



**Auditor of State  
Betty Montgomery**



CITY OF BELPRE  
WASHINGTON COUNTY  
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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

City of Belpre  
Washington County  
715 Park Avenue  
P.O. Box 160  
Belpre, Ohio 45714

To the City Council:

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 Belpre, Washington County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 17, 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 17, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 17, 2005, we reported other matters related to noncompliance we deemed immaterial.

City of Belpre  
Washington County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, and the City Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

**Betty Montgomery**  
Auditor of State

June 17, 2005

# **CITY OF BELPRE, OHIO**

**Comprehensive Annual Financial Report  
For The Year Ended December 31, 2004**





City of Belpre, Ohio

# **Comprehensive Annual Financial Report**

For The Year Ended December 31, 2004

Issued by the City of Belpre Auditor's Office  
**Patrick J. Hines, CPA**  
**Belpre City Auditor**

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# **INTRODUCTORY SECTION**

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**City of Belpre, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2004*  
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# ***CITY OF BELPRE***

**715 PARK DRIVE • P.O. BOX 160  
BELPRE, OHIO 45714**

***William R. "Bill" McAfee – Mayor***

***Patrick J. Hines, CPA – Auditor***

***Robert G. Boersma – Safety-Service Director***

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June 17, 2005

City Council and  
Citizens of Belpre:  
Belpre, Ohio 45714

We are pleased to submit to you the City of Belpre's sixth Comprehensive Annual Financial Report (CAFR). This CAFR was prepared by the City Auditor's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. This report will provide the taxpayers of the City of Belpre with comprehensive financial data in a format which will enable them to gain an understanding of the City of Belpre's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the Washington County Public Library, financial institutions, and other interested parties.

The comprehensive annual report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, GFOA Certificate of Achievement, List of Principal Officials, and an Organization Chart of the City.
2. The Financial Section, which begins with the Independent Accountants' Report and includes Management's Discussion and Analysis, the Basic Financial Statements, and Notes to the Basic Financial Statements that provide an overview of the City's financial position and operating results; the Combining Statements for nonmajor funds; and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends, and the fiscal capacity of the City of Belpre.

## **THE CITY OF BELPRE**

The City is located on the Ohio River at River Mile Post 184, with good access to river and rail transportation. Belpre, covering 3.5 square miles, is located only 114 miles from Columbus, 150 miles from Pittsburgh, 100 miles from Huntington, and 285 miles from Washington D.C.

Belpre, Ohio's second City, was founded April 11, 1789. The original settlers called it "Belleprairie" or beautiful prairie. After the Revolutionary War, the early settlers prospered because of the rich farm land. From one of the largest townships in Ohio, the Village of Belpre was formed in 1901, and Belpre was incorporated as a City in 1961.

The early settlers came as part of the Ohio Company. The Federal Government, unable to pay cash for their services during the war, gave them land in Ohio. Most were from New England and were well educated. They passed this education on to their children in the wilderness. One of them was Bathsheba Rouse, the first female school teacher in Ohio.

Over the years, Belpre grew and prospered. One of the early families, the Dana family, brought along with them seeds from their apple trees in New England. Thus grew a large vinegar and canning business with vinegar being shipped as far as New Orleans. In later years, truck farming became the largest business in the area.

Growth came during the 1950's and 60's in the chemical and plastics industries. This growth overshadowed the farming industry, and many of the truck farmers sold their land for housing developments.

### **CITY ORGANIZATION**

Belpre is a statutory City operating under the Mayor/Council form of government. The citizens of Belpre elect a mayor, auditor, law director, treasurer, and eight members of council, which includes the president, three council members-at-large, and four ward council members. Responsible for the various departments of the City are the safety/service director, the public works superintendent, the auditor, the treasurer, and the law director.

### **REPORTING ENTITY AND SERVICES PROVIDED**

For financial reporting purposes, the City includes in this report all funds and agencies that are controlled by, or are dependent on, the City's legislative branch. These determinations are made on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general taxing authority of the City, and/or the City's obligation to fund any deficits that may occur.

The City of Belpre, as a governmental entity, is totally separate and distinct from the Belpre Volunteer Fire Fighters, Inc. Although the two entities share similar names, they are independent of each other in terms of governing bodies, financial resources, and management. Even though the City provides fire stations, fire trucks, and equipment, the corporation was set up by the firefighters themselves for independent fund raising and activities. Because of the separate and independent nature of this corporation, its financial statements are not included in this report. Likewise, the Belpre City School District is a separate and distinct entity from the City of Belpre. Consequently, its financial statements are not included in this report. The Community Action Program Corporation of Washington-Morgan Counties, Ohio, and the Wood, Washington, and Wirt Planning Commission are reported as jointly governed organizations.

The City provides a wide range of municipal services. These services include police, senior citizens programs, recreation programs (including parks), transportation programs (including streets), water distribution and wastewater treatment programs, planning and zoning, and general administrative services.

### **EMPLOYEE RELATIONS**

The City has fifty-four employees, including part-time, seasonal workers, and elected officials. Full-time employees may join one of the bargaining units for their group as determined by the State Employee Relations Board (SERB). The two unions in the City are:

Name	Contract Expires	Membership
AFSCME Local #3507	December 31, 2004	6
United Food and Commercial Workers, Local 347	September 16, 2007	13



The remaining full time employees are either not authorized to join a bargaining unit or have elected not to do so. The City of Belpre and the unions traditionally negotiate for three-year contract terms. All non-union employees will receive the same contract changes with respect to sick and vacation leave benefits.

In the judgment of the City Management, the City's employee relations have been stable and are expected to remain so.

### **ECONOMIC CONDITION AND OUTLOOK**

Each homeowner in the City is required to pay city income tax on wages earned if they work in a locality that does not have an income tax. In addition, any person who works in the City is required to pay income tax on wages earned in the City, even if they live outside the City limits. Belpre Township, which borders our City, has experienced substantial growth with the building of many new homes, of which many of the people living there work in the City. Several new business start-ups occurred in the City during 2004, which include the Main Street Car Wash, Terminex, Edward Jones Securities, Fred's Wholesale, Putnam Monuments, and Gambro Dialysis Center.

New businesses have announced plans to locate in the City during 2005, including Westside Auto, A Beary Special Place, Firefly Signs, MBM Automotive, and Riverside Chiropractic Center.

The City also continued to work in conjunction with County development agencies to encourage business growth in the City.

