and benefits	401,708	109,443	511,151
Accrued vacation payable	555,067	174,765	729,832
Due to other governments	1,073,671	254,486	1,328,157
Unearned revenue	1,535,364	-	1,535,364
Accrued interest payable.	30,771	15,126	45,897
Claims payable.	90,869	-	90,869
Long-term liabilities:			
Due within one year.	484,132	2,028,723	2,512,855
Due in more than one year	5,022,036	49,027,415	54,049,451
Total liabilities	10,077,110	52,209,728	62,286,838
Net assets:			
Invested in capital assets, net of related debt	16,585,071	7,806,962	24,392,033
Restricted for:			
Debt service	879,230	-	879,230
Street construction, maintenance and repairs.	2,435,015	-	2,435,015
Police and fire	88,829	-	88,829
Municipal court improvements	59,684	-	59,684
Recreation	2,846,834	-	2,846,834
Community development.	2,354,668	-	2,354,668
Health programs	128,361	-	128,361
Safety programs	1,210,404	-	1,210,404
Equipment improvement	654,301	-	654,301
Other purposes	58,704	-	58,704
Unrestricted (deficit).	(2,163,937)	5,195,321	3,031,384
Total net assets	\$ 25,137,164	\$ 13,002,283	\$ 38,139,447

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government.	\$ 3,483,576	\$ 672,740	\$ 8,120	\$ -
Security of persons and property	8,339,319	-	-	-
Public health and welfare	673,311	222,305	311	-
Transportation.	3,128,182	61,712	804,721	1,121,706
Community environment	798,136	91,980	1,154,447	-
Leisure time activity.	1,134,775	173,053	117,909	-
Interest and fiscal charges.	166,141	-	-	-
Total governmental activities	<u>17,723,440</u>	<u>1,221,790</u>	<u>2,085,508</u>	<u>1,121,706</u>
Business-type activities:				
Water	5,109,929	6,173,116	-	-
Sewer	3,544,872	5,135,268	-	-
Refuse.	1,757,654	2,071,423	-	-
Total business-type activities	<u>10,412,455</u>	<u>13,379,807</u>	<u>-</u>	<u>-</u>
Total primary government.	<u>\$ 28,135,895</u>	<u>\$ 14,601,597</u>	<u>\$ 2,085,508</u>	<u>\$ 1,121,706</u>

General revenues:

Property taxes levied for:	
General purposes.	
Debt service	
Income taxes levied for:	
General purposes.	
Street fund	
Equipment improvement	
Recreation	
Other taxes:	
Hotel occupancy taxes	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Contributions and donations	
Miscellaneous	
 Total general revenues.	
 Change in net assets	
 Net assets at beginning of year	
 Net assets at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (2,802,716)	\$ -	\$ (2,802,716)
(8,339,319)	-	(8,339,319)
(450,695)	-	(450,695)
(1,140,043)	-	(1,140,043)
448,291	-	448,291
(843,813)	-	(843,813)
(166,141)	-	(166,141)
<u>(13,294,436)</u>	<u>-</u>	<u>(13,294,436)</u>
-	1,063,187	1,063,187
-	1,590,396	1,590,396
-	313,769	313,769
<u>-</u>	<u>2,967,352</u>	<u>2,967,352</u>
<u>(13,294,436)</u>	<u>2,967,352</u>	<u>(10,327,084)</u>
1,081,165	-	1,081,165
224,870	-	224,870
7,236,415	-	7,236,415
780,379	-	780,379
355,469	-	355,469
118,490	-	118,490
252,246	-	252,246
2,156,652	-	2,156,652
148,934	150,867	299,801
15,864	-	15,864
225,453	17,276	242,729
<u>12,595,937</u>	<u>168,143</u>	<u>12,764,080</u>
(698,499)	3,135,495	2,436,996
<u>25,835,663</u>	<u>9,866,788</u>	<u>35,702,451</u>
<u>\$ 25,137,164</u>	<u>\$ 13,002,283</u>	<u>\$ 38,139,447</u>

CITY OF STEUBENVILLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	.7% City Income Tax Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,169,135	\$ 1,706,298	\$ 6,535,515	\$ 9,410,948
Receivables (net of allowance for uncollectibles):				
Income taxes	1,498,724	127,580	73,959	1,700,263
Property and other taxes.	1,704,834	-	312,666	2,017,500
Accounts	71,967	-	-	71,967
Special assessments.	-	-	17,396	17,396
Due from other governments	735,988	316,543	2,456,876	3,509,407
Prepayments.	8,190	-	1,105	9,295
Materials and supplies inventory	187,000	-	184,728	371,728
Total assets	\$ 5,375,838	\$ 2,150,421	\$ 9,582,245	\$ 17,108,504
Liabilities:				
Accounts payable	\$ 133,752	\$ 7,506	\$ 126,623	\$ 267,881
Contracts payable	-	482,056	133,555	615,611
Accrued wages and benefits.	392,173	-	9,535	401,708
Due to other governments.	1,050,129	-	23,542	1,073,671
Deferred revenue	2,310,523	122,818	2,513,542	4,946,883
Unearned revenue	1,286,233	-	249,131	1,535,364
Total liabilities	5,172,810	612,380	3,055,928	8,841,118
Fund balances:				
Reserved for encumbrances.	1,084,082	1,081,539	71,845	2,237,466
Reserved for prepayments	8,190	-	1,105	9,295
Reserved for materials and supplies inventory.	187,000	-	184,728	371,728
Unreserved, undesignated (deficit), reported in:				
General fund.	(1,076,244)	-	-	(1,076,244)
Special revenue funds.	-	456,502	5,577,389	6,033,891
Debt service fund	-	-	806,046	806,046
Capital projects fund	-	-	(114,796)	(114,796)
Total fund balances	203,028	1,538,041	6,526,317	8,267,386
Total liabilities and fund balances.	\$ 5,375,838	\$ 2,150,421	\$ 9,582,245	\$ 17,108,504

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total governmental fund balances		\$ 8,267,386
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		18,034,692
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes receivable	\$ 1,488,613	
Property taxes receivable	467,612	
Intergovernmental receivable	2,973,262	
Special assessments receivable	17,396	
Total	4,946,883	4,946,883
Internal service funds are used by management to charge the costs of the government center, service center and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net assets. The net assets of the internal service funds, including internal balances of \$333, are:		(19,791)
Interest is accrued on outstanding loans and notes on the statement of net assets whereas in governmental funds, interest expenditures are reported when due.		(30,771)
Vacation is accrued for leave accrued on the statement of net assets whereas in governmental funds, vacation leave expenditures are reported when taken.		(555,067)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	(1,482,053)	
Police and fire pension liability	(2,033,255)	
Notes payable	(541,239)	
Loans payable	(1,429,942)	
Capital lease payable	(19,679)	
Total	(5,506,168)	(5,506,168)
Net assets of governmental activities		\$ 25,137,164

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, 2008

	General	.7% City Income Tax Street Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Municipal income taxes	\$ 7,654,593	\$ 696,925	\$ 400,000	\$ 8,751,518
Property and other taxes	1,193,514	-	325,143	1,518,657
Charges for services	107,288	-	788	108,076
Licenses and permits	574,004	-	70,604	644,608
Fines and forfeitures	326,745	-	39,390	366,135
Intergovernmental	2,063,036	1,177,521	1,567,678	4,808,235
Special assessments	-	-	17,396	17,396
Contributions and donations.	15,864	-	-	15,864
Investment income	148,934	-	28,692	177,626
Rental income	102,971	-	-	102,971
Other	60,426	9,289	140,837	210,552
Total revenues	12,247,375	1,883,735	2,590,528	16,721,638
Expenditures:				
Current:				
General government	2,607,017	-	575,816	3,182,833
Security of persons and property	7,854,420	-	261,901	8,116,321
Public health and welfare	549,003	-	108,002	657,005
Transportation.	1,236,673	1,198,744	1,039,986	3,475,403
Community environment	60,617	-	740,053	800,670
Leisure time activity	904,076	-	437,061	1,341,137
Capital outlay.	-	-	120,465	120,465
Debt service:				
Principal retirement	67,569	129,631	215,161	412,361
Interest and fiscal charges	90,794	28,044	49,079	167,917
Total expenditures	13,370,169	1,356,419	3,547,524	18,274,112
Excess (deficiency) of revenues over (under) expenditures.	(1,122,794)	527,316	(956,996)	(1,552,474)
Other financing sources:				
Sale of capital assets	14,901	-	-	14,901
Total other financing sources.	14,901	-	-	14,901
Net change in fund balances	(1,107,893)	527,316	(956,996)	(1,537,573)
Fund balances at beginning of year.	1,310,921	1,010,725	7,483,313	9,804,959
Fund balances at end of year	\$ 203,028	\$ 1,538,041	\$ 6,526,317	\$ 8,267,386

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, 2008

Net change in fund balances - total governmental funds		\$ (1,537,573)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 2,099,841	
Current year depreciation	<u>(1,659,894)</u>	
Total		439,947
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(750)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(260,765)	
Property taxes	39,624	
Intergovernmental revenues	582,754	
Special assessments	<u>(73,211)</u>	
Total		288,402
Repayment of loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		
		412,361
In the statement of activities, interest is accrued on outstanding loans and notes, whereas in governmental funds, an interest expenditure is reported when due.		
		1,776
In the statement of activities, vacation leave is accrued when earned, whereas in governmental funds, an expenditure is reported when vacation leave is taken.		
		(57,735)
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		
		(141,559)
Internal service funds used by management to charge the costs of the health insurance to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue (expense) of the internal service funds, including internal balances of \$68,059, is allocated among the governmental activities.		
		<u>(103,368)</u>
Change in net assets of governmental activities		<u>\$ (698,499)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 8,105,678	\$ 8,105,678	\$ 7,710,873	\$ (394,805)
Property and other taxes	1,126,828	1,188,373	1,194,684	6,311
Charges for services	108,957	128,910	113,626	(15,284)
Licenses and permits.	499,328	551,961	503,613	(48,348)
Fines and forfeitures.	347,023	347,909	326,745	(21,164)
Intergovernmental	2,216,838	2,595,302	2,158,721	(436,581)
Contributions and donations.	2,000	15,864	15,864	-
Investment income	380,000	100,000	148,934	48,934
Rental income.	85,000	90,084	101,395	11,311
Other.	1,324,609	1,594,063	1,702,765	108,702
Total revenues.	14,196,261	14,718,144	13,977,220	(740,924)
Expenditures:				
Current:				
General government	6,402,794	7,227,425	5,968,961	1,258,464
Security of persons and property	7,011,092	7,351,874	7,309,490	42,384
Public health and welfare.	498,166	527,848	487,719	40,129
Transportation	1,327,770	1,282,166	1,299,029	(16,863)
Community environment	57,193	55,061	47,672	7,389
Leisure time activity	887,866	937,536	824,601	112,935
Debt service:				
Principal retirement	17,913	20,678	16,231	4,447
Interest and fiscal charges.	1,200	1,293	1,001	292
Total expenditures.	16,203,994	17,403,881	15,954,704	1,449,177
Excess of expenditures over revenues	(2,007,733)	(2,685,737)	(1,977,484)	708,253
Other financing sources:				
Sale of capital assets.	15,000	15,000	14,901	(99)
Total other financing sources	15,000	15,000	14,901	(99)
Net change in fund balance	(1,992,733)	(2,670,737)	(1,962,583)	708,154
Fund balance at beginning of year	12,182	12,182	12,182	-
Prior year encumbrances appropriated	2,005,318	2,005,318	2,005,318	-
Fund balance (deficit) at end of year.	\$ 24,767	\$ (653,237)	\$ 54,917	\$ 708,154

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)
 .7% CITY INCOME TAX - STREET IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 700,600	\$ 690,000	\$ 698,221	\$ 8,221
Intergovernmental	1,321,930	1,994,362	876,022	(1,118,340)
Other.	-	50,000	80,242	30,242
Total revenues.	<u>2,022,530</u>	<u>2,734,362</u>	<u>1,654,485</u>	<u>(1,079,877)</u>
Expenditures:				
Current:				
Transportation	2,741,380	3,734,092	2,286,858	1,447,234
Debt service:				
Principal retirement	148,876	150,817	129,631	21,186
Interest and fiscal charges	40,000	42,700	28,044	14,656
Total expenditures.	<u>2,930,256</u>	<u>3,927,609</u>	<u>2,444,533</u>	<u>1,483,076</u>
Net change in fund balance	(907,726)	(1,193,247)	(790,048)	403,199
Fund balance at beginning of year	904,480	904,480	904,480	-
Prior year encumbrances appropriated	<u>510,327</u>	<u>510,327</u>	<u>510,327</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 507,081</u>	<u>\$ 221,560</u>	<u>\$ 624,759</u>	<u>\$ 403,199</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2008

	Business-type Activities -Enterprise Funds				Governmental
	Water	Sewer	Refuse	Total	Activities - Internal Service Funds
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 5,343,903	\$ 2,691,808	\$ 1,410,920	\$ 9,446,631	\$ 70,745
Receivables (net of allowance for uncollectibles):					
Accounts	551,114	613,821	135,195	1,300,130	-
Prepayments	294,648	507,375	2,030	804,053	-
Total current assets	<u>6,189,665</u>	<u>3,813,004</u>	<u>1,548,145</u>	<u>11,550,814</u>	<u>70,745</u>
Noncurrent assets:					
Capital assets:					
Land and construction-in-progress.	2,509,237	11,610,998	30,000	14,150,235	-
Depreciable capital assets, net	37,222,961	2,037,145	251,189	39,511,295	-
Total capital assets, net	<u>39,732,198</u>	<u>13,648,143</u>	<u>281,189</u>	<u>53,661,530</u>	<u>-</u>
Total noncurrent assets	<u>39,732,198</u>	<u>13,648,143</u>	<u>281,189</u>	<u>53,661,530</u>	<u>-</u>
Total assets.	<u>45,921,863</u>	<u>17,461,147</u>	<u>1,829,334</u>	<u>65,212,344</u>	<u>70,745</u>
Liabilities:					
Current liabilities:					
Accounts payable.	45,499	85,146	45,594	176,239	-
Contracts payable.	268,669	154,862	-	423,531	-
Accrued wages and benefits	50,271	38,673	20,499	109,443	-
Due to other governments	118,718	80,319	55,449	254,486	-
Accrued vacation payable.	86,503	46,774	41,488	174,765	-
Accrued interest payable.	7,039	6,543	1,544	15,126	-
Current portion of compensated absences	17,228	5,402	5,659	28,289	-
Current portion of OPWC loans	26,819	23,015	-	49,834	-
Current portion of OWDA loans	1,356,639	365,000	-	1,721,639	-
Current portion of bonds payable.	145,889	43,865	-	189,754	-
Current portion of notes payable	-	-	23,737	23,737	-
Current portion of loans payable	-	15,470	-	15,470	-
Claims payable	-	-	-	-	90,869
Total current liabilities	<u>2,123,274</u>	<u>865,069</u>	<u>193,970</u>	<u>3,182,313</u>	<u>90,869</u>
Long-term liabilities:					
Compensated absences	137,031	59,667	58,173	254,871	-
OPWC loans	266,795	115,075	-	381,870	-
OWDA loans.	30,227,182	10,389,958	-	40,617,140	-
General obligation bonds payable	1,561,195	1,137,681	-	2,698,876	-
Loans payable	-	104,956	-	104,956	-
Notes payable.	-	-	51,292	51,292	-
Landfill closure/postclosure	-	-	4,918,410	4,918,410	-
Total long-term liabilities	<u>32,192,203</u>	<u>11,807,337</u>	<u>5,027,875</u>	<u>49,027,415</u>	<u>-</u>
Total liabilities.	<u>34,315,477</u>	<u>12,672,406</u>	<u>5,221,845</u>	<u>52,209,728</u>	<u>90,869</u>
Net assets:					
Invested in capital assets, net of related debt . . .	6,147,679	1,453,123	206,160	7,806,962	-
Unrestricted (deficit)	5,458,707	3,335,618	(3,598,671)	5,195,654	(20,124)
Total net assets (deficit)	<u>\$ 11,606,386</u>	<u>\$ 4,788,741</u>	<u>\$ (3,392,511)</u>	<u>13,002,616</u>	<u>\$ (20,124)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(333)	
Net assets of business-type activities				<u>\$ 13,002,283</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Refuse	Total	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 6,173,116	\$ 5,135,268	\$ 2,071,423	\$ 13,379,807	\$ 1,706,838
Other	9,828	5,334	2,114	17,276	-
Total operating revenues	<u>6,182,944</u>	<u>5,140,602</u>	<u>2,073,537</u>	<u>13,397,083</u>	<u>1,706,838</u>
Operating expenses:					
Personal services	1,598,966	1,676,217	1,127,971	4,403,154	-
Contractual services	178,702	34,631	388,581	601,914	-
Maintenance and operations	1,318,901	1,655,650	195,430	3,169,981	-
Depreciation	823,401	79,535	53,258	956,194	-
Other	-	-	-	-	34,269
Claims	-	-	-	-	1,707,878
Total operating expenses	<u>3,919,970</u>	<u>3,446,033</u>	<u>1,765,240</u>	<u>9,131,243</u>	<u>1,742,147</u>
Operating income (loss)	<u>2,262,974</u>	<u>1,694,569</u>	<u>308,297</u>	<u>4,265,840</u>	<u>(35,309)</u>
Nonoperating revenue (expenses):					
Interest revenue	104,825	29,040	17,002	150,867	-
Interest expense and fiscal charges	<u>(1,222,607)</u>	<u>(122,553)</u>	<u>(4,111)</u>	<u>(1,349,271)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(1,117,782)</u>	<u>(93,513)</u>	<u>12,891</u>	<u>(1,198,404)</u>	<u>-</u>
Changes in net assets	1,145,192	1,601,056	321,188	3,067,436	(35,309)
Net assets (deficit) at beginning of year	<u>10,461,194</u>	<u>3,187,685</u>	<u>(3,713,699)</u>		<u>15,185</u>
Net assets (deficit) at end of year	<u>\$ 11,606,386</u>	<u>\$ 4,788,741</u>	<u>\$ (3,392,511)</u>		<u>\$ (20,124)</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>68,059</u>	
Changes in net assets of business-type activities				<u>\$ 3,135,495</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	Water	Sewer	Refuse	Total	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from charges for services	\$ 6,458,444	\$ 5,250,789	\$ 2,164,426	\$ 13,873,659	\$ 1,706,838
Cash received from other operations	9,828	5,334	2,114	17,276	-
Cash payments for personal services	(1,582,673)	(1,749,085)	(1,113,370)	(4,445,128)	-
Cash payments for contractual services	(175,771)	(31,700)	(384,332)	(591,803)	-
Cash payments for maintenance and operations.	(1,337,725)	(1,710,386)	(214,017)	(3,262,128)	-
Cash payments for other expenses	-	-	-	-	(34,269)
Cash payments for claims.	-	-	-	-	(1,818,411)
Net cash provided by (used in) operating activities	<u>3,372,103</u>	<u>1,764,952</u>	<u>454,821</u>	<u>5,591,876</u>	<u>(145,842)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(1,602,750)	(9,740,498)	-	(11,343,248)	-
Landfill closure/postclosure expenses	-	-	(89,251)	(89,251)	-
Principal retirement on OPWC loans.	(26,819)	(23,015)	-	(49,834)	-
Principal retirement on OWDA loans.	(1,590,252)	(114,761)	-	(1,705,013)	-
Principal deposit to OWDA.	(291,636)	(215,323)	-	(506,959)	-
Principal retirement on loans	-	(14,765)	-	(14,765)	-
Principal retirement on notes	-	(652,000)	(22,550)	(674,550)	-
Principal retirement on lease	-	(10,296)	-	(10,296)	-
Principal retirement on general obligation bonds	(139,034)	(41,597)	-	(180,631)	-
Loan issuance	679,554	10,648,920	-	11,328,474	-
Interest and fiscal charges.	(1,223,138)	(124,705)	(4,784)	(1,352,627)	-
Net cash used in capital and related financing activities	<u>(4,194,075)</u>	<u>(288,040)</u>	<u>(116,585)</u>	<u>(4,598,700)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received	104,825	29,040	17,002	150,867	-
Net cash provided by investing activities	<u>104,825</u>	<u>29,040</u>	<u>17,002</u>	<u>150,867</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(717,147)	1,505,952	355,238	1,144,043	(145,842)
Cash and cash equivalents at beginning of year	6,061,050	1,185,856	1,055,682	8,302,588	216,587
Cash and cash equivalents at end of year.	<u>\$ 5,343,903</u>	<u>\$ 2,691,808</u>	<u>\$ 1,410,920</u>	<u>\$ 9,446,631</u>	<u>\$ 70,745</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss).	\$ 2,262,974	\$ 1,694,569	\$ 308,297	\$ 4,265,840	\$ (35,309)
Adjustments:					
Depreciation	823,401	79,535	53,258	956,194	-
Changes in assets and liabilities:					
Decrease in accounts receivable.	285,328	115,521	93,003	493,852	-
Decrease in prepayments	901	901	818	2,620	-
Decrease in accounts payable	(16,804)	(52,619)	(15,156)	(84,579)	-
Increase in accrued wages and benefits	6,293	4,972	1,712	12,977	-
Increase (decrease) in compensated absences payable	4,336	(57,990)	7,768	(45,886)	-
Increase (decrease) in accrued vacation payable.	4,725	(17,424)	4,577	(8,122)	-
Increase (decrease) in due to other governments.	949	(2,513)	544	(1,020)	-
Decrease in claims payable	-	-	-	-	(110,533)
Net cash provided by (used in) operating activities	<u>\$ 3,372,103</u>	<u>\$ 1,764,952</u>	<u>\$ 454,821</u>	<u>\$ 5,591,876</u>	<u>\$ (145,842)</u>

At December 31, 2008 and December 31, 2007, the water fund purchased \$9,266 and \$16,910 respectively, in capital assets on account.
 At December 31, 2008 and December 31, 2007, the sewer fund purchased \$117,087 and \$0, respectively, in capital assets on account.
 At December 31, 2008, the water and sewer funds overpaid the outstanding balances on OWDA loans by \$291,636 and \$215,323, respectively,
 which are recorded as prepayments on the statement of net assets.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF STEUBENVILLE, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 285,001
Cash in segregated accounts	<u>22,248</u>
Total assets.	<u>\$ 307,249</u>
Liabilities:	
Undistributed monies	\$ 285,001
Deposits held and due to others.	<u>22,248</u>
Total liabilities	<u>\$ 307,249</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, 2008

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 also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. 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, 2008

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

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

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

Jefferson County Family and Children First Council: The Jefferson County Family and Children First Council (the Council) is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is currently governed by a 24 member Board, which includes the Health Commissioner of the City of Steubenville. During 2008, the City made no contributions to the Council. Continued existence of the Council is not dependent on the City's continued participation.