### **MAJOR INITIATIVES**

Infrastructure improvements continued during the past year. New water lines were laid costing \$233,926. A new 500,000 gallon water storage tank on Putnam Howe Drive was near completion, as was the refurbishment of the existing 500,000 gallon tank. These projects are financed through the Water Enterprise Fund revenues.

In addition, several projects were done in the City in cooperation with the Ohio Department of Transportation. Portions of Main Street and Washington Boulevard were paved at a cost of \$224,862. The City paid \$10,000; the balance being funded by the Ohio Department of Transportation.

A new traffic light was installed at the intersection of U.S. Route 50 and Braun Road for \$117,222. The City paid \$2,000 and the balance was paid by the Ohio Department of Transportation.

New lighting was installed at the walking track in the Civitan Park for \$93,495. The City's share was \$19,484, and the balance was paid by the Ohio Department of Transportation.

Equipment upgrades continued to be a priority in 2004. These upgrades included pumps, wiring, and controls at various sewer lift stations.

Community Development Block Grants (CDBG) funded parks projects within the City during 2004. New playground equipment and security cameras were installed at Depot Park. Improvements were made to the rail car display at Depot Park. New playground equipment was also installed at the Civitan Park. In addition to CDBG monies, the City and local donations paid for the repaving project at the Civitan Park's walking track.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). 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: (1) the cost of control should not exceed the benefits likely to be derived from their implementation, and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management and the City Auditor's office.

The City undergoes an annual audit by the Office of the Auditor of State. As part of the City's audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations that are material to the basic financial statements. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of all funds are included in the annual appropriated budget, which is prepared on the basis of cash receipts and disbursements (including encumbrances). The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The allocation of appropriations among departments and objects within a fund may be modified during the year by the City Auditor without an ordinance of Council. The City also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriations lapse at year end.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

***Financial Condition*** This is the fifth year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments". GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

***Government-wide financial statements*** These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

***Fund financial statements*** These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

***Statements of budgetary comparisons*** These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion is presented at the beginning of the financial section of this report, providing an assessment of the City finances for 2004.

## **CASH MANAGEMENT**

Investments are governed by the City's investment policy as passed by City Council and the Ohio Revised Code. The purpose of the City's investment policy is to maximize return on investment of the City's cash balances consistent with the safety of those monies while maintaining desired liquidity. The City invests in a bank account and a certificate of deposit. The City may also invest in money market accounts, overnight repurchase agreements, federal agency securities, and the State Treasury Asset Reserve (STAROhio). The City Auditor's Department has implemented an excellent cash management program. While the City uses only safe, conservative investments, at the same time it takes full advantage of available investment opportunities. Interest earned on investments is allocated to the various funds in accordance with the investment policy. Following is a schedule of investment earnings on a modified accrual basis of accounting in the governmental funds for the past ten years:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2004	\$20,010	1999	\$69,311
2003	\$28,105	1998	\$61,429
2002	\$34,286	1997	\$30,805
2001	\$45,130	1996	\$23,800
2000	\$70,260	1995	\$18,706

The City complied with applicable provisions of the Ohio Revised Code and Codified Ordinances pertaining to types of investments held and institutions in which deposits were made. The City also complied with provisions of the Ohio Revised Code concerning security requirements. The Ohio Revised Code does not require security in the City's name. Instead, the investment institutions may pledge a pool of government securities the market value of which is at least 105% of the total value of public monies on deposit. The City monitors compliance with the various statutes mentioned above and will continue to do so in future years.

## **RISK MANAGEMENT**

The City purchases insurance policies in varying amounts from ARCH Insurance Company to insure City property against loss or misuse and provide coverage for general liability and for errors and omissions.

The City provides life insurance and accidental death and dismemberment insurance to its employees through Anthem Life Insurance for non-union employees, through the AFSCME Care Plan for AFSCME union members, and through the United Commercial Travelers for the police personnel. Comprehensive major medical insurance is provided to all employees, except police, through Cardinal Health Care and through the United Food and Commercial Worker's Union for the police.

The City pays unemployment claims to the State of Ohio during lay-offs. The City also participates in the Ohio Worker's Compensation program.

## **PENSION AND POSTEMPLOYMENT BENEFIT PLANS**

Full-time, permanent employees of the City belong to one of two state operated pension plans. Elected officials and non-uniformed employees are members of the Ohio Public Employees Retirement System (OPERS). Police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). The plans provide pension benefits as well as postretirement health care coverage to qualifying employees. Contributions to the plans by both the City and participating employees are mandated by State statute. Because both plans operate pursuant to the Ohio Revised Code, the Ohio General Assembly could decide to amend the format of the plans and could revise contribution benefit levels. During the plan year ended December 31, 2004, the City contributed \$228,494 to the two plans.

Information regarding the operations and funded status of both plans is available from the following sources:

Ohio Public Employees Retirement System  
277 East Town Street  
Columbus, OH 43215-4642  
(614) 222-6701

Ohio Police and Fire Pension Fund  
140 East Town Street  
Columbus, OH 43215-5164  
(614) 228-2975

### **INDEPENDENT AUDIT**

State statutes require a periodic audit. This year, the City's Audit was performed by the Auditor of State of Ohio, Betty Montgomery. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

### **AWARDS**

***GFOA CERTIFICATE OF ACHIEVEMENT*** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belpre, Ohio, for its comprehensive annual financial report for the year ended December 31, 2003. This was the City of Belpre's fifth year for receiving this award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

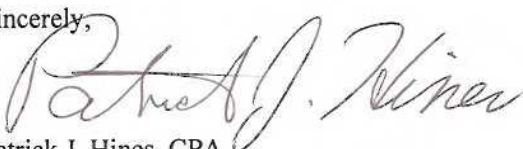
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

***TREE CITY USA*** - The City received its ninth Tree City USA Award for the year ended December 31, 2004. This prestigious award recognized the City for its annual program of planting new trees and maintaining and removing old trees.

### **ACKNOWLEDGMENTS**

The preparation of this comprehensive annual report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor's Department. I would like to express my appreciation to all staff members who have contributed or assisted in its preparation. I would also like to thank the Local Government Services Section of the State Auditor's Office, whose very knowledgeable and professional staff helped make the preparation of this report possible.

Sincerely,



Patrick J. Hines, CPA  
Belpre City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Belpre,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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



*Nancy L. Zjelke*

President

*Jeffrey R. Enser*

Executive Director

City of Belpre, Ohio  
Principal Officials  
December 31, 2004

Mayor ..... William R. McAfee  
President of Council ..... Will Neff  
Council - 1<sup>st</sup> Ward ..... Kevin Mayle  
Council - 2<sup>nd</sup> Ward ..... Ola Boise  
Council - 3<sup>rd</sup> Ward ..... David Ferguson  
Council - 4<sup>th</sup> Ward ..... Dewey Robinson  
Council - at Large ..... John Baker  
Council - at Large ..... Bradley Harper  
Council - at Large ..... Susan Abdella  
Clerk of Council ..... Kimberly Meredith  
Law Director ..... James McCauley

Finance

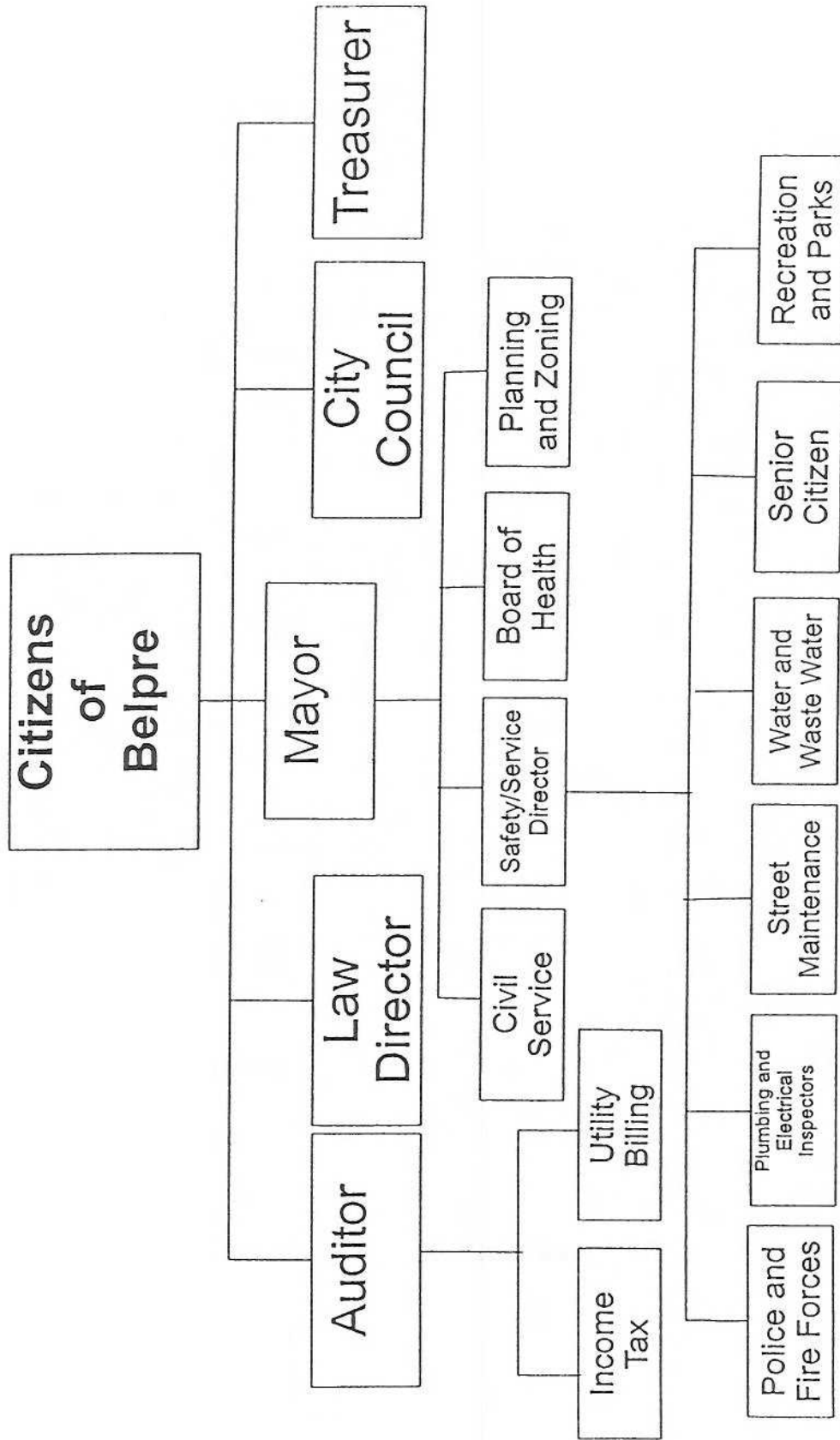
Auditor ..... Patrick J. Hines, CPA  
Deputy Auditor ..... Sharon McVey  
Deputy Office Administrator ..... Lisa Rankin  
Treasurer ..... Larry Lorentz  
Income Tax Commissioner ..... Leonard Wiggins, II

Safety and Service

Safety/Service Director ..... Robert Boersma  
Public Works Superintendent ..... Mike Betz  
Police Chief ..... Ira Walker  
Fire Chief ..... Wesley Walker

# CITY of BELPRE, OHIO

## Organization Chart



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# **FINANCIAL SECTION**

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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT**

City of Belpre  
Washington County  
715 Park Avenue  
P.O. Box 160  
Belpre, Ohio 45714

To the City Council:

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 Belpre, Washington County, Ohio (the City), as of and for the year ended December 31, 2004, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 of Belpre, Washington County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General and Street Funds 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 June 17, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining Statements and Individual Fund Schedules and Statistical Section provide additional information and are not a required part of the basic financial statements. We subjected the Combining Statements and Individual Fund Schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the Introductory Section and the Statistical Section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 17, 2005

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2004*  
*Unaudited*

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The discussion and analysis of the City of Belpre's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for 2004 are as follows:

In total, net assets increased \$247,319. Net assets of governmental activities decreased \$118,979, while net assets of business-type activities increased \$366,298 from 2003.

In total, liabilities increased \$390,323. Total liabilities of governmental activities decreased \$128,166, while total liabilities of business-type activities increased \$518,489 from 2003.

Overall, capital assets increased \$556,566. Total capital assets from governmental activities decreased \$332,464 or 3 percent. Capital assets of business-type activities increased \$889,030 or 13 percent.

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

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

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

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

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

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. This change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as the condition of City capital assets will also need to be evaluated.

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
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*Unaudited*

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In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

Governmental Activities - Most of the City's services are reported here including police, fire, administration, and all departments with the exception of our Sanitation, Sewer, and Water Funds.