B. Basis of Presentation - Fund Accounting

The City's financial statements consist of government-wide statements, including a statement of net assets 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 assets 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 funds 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

General fund - The general fund accounts for all financial resources except those required to be accounted for in another fund.

.7% City Income Tax - Street Improvement fund - The .7% city income tax - street improvement fund is used to account for income tax revenue and Ohio Department of Transportation grants designated for improvement of the City's streets.

Other governmental funds of the City are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; (b) for grants and other resources whose use is restricted to a particular purpose; and (c) for the accumulation of resources for and payment of long-term liabilities.

Proprietary Funds - Proprietary fund reporting focuses on changes in net assets, 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:

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

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

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

Internal service funds - The internal service funds 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. The City's internal service funds report on the activity of the centralized City self-insurance health program.

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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 revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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 5.B.). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5.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.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2008, are recorded as deferred revenue in the governmental funds.

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

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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

F. Budgetary Data

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

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to 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 encumbered 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.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

G. Cash and Cash Equivalents

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

During fiscal year 2008, the City's investments were limited to overnight repurchase agreements.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2008, interest revenue credited to the general fund amounted to \$148,934 which includes \$122,060 assigned from other City funds.

For purpose of the statement of cash flows and for presentation on the statement of net assets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent that the investment was purchased from a specific fund.

The City has segregated bank accounts for Mayor's 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 by a fund balance reserve 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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 assets, 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 assets and in the respective funds.

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

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

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

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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 "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, 2008 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. In the water and sewer funds, the prepaid assets also include \$292,618 and \$505,345, respectively, for payments made to the Ohio Water Development Authority (OWDA) for open loans in excess of the amount outstanding.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which are not available for current appropriation or use. The unreserved and undesignated portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing encumbrances outstanding, materials and supplies inventory and prepayments in the governmental fund financial statements.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

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 2008.

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.

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation 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 assets are available.

R. Operating Revenues and Expenses

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2008, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Post-employment Benefits Other than Pensions", GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other post-employment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City; however, certain disclosures related to post-employment benefits (see Note 13) have been modified to conform to the new reporting requirements.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the City.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other post-employment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the City.

B. Deficit Fund Balance/Net Assets

The following funds had deficit fund balance/net assets as of December 31, 2008:

<u>Major proprietary fund</u>	
Refuse	\$ 3,392,511
<u>Nonmajor proprietary fund</u>	
Health assurance	20,124
<u>Nonmajor governmental fund</u>	
Capital improvement	114,796

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficit and provides operating transfers when cash is required, not when accruals occur. The deficit net assets in the refuse fund is caused by the reporting of a liability for estimated closure and post-closure care costs for the municipal landfill. The liability for estimated closure and post-closure care costs is more fully described in Note 15. The deficit net assets in the health assurance fund is caused by the accrual for claims payable. The deficit fund balance in the capital improvement fund is caused by accrued liabilities.

C. Compliance

- i.* Contrary to Ohio Revised Code Section 5705.10, the City had negative fund balances throughout the fiscal year.
- ii.* Contrary to Ohio Revised Code Section 5705.41(B), the City had expenditures plus encumbrances exceeding appropriations at year end.
- iii.* Contrary to Ohio Revised Code Section 5705.39, the City had appropriations exceeding estimated resources at year end.

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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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;
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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 \$22,248 deposited with a financial institution for monies related to the Mayor's Court which is reported as an agency fund. The entire balance is covered by the FDIC. These amounts are not included in the City's depository balance below.

B. Deposits with Financial Institutions

At December 31, 2008, the carrying amount of all City deposits was \$8,469,351, exclusive of the \$10,743,974 in repurchase agreements included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2008, \$7,265,666 of the City's bank balance of \$8,286,343 was exposed to custodial risk as discussed below, while \$1,020,677 was covered by the Federal Deposit Insurance Corporation.

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. Investments

As of December 31, 2008, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	Investment Maturity 6 months or <u>less</u>
Repurchase agreements	\$ 10,743,974	\$ 10,743,974
	<u>\$ 10,743,974</u>	<u>\$ 10,743,974</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The federal agency securities that underlie the City's repurchase agreements were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to a repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by 2%.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreements	\$ 10,743,974	100.00%
Total	<u>\$ 10,743,974</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net assets as of December 31, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 8,469,351
Investments	10,743,974
Cash in segregated accounts	<u>22,248</u>
Total	<u>\$ 19,235,573</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 9,481,693
Business type activities	9,446,631
Agency funds	<u>307,249</u>
Total	<u>\$ 19,235,573</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal 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. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2008-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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 and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes has been offset by deferred revenue 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2008 was \$8.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 164,942,590
Commercial/industrial/mineral	69,316,610
Tangible personal property	14,664,912

Public utility

Real	48,820
Personal	<u>10,902,720</u>
Total assessed value	<u><u>\$ 259,875,652</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 fund; and .3% of this second one percent is allocated in various amounts to the general and street improvement fund.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2008 consisted of taxes, accounts (billings for user charged services), and intergovernmental receivables arising from grants, entitlements and special assessments. Receivables have been recorded to the extent that they are measurable at December 31, 2008, as well as intended to finance 2008 operations.

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

Governmental activities:

Income taxes	\$1,700,263
Real and other taxes	2,017,500
Accounts	71,967
Special assessments	17,396
Due from other governments	3,509,407

Business-type activities:

Accounts	1,300,130
----------	-----------

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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 334,112	\$ -	\$ -	\$ 334,112
Construction in progress	<u>235,986</u>	<u>1,446,837</u>	<u>-</u>	<u>1,682,823</u>
Total capital assets, not being depreciated	<u>570,098</u>	<u>1,446,837</u>	<u>-</u>	<u>2,016,935</u>
<i>Capital assets, being depreciated:</i>				
Buildings	2,776,366	308,776	-	3,085,142
Improvements	1,624,904	56,082	-	1,680,986
Equipment	970,530	44,442	(46,000)	968,972
Vehicles	4,097,930	243,704	(379,513)	3,962,121
Infrastructure	<u>29,528,451</u>	<u>-</u>	<u>-</u>	<u>29,528,451</u>
Total capital assets, being depreciated	<u>38,998,181</u>	<u>653,004</u>	<u>(425,513)</u>	<u>39,225,672</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,262,178)	(54,227)	-	(1,316,405)
Improvements	(900,858)	(79,237)	-	(980,095)
Equipment	(443,777)	(76,503)	46,000	(474,280)
Vehicles	(2,660,460)	(316,419)	378,763	(2,598,116)
Infrastructure	<u>(16,705,511)</u>	<u>(1,133,508)</u>	<u>-</u>	<u>(17,839,019)</u>
Total accumulated depreciation	<u>(21,972,784)</u>	<u>(1,659,894)</u>	<u>424,763</u>	<u>(23,207,915)</u>
Total capital assets, being depreciated, net	<u>17,025,397</u>	<u>(1,006,890)</u>	<u>(750)</u>	<u>16,017,757</u>
Governmental activities capital assets, net	<u>\$ 17,595,495</u>	<u>\$ 439,947</u>	<u>\$ (750)</u>	<u>\$ 18,034,692</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 66,000	\$ -	\$ -	\$ 66,000
Construction in progress	<u>3,804,201</u>	<u>11,411,904</u>	<u>(1,131,870)</u>	<u>14,084,235</u>
Total capital assets, not being depreciated	<u>3,870,201</u>	<u>11,411,904</u>	<u>(1,131,870)</u>	<u>14,150,235</u>
<i>Capital assets, being depreciated:</i>				
Buildings	30,004,178	1,131,870	-	31,136,048
Improvements	21,835	-	-	21,835
Equipment	378,109	-	-	378,109
Vehicles	1,421,088	40,787	-	1,461,875
Infrastructure	<u>15,109,596</u>	<u>-</u>	<u>-</u>	<u>15,109,596</u>
Total capital assets, being depreciated	<u>46,934,806</u>	<u>1,172,657</u>	<u>-</u>	<u>48,107,463</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(5,446,922)	(527,118)	-	(5,974,040)
Improvements	(1,347)	(437)	-	(1,784)
Equipment	(127,493)	(23,649)	-	(151,142)
Vehicles	(1,184,771)	(97,246)	-	(1,282,017)
Infrastructure	<u>(879,441)</u>	<u>(307,744)</u>	<u>-</u>	<u>(1,187,185)</u>
Total accumulated depreciation	<u>(7,639,974)</u>	<u>(956,194)</u>	<u>-</u>	<u>(8,596,168)</u>
Total capital assets, being depreciated, net	<u>39,294,832</u>	<u>216,463</u>	<u>-</u>	<u>39,511,295</u>
Business-type activities capital assets, net	<u>\$ 43,165,033</u>	<u>\$ 11,628,367</u>	<u>\$ (1,131,870)</u>	<u>\$ 53,661,530</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 178,648
Security of persons and property	257,370
Transportation	1,145,811
Community environment	3,056
Public health and welfare	1,292
Leisure time activity	<u>73,717</u>
Total depreciation expense - governmental activities	<u>\$ 1,659,894</u>

Business-type activities:

Water	\$ 823,401
Sewer	79,535
Refuse	<u>53,258</u>
Total depreciation expense - business-type activities	<u>\$ 956,194</u>

NOTE 8 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Sick leave - Sick leave is accrued according to contracts. Members of AFSCME, police and non-union personnel are credited with 120 hours at the beginning of each year and fire department personnel are credited with 168 hours. There is no limit to the amount employees can accumulate during their service time with the City. Upon termination, an employee with less than 10 years is entitled to 25% of accumulated sick hours. An employee with 10 years or more is entitled to 50% of accumulated sick hours. For AFSCME union members and non-union personnel there is a limit of 2,000 hours of accumulated sick hours that can be paid; police and fire personnel have no limit that can be paid. The total obligation for sick leave accrual for the City as a whole as of December 31, 2008 was \$1,765,213.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8 - OTHER EMPLOYEE BENEFITS - (Continued)

B. Early Retirement Incentive Plan

The City approved an early retirement incentive plan ("ERIP") for all employees. The City purchased, from OPERS, additional service credit for those employees who elected to participate in the plan. Participation was open to employees who were at least 50 years old, qualified for retirement with the years purchased by the City, and agreed to retire at the end of 2007. The enrollment period for the plan was between July 25, 2007 and September 30, 2007. The credit could not exceed the lesser of three years or one-fifth of each member's total Ohio service. The City did not limit the number of employees participating in the plan in any one year. The liability for this plan was completely retired during 2008.

NOTE 9 - LEASES

A. Governmental Capital Leases - Lessee Disclosure

In prior years, the City entered into capitalized lease agreements for office equipment and copiers. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General capital assets consisting of equipment have been capitalized in the statement of net assets in the amount of \$50,807. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2008 was \$31,811, leaving a current book value of \$18,996. A corresponding liability was recorded in the statement of net assets. Principal payments in 2008 totaled \$10,334 paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2008:

Year Ended <u>December 31,</u>	<u>Amount</u>
2009	\$ 7,755
2010	6,843
2011	5,930
2012	<u>1,826</u>
Total	22,354
Less: amount representing interest	<u>(2,675)</u>
Present value of net minimum lease payments	<u>\$ 19,679</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9 - LEASES - (Continued)

B. Proprietary Capital Lease - Lessee Disclosure

In a prior year, capital assets consisting of backhoe equipment have been capitalized in the sewer enterprise fund. This lease agreement meets the criteria of a capital lease as defined by FASB Statement No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. Capital assets consisting of backhoe equipment have been capitalized in the amount of the \$52,131. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2008 was \$17,955, leaving a current book value of \$34,176. A corresponding liability was recorded in the sewer enterprise fund. Principal payments in 2008 totaled \$10,296 paid by the sewer fund, which completely retired this capital lease obligation.

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2008, the following changes occurred in the City's governmental activities long-term obligations:

	<u>Interest</u>	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>Rate</u>	<u>12/31/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/08</u>	<u>Due in</u>
						<u>One Year</u>
<u>Governmental activities:</u>						
<u>Loans:</u>						
State Rt. 22 (ODOT)	0%	\$ 194,931	\$ -	\$ (75,000)	\$ 119,931	\$ 75,000
State Rt. 22 (ODOT)	0%	53,463	-	(18,876)	34,587	18,876
Sunset Blvd (ODOT)	3.00%	858,380	-	(35,755)	822,625	36,927
Phone system loan	4.38%	28,876	-	(16,231)	12,645	12,645
Electrical truck loan	3.75%	37,824	-	(22,186)	15,638	15,638
Route 43 project	4.69%	476,866	-	(52,350)	424,516	54,849
Total loans		<u>1,650,340</u>	<u>-</u>	<u>(220,398)</u>	<u>1,429,942</u>	<u>213,935</u>
<u>Other long-term liabilities:</u>						
Police and fire pension liability		2,074,259	-	(41,004)	2,033,255	42,766
Municipal development note	4.23%	681,864	-	(140,625)	541,239	146,636
Capital lease obligation		30,013	-	(10,334)	19,679	6,368
Compensated absences		1,381,528	157,223	(56,698)	1,482,053	74,427
Total other long-term liabilities		<u>4,167,664</u>	<u>157,223</u>	<u>(248,661)</u>	<u>4,076,226</u>	<u>270,197</u>
Total governmental activities long-term liabilities		<u>\$ 5,818,004</u>	<u>\$ 157,223</u>	<u>\$ (469,059)</u>	<u>\$ 5,506,168</u>	<u>\$ 484,132</u>

ODOT loans - In prior years, the City has obtained loans through the Ohio Department of Transportation (ODOT) to fund various road projects. Two loans have been obtained through ODOT for State Route 22 improvements, which bear no interest and mature in 2010. The ODOT loan for the Sunset Boulevard widening project matures in 2025 and bears an interest rate of 3.00%. These loans are paid from the .7% City income tax - street improvement fund. These loans are funded by income tax levies.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Equipment loans - During 2004, the City obtained loans for the purchase of new equipment. The City purchased a phone system in the amount of \$77,000 to be paid from the general fund. The phone system loan bears an interest rate of 4.38%. Principal payments of \$16,231 were made during 2008. The City also purchased an electrical service truck in the amount of \$106,000. Payments are recorded in the street maintenance and repair and state highway funds, which are nonmajor governmental funds. The electrical service truck loan bears an interest rate of 3.75%. Principal payments of \$22,186 were made during 2008. Both loans mature in 2009.

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.

Municipal development note - The municipal development note was issued in 2007 to pay costs of the demolition and site preparation development project in the City. The note bears an interest rate of 4.23%, matures in 2012 and is paid by the special assessment fund, a nonmajor governmental fund. The balance of this note is not included in the City's calculation of "invested in capital assets, net of related debt" for governmental activities as no capital assets were acquired with the note proceeds.

Capital lease obligation - Capital lease payments are made from the general fund. See Note 9.A for lease details.

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

- B.** The annual requirements amortize governmental activities long-term obligations outstanding as of December 31, 2008, are as follows:

Year Ended	ODOT - Loans			Route 43 Loan		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 130,803	\$ 24,404	\$ 155,207	\$ 54,849	\$ 18,980	\$ 73,829
2010	98,780	23,287	122,067	57,467	16,362	73,829
2011	39,386	22,134	61,520	60,210	13,619	73,829
2012	40,677	20,943	61,620	63,084	10,745	73,829
2013	42,009	19,712	61,721	66,095	7,734	73,829
2014 - 2018	231,617	78,652	310,269	122,811	8,713	131,524
2019 - 2023	272,128	41,255	313,383	-	-	-
2024 - 2025	121,743	4,602	126,345	-	-	-
Totals	<u>\$ 977,143</u>	<u>\$ 234,989</u>	<u>\$ 1,212,132</u>	<u>\$ 424,516</u>	<u>\$ 76,153</u>	<u>\$ 500,669</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	Equipment Loans			Police and Fire Pension Liability		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 28,283	\$ 551	\$ 28,834	\$ 42,767	\$ 85,964	\$ 128,731
2010	-	-	-	44,603	84,127	128,730
2011	-	-	-	46,518	82,212	128,730
2012	-	-	-	48,518	80,213	128,731
2013	-	-	-	50,600	78,129	128,729
2014 - 2018	-	-	-	287,531	356,117	643,648
2019 - 2023	-	-	-	354,819	288,830	643,649
2024 - 2028	-	-	-	437,851	205,997	643,848
2029 - 2033	-	-	-	540,315	103,333	643,648
2034 - 2035	-	-	-	179,733	7,571	187,304
Totals	<u>\$ 28,283</u>	<u>\$ 551</u>	<u>\$ 28,834</u>	<u>\$ 2,033,255</u>	<u>\$ 1,372,493</u>	<u>\$ 3,405,748</u>

Year Ended	Municipal Development Note		
	Principal	Interest	Total
2009	\$ 146,636	\$ 21,360	\$ 167,996
2010	152,904	15,092	167,996
2011	159,441	8,555	167,996
2012	82,258	1,740	83,998
Totals	<u>\$ 541,239</u>	<u>\$ 46,747</u>	<u>\$ 587,986</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

C. During fiscal year 2008, the following changes occurred in the City's business-type activities long-term obligations:

	<u>Interest Rate</u>	<u>Balance 12/31/07</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/08</u>	<u>Amount Due in One Year</u>
<u>Business-type activities:</u>						
<u>OWDA loans:</u>						
Sewer - OWDA #3495	3.20%	\$ -	\$ 99,289	\$ (99,289)	\$ -	\$ -
Sewer - OWDA #3868	3.53%	181,199	50,032	(15,472)	215,759	15,000
Sewer - OWDA #4791	4.11%	39,600	10,499,599	-	10,539,199	350,000
Water - OWDA #3441	3.90%	6,538,400	-	(328,042)	6,210,358	340,960
Water - OWDA #3459	3.20%	251,413	-	(251,413)	-	-
Water - OWDA #3686	3.95%	3,402,999	-	(149,707)	3,253,292	155,679
Water - OWDA #4427	3.25%	22,301,707	679,554	(861,090)	22,120,171	860,000
Total OWDA loans		<u>32,715,318</u>	<u>11,328,474</u>	<u>(1,705,013)</u>	<u>42,338,779</u>	<u>1,721,639</u>
<u>OPWC loans:</u>						
Sewer - OPWC #CN28D	0.00%	161,105	-	(23,015)	138,090	23,015
Water - OPWC #CN523	0.00%	46,980	-	(5,872)	41,108	5,872
Water - OPWC #CN729	0.00%	57,554	-	(6,058)	51,496	6,058
Water - OPWC #CN038	0.00%	215,899	-	(14,889)	201,010	14,889
Total OPWC loans		<u>481,538</u>	<u>-</u>	<u>(49,834)</u>	<u>431,704</u>	<u>49,834</u>
<u>Improvement loan:</u>						
Sewer improvement	4.60%	135,191	-	(14,765)	120,426	15,470
Total loan		<u>135,191</u>	<u>-</u>	<u>(14,765)</u>	<u>120,426</u>	<u>15,470</u>
<u>General obligation note:</u>						
Refuse - garbage packer	5.20%	97,579	-	(22,550)	75,029	23,737
Total general obligation notes		<u>97,579</u>	<u>-</u>	<u>(22,550)</u>	<u>75,029</u>	<u>23,737</u>
<u>Bond anticipation note:</u>						
Sewer - Permars Run note	4.12%	652,000	-	(652,000)	-	-
Total bond anticipation note		<u>652,000</u>	<u>-</u>	<u>(652,000)</u>	<u>-</u>	<u>-</u>
<u>General obligation bonds:</u>						
Water improvement bonds	4.30%	850,000	-	(105,000)	745,000	110,000
Water improvement bonds	5.45%	996,118	-	(34,034)	962,084	35,889
Sewer improvement bonds	5.45%	1,223,143	-	(41,597)	1,181,546	43,865
Total general obligations bonds		<u>3,069,261</u>	<u>-</u>	<u>(180,631)</u>	<u>2,888,630</u>	<u>189,754</u>
<u>Other long-term liabilities:</u>						
Capital lease obligation	4.75%	10,296	-	(10,296)	-	-
Compensated absences	n/a	329,046	23,849	(69,735)	283,160	28,289
Landfill closure/postclosure	n/a	5,007,661	-	(89,251)	4,918,410	-
Total other long-term liabilities		<u>5,347,003</u>	<u>23,849</u>	<u>(169,282)</u>	<u>5,201,570</u>	<u>28,289</u>
Total business-type long-term obligations		<u>\$ 42,497,890</u>	<u>\$ 11,352,323</u>	<u>\$ (2,794,075)</u>	<u>\$ 51,056,138</u>	<u>\$ 2,028,723</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - 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, 2008, the City has outstanding borrowings of \$42,338,779. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. These payments are reflected in the future maturities of principal and interest table and are subject to revision if the total amount is not drawn down. The water storage improvement (#3686) and transmission mains and raw water pumping facilities (#3441) projects are the only two loans which have been closed out as of December 31, 2008. Future annual debt service principal and interest requirements for the open loans, which have a total balance of \$32,875,129 at December 31, 2008, are not available.