Business-Type Activities - Sewer and water services have charges based upon the amount of usage. The City charges fees to recoup the cost of the entire operations of our Sewer and Water Treatment Plants as well as all capital expenses associated with the facilities. Sanitation services have charges based upon set rates. The City charges fees that more than cover the costs of the contract to provide the service.

***Reporting the City of Belpre's Most Significant Funds***

***Fund Financial Statements***

The basic governmental fund financial statements begin on page 16. Fund financial reports provide detailed information about the City's major funds. Based upon restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Belpre, our major funds are the General, Street, Capital Improvement, Sanitation, Sewer, and Water Funds.

***Governmental Funds*** Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled as part of the financial statements.

***Proprietary Funds*** When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**The City of Belpre as a Whole**

Recall that the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2004 compared to 2003.

**City of Belpre, Ohio**  
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(Table 1)  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Assets</b>						
Current and Other Assets	\$1,502,159	\$1,416,840	\$1,684,214	\$1,688,457	\$3,186,373	\$3,105,297
Capital Assets, Net	14,271,769	14,604,233	7,612,575	6,723,545	21,884,344	21,327,778
<i>Total Assets</i>	<u>15,773,928</u>	<u>16,021,073</u>	<u>9,296,789</u>	<u>8,412,002</u>	<u>25,070,717</u>	<u>24,433,075</u>
<b>Liabilities</b>						
Current and Other Liabilities	433,310	527,320	286,559	489,836	719,869	1,017,156
Long-term Liabilities:						
Due Within One Year	22,238	31,615	156,269	169,884	178,507	201,499
Due in More Than One Year	139,587	164,366	1,658,472	923,091	1,798,059	1,087,457
<i>Total Liabilities</i>	<u>595,135</u>	<u>723,301</u>	<u>2,101,300</u>	<u>1,582,811</u>	<u>2,696,435</u>	<u>2,306,112</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	14,172,470	14,466,941	5,811,646	5,643,804	19,984,116	20,110,745
Restricted:						
Capital Projects	179,408	179,218	0	0	179,408	179,218
Other Purposes	371,077	262,767	0	0	371,077	262,767
Unclaimed Monies	3,997	3,957	0	0	3,997	3,957
Unrestricted	451,841	384,889	1,383,843	1,185,387	1,835,684	1,570,276
<i>Total Net Assets</i>	<u>\$15,178,793</u>	<u>\$15,297,772</u>	<u>\$7,195,489</u>	<u>\$6,829,191</u>	<u>\$22,374,282</u>	<u>\$22,126,963</u>

Total assets increased \$637,642. In total, current and other assets remained consistent from 2003. The biggest change in assets was in the area of capital assets. Governmental activities' capital assets decreased \$332,464 due to depreciation expense on capital assets exceeding current year acquisitions. The \$889,030 increase in capital assets in the business-type activities is due to increased capital acquisitions, mostly for the near completion of a new water tank and refurbishing the existing water tank (see the contractual commitment Note 12).

For governmental activities, current and other liabilities decreased \$94,010. Contracts and retainage payables decreased \$133,340 for the completion of a 2003 paving project. Long-term liabilities decreased \$34,156 as the City made required loan payments while not issuing any new debt in 2004.

For business-type activities, current and other liabilities decreased \$203,277. Contracts and retainage payables decreased \$227,804 for the near completion of the Putnam Howe Drive water storage tank and refurbishment of the existing water tank. Long-term liabilities increased \$721,766 from 2003. During 2004, the City acquired loans for \$890,668 to finance the water storage tank project and paid principal amounts of \$169,480 on other outstanding debt.

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Table 2 shows the changes in net assets for the year ended December 31, 2004, and comparisons to 2003.

(Table 2) Changes in Net Assets						
	Governmental Activities 2004	Business- Type Activities 2004	Total 2004	Governmental Activities 2003	Business- Type Activities 2003	Total 2003
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$340,424	\$2,411,711	\$2,752,135	\$312,732	\$2,466,662	\$2,779,394
Operating Grants, Contributions and Interest Capital Grants and Contributions	373,586	0	373,586	494,271	0	494,271
	481,309	15,385	496,694	252,268	14,946	267,214
Total Program Revenues	<u>1,195,319</u>	<u>2,427,096</u>	<u>3,622,415</u>	<u>1,059,271</u>	<u>2,481,608</u>	<u>3,540,879</u>
General Revenues						
Property Taxes	273,363	0	273,363	277,250	0	277,250
Income Taxes	972,487	0	972,487	911,656	0	911,656
Franchise Fees	16,583	0	16,583	15,936	0	15,936
Grants and Entitlements	183,930	0	183,930	253,584	0	253,584
Investment Earnings	19,956	0	19,956	26,815	0	26,815
Gain on Sale of Capital Assets	0	200	200	0	0	0
Other	6,180	6,902	13,082	18,366	1,464	19,830
Total General Revenues	<u>1,472,499</u>	<u>7,102</u>	<u>1,479,601</u>	<u>1,503,607</u>	<u>1,464</u>	<u>1,505,071</u>
Total Revenues	<u>2,667,818</u>	<u>2,434,198</u>	<u>5,102,016</u>	<u>2,562,878</u>	<u>2,483,072</u>	<u>5,045,950</u>
<b>Program Expenses</b>						
General Government	524,456	0	524,456	525,298	0	525,298
Security of Persons and Property:						
Police	874,426	0	874,426	908,510	0	908,510
Fire	174,653	0	174,653	209,677	0	209,677
Public Health Services	34,853	0	34,853	33,494	0	33,494
Transportation	1,096,513	0	1,096,513	1,123,332	0	1,123,332
Leisure Time Activities:						
Senior Center	31,218	0	31,218	33,288	0	33,288
Parks	102,305	0	102,305	304,306	0	304,306
Pool	9,572	0	9,572	9,328	0	9,328
Intergovernmental	7,906	0	7,906	0	0	0
Interest and Fiscal Charges	5,895	0	5,895	8,921	0	8,921
Sanitation	0	476,181	476,181	0	482,248	482,248
Sewer	0	966,648	966,648	0	873,338	873,338
Water	0	550,071	550,071	0	537,433	537,433
Total Program Expenses	<u>2,861,797</u>	<u>1,992,900</u>	<u>4,854,697</u>	<u>3,156,154</u>	<u>1,893,019</u>	<u>5,049,173</u>
Increase (Deficiency) Before Transfers	(193,979)	441,298	247,319	(593,276)	590,053	(3,223)
Transfers	75,000	(75,000)	0	26,375	(26,375)	0
Increase (Decrease) in Net Assets	<u>(\$118,979)</u>	<u>\$366,298</u>	<u>\$247,319</u>	<u>(\$566,901)</u>	<u>\$563,678</u>	<u>(\$3,223)</u>

**City of Belpre, Ohio**  
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***Governmental Activities***

Several revenue sources fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate is 1.0 percent. General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. The City monitors both of these revenue sources very closely for fluctuations because the income tax and intergovernmental revenue represent 75 percent of all revenues in the governmental activities.