OPWC loans - During 2003, the City was granted a \$230,150 loan from the Ohio Public Works Commission (OPWC). The purpose of the loan is to finance and reimburse the costs of replacing a wastewater treatment laboratory facility to meet Ohio Environmental Protection Agency requirements. The loan is being paid from the sewer fund over 10 years, with semi-annual payments of \$11,507. As of December 31, 2008, the loan has a balance of \$138,090. In prior years the City received loans from OPWC to fund improvements of the water plant. The loans granted totaled \$536,402 and payments are made from the water fund in semi-annual payments over 20 years. The City made principal payments of \$26,819 on the water improvement OPWC loans. There is no interest on these loans.

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

General obligation note - During 2006, the City issued a note for \$119,000 in the refuse fund to finance the purchase of a garbage packer. This note matures in 2011 and has an interest rate of 5.20%.

Bond anticipation note - During 2006 the City issued a note in the sewer fund in anticipation of the issuance of bonds to pay costs of the Permars Run relief sewer design project totaling \$652,000. The note bore an interest rate of 4.12% and matured on December 8, 2008.

General obligation bonds - During 2005 the City issued bonds for water and sewer improvements in the amounts of \$2,359,000 and \$1,120,000, respectively. The bonds will be retired with user charges in the water and sewer funds. General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged for repayment.

Landfill closure/postclosure liability - See Note 15 for landfill information.

Capital lease obligation - See Note 9.B. for lease details.

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. The annual requirements amortize business-type activities long-term obligations outstanding as of December 31, 2008, are as follows:

Year Ended	OWDA Loans			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 496,639	\$ 365,894	\$ 862,533	\$ 49,834	\$ -	\$ 49,834
2010	516,275	346,257	862,532	49,834	-	49,834
2011	536,689	325,844	862,533	49,834	-	49,834
2012	557,910	304,623	862,533	49,835	-	49,835
2013	579,970	282,563	862,533	49,835	-	49,835
2014 - 2018	3,262,513	1,050,151	4,312,664	130,412	-	130,412
2019 - 2023	3,375,060	357,732	3,732,792	52,120	-	52,120
2024	138,594	2,737	141,331	-	-	-
Totals	<u>\$ 9,463,650</u>	<u>\$ 3,035,801</u>	<u>\$ 12,499,451</u>	<u>\$ 431,704</u>	<u>\$ -</u>	<u>\$ 431,704</u>

Year Ended	General Obligation Bonds			General Obligation Note		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 189,754	\$ 147,958	\$ 337,712	\$ 23,737	\$ 3,597	\$ 27,334
2010	199,100	138,839	337,939	24,988	2,346	27,334
2011	208,684	129,158	337,842	26,304	1,030	27,334
2012	218,517	119,118	337,635	-	-	-
2013	233,614	108,381	341,995	-	-	-
2014 - 2018	719,788	407,675	1,127,463	-	-	-
2019 - 2023	755,965	226,942	982,907	-	-	-
2024 - 2025	363,208	29,955	393,163	-	-	-
Totals	<u>\$ 2,888,630</u>	<u>\$ 1,308,026</u>	<u>\$ 4,196,656</u>	<u>\$ 75,029</u>	<u>\$ 6,973</u>	<u>\$ 82,002</u>

Year Ended	Sewer Loan		
	Principal	Interest	Total
2009	\$ 15,470	\$ 5,353	\$ 20,823
2010	16,209	4,615	20,824
2011	16,982	3,841	20,823
2012	17,793	3,031	20,824
2013	18,642	2,181	20,823
2014 - 2015	35,330	1,651	36,981
Totals	<u>\$ 120,426</u>	<u>\$ 20,672</u>	<u>\$ 141,098</u>

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

- 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, 2008, the City's total debt margin was \$26,501,104 and the unvoted debt margin was \$13,459,316.

NOTE 11 - 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	\$72,512,000
Employee dishonesty	1,000	100,000
Money and securities	1,000	25,000
Vehicle	2,500	1,000,000
General liabilities	25,000	1,000,000
Law enforcement	25,000	1,000,000
Public officials liability	25,000	1,000,000
Employment practices	25,000	1,000,000
Umbrella liability	N/A	2,000,000

B. Health Insurance

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

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - RISK MANAGEMENT - (Continued)

Claims payable is based on the requirements of GASB Statement No. 30, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable at December 31, 2008, is estimated by the third party administrator at \$90,869. The changes in the claims liability for 2008 and 2007 were as follows:

<u>Year</u>	<u>Beginning Balance</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2008	\$ 201,402	\$ 1,707,878	\$ (1,818,411)	\$ 90,869
2007	59,263	1,630,102	(1,487,963)	201,402

C. Workers’ Compensation

The City also participates in the Ohio Municipal League public entity insurance purchasing pool for workers’ compensation. The Group Rating Plan is administered by Gates McDonald Company. The OML Group Rating Plan is intended to achieve lower workers’ compensation premium rates for the participants, and result in the establishment of a safer working environment. There are no additional contributions required by a participant other than their annual fee.

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 13. As such, no funding provisions are required by the City.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The City's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

The City's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 10.40% of covered payroll. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$468,907, \$494,889, and \$526,274, respectively; 79.76% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 12 - PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$341,429 and \$374,888 for the year ended December 31, 2008, \$302,748 and \$359,608 for the year ended December 31, 2007, and \$251,705 and \$307,334 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 67.05% has been contributed for 2008 with the remainder being recorded as a liability within the respective funds.

NOTE 13 - POST-EMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated 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.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 13 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). 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 amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

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, 2008, 2007, and 2006 were \$468,907, \$325,974, and \$261,482, respectively; 79.76% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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 post-employment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

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

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

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

Funding Policy - The OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

CITY OF STEUBENVILLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 13 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$180,756 and \$146,695 for the year ended December 31, 2008, \$160,170 and \$140,542 for the year ended December 31, 2007, and \$208,092 and \$177,340 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 67.05% has been contributed for 2008 with the remainder being recorded as a liability within the respective funds.

NOTE 14 - 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 statements of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and .7% city income tax - street improvement fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP); and,
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General	.7% City Income Tax Street Improvement
Budget basis	\$ (1,962,583)	\$ (790,048)
Net adjustment for revenue accruals	(1,729,845)	229,250
Net adjustment for expenditure accruals	1,470,317	6,575
Adjustment for encumbrances	1,114,218	1,081,539
GAAP basis	\$ (1,107,893)	\$ 527,316

NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its municipal landfill site and to perform certain maintenance and monitoring functions at the closed landfill site for thirty years after closure. The landfill is no longer being used; however, the final cover as required by State and federal laws has not been placed on the landfill. The first phase of placing the final cover on the landfill began in 2006. The estimated liability for the landfill is \$2,792,750 for closure costs and \$2,692,492 for the post closure care costs for a total liability of \$5,485,242. The estimated cost of landfill closure and postclosure care expenses is based on the amount that would be paid if all materials and services required to monitor and maintain the closed landfill were acquired as of December 31, 2004. However, the actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. At December 31, 2007 the landfill outstanding balance was \$5,007,661. Expenses in the amount of \$89,251 were made during 2008, which decreased the estimated liability to \$4,918,410.

NOTE 16 - WATER AND WASTEWATER COMPLIANCE

The City of Steubenville has been mandated by the Ohio Environmental Protection Agency to upgrade the water and wastewater system in the City. The City anticipates spending approximately \$54 million to upgrade these facilities over the next several years. Construction began in 2002 to upgrade the water system (raw water transmission mains, raw water intake lines and pump station). Some loans have been obtained through the Ohio Pubic Works Commission which are included in the long-term liabilities of the water and sewer enterprise funds and are described in Note 10.

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, 2008.

CITY OF STEUBENVILLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 17 - CONTINGENCIES - (Continued)

B. Litigation

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

NOTE 18 - CONTRACTUAL COMMITMENTS

At of December 31, 2008, the City has commitments with the following companies for various construction projects.

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid as of December 31, 2008</u>	<u>Amount Remaining on Contract</u>
Grae-Con Construction, Inc.	\$ 4,893,492	\$ 242,374	\$ 4,651,118
MWH Construction	11,286,441	10,337,825	948,616
James White Construction	1,305,496	824,939	480,557
Shelley & Sands Inc.	521,135	-	521,135
Cattrell Companies, Inc.	285,000	-	285,000
Total	<u>\$ 18,291,564</u>	<u>\$ 11,405,138</u>	<u>\$ 6,886,426</u>

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 \$50,000,000 hospital facilities revenue refunding and improvement bonds, series 2007 (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, 2008, hospital facilities revenue refunding and improvement bonds outstanding aggregated \$47,250,000.

NOTE 20 - SIGNIFICANT SUBSEQUENT EVENTS

On June 24, 2009, the City received a \$940,750 refund from Ohio Water Development Authority. This refund was for the overpayment of debt. This amount includes the \$797,363 prepayment included in the financial statements.

On May 26, 2009, City Council authorized the issuance of \$3,500,000 of bond anticipation notes to pay for the construction of the new city building. The bonds will be dated approximately May 1, 2011 and bear an interest rate of 5%. On the same date, Cattrell Companies, Inc. was awarded the contract in the amount of \$4,167,625 for the construction of the new city building.

During 2009, a major manufacturer in Steubenville shut down. At this point, it is unknown whether or not the shut down will be permanent or temporary. If it is permanent, the City estimates a loss of approximately \$600,000 in water revenue for 2009.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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.

MAJOR SPECIAL REVENUE FUND

.7% City Income Tax - Street Improvement Fund

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

NONMAJOR SPECIAL REVENUE FUNDS

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

Municipal Court Improvement Fund

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

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.

.7% City Income Tax - Equipment Improvement Fund

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

.7% City Income Tax - Recreation Improvement Fund

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

Litter

This fund accounts for grants for litter prevention.

Convention and Visitors Bureau 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.

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.

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

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Parks Material Usage Fund

This fund accounts for fees assessed for using park facilities.

Law Enforcement Trust Fund

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

Court Security Fund

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

South End Economic Development Fund

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

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.

Unclaimed Monies Fund

This fund accounts for uncashed checks issued by the City.

Summer Food Program Fund

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

Special Assessments Fund

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

Motor Vehicle License Tax Fund

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

Zoning and Planning Fund

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

Justice Assistance Grant Fund

This fund accounts for federal grant money for the police department.

OJJDP Recreation Fund

This fund accounts for federal grant money for afterschool recreation programs.

Police Education Trust Fund

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

Lab Test Fees Fund

This fund accounts for fees derived from customers in the City's health department.

Food Fund

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

CITY OF STEUBENVILLE, OHIO

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

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

EPSDT Fund

This fund accounts for 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.

CHIP Loan Fund

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

FEMA Fund

This fund accounts for the federal portion of grant monies received from the Federal Emergency Management Agency through the Ohio Emergency Management Agency.

NONMAJOR DEBT SERVICE FUND

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

General Bond Retirement Fund

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

NONMAJOR CAPITAL PROJECTS FUND

The capital project fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Following is a description of the capital project fund:

General Capital Improvement Fund

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 8,105,678	\$ 8,105,678	\$ 7,710,873	\$ (394,805)
Property and other taxes	1,126,828	1,188,373	1,194,684	6,311
Charges for services	108,957	128,910	113,626	(15,284)
Licenses and permits.	499,328	551,961	503,613	(48,348)
Fines and forfeitures.	347,023	347,909	326,745	(21,164)
Intergovernmental	2,216,838	2,595,302	2,158,721	(436,581)
Contributions and donations.	2,000	15,864	15,864	-
Investment income	380,000	100,000	148,934	48,934
Rental income.	85,000	90,084	101,395	11,311
Other	1,324,609	1,594,063	1,702,765	108,702
Total revenues.	14,196,261	14,718,144	13,977,220	(740,924)
Expenditures:				
Current:				
General government				
Mayor				
Personal services.	45,713	46,730	46,532	198
Maintenance and operations.	3,099	6,483	6,039	444
Total mayor	48,812	53,213	52,571	642
Finance				
Personal services.	345,099	294,331	289,154	5,177
Maintenance and operations.	45,500	45,500	23,228	22,272
Other.	100,000	100,000	91,040	8,960
Total finance.	490,599	439,831	403,422	36,409
Law director				
Personal services.	183,442	188,680	187,057	1,623
Maintenance and operations	106,363	106,363	45,189	61,174
Total law director	289,805	295,043	232,246	62,797
Civil service				
Maintenance and operations	33,794	33,824	29,732	4,092
Total civil service	33,794	33,824	29,732	4,092
Central purchasing				
Personal services.	1,205,780	1,668,692	1,631,350	37,342
Contractual services	157,726	209,274	200,731	8,543
Maintenance and operations.	927,029	987,767	781,622	206,145
Other.	248,190	280,737	299,383	(18,646)
Total central purchasing	2,538,725	3,146,470	2,913,086	233,384
City manager				
Personal services.	171,606	174,132	175,142	(1,010)
Maintenance and operations	7,416	9,675	6,527	3,148
Total city manager	179,022	183,807	181,669	2,138

-- 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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Engineering				
Personal services.	\$ 173,263	\$ 177,860	\$ 181,865	\$ (4,005)
Maintenance and operations.	7,227	7,896	5,766	2,130
Total engineering	<u>180,490</u>	<u>185,756</u>	<u>187,631</u>	<u>(1,875)</u>
City buildings				
Maintenance and operations	1,876,485	2,080,118	1,176,887	903,231
Total city buildings	<u>1,876,485</u>	<u>2,080,118</u>	<u>1,176,887</u>	<u>903,231</u>
Council				
Personal services.	76,738	77,783	77,292	491
Maintenance and operations	6,752	33,779	26,899	6,880
Total council	<u>83,490</u>	<u>111,562</u>	<u>104,191</u>	<u>7,371</u>
Municipal court				
Personal services.	349,940	354,669	357,301	(2,632)
Contractual services	22,000	22,000	20,833	1,167
Maintenance and operations	87,755	96,592	85,927	10,665
Total municipal court	<u>459,695</u>	<u>473,261</u>	<u>464,061</u>	<u>9,200</u>
Building department				
Personal services.	205,009	207,280	211,266	(3,986)
Contractual services	3,500	3,500	2,446	1,054
Maintenance and operations	13,368	13,760	9,753	4,007
Total building department	<u>221,877</u>	<u>224,540</u>	<u>223,465</u>	<u>1,075</u>
Total general government.	<u>6,402,794</u>	<u>7,227,425</u>	<u>5,968,961</u>	<u>1,258,464</u>
Security of persons and property				
Consent decree/IA police				
Personal services.	3,717	3,717	3,717	-
Total consent decree	<u>3,717</u>	<u>3,717</u>	<u>3,717</u>	<u>-</u>
Police				
Personal services.	3,579,153	3,718,871	3,820,497	(101,626)
Contractual services	100,000	110,674	108,465	2,209
Maintenance and operations	200,301	316,804	150,841	165,963
Other	-	76	-	76
Total police	<u>3,879,454</u>	<u>4,146,425</u>	<u>4,079,803</u>	<u>66,622</u>
Fire				
Personal services.	2,823,684	2,865,827	2,917,512	(51,685)
Maintenance and operations	139,680	157,013	129,988	27,025
Total fire.	<u>2,963,364</u>	<u>3,022,840</u>	<u>3,047,500</u>	<u>(24,660)</u>
Electrical				
Personal services.	147,051	155,996	159,534	(3,538)
Maintenance and operations	17,506	22,896	18,936	3,960
Total electrical	<u>164,557</u>	<u>178,892</u>	<u>178,470</u>	<u>422</u>
Total security of persons and property.	<u>7,011,092</u>	<u>7,351,874</u>	<u>7,309,490</u>	<u>42,384</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public health and welfare				
Health services				
Personal services.	\$ 137,476	\$ 140,791	\$ 139,808	\$ 983
Maintenance and operations	13,200	13,200	10,627	2,573
Total health services	<u>150,676</u>	<u>153,991</u>	<u>150,435</u>	<u>3,556</u>
Health clinic				
Personal services.	59,713	60,290	57,921	2,369
Maintenance and operations	4,500	4,500	3,465	1,035
Total health clinic	<u>64,213</u>	<u>64,790</u>	<u>61,386</u>	<u>3,404</u>
Health administration				
Personal services.	145,524	149,036	148,364	672
Maintenance and operations	122,753	145,031	115,762	29,269
Total health administration.	<u>268,277</u>	<u>294,067</u>	<u>264,126</u>	<u>29,941</u>
Assistance to the needy				
Other.	15,000	15,000	11,772	3,228
Total assistance to the needy.	<u>15,000</u>	<u>15,000</u>	<u>11,772</u>	<u>3,228</u>
Total public health and welfare.	<u>498,166</u>	<u>527,848</u>	<u>487,719</u>	<u>40,129</u>
Transportation				
Street department				
Personal services.	939,659	903,670	939,788	(36,118)
Maintenance and operations	42,977	47,016	43,568	3,448
Total street department.	<u>982,636</u>	<u>950,686</u>	<u>983,356</u>	<u>(32,670)</u>
Lighting				
Maintenance and operations	301,335	287,681	282,833	4,848
Total lighting.	<u>301,335</u>	<u>287,681</u>	<u>282,833</u>	<u>4,848</u>
Weed control				
Personal services.	41,799	41,799	30,840	10,959
Maintenance and operations	2,000	2,000	2,000	-
Total weed control	<u>43,799</u>	<u>43,799</u>	<u>32,840</u>	<u>10,959</u>
Total transportation.	<u>1,327,770</u>	<u>1,282,166</u>	<u>1,299,029</u>	<u>(16,863)</u>
Community environment				
Planning				
Personal services.	44,693	42,561	43,185	(624)
Maintenance and operations	12,500	12,500	4,487	8,013
Total planning.	<u>57,193</u>	<u>55,061</u>	<u>47,672</u>	<u>7,389</u>
Total community environment	<u>57,193</u>	<u>55,061</u>	<u>47,672</u>	<u>7,389</u>
Leisure time activity				
Recreation-parks				
Personal services.	361,667	353,842	283,564	70,278
Maintenance and operations	64,239	76,458	73,763	2,695
Total recreation-parks	<u>425,906</u>	<u>430,300</u>	<u>357,327</u>	<u>72,973</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recreation-pools				
Personal services.	\$ 60,202	\$ 60,919	\$ 60,919	\$ -
Maintenance and operations	26,073	29,362	24,569	4,793
Total recreation-pools	<u>86,275</u>	<u>90,281</u>	<u>85,488</u>	<u>4,793</u>
Recreation-golf				
Personal services.	1,443	1,443	1,443	-
Maintenance and operations	120	920	578	342
Total recreation-golf	<u>1,563</u>	<u>2,363</u>	<u>2,021</u>	<u>342</u>
Recreation-indoors				
Personal services.	150,304	151,352	138,117	13,235
Maintenance and operations	57,195	72,604	63,101	9,503
Total recreation-indoors.	<u>207,499</u>	<u>223,956</u>	<u>201,218</u>	<u>22,738</u>
Recreation-administration				
Personal services.	118,839	135,218	129,737	5,481
Contractual services	2,471	2,471	1,863	608
Maintenance and operations	20,100	21,509	16,424	5,085
Total recreation-administration	<u>141,410</u>	<u>159,198</u>	<u>148,024</u>	<u>11,174</u>
Community celebrations				
Maintenance and operations	25,213	31,438	30,523	915
Total community celebrations	<u>25,213</u>	<u>31,438</u>	<u>30,523</u>	<u>915</u>
Total leisure time activity.	<u>887,866</u>	<u>937,536</u>	<u>824,601</u>	<u>112,935</u>
Debt service:				
Principal retirement.	17,913	20,678	16,231	4,447
Interest and fiscal charges.	1,200	1,293	1,001	292
Total debt service.	<u>19,113</u>	<u>21,971</u>	<u>17,232</u>	<u>4,739</u>
Total expenditures.	<u>16,203,994</u>	<u>17,403,881</u>	<u>15,954,704</u>	<u>1,449,177</u>
Deficiency of revenues under expenditures	<u>(2,007,733)</u>	<u>(2,685,737)</u>	<u>(1,977,484)</u>	<u>708,253</u>
Other financing sources:				
Sale of capital assets.	15,000	15,000	14,901	(99)
Total other financing sources.	<u>15,000</u>	<u>15,000</u>	<u>14,901</u>	<u>(99)</u>
Net change in fund balance.	(1,992,733)	(2,670,737)	(1,962,583)	708,154
Fund balance at beginning of year	12,182	12,182	12,182	-
Prior year encumbrances appropriated	2,005,318	2,005,318	2,005,318	-
Fund balance (deficit) at end of year.	<u>\$ 24,767</u>	<u>\$ (653,237)</u>	<u>\$ 54,917</u>	<u>\$ 708,154</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 700,600	\$ 690,000	\$ 698,221	\$ 8,221
Intergovernmental	1,321,930	1,994,362	876,022	(1,118,340)
Other.	-	50,000	80,242	30,242
Total revenues.	<u>2,022,530</u>	<u>2,734,362</u>	<u>1,654,485</u>	<u>(1,079,877)</u>
Expenditures:				
Current:				
Transportation				
Street department				
Capital outlay.	2,719,085	3,686,858	2,264,011	1,422,847
Other.	22,295	47,234	22,847	24,387
Total transportation.	<u>2,741,380</u>	<u>3,734,092</u>	<u>2,286,858</u>	<u>1,447,234</u>
Debt service:				
Principal retirement.	148,876	150,817	129,631	21,186
Interest and fiscal charges.	40,000	42,700	28,044	14,656
Total debt service.	<u>188,876</u>	<u>193,517</u>	<u>157,675</u>	<u>35,842</u>
Total expenditures.	<u>2,930,256</u>	<u>3,927,609</u>	<u>2,444,533</u>	<u>1,483,076</u>
Net change in fund balance.	(907,726)	(1,193,247)	(790,048)	403,199
Fund balance at beginning of year	904,480	904,480	904,480	-
Prior year encumbrances appropriated	510,327	510,327	510,327	-
Fund balance at end of year	<u>\$ 507,081</u>	<u>\$ 221,560</u>	<u>\$ 624,759</u>	<u>\$ 403,199</u>

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,723,800	\$ 806,046	\$ 5,669	\$ 6,535,515
Receivables (net of allowances of uncollectibles):				
Income taxes	73,959	-	-	73,959
Property and other taxes.	6,312	306,354	-	312,666
Special assessments	17,396	-	-	17,396
Due from other governments	2,440,915	15,961	-	2,456,876
Prepayments	1,105	-	-	1,105
Materials and supplies inventory	184,728	-	-	184,728
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 8,448,215</u>	<u>\$ 1,128,361</u>	<u>\$ 5,669</u>	<u>\$ 9,582,245</u>
Liabilities:				
Accounts payable	\$ 126,623	\$ -	\$ -	\$ 126,623
Contracts payable	13,090	-	120,465	133,555
Accrued wages and benefits	9,535	-	-	9,535
Due to other governments	23,542	-	-	23,542
Deferred revenue	2,440,358	73,184	-	2,513,542
Unearned revenue	-	249,131	-	249,131
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>2,613,148</u>	<u>322,315</u>	<u>120,465</u>	<u>3,055,928</u>
Fund balances:				
Reserved for encumbrances.	71,845	-	-	71,845
Reserved for prepayments	1,105	-	-	1,105
Reserved for materials and supplies inventory. . . .	184,728	-	-	184,728
Unreserved, undesignated (deficit) reported in:				
Special revenue funds	5,577,389	-	-	5,577,389
Debt service fund	-	806,046	-	806,046
Capital projects fund	-	-	(114,796)	(114,796)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances.	<u>5,835,067</u>	<u>806,046</u>	<u>(114,796)</u>	<u>6,526,317</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 8,448,215</u>	<u>\$ 1,128,361</u>	<u>\$ 5,669</u>	<u>\$ 9,582,245</u>

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 400,000	\$ -	\$ -	\$ 400,000
Property and other taxes	105,103	220,040	-	325,143
Charges for services	788	-	-	788
Licenses and permits	70,604	-	-	70,604
Fines and forfeitures	39,390	-	-	39,390
Intergovernmental	1,518,397	49,281	-	1,567,678
Special assessments	17,396	-	-	17,396
Investment income	28,692	-	-	28,692
Other	140,837	-	-	140,837
Total revenues	2,321,207	269,321	-	2,590,528
Expenditures:				
Current:				
General government	570,512	5,304	-	575,816
Security of persons and property	261,901	-	-	261,901
Public health and welfare	108,002	-	-	108,002
Transportation	1,039,986	-	-	1,039,986
Community environment	740,053	-	-	740,053
Leisure time activity	437,061	-	-	437,061
Capital outlay	-	-	120,465	120,465
Debt service:				
Principal retirement	215,161	-	-	215,161
Interest and fiscal charges	49,079	-	-	49,079
Total expenditures	3,421,755	5,304	120,465	3,547,524
Net change in fund balances	(1,100,548)	264,017	(120,465)	(956,996)
Fund balances at beginning of year	6,935,615	542,029	5,669	7,483,313
Fund balances (deficit) at end of year	\$ 5,835,067	\$ 806,046	\$ (114,796)	\$ 6,526,317

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008

	<u>Municipal Court Improvement</u>	<u>Street Maintenance and Repair</u>	<u>State Highway Improvement</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 67,778	\$ 80,999	\$ 108,119
Receivables (net of allowances of uncollectibles):			
Income taxes	-	-	-
Property and other taxes.	-	-	-
Special assessments	-	-	-
Due from other governments	-	337,892	27,397
Prepayments	-	-	-
Materials and supplies inventory	-	184,728	-
Total assets	<u>\$ 67,778</u>	<u>\$ 603,619</u>	<u>\$ 135,516</u>
Liabilities:			
Accounts payable	\$ 8,094	\$ 5,353	\$ -
Contracts payable	-	-	-
Accrued wages and benefits	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	287,253	23,291
Total liabilities	<u>8,094</u>	<u>292,606</u>	<u>23,291</u>
Fund balances:			
Reserved for encumbrances.	-	5,622	-
Reserved for prepayments	-	-	-
Reserved for materials and supplies inventory.	-	184,728	-
Unreserved, undesignated reported in:			
Special revenue funds	59,684	120,663	112,225
Total fund balances	<u>59,684</u>	<u>311,013</u>	<u>112,225</u>
Total liabilities and fund balances	<u>\$ 67,778</u>	<u>\$ 603,619</u>	<u>\$ 135,516</u>

.7% City Income Tax Equipment Improvement	.7% City Income Tax Recreation Improvement	Litter	Convention and Vistors Bureau	Improvement Bond Escrow	Floto Historical Site
\$ 598,832	\$ 2,840,998	\$ 4,771	\$ -	\$ 8,000	\$ 1,510
55,469	18,490	-	-	-	-
-	-	-	6,312	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 654,301</u>	<u>\$ 2,859,488</u>	<u>\$ 4,771</u>	<u>\$ 6,312</u>	<u>\$ 8,000</u>	<u>\$ 1,510</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	13,090	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,469	18,490	-	-	-	-
<u>55,469</u>	<u>31,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,240	2,250	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
585,592	2,825,658	4,771	6,312	8,000	1,510
<u>598,832</u>	<u>2,827,908</u>	<u>4,771</u>	<u>6,312</u>	<u>8,000</u>	<u>1,510</u>
<u>\$ 654,301</u>	<u>\$ 2,859,488</u>	<u>\$ 4,771</u>	<u>\$ 6,312</u>	<u>\$ 8,000</u>	<u>\$ 1,510</u>

-- Continued

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008

	<u>Indigent Drivers</u>	<u>Enforcement and Education</u>	<u>Law Enforcement Trust</u>	<u>Court Security</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,160	\$ 24,114	\$ 47,868	\$ 3,824
Receivables (net of allowances of uncollectibles):				
Income taxes	-	-	-	-
Property and other taxes.	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 4,160</u>	<u>\$ 24,114</u>	<u>\$ 47,868</u>	<u>\$ 3,824</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for encumbrances.	-	-	1,248	-
Reserved for prepayments	-	-	-	-
Reserved for materials and supplies inventory. . . .	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	4,160	24,114	46,620	3,824
Total fund balances	<u>4,160</u>	<u>24,114</u>	<u>47,868</u>	<u>3,824</u>
Total liabilities and fund balances	<u>\$ 4,160</u>	<u>\$ 24,114</u>	<u>\$ 47,868</u>	<u>\$ 3,824</u>

South End Economic Development	Safety	Unclaimed Monies	Summer Food Program	Special Assessments	Motor Vehicle License Tax
\$ 6,671	\$ 1,210,915	\$ 18,042	\$ 2,316	\$ 238,887	\$ 47,446
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	17,396	-
-	-	-	-	-	5,795
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,671</u>	<u>\$ 1,210,915</u>	<u>\$ 18,042</u>	<u>\$ 2,316</u>	<u>\$ 256,283</u>	<u>\$ 53,241</u>
\$ -	\$ 511	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,880	-	-
-	-	-	-	17,396	-
<u>-</u>	<u>511</u>	<u>-</u>	<u>1,880</u>	<u>17,396</u>	<u>-</u>
-	1,197	-	-	13,034	18,457
-	-	-	-	-	-
-	-	-	-	-	-
6,671	1,209,207	18,042	436	225,853	34,784
<u>6,671</u>	<u>1,210,404</u>	<u>18,042</u>	<u>436</u>	<u>238,887</u>	<u>53,241</u>
<u>\$ 6,671</u>	<u>\$ 1,210,915</u>	<u>\$ 18,042</u>	<u>\$ 2,316</u>	<u>\$ 256,283</u>	<u>\$ 53,241</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008

	<u>Zoning and Planning</u>	<u>Police Education Trust</u>	<u>Lab Test Fees</u>	<u>Food</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,856	\$ 16,847	\$ 3,503	\$ 97,861
Receivables (net of allowances of uncollectibles):				
Income taxes	-	-	-	-
Property and other taxes.	-	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 1,856</u>	<u>\$ 16,847</u>	<u>\$ 3,503</u>	<u>\$ 97,861</u>
Liabilities:				
Accounts payable	\$ 88	\$ -	\$ -	\$ 298
Contracts payable	-	-	-	-
Accrued wages and benefits	-	-	-	1,700
Due to other governments	-	-	-	4,786
Deferred revenue	-	-	-	-
Total liabilities	<u>88</u>	<u>-</u>	<u>-</u>	<u>6,784</u>
Fund balances:				
Reserved for encumbrances.	-	-	-	2
Reserved for prepayments	-	-	-	-
Reserved for materials and supplies inventory. . . .	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	1,768	16,847	3,503	91,075
Total fund balances	<u>1,768</u>	<u>16,847</u>	<u>3,503</u>	<u>91,077</u>
Total liabilities and fund balances	<u>\$ 1,856</u>	<u>\$ 16,847</u>	<u>\$ 3,503</u>	<u>\$ 97,861</u>

EPSDT	Mears Relief	Route 7 Project	Community Development	CHIP Loan	FEMA
\$ 45,891	\$ 10,185	\$ 1,594	\$ 22,524	\$ 102,676	\$ 105,613
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,105	-	-	1,651,131	418,700	-
-	-	-	-	-	-
<u>\$ 46,996</u>	<u>\$ 10,185</u>	<u>\$ 1,594</u>	<u>\$ 1,673,655</u>	<u>\$ 521,376</u>	<u>\$ 105,613</u>
\$ -	\$ -	\$ -	\$ 6,666	\$ -	\$ 105,613
-	-	-	-	-	-
-	-	-	7,835	-	-
437	-	-	16,439	-	-
-	-	-	1,619,759	418,700	-
<u>437</u>	<u>-</u>	<u>-</u>	<u>1,650,699</u>	<u>418,700</u>	<u>105,613</u>
-	-	-	16,795	-	-
1,105	-	-	-	-	-
-	-	-	-	-	-
45,454	10,185	1,594	6,161	102,676	-
<u>46,559</u>	<u>10,185</u>	<u>1,594</u>	<u>22,956</u>	<u>102,676</u>	<u>-</u>
<u>\$ 46,996</u>	<u>\$ 10,185</u>	<u>\$ 1,594</u>	<u>\$ 1,673,655</u>	<u>\$ 521,376</u>	<u>\$ 105,613</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONCLUDED)
DECEMBER 31, 2008

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in pooled cash and cash equivalents	\$ 5,723,800
Receivables (net of allowances of uncollectibles):	
Income taxes	73,959
Property and other taxes.	6,312
Special assessments	17,396
Due from other governments	2,440,915
Prepayments	1,105
Materials and supplies inventory	184,728
	<hr/>
Total assets	\$ 8,448,215
	<hr/>
Liabilities:	
Accounts payable	\$ 126,623
Contracts payable	13,090
Accrued wages and benefits	9,535
Due to other governments	23,542
Deferred revenue	2,440,358
	<hr/>
Total liabilities	2,613,148
	<hr/>
Fund balances:	
Reserved for encumbrances.	71,845
Reserved for prepayments	1,105
Reserved for materials and supplies inventory.	184,728
Unreserved, undesignated reported in:	
Special revenue funds	5,577,389
	<hr/>
Total fund balances	5,835,067
	<hr/>
Total liabilities and fund balances	\$ 8,448,215
	<hr/>

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Municipal Court Improvement</u>	<u>Street Maintenance and Repair</u>	<u>State Highway Improvement</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ -
Property and other taxes	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	34,440	-	-
Intergovernmental	-	631,109	51,171
Special assessments	-	-	-
Investment income	-	23,991	4,131
Other	<u>2,072</u>	<u>-</u>	<u>-</u>
Total revenues	<u>36,512</u>	<u>655,100</u>	<u>55,302</u>
Expenditures:			
Current:			
General government	22,643	-	-
Security of persons and property	-	-	-
Public health and welfare	-	-	-
Transportation	-	1,023,408	16,578
Community environment	-	-	-
Leisure time activity	-	-	-
Debt service:			
Principal retirement	-	11,093	11,093
Interest and fiscal charges	<u>-</u>	<u>564</u>	<u>564</u>
Total expenditures	<u>22,643</u>	<u>1,035,065</u>	<u>28,235</u>
Net change in fund balances	13,869	(379,965)	27,067
Fund balances at beginning of year	<u>45,815</u>	<u>690,978</u>	<u>85,158</u>
Fund balances at end of year	<u>\$ 59,684</u>	<u>\$ 311,013</u>	<u>\$ 112,225</u>

<u>.7% City Income Tax Equipment Improvement</u>	<u>.7% City Income Tax Recreation Improvement</u>	<u>Litter</u>	<u>Convention and Vistors Bureau</u>	<u>Improvement Bond Escrow</u>	<u>Floto Historical Site</u>
\$ 300,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
-	-	-	105,103	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,100	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>300,000</u>	<u>108,100</u>	<u>-</u>	<u>105,103</u>	<u>-</u>	<u>-</u>
45,680	-	-	-	-	-
169,724	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	105,492	-	-
-	325,254	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>215,404</u>	<u>325,254</u>	<u>-</u>	<u>105,492</u>	<u>-</u>	<u>-</u>
84,596	(217,154)	-	(389)	-	-
<u>514,236</u>	<u>3,045,062</u>	<u>4,771</u>	<u>6,701</u>	<u>8,000</u>	<u>1,510</u>
<u>\$ 598,832</u>	<u>\$ 2,827,908</u>	<u>\$ 4,771</u>	<u>\$ 6,312</u>	<u>\$ 8,000</u>	<u>\$ 1,510</u>

-- Continued

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, 2008

	<u>Indigent Drivers</u>	<u>Enforcement and Education</u>	<u>Parks Material Usage</u>	<u>Law Enforcement Trust</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ -
Property and other taxes	-	-	-	-
Charges for services	-	-	788	-
Licenses and permits	-	-	-	-
Fines and forfeitures	3,546	1,404	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	104,939
Total revenues	<u>3,546</u>	<u>1,404</u>	<u>788</u>	<u>104,939</u>
Expenditures:				
Current:				
General government	3,272	-	-	-
Security of persons and property	-	-	-	91,987
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activity	-	-	788	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,272</u>	<u>-</u>	<u>788</u>	<u>91,987</u>
Net change in fund balances	274	1,404	-	12,952
Fund balances at beginning of year	<u>3,886</u>	<u>22,710</u>	<u>-</u>	<u>34,916</u>
Fund balances at end of year	<u>\$ 4,160</u>	<u>\$ 24,114</u>	<u>\$ -</u>	<u>\$ 47,868</u>

Court Security	South End Economic Development	Safety	Unclaimed Monies	Summer Food Program	Special Assessments
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,120	-	109,809	-
-	-	-	-	-	17,396
-	-	-	-	-	-
-	-	17,032	7,866	-	99
-	-	25,152	7,866	109,809	17,495
-	-	118,055	1,827	-	273,422
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	109,373	-
-	-	-	-	-	140,625
-	-	-	-	-	27,371
-	-	118,055	1,827	109,373	441,418
-	-	(92,903)	6,039	436	(423,923)
3,824	6,671	1,303,307	12,003	-	662,810
<u>\$ 3,824</u>	<u>\$ 6,671</u>	<u>\$ 1,210,404</u>	<u>\$ 18,042</u>	<u>\$ 436</u>	<u>\$ 238,887</u>

-- Continued

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, 2008

	<u>Motor Vehicle License Tax</u>	<u>Zoning and Planning</u>	<u>Justice Assistance Grant</u>	<u>Police Education Trust</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ -
Property and other taxes	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	73,535	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Other	-	5,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	73,535	5,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	190	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment	-	3,911	-	-
Leisure time activity	-	-	-	-
Debt service:				
Principal retirement	52,350	-	-	-
Interest and fiscal charges	20,580	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	72,930	3,911	190	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	605	1,089	(190)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	52,636	679	190	16,847
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 53,241	\$ 1,768	\$ -	\$ 16,847
	<hr/>	<hr/>	<hr/>	<hr/>

<u>Lab Test Fees</u>	<u>Food</u>	<u>EPSDT</u>	<u>Mears Relief</u>	<u>Swimming Pool</u>	<u>Route 7 Project</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	60,663	8,295	-	1,646	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	311	-	2
<u>3,432</u>	<u>220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,432</u>	<u>60,883</u>	<u>8,295</u>	<u>311</u>	<u>1,646</u>	<u>2</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	92,011	15,616	375	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,646	-
-	-	-	-	-	-
<u>-</u>	<u>92,011</u>	<u>15,616</u>	<u>375</u>	<u>1,646</u>	<u>-</u>
3,432	(31,128)	(7,321)	(64)	-	2
<u>71</u>	<u>122,205</u>	<u>53,880</u>	<u>10,249</u>	<u>-</u>	<u>1,592</u>
<u>\$ 3,503</u>	<u>\$ 91,077</u>	<u>\$ 46,559</u>	<u>\$ 10,185</u>	<u>\$ -</u>	<u>\$ 1,594</u>

-- Continued

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, 2008

	<u>Community Development</u>	<u>CHIP Loan</u>	<u>FEMA</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ 400,000
Property and other taxes	-	-	-	105,103
Charges for services	-	-	-	788
Licenses and permits	-	-	-	70,604
Fines and forfeitures	-	-	-	39,390
Intergovernmental	636,553	-	-	1,518,397
Special assessments	-	-	-	17,396
Investment income	-	257	-	28,692
Other	177	-	-	140,837
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	636,730	257	-	2,321,207
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	105,613	570,512
Security of persons and property	-	-	-	261,901
Public health and welfare	-	-	-	108,002
Transportation	-	-	-	1,039,986
Community environment	630,650	-	-	740,053
Leisure time activity	-	-	-	437,061
Debt service:				
Principal retirement	-	-	-	215,161
Interest and fiscal charges	-	-	-	49,079
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	630,650	-	105,613	3,421,755
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	6,080	257	(105,613)	(1,100,548)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	16,876	102,419	105,613	6,935,615
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 22,956	\$ 102,676	\$ -	\$ 5,835,067
	<hr/>	<hr/>	<hr/>	<hr/>