Income tax collections experienced a small increase of \$60,831, almost 7%. The City's Tax Commissioner has established procedures for identifying delinquent accounts and for setting up payment schedules for hardship cases.

The City has worked very hard on increasing our income tax base by being proactive with new businesses and is continuing to strive to provide better service to the taxpayers at the lowest possible cost. The ability of the City to continue to provide quality services without income tax increases rests on City Management's ability to keep costs in line. The level of services provided have put a strain on the City's finances since no increase has occurred in the income tax rates since the enactment of the income tax levy in 1976.

Security of persons and property is a major activity of the City, generating 37% of the governmental expenses. During 2004, expenses for police and fire operations amounted to \$874,426 and \$174,653, respectively. These activities are, for the most part, funded by the municipal income tax. The City attempts to supplement the income and activities of the police department with grants to enable the police department to widen the scope of its activities. The Belpre Volunteer Firefighters, Inc., an entity separate and distinct from the City, has worked hand in hand with the City to help reduce costs to the taxpayer by providing much of the equipment used by the fire department.

Transportation activities of the City accounted for 38% of the governmental expenses. Street paving, patching, and street lighting expenses during 2004 amounted to \$723,041, with most of the remaining transportation expenses representing depreciation in the amount of \$709,534 offset by capital acquisitions of \$336,062.

Parks activities decreased \$202,001 in 2004. The City spent a \$200,000 grant in 2003 for a park enhancement study from the Corps of Engineers.

***Business-Type Activities***

The City's business-type activities are the water and sewer departments and sanitation services. The City, itself, does not provide trash pickup, but contracts this service from an outside vendor. The City provides the billing service for trash pickup on the existing utility bills and receives a commission from the vendor for providing this service for them. Operating income generated by this activity is used to help support the City's general government activities. During 2004, program revenues exceeded expenses by \$106,889.

The City's water and sewer departments continued to operate with low rates. The minimum water rate is \$6.51 for the first 3,000 gallons of water consumed. Water rates for two neighboring water associations are \$16.30 and \$19.80 for the first 3,000 gallons of water. The new City water wells were completed in 2002, the major upgrade to the sewer treatment plant was completed in 2003, and a new 500,000 gallon water storage tank was started in 2003 and nearly completed in 2004 at an estimated cost of \$763,943. A total refurbishment of the existing 500,000 gallon water tank was nearly completed in 2004 also at an estimated cost of \$268,821. Loans were obtained from the Peoples Bank Corporation for the tank projects and will be repaid with Water Fund revenues.

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The minimum sewer rate is \$12.78 for the first 3,000 gallons of water consumed. In 2004, the City spent \$91,421 in infrastructure improvements, \$31,426 for a new dump truck, and \$25,105 for the Rockland Lift Station improvements that are not yet completed as of year end.

### **The City's Funds**

The City's Governmental Funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$2,671,499 and expenditures of \$2,564,048. City Council approved the closure of the swimming pool after the 2001 season due to significant repairs and improvements needing to be made. The City's pool remained closed in 2004.

The City's street paving projects during 2004 amounted to \$342,084, a \$60,163 increase from 2003's projects of \$281,921.

The fund balance of the General Fund increased \$87,971. A \$75,000 transfer was received from the Sanitation Enterprise Fund. The General Fund's Unreserved Fund Balance of \$428,877 represented 17% of current year expenditures. Most of this balance remains in the City's treasury and is invested.

During 2004, the Water Fund had operating revenues of \$695,816 (\$626,079 in 2003) and operating expenses of \$511,575 (\$514,501 in 2003). The Sewer Fund had operating revenues of \$1,139,727 (\$1,253,528) and operating expenses of \$953,938 (\$898,374). Utility rates increased on July 1, 2004, with water and sewer rates increasing four percent.

### ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. From time to time during the year, the fund's budget may be amended as needs or conditions change.

During the course of 2004, the City made no amendments to its General Fund budget. Recommendations for any budget change come from the City Auditor to the Finance Committee of Council for review before going to the whole Council for Ordinance enactment on the change. The allocation of appropriations among departments and objects within a fund may be modified during the year by the City Auditor without an ordinance of Council. With the General Fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

The City of Belpre's ending unencumbered cash balance in the General Fund was \$202,862 above the final budgeted amount.



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**Capital Assets and Debt Administration**

***Capital Assets***

(Table 3)  
Capital Assets at December 31, 2004

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$2,024,318	\$2,024,318	\$250,754	\$250,754	\$2,275,072	\$2,275,072
Buildings and Improvements	1,801,536	1,690,935	626,090	637,228	2,427,626	2,328,163
Machinery and Equipment	277,579	300,836	498,862	544,593	776,441	845,429
Vehicles	111,420	171,171	59,624	38,334	171,044	209,505
Infrastructure:						
U.S. and State Roads	2,846,749	3,050,088	0	0	2,846,749	3,050,088
City Streets	6,917,787	7,153,296	0	0	6,917,787	7,153,296
Street Signals	287,653	187,398	0	0	287,653	187,398
Sewer System	0	0	2,872,065	2,865,162	2,872,065	2,865,162
Water System	0	0	2,254,490	2,069,938	2,254,490	2,069,938
Construction in Progress	4,727	26,191	1,050,690	317,536	1,055,417	343,727
Totals	<u>\$14,271,769</u>	<u>\$14,604,233</u>	<u>\$7,612,575</u>	<u>\$6,723,545</u>	<u>\$21,884,344</u>	<u>\$21,327,778</u>

The assets of the City are reported at historical cost, net of depreciation. The primary increase is construction in progress is in the Water Fund for the water storage tank project. For additional information on capital assets, see Note 8 to the basic financial statements.