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, 2008

	<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	\$ 36,566	\$ 42,455	\$ 34,440	\$ (8,015)
Other	400	2,072	2,072	-
Total revenues.	<u>36,966</u>	<u>44,527</u>	<u>36,512</u>	<u>(8,015)</u>
Expenditures:				
Current:				
General government				
Municipal court				
Capital outlay.	32,543	32,543	2,468	30,075
Other	-	169	12,081	(11,912)
Total expenditures.	<u>32,543</u>	<u>32,712</u>	<u>14,549</u>	<u>18,163</u>
 Net change in fund balance	 4,423	 11,815	 21,963	 10,148
 Fund balance at beginning of year	 29,272	 29,272	 29,272	 -
Prior year encumbrances appropriated	<u>16,543</u>	<u>16,543</u>	<u>16,543</u>	<u>-</u>
 Fund balance at end of year	<u>\$ 50,238</u>	<u>\$ 57,630</u>	<u>\$ 67,778</u>	<u>\$ 10,148</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental.	\$ 722,857	\$ 676,766	\$ 632,414	\$ (44,352)
Investment income	60,000	59,214	23,991	(35,223)
Other	-	510	-	(510)
Total revenues	<u>782,857</u>	<u>736,490</u>	<u>656,405</u>	<u>(80,085)</u>
Expenditures:				
Current:				
Transportation				
Street department				
Maintenance and operations.	466,095	597,930	577,376	20,554
Capital outlay.	300,000	347,314	341,023	6,291
Other.	340,000	333,143	301,497	31,646
Total transportation.	<u>1,106,095</u>	<u>1,278,387</u>	<u>1,219,896</u>	<u>58,491</u>
Debt service:				
Principal retirement.	12,000	11,869	11,093	776
Interest and fiscal charges.	600	731	564	167
Total debt service.	<u>12,600</u>	<u>12,600</u>	<u>11,657</u>	<u>943</u>
Total expenditures.	<u>1,118,695</u>	<u>1,290,987</u>	<u>1,231,553</u>	<u>59,434</u>
Net change in fund balance	(335,838)	(554,497)	(575,148)	(20,651)
Fund balance at beginning of year.	605,688	605,688	605,688	-
Prior year encumbrances appropriated	<u>40,595</u>	<u>40,595</u>	<u>40,595</u>	<u>-</u>
Fund balance at end of year	<u>\$ 310,445</u>	<u>\$ 91,786</u>	<u>\$ 71,135</u>	<u>\$ (20,651)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 29,919	\$ 78,864	\$ 51,277	\$ (27,587)
Investment income	8,000	7,693	4,131	(3,562)
Total revenues.	<u>37,919</u>	<u>86,557</u>	<u>55,408</u>	<u>(31,149)</u>
Expenditures:				
Current:				
Transportation				
Street department				
Maintenance and operations.	21,372	21,672	16,848	4,824
Other.	40,000	40,000	123	39,877
Total transportation.	<u>61,372</u>	<u>61,672</u>	<u>16,971</u>	<u>44,701</u>
Debt service:				
Principal retirement.	12,000	11,869	11,093	776
Interest and fiscal charges.	600	731	564	167
Total debt service.	<u>12,600</u>	<u>12,600</u>	<u>11,657</u>	<u>943</u>
Total expenditures.	<u>73,972</u>	<u>74,272</u>	<u>28,628</u>	<u>45,644</u>
Net change in fund balance	(36,053)	12,285	26,780	14,495
Fund balance at beginning of year.	79,504	79,504	79,504	-
Prior year encumbrances appropriated . . .	<u>1,835</u>	<u>1,835</u>	<u>1,835</u>	<u>-</u>
Fund balance at end of year	<u>\$ 45,286</u>	<u>\$ 93,624</u>	<u>\$ 108,119</u>	<u>\$ 14,495</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 .7% CITY INCOME TAX - EQUIPMENT IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Total revenues	300,000	300,000	300,000	-
Expenditures:				
Current:				
General government				
Capital outlay				
Capital outlay	70,624	93,207	28,605	64,602
Other	11,000	157,078	74,799	82,279
Total general government.	81,624	250,285	103,404	146,881
Security of persons and property				
Police				
Capital outlay	120,000	180,127	165,563	14,564
Total police.	120,000	180,127	165,563	14,564
Fire				
Capital outlay	50,425	45,950	17,401	28,549
Total fire.	50,425	45,950	17,401	28,549
Total security of persons and property.	170,425	226,077	182,964	43,113
Total expenditures.	252,049	476,362	286,368	189,994
Net change in fund balance	47,951	(176,362)	13,632	189,994
Fund balance at beginning of year.	550,911	550,911	550,911	-
Prior year encumbrances appropriated	21,049	21,049	21,049	-
Fund balance at end of year	\$ 619,911	\$ 395,598	\$ 585,592	\$ 189,994

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Intergovernmental	111,500	10,000	8,100	(1,900)
Contributions and donations.	-	15,000	-	(15,000)
Investment income	50,000	50,000	-	(50,000)
Total revenues.	<u>261,500</u>	<u>175,000</u>	<u>108,100</u>	<u>(66,900)</u>
Expenditures:				
Current:				
Leisure time activity				
Recreation improvement				
Capital outlay.	3,169,473	327,690	312,845	14,845
Other.	10,000	13,200	2,851	10,349
Total expenditures	<u>3,179,473</u>	<u>340,890</u>	<u>315,696</u>	<u>25,194</u>
Net change in fund balance.	(2,917,973)	(165,890)	(207,596)	(41,706)
Fund balance at beginning of year	3,042,133	3,042,133	3,042,133	-
Prior year encumbrances appropriated . .	<u>4,211</u>	<u>4,211</u>	<u>4,211</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 128,371</u>	<u>\$ 2,880,454</u>	<u>\$ 2,838,748</u>	<u>\$ (41,706)</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, 2008

	<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)
 CONVENTION AND VISITORS BUREAU FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 125,000	\$ 125,000	\$ 105,492	\$ (19,508)
Total revenues	125,000	125,000	105,492	(19,508)
Expenditures:				
Current:				
Community environment				
Convention and visitors bureau				
Other.	125,000	125,000	105,492	19,508
Total expenditures	125,000	125,000	105,492	19,508
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, 2008

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

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FLOTO HISTORICAL SITE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 6,195	\$ 5,985	\$ 3,546	\$ (2,439)
Total revenues	6,195	5,985	3,546	(2,439)
Expenditures:				
Current:				
General government				-
Municipal court				-
Other	10,000	9,667	3,272	6,395
Total expenditures	10,000	9,667	3,272	6,395
Net change in fund balance	(3,805)	(3,682)	274	3,956
Fund balance at beginning of year	3,886	3,886	3,886	-
Fund balance at end of year	\$ 81	\$ 204	\$ 4,160	\$ 3,956

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 2,382	\$ 2,500	\$ 1,404	\$ (1,096)
Total revenues	2,382	2,500	1,404	(1,096)
Net change in fund balance.	2,382	2,500	1,404	(1,096)
Fund balance at beginning of year	22,710	22,710	22,710	-
Fund balance at end of year.	\$ 25,092	\$ 25,210	\$ 24,114	\$ (1,096)

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARKS MATERIAL USAGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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.	\$ 5,000	\$ 4,400	\$ 788	\$ (3,612)
Total revenues.	<u>5,000</u>	<u>4,400</u>	<u>788</u>	<u>(3,612)</u>
Expenditures:				
Current:				
Leisure time activity				
Recreation-parks				
Maintenance and operations	5,000	2,750	788	1,962
Total expenditures	<u>5,000</u>	<u>2,750</u>	<u>788</u>	<u>1,962</u>
Net change in fund balance.	-	1,650	-	(1,650)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ (1,650)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 44,997	\$ 44,997	\$ 104,939	\$ 59,942
Total revenues.	44,997	44,997	104,939	59,942
Expenditures:				
Current:				
Security of persons and property				
Police				
Other	40,000	54,729	103,356	(48,627)
Total expenditures.	40,000	54,729	103,356	(48,627)
Net change in fund balance.	4,997	(9,732)	1,583	11,315
Fund balance at beginning of year	45,037	45,037	45,037	-
Fund balance at end of year	\$ 50,034	\$ 35,305	\$ 46,620	\$ 11,315

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, 2008

	<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, 2008

	<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)
 SAFETY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ -	\$ 28,120	\$ 8,120	\$ (20,000)
Other.	25,000	27,395	17,032	(10,363)
Total revenues.	<u>25,000</u>	<u>55,515</u>	<u>25,152</u>	<u>(30,363)</u>
Expenditures:				
Current:				
General government				
Safety				
Contractual services	62,500	55,250	50,000	5,250
Maintenance and operations	72,572	113,299	70,272	43,027
Total expenditures.	<u>135,072</u>	<u>168,549</u>	<u>120,272</u>	<u>48,277</u>
Net change in fund balance.	(110,072)	(113,034)	(95,120)	17,914
Fund balance at beginning of year	1,287,101	1,287,101	1,287,101	-
Prior year encumbrances appropriated	17,572	17,572	17,572	-
Fund balance at end of year	<u>\$ 1,194,601</u>	<u>\$ 1,191,639</u>	<u>\$ 1,209,553</u>	<u>\$ 17,914</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 14,000	\$ 10,000	\$ 7,866	\$ (2,134)
Total revenues	14,000	10,000	7,866	(2,134)
Expenditures:				
Current:				
General government				
Unclaimed monies				
Maintenance and operations	2,000	3,836	1,827	2,009
Total expenditures	2,000	3,836	1,827	2,009
Excess of revenues over expenditures.	12,000	6,164	6,039	(125)
Other financing uses:				
Transfers out	(2,000)	(2,000)	-	2,000
Total other financing uses.	(2,000)	(2,000)	-	2,000
Net change in fund balance	10,000	4,164	6,039	1,875
Fund balance at beginning of year.	12,003	12,003	12,003	-
Fund balance at end of year	\$ 22,003	\$ 16,167	\$ 18,042	\$ 1,875

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 107,100	\$ 109,809	\$ 109,809	\$ -
Other.	-	100	-	(100)
Total revenues.	<u>107,100</u>	<u>109,909</u>	<u>109,809</u>	<u>(100)</u>
Expenditures:				
Current:				
Leisure time activity				
Recreation-administration				
Personal services	42,055	33,702	31,288	2,414
Maintenance and operations	<u>65,000</u>	<u>76,205</u>	<u>76,205</u>	<u>-</u>
Total expenditures.	<u>107,055</u>	<u>109,907</u>	<u>107,493</u>	<u>2,414</u>
Net change in fund balance.	45	2	2,316	2,314
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 45</u>	<u>\$ 2</u>	<u>\$ 2,316</u>	<u>\$ 2,314</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Special assessments.	\$ 21,000	\$ 21,000	\$ 17,396	\$ (3,604)
Investment income.	12,000	11,737	-	(11,737)
Other	-	99	99	-
Total revenues	<u>33,000</u>	<u>32,836</u>	<u>17,495</u>	<u>(15,341)</u>
Expenditures:				
Current:				
General government				
Central purchasing				
Maintenance and operations.	<u>5,069</u>	<u>15,069</u>	<u>5,069</u>	<u>10,000</u>
Total central purchasing.	<u>5,069</u>	<u>15,069</u>	<u>5,069</u>	<u>10,000</u>
Special assessment				
Maintenance and operations.	<u>415,015</u>	<u>415,715</u>	<u>290,161</u>	<u>125,554</u>
Total special assessment.	<u>415,015</u>	<u>415,715</u>	<u>290,161</u>	<u>125,554</u>
Total general government.	<u>420,084</u>	<u>430,784</u>	<u>295,230</u>	<u>135,554</u>
Debt service:				
Principal retirement.	<u>142,000</u>	<u>140,965</u>	<u>140,965</u>	<u>-</u>
Interest and fiscal charges.	<u>28,000</u>	<u>28,000</u>	<u>27,031</u>	<u>969</u>
Total debt service.	<u>170,000</u>	<u>168,965</u>	<u>167,996</u>	<u>969</u>
Total expenditures	<u>590,084</u>	<u>599,749</u>	<u>463,226</u>	<u>136,523</u>
Deficiency of revenues under expenditures. . .	<u>(557,084)</u>	<u>(566,913)</u>	<u>(445,731)</u>	<u>121,182</u>
Other financing sources:				
Sale of notes	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
Total other financing sources	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
Net change in fund balance.	(557,084)	183,087	(445,731)	(628,818)
Fund balance at beginning of year	652,800	652,800	652,800	-
Prior year encumbrances appropriated . . .	18,784	18,784	18,784	-
Fund balance at end of year	<u>\$ 114,500</u>	<u>\$ 854,671</u>	<u>\$ 225,853</u>	<u>\$ (628,818)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 77,000	\$ 77,000	\$ 73,050	\$ (3,950)
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>73,050</u>	<u>(3,950)</u>
Expenditures:				
Debt service:				
Principal retirement	54,000	80,602	65,675	14,927
Interest and fiscal charges	<u>23,000</u>	<u>31,088</u>	<u>25,712</u>	<u>5,376</u>
Total expenditures	<u>77,000</u>	<u>111,690</u>	<u>91,387</u>	<u>20,303</u>
Net change in fund balance	-	(34,690)	(18,337)	16,353
Fund balance at beginning of year	<u>47,326</u>	<u>47,326</u>	<u>47,326</u>	<u>-</u>
Fund balance at end of year	<u>\$ 47,326</u>	<u>\$ 12,636</u>	<u>\$ 28,989</u>	<u>\$ 16,353</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 15,500	\$ 15,500	\$ 5,000	\$ (10,500)
Total revenues	<u>15,500</u>	<u>15,500</u>	<u>5,000</u>	<u>(10,500)</u>
Expenditures:				
Current:				
Community environment				
Zoning and rezoning				
Personal services	500	197	-	197
Maintenance and operations	<u>15,000</u>	<u>15,000</u>	<u>4,532</u>	<u>10,468</u>
Total expenditures.	<u>15,500</u>	<u>15,197</u>	<u>4,532</u>	<u>10,665</u>
Net change in fund balance.	-	303	468	165
Fund balance at beginning of year	<u>1,388</u>	<u>1,388</u>	<u>1,388</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,388</u>	<u>\$ 1,691</u>	<u>\$ 1,856</u>	<u>\$ 165</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JUSTICE ASSISTANCE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Security of persons and property				
Police				
Other	\$ 190	\$ 190	\$ 190	\$ -
Total expenditures.	<u>190</u>	<u>190</u>	<u>190</u>	<u>-</u>
Net change in fund balance.	(190)	(190)	(190)	-
Fund balance at beginning of year	<u>190</u>	<u>190</u>	<u>190</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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)
 OJJDP RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental.	\$ -	\$ 15,000	\$ -	\$ (15,000)
Total revenues.	-	15,000	-	(15,000)
Expenditures:				
Current:				
Leisure time activity				
Recreation-administration				
Personal services.	-	16,898	-	16,898
Total expenditures.	-	16,898	-	16,898
Net change in fund balance.	-	(1,898)	-	1,898
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (1,898)</u>	<u>\$ -</u>	<u>\$ 1,898</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE EDUCATION TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 700	\$ 700	\$ -	\$ (700)
Total revenues.	700	700	-	(700)
Net change in fund balance.	700	700	-	(700)
Fund balance at beginning of year	16,847	16,847	16,847	-
Fund balance at end of year	\$ 17,547	\$ 17,547	\$ 16,847	\$ (700)

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAB TEST FEES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public health and welfare				
Lab fees				
Maintenance and operations	\$ 1,987	\$ 1,987	\$ 200	\$ 1,787
Total expenditures	<u>1,987</u>	<u>1,987</u>	<u>200</u>	<u>1,787</u>
Net change in fund balance.	(1,987)	(1,987)	(200)	1,787
Fund balance at beginning of year	<u>3,703</u>	<u>3,703</u>	<u>3,703</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,716</u></u>	<u><u>\$ 1,716</u></u>	<u><u>\$ 3,503</u></u>	<u><u>\$ 1,787</u></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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 57,218	\$ 66,756	\$ 60,663	\$ (6,093)
Other	1,000	600	1,068	468
Total revenues	58,218	67,356	61,731	(5,625)
Expenditures:				
Current:				
Public health and welfare				
Food				
Personal services	76,028	78,160	77,837	323
Maintenance and operations	15,250	15,328	11,138	4,190
Other	-	300	143	157
Total expenditures	91,278	93,788	89,118	4,670
Net change in fund balance.	(33,060)	(26,432)	(27,387)	(955)
Fund balance at beginning of year	125,166	125,166	125,166	-
Fund balance at end of year.	\$ 92,106	\$ 98,734	\$ 97,779	\$ (955)

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits.	\$ 11,141	\$ 11,000	\$ 8,295	\$ (2,705)
Investment income.	300	300	-	(300)
Total revenues	<u>11,441</u>	<u>11,300</u>	<u>8,295</u>	<u>(3,005)</u>
Expenditures:				
Current:				
Public health and welfare				
EPSDT				
Personal services.	6,459	6,459	5,680	779
Contractual services.	5,812	5,812	4,862	950
Maintenance and operations.	7,847	7,847	4,628	3,219
Other	-	28	13	15
Total expenditures	<u>20,118</u>	<u>20,146</u>	<u>15,183</u>	<u>4,963</u>
Net change in fund balance.	(8,677)	(8,846)	(6,888)	1,958
Fund balance at beginning of year	52,467	52,467	52,467	-
Prior year encumbrances appropriated	<u>312</u>	<u>312</u>	<u>312</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 44,102</u>	<u>\$ 43,933</u>	<u>\$ 45,891</u>	<u>\$ 1,958</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income.	\$ -	\$ 317	\$ 311	\$ (6)
Total revenues	<u>-</u>	<u>317</u>	<u>311</u>	<u>(6)</u>
Expenditures:				
Current:				
Public health and welfare				
Mears relief				
Maintenance and operations	375	458	375	83
Total expenditures	<u>375</u>	<u>458</u>	<u>375</u>	<u>83</u>
Net change in fund balance.	(375)	(141)	(64)	77
Fund balance at beginning of year	<u>10,249</u>	<u>10,249</u>	<u>10,249</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 9,874</u>	<u>\$ 10,108</u>	<u>\$ 10,185</u>	<u>\$ 77</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, 2008

	<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	\$ 1,783	\$ 1,646	\$ 1,646	\$ -
Total revenues	<u>1,783</u>	<u>1,646</u>	<u>1,646</u>	<u>-</u>
Expenditures:				
Current:				
Leisure time activity				
Recreation-pools				
Maintenance and operations	800	798	798	-
Other	-	848	848	-
Total expenditures	<u>800</u>	<u>1,646</u>	<u>1,646</u>	<u>-</u>
Excess of revenues over expenditures.	<u>983</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Transfers out	(983)	-	-	-
Total other financing uses	<u>(983)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<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)
 ROUTE 7 PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<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	\$ 9	\$ 2	\$ (7)
Total revenues	<u>10</u>	<u>9</u>	<u>2</u>	<u>(7)</u>
Net change in fund balance.	10	9	2	(7)
Fund balance at beginning of year	<u>1,592</u>	<u>1,592</u>	<u>1,592</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,602</u>	<u>\$ 1,601</u>	<u>\$ 1,594</u>	<u>\$ (7)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 787,379	\$ 794,379	\$ 640,523	\$ (153,856)
Other	-	-	177	177
Total revenues	<u>787,379</u>	<u>794,379</u>	<u>640,700</u>	<u>(153,679)</u>
Expenditures:				
Current:				
Community environment				
Community development				
Personal services	247,686	244,347	233,713	10,634
Maintenance and operations.	54,053	54,587	36,992	17,595
Capital outlay	493,199	493,199	372,934	120,265
Total expenditures	<u>794,938</u>	<u>792,133</u>	<u>643,639</u>	<u>148,494</u>
Net change in fund balance.	(7,559)	2,246	(2,939)	(5,185)
Fund balance at beginning of year	7,651	7,651	7,651	-
Prior year encumbrances appropriated	<u>873</u>	<u>873</u>	<u>873</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 965</u>	<u>\$ 10,770</u>	<u>\$ 5,585</u>	<u>\$ (5,185)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHIP LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income.	\$ 100	\$ 389	\$ 257	\$ (132)
Total revenues	<u>100</u>	<u>389</u>	<u>257</u>	<u>(132)</u>
Expenditures:				
Current:				
Community environment				
Community development				
Other	100,000	-	-	-
Total expenditures	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	(99,900)	389	257	(132)
Fund balance at beginning of year	<u>102,419</u>	<u>102,419</u>	<u>102,419</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 2,519</u>	<u>\$ 102,808</u>	<u>\$ 102,676</u>	<u>\$ (132)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEMA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital improvement				
Capital outlay	\$ -	\$ 6,100	\$ -	\$ 6,100
Total expenditures	<u>-</u>	<u>6,100</u>	<u>-</u>	<u>6,100</u>
Net change in fund balance.	-	(6,100)	-	6,100
Fund balance at beginning of year	<u>105,613</u>	<u>105,613</u>	<u>105,613</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 105,613</u>	<u>\$ 99,513</u>	<u>\$ 105,613</u>	<u>\$ 6,100</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 266,260	\$ 220,040	\$ 220,040	\$ -
Intergovernmental.	23,388	38,355	49,281	10,926
Total revenues.	289,648	258,395	269,321	10,926
Expenditures:				
Current:				
General government				
General bond retirement				
Maintenance and operations . . .	6,800	5,711	5,304	407
Total general government.	6,800	5,711	5,304	407
Debt service:				
Other	5,000	5,000	-	5,000
Total debt service	5,000	5,000	-	5,000
Total expenditures.	11,800	10,711	5,304	5,407
Excess of revenues over expenditures. . . .	277,848	247,684	264,017	16,333
Other financing uses:				
Transfers out	-	(300,000)	-	300,000
Total other financing uses	-	(300,000)	-	300,000
Net change in fund balance.	277,848	(52,316)	264,017	316,333
Fund balance at beginning of year	542,029	542,029	542,029	-
Fund balance at end of year.	\$ 819,877	\$ 489,713	\$ 806,046	\$ 316,333

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Community development				
Capital outlay	\$ -	\$ 300,493	\$ -	\$ 300,493
Total expenditures.	-	300,493	-	300,493
Deficiency of revenues under expenditures .	-	(300,493)	-	300,493
Other financing sources:				
Transfers in.	-	300,000	-	(300,000)
Total other financing sources.	-	300,000	-	(300,000)
Net change in fund balance.	-	(493)	-	493
Fund balance at beginning of year	<u>5,669</u>	<u>5,669</u>	<u>5,669</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,669</u>	<u>\$ 5,176</u>	<u>\$ 5,669</u>	<u>\$ 493</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 FUNDS

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.

Nonmajor Internal Service Funds

Health Care Fund

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

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, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues:				
Charges for services	\$ 6,565,705	\$ 6,565,705	\$ 6,458,444	\$ (107,261)
Other.	300,000	917,551	563,797	(353,754)
Total revenues	<u>6,865,705</u>	<u>7,483,256</u>	<u>7,022,241</u>	<u>(461,015)</u>
Operating expenses:				
Personal services.	1,817,537	1,659,186	1,782,405	(123,219)
Contractual services	193,463	193,463	188,837	4,626
Maintenance and operations	1,563,036	1,757,324	1,474,702	282,622
Capital outlay	4,293,529	4,293,529	1,805,006	2,488,523
Total expenses	<u>7,867,565</u>	<u>7,903,502</u>	<u>5,250,950</u>	<u>2,652,552</u>
Operating income (loss).	<u>(1,001,860)</u>	<u>(420,246)</u>	<u>1,771,291</u>	<u>2,191,537</u>
Nonoperating revenues (expenses):				
Investment income.	200,000	171,935	104,825	(67,110)
Loans issued	2,696,957	2,696,957	679,554	(2,017,403)
Reimbursements	(525,000)	(525,000)	(327,625)	197,375
Debt service:				
Principal retirement	(2,032,514)	(2,954,796)	(2,047,741)	907,055
Interest and fiscal charges.	<u>(1,238,154)</u>	<u>(1,885,927)</u>	<u>(1,223,138)</u>	<u>662,789</u>
Total nonoperating revenues (expenses).	<u>(898,711)</u>	<u>(2,496,831)</u>	<u>(2,814,125)</u>	<u>(317,294)</u>
Net change in fund equity	(1,900,571)	(2,917,077)	(1,042,834)	1,874,243
Fund equity at beginning of year.	5,069,303	5,069,303	5,069,303	-
Prior year encumbrances appropriated	<u>991,747</u>	<u>991,747</u>	<u>991,747</u>	<u>-</u>
Fund equity at end of year	<u>\$ 4,160,479</u>	<u>\$ 3,143,973</u>	<u>\$ 5,018,216</u>	<u>\$ 1,874,243</u>

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,427,292	\$ 5,415,292	\$ 5,250,789	\$ (164,503)
Other.	30,000	163,619	763,599	599,980
Total revenues	5,457,292	5,578,911	6,014,388	435,477
Operating expenses:				
Personal services.	1,303,545	1,406,780	1,302,772	104,008
Contractual services	18,294	37,984	22,185	15,799
Maintenance and operations.	1,671,189	2,174,967	1,915,382	259,585
Capital outlay	10,510,811	11,272,599	10,528,148	744,451
Total expenses	13,503,839	14,892,330	13,768,487	1,123,843
Operating loss	(8,046,547)	(9,313,419)	(7,754,099)	1,559,320
Nonoperating revenues (expenses):				
Investment income.	70,000	30,000	29,040	(960)
Loans issued	11,247,076	11,247,076	10,648,920	(598,156)
Reimbursements.	(670,216)	(1,017,212)	(604,387)	412,825
Debt service:				
Principal retirement	(1,083,369)	(1,264,075)	(1,075,504)	188,571
Interest and fiscal charges.	(133,275)	(138,363)	(126,163)	12,200
Total nonoperating revenues (expenses).	9,430,216	8,857,426	8,871,906	14,480
Net change in fund equity	1,383,669	(455,993)	1,117,807	1,573,800
Fund equity at beginning of year.	1,089,439	1,089,439	1,089,439	-
Prior year encumbrances appropriated	96,417	96,417	96,417	-
Fund equity at end of year	\$ 2,569,525	\$ 729,863	\$ 2,303,663	\$ 1,573,800

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,058,654	\$ 2,058,998	\$ 2,164,426	\$ 105,428
Other.	-	5,279	7,314	2,035
Total revenues	2,058,654	2,064,277	2,171,740	107,463
Operating expenses:				
Personal services.	928,347	898,523	790,004	108,519
Contractual services	461,850	469,862	418,362	51,500
Maintenance and operations.	212,644	274,323	163,658	110,665
Capital outlay	150,000	150,000	89,251	60,749
Total expenses	1,752,841	1,792,708	1,461,275	331,433
Operating income.	305,813	271,569	710,465	438,896
Nonoperating revenues (expenses):				
Investment income.	25,000	22,838	17,002	(5,836)
Reimbursements.	(316,177)	(570,022)	(391,439)	178,583
Debt service:				
Principal retirement	(24,000)	(46,501)	(33,963)	12,538
Interest and fiscal charges.	(6,000)	(9,534)	(7,039)	2,495
Total nonoperating revenues (expenses).	(321,177)	(603,219)	(415,439)	187,780
Net change in fund equity	(15,364)	(331,650)	295,026	626,676
Fund equity at beginning of year.	1,005,186	1,005,186	1,005,186	-
Prior year encumbrances appropriated	50,496	50,496	50,496	-
Fund equity at end of year	\$ 1,040,318	\$ 724,032	\$ 1,350,708	\$ 626,676

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
DECEMBER 31, 2008

	<u>Health Assurance</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 70,745
Total assets	<u>70,745</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>90,869</u>
Total liabilities	<u>90,869</u>
Net assets:	
Unrestricted (deficit)	<u>(20,124)</u>
Total net assets (deficit)	<u>\$ (20,124)</u>

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 NONMAJOR INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Health Care</u>	<u>Health Assurance</u>	<u>Total Nonmajor Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ -	\$ 1,706,838	\$ 1,706,838
Total operating revenues	<u>-</u>	<u>1,706,838</u>	<u>1,706,838</u>
Operating expenses:			
Other.	34,269	-	34,269
Claims.	<u>-</u>	<u>1,707,878</u>	<u>1,707,878</u>
Total operating expenses.	<u>34,269</u>	<u>1,707,878</u>	<u>1,742,147</u>
Changes in net assets	(34,269)	(1,040)	(35,309)
Net assets (deficit) at beginning of year. . . .	<u>34,269</u>	<u>(19,084)</u>	<u>15,185</u>
Net assets (deficit) at end of year	<u>\$ -</u>	<u>\$ (20,124)</u>	<u>\$ (20,124)</u>

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Health Care</u>	<u>Health Assurance</u>	<u>Total Nonmajor Internal Service Funds</u>
Cash flows from operating activities:			
Cash received from charges for services.	\$ -	\$ 1,706,838	\$ 1,706,838
Cash payments for other expenses	(34,269)	-	(34,269)
Cash payments for claims	-	(1,818,411)	(1,818,411)
Net cash used in operating activities.	<u>(34,269)</u>	<u>(111,573)</u>	<u>(145,842)</u>
Net decrease in cash and cash equivalents	(34,269)	(111,573)	(145,842)
Cash and cash equivalents at beginning of year	34,269	182,318	216,587
Cash and cash equivalents at end of year . . .	<u>\$ -</u>	<u>\$ 70,745</u>	<u>\$ 70,745</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (34,269)	\$ (1,040)	\$ (35,309)
Changes in assets and liabilities:			
Decrease in claims payable.	-	(110,533)	(110,533)
Net cash used in operating activities.	<u>\$ (34,269)</u>	<u>\$ (111,573)</u>	<u>\$ (145,842)</u>

CITY OF STEUBENVILLE, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH CARE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating expenses:				
Other	\$ -	\$ -	\$ 34,269	\$ (34,269)
Total expenses	-	-	34,269	(34,269)
Net change in fund equity	-	-	(34,269)	(34,269)
Fund equity at beginning of year.	34,269	34,269	34,269	-
Fund equity at end of year	\$ 34,269	\$ 34,269	\$ -	\$ (34,269)

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,575,000	\$ 1,700,061	\$ 1,906,838	\$ 206,777
Total revenues	<u>1,575,000</u>	<u>1,700,061</u>	<u>1,906,838</u>	<u>206,777</u>
Operating expenses:				
Claims	1,487,963	1,675,163	2,018,411	(343,248)
Total expenses	<u>1,487,963</u>	<u>1,675,163</u>	<u>2,018,411</u>	<u>(343,248)</u>
Operating income (loss).	<u>87,037</u>	<u>24,898</u>	<u>(111,573)</u>	<u>(136,471)</u>
Nonoperating revenues:				
Investment income.	3,500	3,500	-	(3,500)
Total nonoperating revenues.	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>
Net change in fund equity	90,537	28,398	(111,573)	(139,971)
Fund equity at beginning of year.	<u>182,318</u>	<u>182,318</u>	<u>182,318</u>	<u>-</u>
Fund equity at end of year	<u>\$ 272,855</u>	<u>\$ 210,716</u>	<u>\$ 70,745</u>	<u>\$ (139,971)</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.

Mayor's Court

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

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Beginning Balance 12/31/2007	Additions	Reductions	Ending Balance 12/31/2008
Utility Service Deposit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 259,514	\$ 114,008	\$ 111,028	\$ 262,494
Total assets	<u>\$ 259,514</u>	<u>\$ 114,008</u>	<u>\$ 111,028</u>	<u>\$ 262,494</u>
Liabilities:				
Accounts payable.	\$ 121	\$ -	\$ 121	\$ -
Deposits held and due to others	259,393	114,008	110,907	262,494
Total liabilities	<u>\$ 259,514</u>	<u>\$ 114,008</u>	<u>\$ 111,028</u>	<u>\$ 262,494</u>
Fire Damage Removal				
Assets:				
Equity in pooled cash and cash equivalents	\$ 23,682	\$ 35,715	\$ 44,124	\$ 15,273
Total assets	<u>\$ 23,682</u>	<u>\$ 35,715</u>	<u>\$ 44,124</u>	<u>\$ 15,273</u>
Liabilities:				
Deposits held and due to others	\$ 23,682	\$ 35,715	\$ 44,124	\$ 15,273
Total liabilities	<u>\$ 23,682</u>	<u>\$ 35,715</u>	<u>\$ 44,124</u>	<u>\$ 15,273</u>
Zoning and Rezoning				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,445	\$ 3,000	\$ 211	\$ 7,234
Total assets	<u>\$ 4,445</u>	<u>\$ 3,000</u>	<u>\$ 211</u>	<u>\$ 7,234</u>
Liabilities:				
Deposits held and due to others	\$ 4,445	\$ 3,000	\$ 211	\$ 7,234
Total liabilities	<u>\$ 4,445</u>	<u>\$ 3,000</u>	<u>\$ 211</u>	<u>\$ 7,234</u>

- - Continued

CITY OF STEUBENVILLE, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONCLUDED)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Beginning Balance 12/31/2007	Additions	Reductions	Ending Balance 12/31/2008
Mayor's Court				
Assets:				
Cash in segregated accounts.	\$ 21,708	\$ 929,337	\$ 928,797	\$ 22,248
Total assets	<u>\$ 21,708</u>	<u>\$ 929,337</u>	<u>\$ 928,797</u>	<u>\$ 22,248</u>
Liabilities:				
Undistributed monies.	\$ 21,708	\$ 929,337	\$ 928,797	\$ 22,248
Total liabilities	<u>\$ 21,708</u>	<u>\$ 929,337</u>	<u>\$ 928,797</u>	<u>\$ 22,248</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 287,641	\$ 152,723	\$ 155,363	\$ 285,001
Cash in segregated accounts.	21,708	929,337	928,797	22,248
Total assets	<u>\$ 309,349</u>	<u>\$ 1,082,060</u>	<u>\$ 1,084,160</u>	<u>\$ 307,249</u>
Liabilities:				
Accounts payable.	\$ 121	\$ -	\$ 121	\$ -
Undistributed monies.	21,708	929,337	928,797	22,248
Deposits held and due to others	287,520	152,723	155,242	285,001
Total liabilities	<u>\$ 309,349</u>	<u>\$ 1,082,060</u>	<u>\$ 1,084,160</u>	<u>\$ 307,249</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

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.	148-159
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income and property taxes.	160-167
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.	168-173
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.	174-175
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.	176-181

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

CITY OF STEUBENVILLE, OHIO

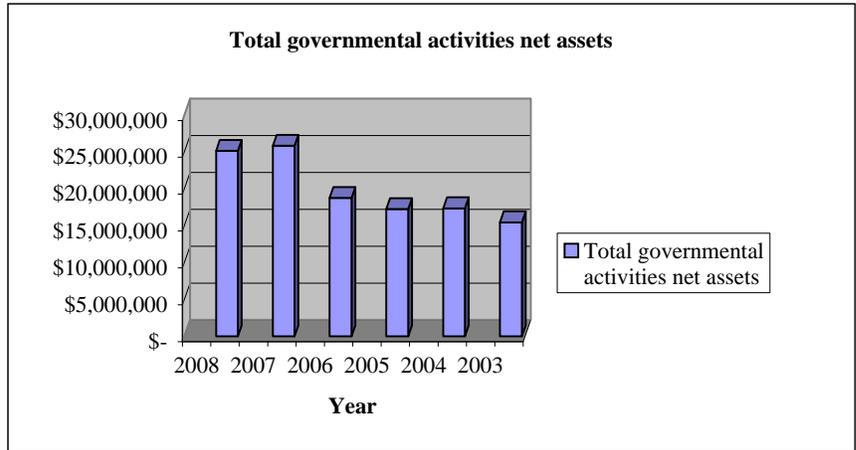
NET ASSETS BY COMPONENT
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 16,585,071	\$ 15,898,225	\$ 11,569,280	\$ 10,295,202
Restricted for:				
Capital projects	-	5,669	6,163	6,064
Debt service	879,230	606,116	349,711	96,880
Street construction, maintenance and repair	2,435,015	2,154,123	1,901,304	1,206,031
Police and fire	88,829	51,763	22,519	16,172
Municipal court improvements	59,684	45,815	77,582	79,110
Recreation	2,846,834	3,045,062	387,185	264,184
Community development projects	2,354,668	1,619,150	1,433,165	1,496,213
Health programs	128,361	165,029	170,125	155,792
Safety programs	1,210,404	1,303,307	1,334,423	1,397,229
Equipment improvement	654,301	-	-	-
Other purposes	58,704	758,041	811,675	626,979
Unrestricted (deficit)	<u>(2,163,937)</u>	<u>183,363</u>	<u>681,931</u>	<u>1,597,186</u>
Total governmental activities net assets	<u>\$ 25,137,164</u>	<u>\$ 25,835,663</u>	<u>\$ 18,745,063</u>	<u>\$ 17,237,042</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 7,806,962	\$ 6,003,850	\$ 4,329,702	\$ 3,617,908
Restricted for:				
Capital projects	-	-	-	-
Unrestricted (deficit)	<u>5,195,321</u>	<u>3,862,938</u>	<u>(1,042,723)</u>	<u>(4,784,303)</u>
Total business-type activities net assets (deficit)	<u>\$ 13,002,283</u>	<u>\$ 9,866,788</u>	<u>\$ 3,286,979</u>	<u>\$ (1,166,395)</u>
Total primary government:				
Invested in capital assets, net of related debt	\$ 24,392,033	\$ 21,902,075	\$ 15,898,982	\$ 13,913,110
Restricted for:				
Capital projects	-	5,669	6,163	6,064
Debt service	879,230	606,116	349,711	96,880
Street construction, maintenance and repair	2,435,015	2,154,123	1,901,304	1,206,031
Police and fire	88,829	51,763	22,519	16,172
Court computer	59,684	45,815	77,582	79,110
Recreation	2,846,834	3,045,062	387,185	264,184
Community development projects	2,354,668	1,619,150	1,433,165	1,496,213
Health programs	128,361	165,029	170,125	155,792
Safety programs	1,210,404	1,303,307	1,334,423	1,397,229
Equipment improvement	654,301	-	-	-
Other purposes	58,704	758,041	811,675	626,979
Unrestricted (deficit)	<u>3,031,384</u>	<u>4,046,301</u>	<u>(360,792)</u>	<u>(3,187,117)</u>
Total primary government net assets	<u>\$ 38,139,447</u>	<u>\$ 35,702,451</u>	<u>\$ 22,032,042</u>	<u>\$ 16,070,647</u>

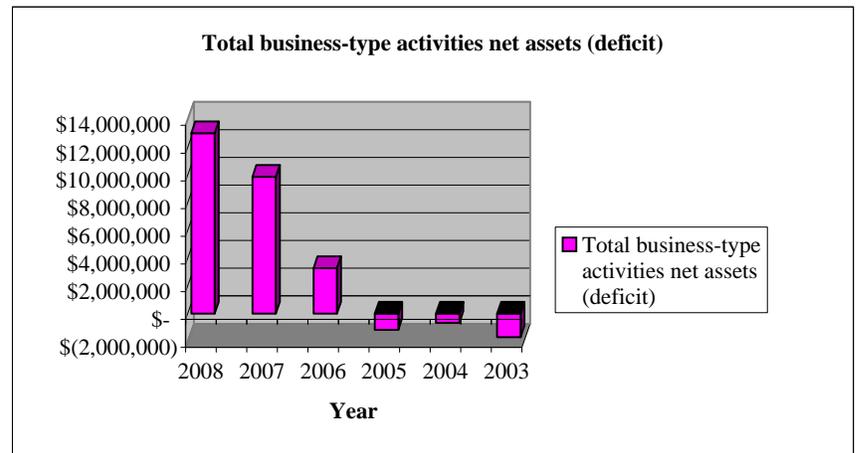
Source: City financial records

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

2004	2003
\$ 10,697,004	\$ 8,989,950
59,433	-
1,990,719	1,676,511
813,741	-
18,771	-
55,966	-
228,884	-
1,626,304	-
202,038	-
1,453,509	-
-	-
459,717	2,175,397
(252,988)	2,604,997
<u>\$ 17,353,098</u>	<u>\$ 15,446,855</u>



\$ 3,521,041	\$ 1,660,889
-	672,331
(4,193,054)	(4,037,621)
<u>\$ (672,013)</u>	<u>\$ (1,704,401)</u>



\$ 14,218,045	\$ 10,650,839
59,433	672,331
1,990,719	1,676,511
813,741	-
18,771	-
55,966	-
228,884	-
1,626,304	-
202,038	-
1,453,509	-
-	-
459,717	2,175,397
(4,446,042)	(1,432,624)
<u>\$ 16,681,085</u>	<u>\$ 13,742,454</u>

CITY OF STEUBENVILLE, OHIO

CHANGES IN NET ASSETS
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 672,740	\$ 722,722	\$ 859,967	\$ 1,162,228
Security of persons and property	-	-	-	-
Public health and welfare	222,305	96,972	116,237	116,747
Transportation	61,712	80,782	42,126	12,174
Community environment	91,980	122,548	117,697	92,777
Leisure time activity	173,053	147,641	141,343	150,299
Operating grants and contributions	2,085,508	2,075,776	2,845,380	3,299,749
Capital grants and contributions	1,121,706	336,145	693,500	156,930
Total governmental activities program revenues	<u>4,429,004</u>	<u>3,582,586</u>	<u>4,816,250</u>	<u>4,990,904</u>
Business-type activities:				
Charges for services:				
Water	6,173,116	7,097,240	5,208,970	2,953,427
Sewer	5,135,268	5,607,176	4,261,270	3,303,677
Refuse	2,071,423	2,054,759	1,879,283	1,558,520
Operating grants & contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>13,379,807</u>	<u>14,759,175</u>	<u>11,349,523</u>	<u>7,815,624</u>
Total primary government	<u>\$ 17,808,811</u>	<u>\$ 18,341,761</u>	<u>\$ 16,165,773</u>	<u>\$ 12,806,528</u>
Expenses:				
Governmental activities:				
General government	\$ 3,483,576	\$ 3,709,120	\$ 3,068,472	\$ 3,643,118
Security of persons and property	8,339,319	7,899,412	7,396,326	7,039,478
Public health and welfare	673,311	584,846	554,806	552,773
Transportation	3,128,182	3,108,143	2,524,113	2,662,626
Community environment	798,136	766,962	996,697	1,152,806
Leisure time activity	1,134,775	1,150,102	1,094,251	1,330,663
Interest and fiscal charges	166,141	110,959	155,708	157,898
Total governmental activities expenses	<u>17,723,440</u>	<u>17,329,544</u>	<u>15,790,373</u>	<u>16,539,362</u>
Business-type activities:				
Water	5,109,929	4,196,897	3,005,936	3,883,618
Sewer	3,544,872	3,261,806	2,668,393	2,926,004
Refuse	1,757,654	1,643,833	1,480,158	1,566,337
Total business-type activities expenses	<u>10,412,455</u>	<u>9,102,536</u>	<u>7,154,487</u>	<u>8,375,959</u>
Total primary government	<u>\$ 28,135,895</u>	<u>\$ 26,432,080</u>	<u>\$ 22,944,860</u>	<u>\$ 24,915,321</u>
Net (expense) revenue:				
Governmental activities	\$ (13,294,436)	\$ (13,746,958)	\$ (10,974,123)	\$ (11,548,458)
Business-type activities	2,967,352	5,656,639	4,195,036	(560,335)
Total primary government net expense	<u>\$ (10,327,084)</u>	<u>\$ (8,090,319)</u>	<u>\$ (6,779,087)</u>	<u>\$ (12,108,793)</u>

<u>2004</u>	<u>2003</u>
\$ 570,338	\$ 44,056
-	7,098
112,663	-
15,344	-
113,147	-
138,125	129,212
2,341,005	505,542
-	2,160,102
<u>3,290,622</u>	<u>2,846,010</u>
5,272,318	4,391,282
2,659,158	2,946,954
1,224,700	1,585,341
1,884	-
82,933	236,654
<u>9,240,993</u>	<u>9,160,231</u>
<u>\$ 12,531,615</u>	<u>\$ 12,006,241</u>
\$ 2,922,021	\$ 4,291,920
7,219,148	6,637,134
551,723	483,774
2,578,988	2,177,323
1,204,524	1,714,799
1,136,809	1,252,440
139,162	59,187
<u>15,752,375</u>	<u>16,616,577</u>
3,774,894	2,904,483
2,706,380	2,430,305
1,560,753	1,435,658
<u>8,042,027</u>	<u>6,770,446</u>
<u>\$ 23,794,402</u>	<u>\$ 23,387,023</u>
\$ (12,461,753)	\$ (13,770,567)
1,198,966	2,389,785
<u>\$ (11,262,787)</u>	<u>\$ (11,380,782)</u>