***Debt***

The City had no bond issues outstanding but did have various loans payable at December 31, 2004, totaling \$1,913,786 of which \$174,207 is due within one year. The City has three Ohio Public Works Issue II loans outstanding, one for water well replacement, one for sewer treatment plant improvements, and one for paving. The City has eight additional loans outstanding; one for police pensions, one for property, one for a backhoe, one for the city building, one for water lines, two for the water tank project, and one for the sewer treatment facility.

**City of Belpre, Ohio**  
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(Table 4)  
 Outstanding Debt at December 31, 2004

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
City Building Loan	\$79,438	\$91,936	\$158,876	\$183,873	\$238,314	\$275,809
Property Loan	2,155	13,162	4,313	26,325	6,468	39,487
Backhoe Loan	857	4,388	1,717	8,779	2,574	13,167
Issue II Water Well Loan	0	0	70,023	73,450	70,023	73,450
Water Lines Loan	0	0	88,567	99,544	88,567	99,544
New Water Tank Loan	0	0	614,024	0	614,024	0
Refurbish Old Tank Loan	0	0	244,184	0	244,184	0
Sewer Treatment Plant Loan	0	0	412,136	472,170	412,136	472,170
Issue II Sewer Treatment Plant Loan	0	0	198,489	207,000	198,489	207,000
Issue II Paving Loan	16,849	27,806	0	0	16,849	27,806
Police Pension	22,158	22,509	0	0	22,158	22,509
Totals	<u>\$121,457</u>	<u>\$159,801</u>	<u>\$1,792,329</u>	<u>\$1,071,141</u>	<u>\$1,913,786</u>	<u>\$1,230,942</u>

The city building, property, and backhoe loans are paid equally from three funds: Capital Improvement, Sewer, and Water. The Capital Improvement portion will be paid from income tax revenues and the Water and Sewer portions will be paid from charges for services. Permissive motor vehicle license tax is pledged to pay the debt of the Issue II Paving Loan.

At year end, the City had contractual commitments of \$1,069,809, of which \$1,055,417 had been expended, for the water tank replacement project, a sewer lift station project, and a paving project (see the contractual commitment Note 12).

The City's overall legal debt margin was \$9,161,177 at December 31, 2004. For additional information on debt, see Note 11 to the basic financial statements.

### **Current Finance Related Activities**

During 2004, a ballot initiative to raise the City's income tax rate failed. However, infrastructure upgrades and improvements continued to be a major priority for the City.

Several projects were done in the City in cooperation with the Ohio Department of Transportation. Portions of Main Street and Washington Boulevard were paved at a cost of \$224,862. The City paid \$10,000; the balance being funded by the Ohio Department of Transportation.

A new traffic light was installed at the intersection of U.S. Route 50 and Braun Road for \$117,222. The City paid \$2,000 and the balance was paid by the Ohio Department of Transportation.

New lighting was installed at the walking track in the Civitan Park for \$93,495. The City's share was \$19,484, and the balance was paid by the Ohio Department of Transportation.

Community Development Block Grants (CDBG) funded parks projects within the City during 2004. New playground equipment and security cameras were installed at Depot Park. Improvements were made to the rail car display at Depot Park. New playground equipment was also installed at the Civitan Park. In addition to CDBG monies, the City and local donations paid for the repaving project at the Civitan Park's walking track.

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
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Utility infrastructure improvements continued during the past year. New water lines were laid costing \$233,926. A new 500,000 gallon water storage tank on Putnam Howe Drive was near completion, as was the refurbishment of the existing 500,000 gallon tank. These projects are financed through the Water Enterprise Fund revenues.

I personally thank Ms. Betty Montgomery, our State Auditor, and her staff, especially the Local Government Services Division, for their involvement and tremendous amount of help in putting together these statements. Ms. Montgomery's desire to make the State of Ohio one of the most respected in financial reporting to the citizens has certainly been taken to heart in Belpre and I am proud to be part of this commitment.

**Contacting the City Auditor's Department**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with an overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Patrick J. Hines, CPA, Belpre City Auditor, 715 Park Drive, Belpre, Ohio 45714, 740-423-7592.

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**City of Belpre, Ohio**

*Statement of Net Assets*

*December 31, 2004*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$559,370	\$1,271,376	\$1,830,746
Cash and Cash Equivalents in Segregated Accounts	8,219	0	8,219
Investments	0	50,000	50,000
Accounts Receivable	8,503	277,692	286,195
Accrued Interest Receivable	15	0	15
Permissive Tax Receivable	2,881	0	2,881
Interfund Balance	(200)	200	0
Due from Other Governments	299,617	71,474	371,091
Municipal Income Tax Receivable	265,377	0	265,377
Materials and Supplies Inventory	5,498	1,340	6,838
Prepaid Items	39,180	12,132	51,312
Property and Other Taxes Receivable	313,699	0	313,699
Non-Depreciable Capital Assets	2,029,045	1,301,444	3,330,489
Depreciable Capital Assets, Net	12,242,724	6,311,131	18,553,855
<i>Total Assets</i>	<u>15,773,928</u>	<u>9,296,789</u>	<u>25,070,717</u>
<b>Liabilities</b>			
Accounts Payable	28,372	46,000	74,372
Contracts Payable	0	8,414	8,414
Accrued Wages	29,507	17,116	46,623
Due to Other Governments	31,378	11,460	42,838
Deferred Revenue	301,272	0	301,272
Accrued Interest Payable	120	1,522	1,642
Retainage Payable	0	51,963	51,963
Vacation Benefits Payable	42,461	27,918	70,379
Due to Others	200	0	200
Customer Deposits Payable	0	122,166	122,166
Long-Term Liabilities:			
Due Within One Year	22,238	156,269	178,507
Due In More Than One Year	139,587	1,658,472	1,798,059
<i>Total Liabilities</i>	<u>595,135</u>	<u>2,101,300</u>	<u>2,696,435</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	14,172,470	5,811,646	19,984,116
Restricted for:			
Capital Projects	179,408	0	179,408
Other Purposes	371,077	0	371,077
Unclaimed Monies	3,997	0	3,997
Unrestricted	451,841	1,383,843	1,835,684
<i>Total Net Assets</i>	<u>\$15,178,793</u>	<u>\$7,195,489</u>	<u>\$22,374,282</u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2004