-- Continued

CITY OF STEUBENVILLE, OHIO

CHANGES IN NET ASSETS
LAST SIX YEARS (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 1,081,165	\$ 1,166,643	\$ 1,250,706	\$ 1,205,469
Debt service	224,870	241,412	236,710	227,932
Special revenue	-	-	-	-
Municipal income taxes levied for:				
General purposes	7,236,415	7,585,986	7,562,801	7,404,956
Street improvement	780,379	695,058	1,094,769	1,091,160
Equipment improvement	355,469	300,000	-	-
Recreation	118,490	100,000	-	-
Other taxes:				
Hotel occupancy taxes	252,246	268,287	2,607	237,241
General purposes	-	-	-	-
Special revenue	-	-	-	-
Grants and entitlements				
not restricted to specific programs	2,156,652	2,921,033	1,899,649	1,939,642
Investment earnings	148,934	238,765	233,119	161,181
Contributions and donations	15,864	20,915	-	-
Other	225,453	195,974	295,708	225,647
Special item	-	2,617,966	-	-
Transfers	-	(30,000)	(93,925)	6,896
Total governmental activities	<u>12,595,937</u>	<u>16,322,039</u>	<u>12,482,144</u>	<u>12,500,124</u>
Business-type activities:				
Investment earnings	150,867	283,091	128,394	72,849
Other	17,276	610,079	36,019	-
Transfers	-	30,000	93,925	(6,896)
Total business-type activities	<u>168,143</u>	<u>923,170</u>	<u>258,338</u>	<u>65,953</u>
Total primary government	<u>\$ 12,764,080</u>	<u>\$ 17,245,209</u>	<u>\$ 12,740,482</u>	<u>\$ 12,566,077</u>
Change in net assets:				
Governmental activities	\$ (698,499)	\$ 2,575,081	\$ 1,508,021	\$ 951,666
Business-type activities	3,135,495	6,579,809	4,453,374	(494,382)
Total primary government	<u>\$ 2,436,996</u>	<u>\$ 9,154,890</u>	<u>\$ 5,961,395</u>	<u>\$ 457,284</u>

Source: City financial records

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

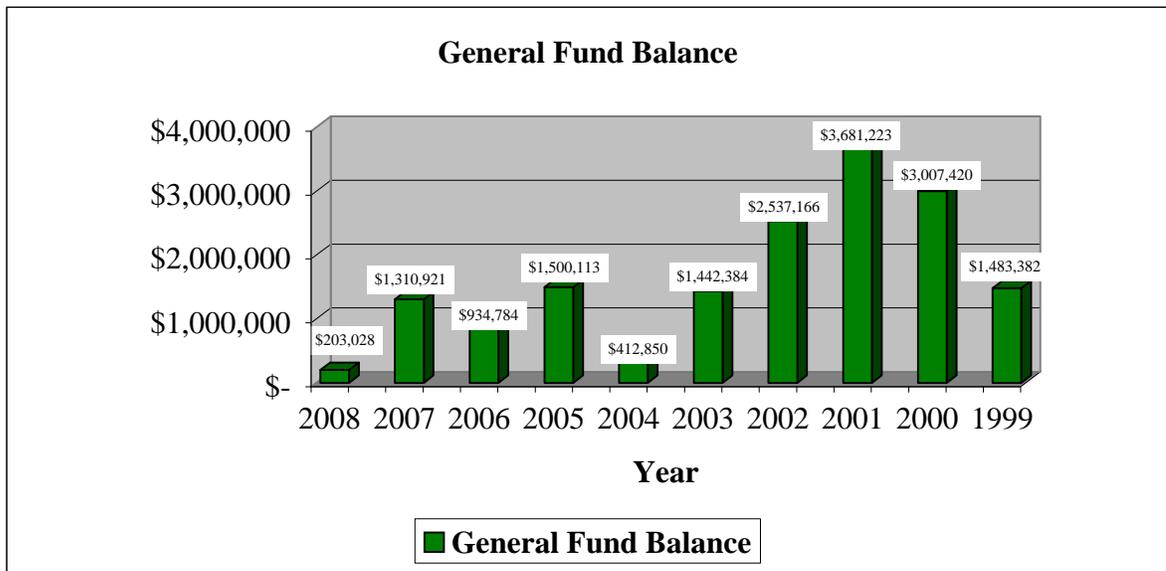
<u>2004</u>	<u>2003</u>
\$ 1,285,355	\$ 1,148,257
207,605	349,618
-	203,203
6,808,783	8,402,304
1,082,904	881,748
-	-
-	-
81,902	-
-	1,352,889
-	946,005
2,237,786	1,307,095
67,950	80,441
-	-
215,819	723,195
-	-
-	-
11,988,104	15,394,755
18,112	15,384
4,700	339,058
-	-
22,812	354,442
\$ 12,010,916	\$ 15,749,197
\$ (473,649)	\$ 1,624,188
1,221,778	2,744,227
\$ 748,129	\$ 4,368,415

CITY OF STEUBENVILLE, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General fund:						
Reserved	\$ 1,279,272	\$ 2,166,736	\$ 1,355,508	\$ 1,715,504	\$ 926,792	\$ 2,133,430
Unreserved (deficit)	<u>(1,076,244)</u>	<u>(855,815)</u>	<u>(420,724)</u>	<u>(215,391)</u>	<u>(513,942)</u>	<u>(691,046)</u>
Total general fund	<u>\$ 203,028</u>	<u>\$ 1,310,921</u>	<u>\$ 934,784</u>	<u>\$ 1,500,113</u>	<u>\$ 412,850</u>	<u>\$ 1,442,384</u>
All other governmental funds:						
Reserved	\$ 1,339,217	\$ 214,565	\$ 546,490	\$ 412,947	\$ 225,847	\$ 1,779,022
Unreserved (deficit), reported in:						
Special revenue funds	6,033,891	7,731,775	4,175,135	3,434,654	2,992,219	3,734,689
Capital projects funds	(114,796)	5,669	6,163	6,064	59,433	-
Debt service fund	<u>806,046</u>	<u>542,029</u>	<u>287,488</u>	<u>-</u>	<u>1,931,570</u>	<u>-</u>
Total all other governmental funds	<u>\$ 8,064,358</u>	<u>\$ 8,494,038</u>	<u>\$ 5,015,276</u>	<u>\$ 3,853,665</u>	<u>\$ 5,209,069</u>	<u>\$ 5,513,711</u>

Source: City financial records



<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 2,800,956 (263,790)	\$ 3,356,722 324,501	\$ 2,959,946 47,474	\$ 1,229,875 253,507
<u>\$ 2,537,166</u>	<u>\$ 3,681,223</u>	<u>\$ 3,007,420</u>	<u>\$ 1,483,382</u>
\$ 201,210	\$ 793,943	\$ 1,574,544	\$ 420,025
3,396,040 (222,261)	1,543,594 -	792,069 -	1,561,691 -
<u>1,439,479</u>	<u>1,200,514</u>	<u>952,627</u>	<u>891,818</u>
<u>\$ 4,814,468</u>	<u>\$ 3,538,051</u>	<u>\$ 3,319,240</u>	<u>\$ 2,873,534</u>

CITY OF STEUBENVILLE, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues					
Taxes	\$ 10,270,175	\$ 10,609,414	\$ 9,896,164	\$ 10,114,019	\$ 9,746,602
Charges for services	108,076	115,666	117,442	141,887	122,305
Licenses and permits	644,608	578,566	574,840	508,617	531,805
Fines and forfeitures	366,135	389,442	400,215	627,392	237,781
Intergovernmental	4,808,235	5,208,001	5,550,198	5,534,534	4,430,523
Special assessments	17,396	19,532	21,917	21,052	17,206
Investment income	177,626	400,646	254,387	158,753	67,302
Rental income	102,971	86,991	105,189	89,754	57,726
Contributions and donations	15,864	35,915	-	-	-
Other	210,552	182,084	333,118	225,647	197,313
Total revenues	<u>16,721,638</u>	<u>17,626,257</u>	<u>17,253,470</u>	<u>17,421,655</u>	<u>15,408,563</u>
Expenditures					
Current:					
General government	3,182,833	3,818,711	2,994,448	3,557,204	3,048,252
Security of persons and property	8,116,321	7,730,624	7,304,695	7,056,162	7,203,239
Public health and welfare	657,005	567,287	550,636	541,450	558,459
Transportation	3,475,403	2,883,481	1,982,037	3,964,513	3,494,551
Community environment	800,670	790,370	995,509	1,142,684	1,184,462
Leisure time activity	1,341,137	1,095,447	1,023,240	1,275,090	1,278,909
Capital outlay	120,465	24,900	1,286,959	497,326	310,546
Debt service:					
Principal retirement	412,361	226,195	362,045	120,688	324,404
Interest and fiscal charges	167,917	110,716	157,552	136,303	138,909
Total expenditures	<u>18,274,112</u>	<u>17,247,731</u>	<u>16,657,121</u>	<u>18,291,420</u>	<u>17,541,731</u>
Excess of revenues over (under) expenditures	<u>(1,552,474)</u>	<u>378,526</u>	<u>596,349</u>	<u>(869,765)</u>	<u>(2,133,168)</u>
Other financing sources (uses)					
Notes issued	-	750,000	-	-	183,000
Loans issued	-	-	-	586,100	-
Capital lease transaction	-	24,406	-	7,377	26,401
Sale of capital assets	14,901	13,890	-	1,251	81,569
Transfers in	-	695	54,692	2,163,120	400,000
Transfers (out)	-	(695)	(54,759)	(2,156,224)	-
Proceeds from sale of golf course	-	2,688,077	-	-	-
Total other financing sources (uses)	<u>14,901</u>	<u>3,476,373</u>	<u>(67)</u>	<u>601,624</u>	<u>690,970</u>
Net change in fund balances	<u>\$ (1,537,573)</u>	<u>\$ 3,854,899</u>	<u>\$ 596,282</u>	<u>\$ (268,141)</u>	<u>\$ (1,442,198)</u>
Capital expenditures	2,099,841	1,336,789	1,339,728	2,356,926	2,203,905
Debt service as a percentage of noncapital expenditures.	3.59%	2.12%	3.39%	1.61%	3.02%

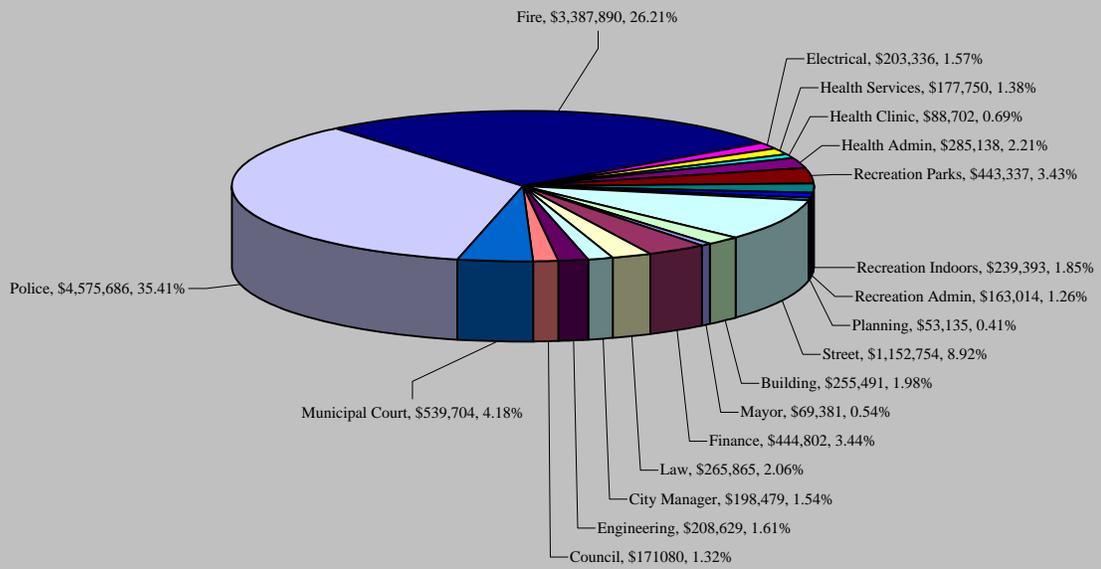
Source: City financial records

2003	2002	2001	2000	1999
\$ 10,275,944	\$ 9,751,456	\$ 10,498,542	\$ 10,067,403	\$ 9,768,986
180,367	746,943	230,905	167,456	207,971
672,008	590,545	601,728	573,697	518,518
-	-	-	-	-
5,383,232	6,192,083	5,152,346	5,170,638	4,320,999
-	17,452	23,550	13,810	26,569
80,441	-	-	-	-
-	-	-	-	-
-	-	-	-	-
790,994	947,823	1,320,117	956,623	683,998
<u>17,382,986</u>	<u>18,246,302</u>	<u>17,827,188</u>	<u>16,949,627</u>	<u>15,527,041</u>
4,238,125	3,774,495	3,337,589	3,123,486	1,831,689
6,634,632	6,150,680	5,656,238	5,452,849	5,185,422
478,712	442,091	408,723	436,385	425,419
2,176,920	1,927,320	1,931,853	1,861,893	2,268,705
1,832,466	1,461,661	1,600,729	1,657,023	1,095,074
1,183,695	1,190,642	950,620	894,743	875,375
941,600	3,118,584	2,952,842	3,322,750	2,306,007
29,033	125,569	318,689	230,896	236,936
46,887	-	-	-	-
<u>17,562,070</u>	<u>18,191,042</u>	<u>17,157,283</u>	<u>16,980,025</u>	<u>14,224,627</u>
<u>(179,084)</u>	<u>55,260</u>	<u>669,905</u>	<u>(30,398)</u>	<u>1,302,414</u>
-	76,500	222,709	2,000,142	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
88,853	500,000	400,000	-	500
(88,853)	(500,000)	(400,000)	-	(599,028)
-	-	-	-	-
<u>-</u>	<u>76,500</u>	<u>222,709</u>	<u>2,000,142</u>	<u>(598,528)</u>
<u>\$ (179,084)</u>	<u>\$ 131,760</u>	<u>\$ 892,614</u>	<u>\$ 1,969,744</u>	<u>\$ 703,886</u>
1,026,613	3,118,584	2,952,842	3,322,750	2,306,007
0.46%	0.83%	2.24%	1.69%	1.99%

CITY OF STEUBENVILLE, OHIO

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

2008 GENERAL FUND DEPARTMENT EXPENSE PERCENTAGE WITH HEALTHCARE

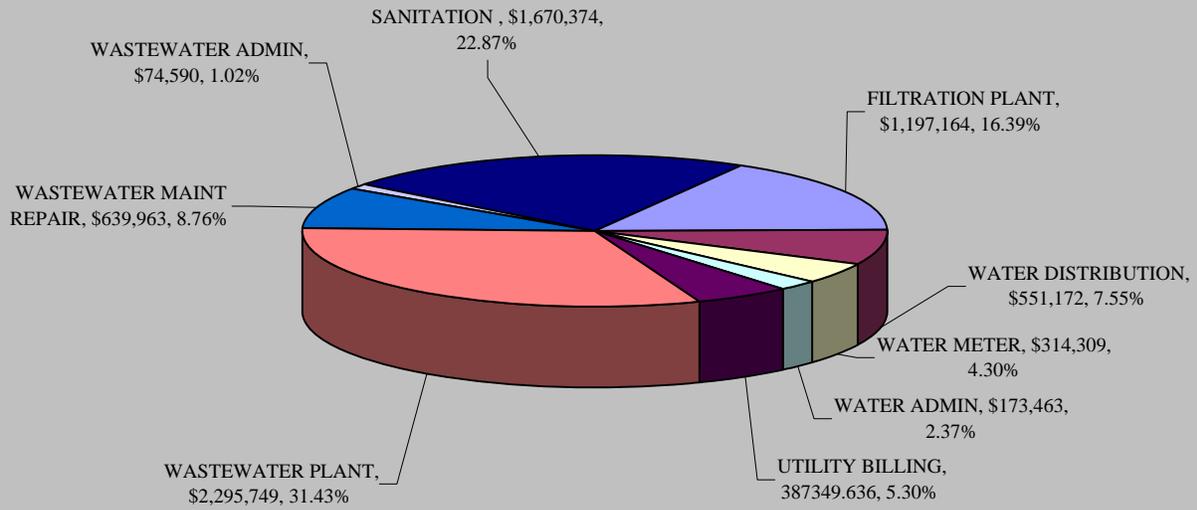


Source: City financial records.

CITY OF STEUBENVILLE, OHIO

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

**2008 WATER, WASTEWATER, AND REFUSE DEPARTMENT EXPENSE PERCENTAGE WITH
HEALTHCARE**



Source: City financial records.

CITY OF STEUBENVILLE, OHIO

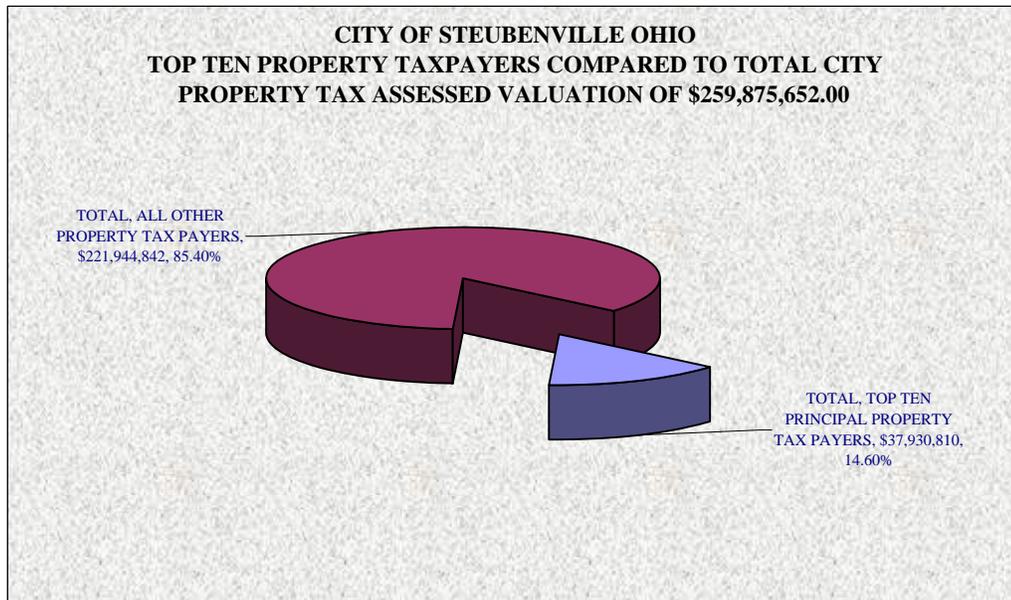
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

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)
2008	\$ 234,308,020	\$ 669,451,486	\$ 10,902,720	\$ 12,389,455	\$ 14,664,912	\$ 234,638,592
2007	230,981,890	659,948,257	12,857,380	14,610,659	19,189,085	153,512,680
2006	206,432,060	589,805,886	13,051,460	14,831,205	22,470,997	119,845,317
2005	203,563,940	581,611,257	13,235,020	15,039,795	31,607,557	126,430,228
2004	205,439,310	586,969,457	12,935,750	14,699,716	29,566,069	118,264,276
2003	194,790,780	556,545,086	12,849,760	14,602,000	27,607,706	110,430,824
2002	201,970,840	577,059,543	9,896,144	11,245,618	20,392,891	81,571,564
2001	202,604,502	578,870,006	12,929,415	14,692,517	22,374,632	89,498,528
2000	169,898,505	485,424,300	12,728,856	14,464,609	23,090,515	92,362,060
1999	168,918,083	482,623,094	13,923,418	15,822,066	23,429,786	93,719,144

Source: Jefferson County, Ohio; Auditor's Office

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

Total			
Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate
\$ 259,875,652	\$ 916,479,532	28.36%	8.20
263,028,355	828,071,596	31.76%	8.20
241,954,517	724,482,409	33.40%	8.20
248,406,517	723,081,282	34.35%	8.20
247,941,129	719,933,450	34.44%	8.20
235,248,246	681,577,910	34.52%	8.20
232,259,875	669,876,725	34.67%	8.20
237,908,549	683,061,051	34.83%	8.20
205,717,876	592,250,969	34.73%	8.20
206,271,287	592,164,304	34.83%	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
2008	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50
2007	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50
2006	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.50
2005	6.60	1.00	0.60	8.20	11.95	35.35	1.50	1.00
2004	6.60	1.00	0.60	8.20	10.95	35.35	1.50	1.00
2003	6.60	1.00	0.60	8.20	10.95	35.95	1.50	1.00
2002	6.60	1.00	0.60	8.20	10.75	36.45	1.50	1.00
2001	6.60	1.00	0.60	8.20	10.75	36.45	1.50	1.00
2000	6.60	1.00	0.60	8.20	10.75	36.80	1.50	1.00
1999	6.60	1.00	0.60	8.20	10.75	34.70	1.50	1.00

Source: Jefferson County, Ohio; Auditor's Office

Overlapping Rates (continued)

Jefferson Community College	Total Overlapping Rates	Total Direct and Overlapping Rates
1.00	51.30	59.50
1.00	51.30	59.50
1.00	51.30	59.50
1.00	50.80	59.00
1.00	49.80	58.00
1.00	50.40	58.60
1.00	50.70	58.90
1.00	50.70	58.90
1.00	51.05	59.25
1.00	48.95	57.15

CITY OF STEUBENVILLE, OHIO

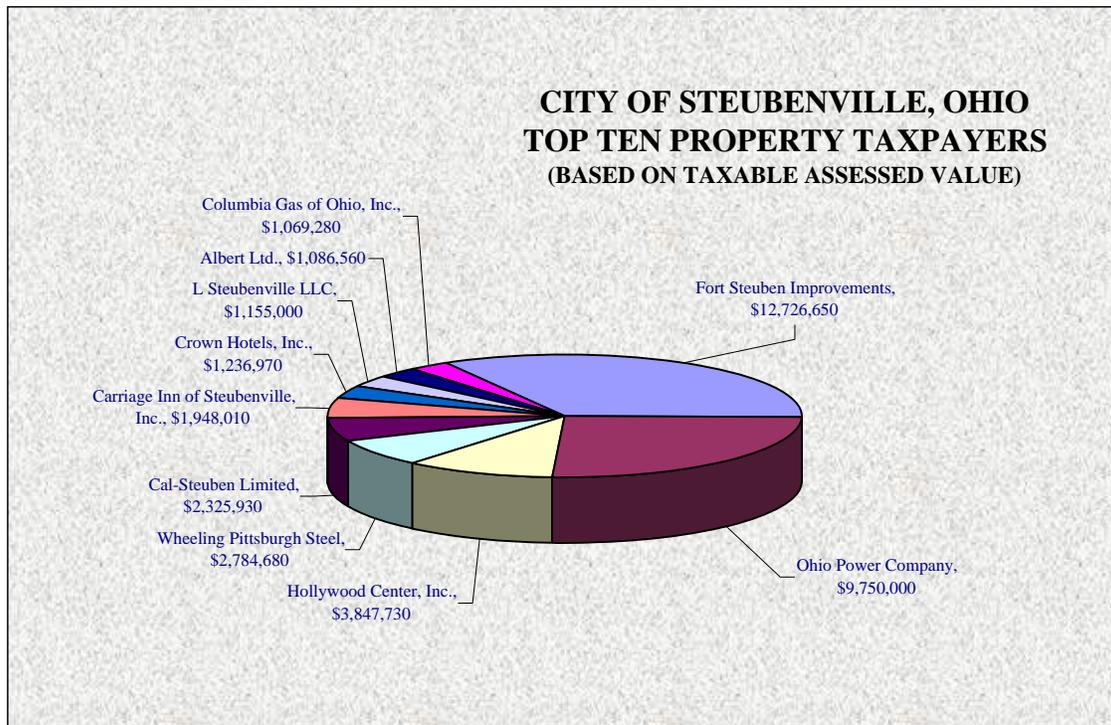
**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR**

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	\$ 37,930,810		14.60%
Total City property tax assessed valuation	\$ 259,875,652		

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 NINE YEARS

<u>Year</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2008	\$ 1,502,615	\$ 1,176,758	78.31%	\$ 63,689	\$ 1,240,447	82.55%	\$ 467,612	31.12%
2007	1,610,945	1,331,222	82.64%	60,922	1,392,144	86.42%	427,988	26.57%
2006	1,549,348	1,296,800	83.70%	49,154	1,345,954	86.87%	425,422	27.46%
2005	1,578,045	1,310,667	83.06%	58,691	1,369,358	86.78%	383,321	24.29%
2004	1,558,506	1,294,223	83.04%	68,589	1,362,812	87.44%	379,912	24.38%
2003	1,508,352	1,204,289	79.84%	49,740	1,254,029	83.14%	378,798	25.11%
2002	1,490,374	1,230,011	82.53%	57,772	1,287,783	86.41%	N/A	N/A
2001	1,526,157	1,266,602	82.99%	65,904	1,332,506	87.31%	N/A	N/A
2000	1,412,904	1,181,004	83.59%	54,868	1,235,872	87.47%	N/A	N/A

Source: Jefferson County, Ohio; Auditor's Office

Note: Information prior to 2000 is not available.

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

CITY OF STEUBENVILLE, OHIO

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

Year	Tax Rate	Total Tax Collected
2008	2.00%	\$ 8,809,796
2007	2.00%	8,915,531
2006	2.00%	8,476,037
2005	2.00%	8,445,071
2004	2.00%	8,106,255
2003	2.00%	8,917,898
2002	2.00%	8,190,322
2001	2.00%	8,277,686
2000	2.00%	8,248,052
1999	2.00%	7,655,169

Source: Regional Income Tax Agency (RITA)

THIS PAGE IS INTENTIONALLY LEFT BLANK

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	Loans
2008	\$ -	\$ 1,429,942	\$ 541,239	\$ 19,679	\$ 2,888,630	\$ 42,890,909
2007	-	1,650,340	681,864	30,013	3,069,261	33,332,047
2006	-	1,759,540	-	15,150	3,245,984	25,481,533
2005	-	2,076,248	-	22,790	3,414,000	13,658,121
2004	-	1,568,226	-	21,878	-	14,635,825
2003	-	1,670,451	-	-	-	13,988,341
2002	-	1,642,984	-	-	-	9,934,107
2001	-	4,955,351	-	-	-	4,250,472
2000	125,000	2,905,667	-	-	-	3,548,923
1999	250,000	999,400	-	-	-	2,196,100

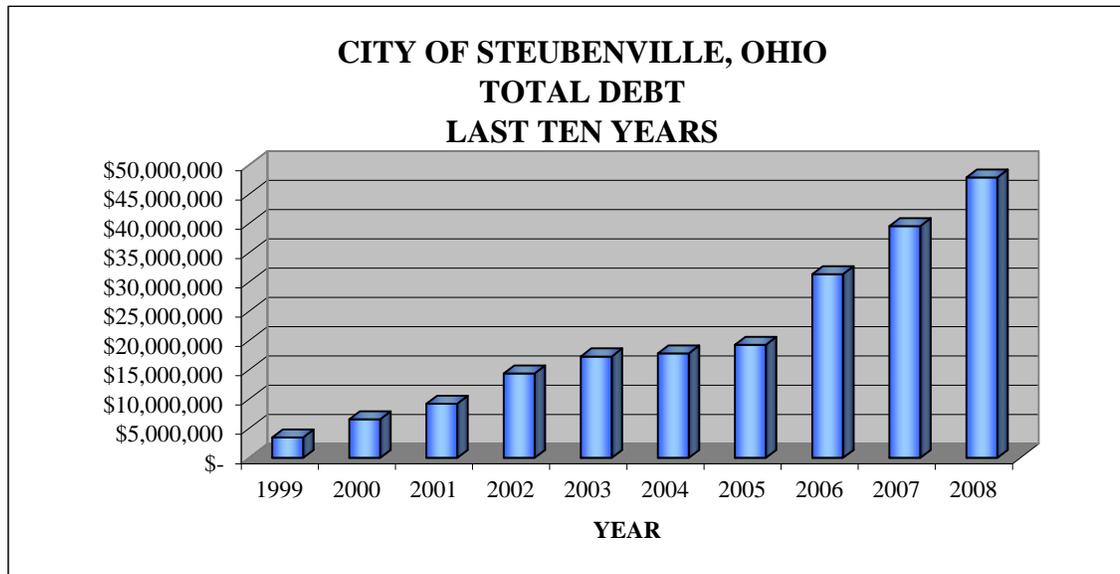
Sources:

(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
\$ 75,029	\$ -	\$ 47,845,428	\$ 547,687,215	8.74%	19,329	\$ 2,475
749,579	10,296	39,523,400	538,790,025	7.34%	19,015	2,079
787,257	20,121	31,309,585	511,199,260	6.12%	19,015	1,647
42,334	29,495	19,242,988	488,647,470	3.94%	19,015	1,012
1,557,414	38,439	17,821,782	484,540,230	3.68%	19,015	937
1,576,881	46,973	17,282,646	461,874,350	3.74%	19,015	909
2,800,000	-	14,377,091	456,930,450	3.15%	19,015	756
-	-	9,205,823	438,124,615	2.10%	19,015	484
-	-	6,579,590	424,300,710	1.55%	19,015	346
-	-	3,445,500	462,788,625	0.74%	22,125	156



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
2008	19,329	\$ 916,479,532	\$ 2,888,630	0.32%	\$ 149
2007	19,015	828,071,596	3,069,261	0.37%	161
2006	19,015	724,482,409	3,245,984	0.45%	171
2005	19,015	723,081,282	3,414,000	0.47%	180
2004	19,015	719,933,450	-	0.00%	-
2003	19,015	681,577,910	-	0.00%	-
2002	19,015	669,876,725	-	0.00%	-
2001	19,015	683,061,051	-	0.00%	-
2000	19,015	592,250,969	125,000	0.02%	7
1999	22,125	592,164,304	250,000	0.04%	11

Source: (1) U.S Census Bureau

CITY OF STEUBENVILLE, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Steubenville	\$ 541,239	100.00%	\$ 541,239
Overlapping debt:			
Steubenville City School District	6,373,311	95.89%	6,111,368
Jefferson County	2,331,427	22.24%	518,509
Indian Creek Local School District	<u>1,600,000</u>	25.01%	<u>400,160</u>
Total direct and overlapping debt	<u>\$ 10,845,977</u>		<u>\$ 7,571,276</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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed value (a)	\$ 244,714,840	\$ 241,293,590	\$ 241,954,517	\$ 248,406,517
Legal debt margin:				
Debt limitation - 10.5% of assessed value	25,695,058	25,335,827	25,405,224	26,082,684
Debt applicable to limitation:				
General obligation bonds	<u>2,888,630</u>	<u>3,069,261</u>	<u>3,245,984</u>	<u>3,414,000</u>
Gross indebtedness (Total voted and unvoted debt)	<u>2,888,630</u>	<u>3,069,261</u>	<u>3,245,984</u>	<u>3,414,000</u>
Less: debt outside limitations				
General obligation bonds	<u>(2,888,630)</u>	<u>(3,069,261)</u>	<u>(3,245,984)</u>	<u>(3,414,000)</u>
Total debt outside limitations	<u>(2,888,630)</u>	<u>(3,069,261)</u>	<u>(3,245,984)</u>	<u>(3,414,000)</u>
Total debt applicable to limitation - Within 10.5% limitations	-	-	-	-
Less: amount available in debt service fund to pay debt applicable to limitation	<u>(806,046)</u>	<u>(542,029)</u>	<u>(287,488)</u>	<u>(37,683)</u>
Net debt within 10.5% limitation	<u>(806,046)</u>	<u>(542,029)</u>	<u>(287,488)</u>	<u>(37,683)</u>
Overall debt margin within 10.5% limitation	<u>\$ 26,501,104</u>	<u>\$ 25,877,856</u>	<u>\$ 25,692,712</u>	<u>\$ 26,120,367</u>
Unvoted debt limitation - 5.5% of assessed valuation	\$ 13,459,316	\$ 13,271,147	\$ 13,307,498	\$ 13,662,358
Gross indebtedness authorized by council	2,888,630	3,069,261	3,245,984	3,414,000
Less: debt outside limitations: Total debt outside limitations	<u>(2,888,630)</u>	<u>(3,069,261)</u>	<u>(3,245,984)</u>	<u>(3,414,000)</u>
Unvoted debt margin within 5.5% limitation	<u>\$ 13,459,316</u>	<u>\$ 13,271,147</u>	<u>\$ 13,307,498</u>	<u>\$ 13,662,358</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.

2004	2003	2002	2001	2000	1999
\$ 247,941,129	\$ 235,248,246	\$ 232,259,875	\$ 237,908,549	\$ 205,717,876	\$ 206,271,287
26,033,819	24,701,066	24,387,287	24,980,398	21,600,377	21,658,485
-	-	-	-	125,000	250,000
-	-	-	-	125,000	250,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	125,000	250,000
(1,931,570)	(1,676,511)	(1,439,479)	(1,200,514)	(952,627)	(891,818)
(1,931,570)	(1,676,511)	(1,439,479)	(1,200,514)	(827,627)	(641,818)
<u>\$ 27,965,389</u>	<u>\$ 26,377,577</u>	<u>\$ 25,826,766</u>	<u>\$ 26,180,912</u>	<u>\$ 22,428,004</u>	<u>\$ 22,300,303</u>
\$ 13,636,762	\$ 12,938,654	\$ 12,774,293	\$ 13,084,970	\$ 11,314,483	\$ 11,344,921
-	-	-	-	125,000	250,000
-	-	-	-	-	-
<u>\$ 13,636,762</u>	<u>\$ 12,938,654</u>	<u>\$ 12,774,293</u>	<u>\$ 13,084,970</u>	<u>\$ 11,189,483</u>	<u>\$ 11,094,921</u>

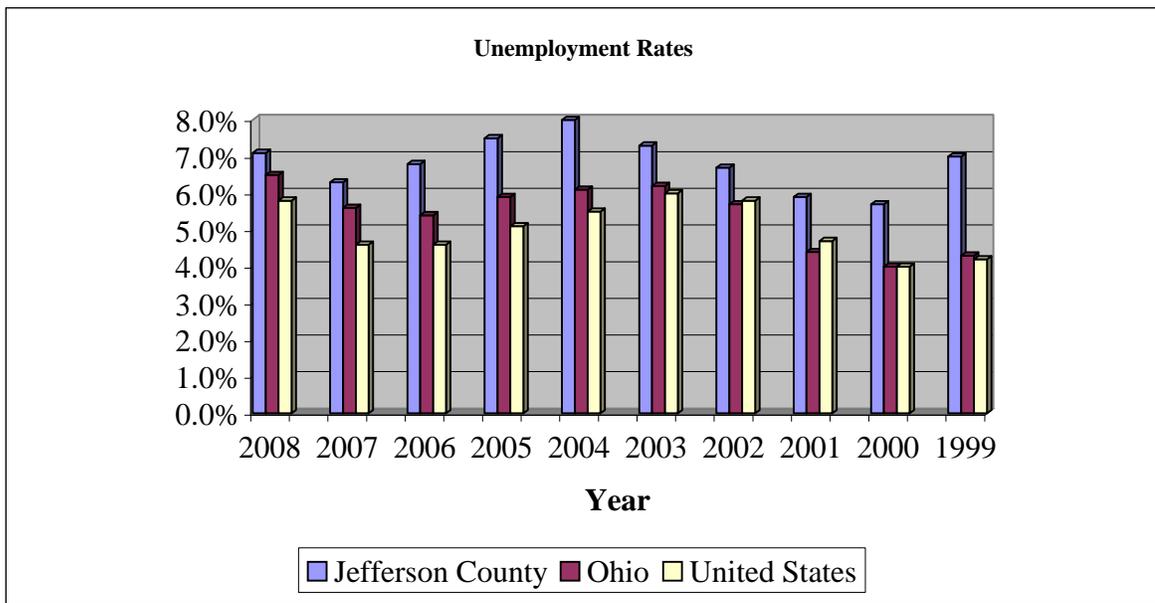
CITY OF STEUBENVILLE, OHIO

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
2008	19,329	\$ 547,687,215	\$ 28,335	7.1%	6.5%	5.8%
2007	19,015	538,790,025	28,335	6.3%	5.6%	4.6%
2006	19,015	511,199,260	26,884	6.8%	5.4%	4.6%
2005	19,015	488,647,470	25,698	7.5%	5.9%	5.1%
2004	19,015	484,540,230	25,482	8.0%	6.1%	5.5%
2003	19,015	461,874,350	24,290	7.3%	6.2%	6.0%
2002	19,015	456,930,450	24,030	6.7%	5.7%	5.8%
2001	19,015	438,124,615	23,041	5.9%	4.4%	4.7%
2000	19,015	424,300,710	22,314	5.7%	4.0%	4.0%
1999	22,125	462,788,625	20,917	7.0%	4.3%	4.2%

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



CITY OF STEUBENVILLE, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2008		
	Number of Employees	Rank	Percent of Total Employment
Wheeling-Pittsburgh Steel	N/A	1	N/A
Wal-Mart Associates Inc.	637	2	7.95%
Jefferson Community College	445	3	5.56%
Lowe's Home Centers Inc.	245	4	3.06%
Riverside Medical Inc.	167	5	2.09%
Carriage Inn of Steubenville	155	6	1.94%
Jefferson Behavioral Health	154	7	1.92%
Valley Hospice Inc.	117	8	1.46%
Jefferson County Community Act	113	9	1.41%
Acuity Specialty Hospital	110	10	1.37%
Total of top ten	<u>2,143</u>		<u>26.76%</u>
Total City employment	<u>8,009</u>		

Source: Regional Income Tax Agency (RITA)

Notes: Information prior to 2008 was not available.

N/A indicates the information was not available.

CITY OF STEUBENVILLE, OHIO

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

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001
General government:								
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	5.00	5.00	5.00	7.00	8.00	8.00	8.00	7.00
Law director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Civil service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City council	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Municipal court	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Building	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Information systems	1.00	1.00	1.00	-	-	-	-	-
Security of persons and property:								
Police	46.00	43.00	46.00	45.00	45.00	47.00	47.00	48.00
Fire	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Electrical	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Public health and welfare:								
Health services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Health clinic	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Health administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Food	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation:								
Street	22.00	20.00	23.00	23.00	23.00	23.00	23.00	23.00
Weed control	8.00	6.00	6.00	10.00	11.00	14.00	1.00	1.00
Community environment:								
Community development	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Leisure time activity:								
Parks	5.00	5.00	5.00	6.00	8.00	8.00	7.00	7.00
Indoors	7.00	6.00	9.00	5.00	5.00	4.00	5.00	6.00
Administration	2.00	2.00	2.00	3.00	3.00	3.00	3.00	2.00
Swimming pool	17.00	20.00	19.00	18.00	20.00	20.00	21.00	20.00
Utility services:								
Water	26.00	26.00	25.00	30.00	31.00	31.00	31.00	31.00
Sewer	19.00	19.00	19.00	19.00	19.00	19.00	21.00	21.00
Refuse	13.00	15.00	15.00	15.00	17.00	17.00	18.00	18.00
Total	252.00	249.00	257.00	263.00	272.00	276.00	267.00	265.00

Source: City of Steubenville records

<u>2000</u>	<u>1999</u>
1.00	1.00
7.00	6.00
1.00	1.00
1.00	1.00
1.00	1.00
1.00	1.00
8.00	8.00
7.00	7.00
3.00	2.00
-	-
47.00	48.00
40.00	40.00
5.00	5.00
3.00	3.00
3.00	3.00
3.00	3.00
1.00	1.00
23.00	23.00
-	-
6.00	6.00
7.00	7.00
6.00	6.00
2.00	2.00
22.00	21.00
31.00	31.00
21.00	21.00
19.00	19.00
<u>269.00</u>	<u>267.00</u>

CITY OF STEUBENVILLE, OHIO

**OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

Function	2008	2007	2006	2005	2004	2003	2002
General government:							
Positions filled	326	316	331	315	332	321	315
Ordinances & resolutions	101	116	110	121	158	99	99
Security of persons and property:							
Police:							
Physical arrests	1,603	1,531	1,488	1,507	1,628	1,886	1,567
Parking violations	392	429	828	1,540	948	1,366	733
Traffic violations	1,250	1,364	2,040	1,672	1,072	1,201	1,081
Leisure time activity:							
Recreation center attendance	2,154	2,159	761	N/A	N/A	N/A	N/A
Transportation:							
Tons of salt used	1,642	3,611	2,005	2,872	1,020	5,552	3,202
Water:							
New connections	3	7	7	3	13	9	9
Water main breaks	57	119	73	60	66	82	74

Source: City of Steubenville Departments.

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

<u>2001</u>	<u>2000</u>	<u>1999</u>
311	320	315
162	217	232
1,114	1,228	1,080
590	365	124
925	1,207	1,156
N/A	N/A	N/A
3,847	2,960	2,015
4	3	27
47	53	N/A

CITY OF STEUBENVILLE, OHIO

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

Function	2008	2007	2006	2005	2004	2003	2002
Security of persons and property:							
Police:							
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire:							
Stations	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Leisure time activities:							
Parks	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Park acreage	261.32	261.32	369.19	369.19	369.19	369.19	369.19
Fitness center	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Swimming pools	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Wading pools	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Tennis courts	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Baseball diamonds	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Softball fields	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Transportation:							
Streets (paved miles)	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Water:							
Water mains (miles)	84.00	84.00	84.00	84.00	84.00	84.00	84.00
Sewer:							
Sanitary sewers (miles)	81.00	81.00	81.00	81.00	81.00	81.00	81.00

Source: City of Steubenville Departments.

<u>2001</u>	<u>2000</u>	<u>1999</u>
1.00	1.00	1.00
3.00	3.00	3.00
13.00	13.00	13.00
369.19	369.19	369.19
1.00	1.00	1.00
2.00	2.00	2.00
2.00	2.00	2.00
6.00	6.00	6.00
4.00	4.00	4.00
1.00	1.00	1.00
120.00	120.00	120.00
84.00	84.00	84.00
81.00	81.00	81.00



Mary Taylor, CPA
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 8, 2009