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$524,456	\$128,186	\$0	\$0
Security of Persons and Property:				
Police	874,426	154,370	0	0
Fire	174,653	0	0	12,000
Public Health Services	34,853	12,631	1,927	0
Transportation	1,096,513	41,662	359,331	314,484
Leisure Time Activities:				
Senior Center	31,218	0	5,078	11,593
Parks	102,305	3,575	7,250	143,232
Pool	9,572	0	0	0
Intergovernmental	7,906	0	0	0
Interest and Fiscal Charges	5,895	0	0	0
<i>Total Governmental Activities</i>	<u>2,861,797</u>	<u>340,424</u>	<u>373,586</u>	<u>481,309</u>
<b>Business-Type Activities</b>				
Sanitation	476,181	583,070	0	0
Sewer	966,648	1,138,246	0	0
Water	550,071	690,395	0	15,385
<i>Total Business-Type Activities</i>	<u>1,992,900</u>	<u>2,411,711</u>	<u>0</u>	<u>15,385</u>
<i>Total</i>	<u><u>\$4,854,697</u></u>	<u><u>\$2,752,135</u></u>	<u><u>\$373,586</u></u>	<u><u>\$496,694</u></u>

**General Revenues**

Property Taxes Levied for General Purposes  
Income Taxes Levied for:  
    General Purposes  
    Capital Outlay  
Franchise Fees  
Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Gain on Disposal of Capital Assets  
Other

*Total General Revenues*

Transfers

Change in Net Assets

*Net Assets Beginning of Year (Restated - See Note 4)*

*Net Assets 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
(\$396,270)	\$0	(\$396,270)
(720,056)	0	(720,056)
(162,653)	0	(162,653)
(20,295)	0	(20,295)
(381,036)	0	(381,036)
(14,547)	0	(14,547)
51,752	0	51,752
(9,572)	0	(9,572)
(7,906)	0	(7,906)
(5,895)	0	(5,895)
(1,666,478)	0	(1,666,478)
0	106,889	106,889
0	171,598	171,598
0	155,709	155,709
0	434,196	434,196
(1,666,478)	434,196	(1,232,282)
273,363	0	273,363
707,358	0	707,358
265,129	0	265,129
16,583	0	16,583
183,930	0	183,930
19,956	0	19,956
0	200	200
6,180	6,902	13,082
1,472,499	7,102	1,479,601
75,000	(75,000)	0
(118,979)	366,298	247,319
15,297,772	6,829,191	22,126,963
<u>\$15,178,793</u>	<u>\$7,195,489</u>	<u>\$22,374,282</u>

**City of Belpre, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2004*

	General	Street	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$295,303	\$38,834	\$74,897	\$150,336	\$559,370
Cash and Cash Equivalents in Segregated Accounts	7,550	0	0	669	8,219
Receivables:					
Property and Other Taxes	313,699	0	0	0	313,699
Municipal Income Tax	159,337	0	106,040	0	265,377
Permissive Tax	0	0	0	2,881	2,881
Accounts	8,444	59	0	0	8,503
Interfund	382	0	0	0	382
Accrued Interest	15	0	0	0	15
Due from Other Governments	92,655	135,567	6,113	65,282	299,617
Materials and Supplies Inventory	593	4,905	0	0	5,498
Prepaid Items	31,167	4,165	0	3,848	39,180
<i>Total Assets</i>	<u>\$909,145</u>	<u>\$183,530</u>	<u>\$187,050</u>	<u>\$223,016</u>	<u>\$1,502,741</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$15,653	\$3,560	\$7,642	\$1,517	\$28,372
Interfund Payable	0	582	0	0	582
Accrued Wages	23,084	6,423	0	0	29,507
Due to Other Governments	26,031	4,337	0	1,010	31,378
Deferred Revenue	404,005	88,392	20,683	26,298	539,378
Due to Others	200	0	0	0	200
<i>Total Liabilities</i>	<u>468,973</u>	<u>103,294</u>	<u>28,325</u>	<u>28,825</u>	<u>629,417</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	6,705	4,677	1,436	5,032	17,850
Reserved for Inventory	593	4,905	0	0	5,498
Reserved for Unclaimed Monies	3,997	0	0	0	3,997
Unreserved, Undesignated, Reported in:					
General Fund	428,877	0	0	0	428,877
Special Revenue Funds	0	70,654	0	189,159	259,813
Capital Projects Funds	0	0	157,289	0	157,289
<i>Total Fund Balances</i>	<u>440,172</u>	<u>80,236</u>	<u>158,725</u>	<u>194,191</u>	<u>873,324</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$909,145</u>	<u>\$183,530</u>	<u>\$187,050</u>	<u>\$223,016</u>	<u>\$1,502,741</u>

See accompanying notes to the basic financial statements



**City of Belpre, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2004*

<b>Total Governmental Fund Balances</b>	<b>\$873,324</b>
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***Amounts reported for governmental activities in the  
statement of net assets are different because***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,271,769
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Investment Earnings	876	
Property Taxes	12,375	
Municipal Income Tax	51,985	
Intergovernmental Revenues	172,870	
Total	<u>238,106</u>	238,106

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Police Pension Payable	(22,158)	
Accrued Interest Payable	(120)	
Loans Payable	(99,299)	
Compensated Absences Payable	(40,368)	
Vacation Benefits Payable	(42,461)	
Total	<u>(204,406)</u>	(204,406)

<b><i>Net Assets of Governmental Activities</i></b>	<b><u><u>\$15,178,793</u></u></b>
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See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2004*

	General	Street	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property and Other Taxes	\$273,596	\$0	\$0	\$0	\$273,596
Municipal Income Tax	702,298	0	261,940	0	964,238
Motor Vehicle License Tax	0	0	0	36,625	36,625
Charges for Services	117,698	5,037	0	3,575	126,310
Fines, Licenses and Permits	186,637	0	0	14,435	201,072
Intergovernmental	214,512	270,982	174,319	351,114	1,010,927
Investment Earnings	19,209	190	0	611	20,010
Donations	5,078	0	20,213	7,250	32,541
Other	5,885	160	0	135	6,180
<i>Total Revenues</i>	<u>1,524,913</u>	<u>276,369</u>	<u>456,472</u>	<u>413,745</u>	<u>2,671,499</u>
<b>Expenditures</b>					
Current:					
General Government	501,709	0	0	0	501,709
Security of Persons and Property:					
Police	819,647	0	0	18,915	838,562
Fire	134,930	0	0	0	134,930
Public Health Services	34,484	0	0	0	34,484
Transportation	73,161	305,021	0	229,756	607,938
Leisure Time Activities:					
Senior Center	36,212	0	0	0	36,212
Parks	0	0	0	142,375	142,375
Pool	0	0	0	724	724
Capital Outlay	0	0	215,320	0	215,320
Intergovernmental	0	0	0	7,906	7,906
Debt Service:					
Principal Retirement	0	0	27,036	10,957	37,993
Interest and Fiscal Charges	0	0	5,393	502	5,895
<i>Total Expenditures</i>	<u>1,600,143</u>	<u>305,021</u>	<u>247,749</u>	<u>411,135</u>	<u>2,564,048</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(75,230)</u>	<u>(28,652)</u>	<u>208,723</u>	<u>2,610</u>	<u>107,451</u>
<b>Other Financing Sources(Uses)</b>					
Sale of Capital Assets	201	0	0	0	201
Transfers In	163,000	72,200	0	51,522	286,722
Transfers Out	0	0	(211,722)	0	(211,722)
<i>Total Other Financing Sources (Uses)</i>	<u>163,201</u>	<u>72,200</u>	<u>(211,722)</u>	<u>51,522</u>	<u>75,201</u>
<i>Net Change in Fund Balances</i>	<u>87,971</u>	<u>43,548</u>	<u>(2,999)</u>	<u>54,132</u>	<u>182,652</u>
<i>Fund Balances Beginning of Year</i>	<u>352,403</u>	<u>36,033</u>	<u>161,724</u>	<u>140,059</u>	<u>690,219</u>
<i>Increase (Decrease) in Reserve for Inventory</i>	<u>(202)</u>	<u>655</u>	<u>0</u>	<u>0</u>	<u>453</u>
<i>Fund Balances End of Year</i>	<u>\$440,172</u>	<u>\$80,236</u>	<u>\$158,725</u>	<u>\$194,191</u>	<u>\$873,324</u>

See accompanying notes to the basic financial statements

**City of Belpre, 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, 2004*

**Net Change in Fund Balances - Total Governmental Funds** \$182,652

***Amounts reported for governmental activities in the  
statement of activities are different because***

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets  
is allocated over their estimated useful lives as depreciation  
expense. In the current period, these amounts are:

Capital Outlay	522,941	
Depreciation	(854,780)	
Excess of Depreciation Expense over Capital Outlay		(331,839)

Governmental funds only report the disposal of assets to the  
extent proceeds are received from the sale. In the statement of  
activities, a gain or loss is reported for each disposal. This is the  
amount of the proceeds and the loss on disposal of assets:

Loss on Disposal of Capital Assets	(424)	
Proceeds from Sale of Capital Assets	(201)	
		(625)

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the funds:

Investment Earnings	747	
Property and Other Taxes	(233)	
Municipal Income Tax	8,249	
Estate Taxes	(5,016)	
Grants	12,577	
State Shared Revenues	(13,005)	
Franchise Fees	(7,000)	
Total		(3,681)

Repayment of debt principal is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities  
in the statement of net assets.

37,993

Some expenses reported in the statement of activities do not  
require the use of current financial resources and therefore  
are not reported as expenditures in the funds:

Inventory	453	
Vacation Benefits Payable	(95)	
Compensated Absences Payable - Sick	(4,188)	
Police Pension Payable	351	
Total		(3,479)

***Change in Net Assets of Governmental Activities*** (\$118,979)

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Taxes	\$274,651	\$274,651	\$273,597	(\$1,054)
Municipal Income Tax	701,600	701,600	684,389	(17,211)
Charges for Services	118,556	118,556	117,688	(868)
Fines, Licenses and Permits	162,725	162,725	187,193	24,468
Intergovernmental	185,250	185,250	227,533	42,283
Investment Earnings	33,400	33,400	18,402	(14,998)
Donations	6,000	6,000	5,078	(922)
Other	5,100	5,100	5,514	414
<i>Total Revenues</i>	<u>1,487,282</u>	<u>1,487,282</u>	<u>1,519,394</u>	<u>32,112</u>
<b>Expenditures</b>				
Current:				
General Government	573,355	568,355	499,803	68,552
Security of Persons and Property:				
Police	939,010	939,010	819,207	119,803
Fire	145,737	145,737	135,753	9,984
Public Health Services	41,083	46,083	39,490	6,593
Transportation	78,254	78,254	73,375	4,879
Leisure Time Activities - Senior Center	36,661	36,661	35,722	939
<i>Total Expenditures</i>	<u>1,814,100</u>	<u>1,814,100</u>	<u>1,603,350</u>	<u>210,750</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(326,818)</u>	<u>(326,818)</u>	<u>(83,956)</u>	<u>242,862</u>
<b>Other Financing Sources</b>				
Transfers In	<u>203,000</u>	<u>203,000</u>	<u>163,000</u>	<u>(40,000)</u>
<i>Net Change in Fund Balance</i>	<u>(123,818)</u>	<u>(123,818)</u>	<u>79,044</u>	<u>202,862</u>
<i>Fund Balance Beginning of Year</i>	<u>182,596</u>	<u>182,596</u>	<u>182,596</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>18,427</u>	<u>18,427</u>	<u>18,427</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$77,205</u>	<u>\$77,205</u>	<u>\$280,067</u>	<u>\$202,862</u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$17,525	\$17,525	\$5,037	(\$12,488)
Intergovernmental	251,324	251,324	252,380	1,056
Investment Earnings	150	150	135	(15)
Other	0	0	683	683
<i>Total Revenues</i>	268,999	268,999	258,235	(10,764)
<b>Expenditures</b>				
Current:				
Transportation	347,398	347,398	309,550	37,848
<i>Excess of Revenues Over/(Under) Expenditures</i>	(78,399)	(78,399)	(51,315)	27,084
<b>Other Financing Sources</b>				
Transfers In	72,200	72,200	72,200	0
<i>Net Change in Fund Balance</i>	(6,199)	(6,199)	20,885	27,084
<i>Fund Balance Beginning of Year</i>	2,303	2,303	2,303	0
Prior Year Encumbrances Appropriated	9,948	9,948	9,948	0
<i>Fund Balance End of Year</i>	<u>\$6,052</u>	<u>\$6,052</u>	<u>\$33,136</u>	<u>\$27,084</u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Fund Net Assets*  
*Enterprise Funds*  
*December 31, 2004*

	Sanitation	Sewer	Water	Total Enterprise Funds
<b>Assets</b>				
Current:				
Equity in Pooled Cash and Cash Equivalents	\$313,341	\$468,805	\$417,064	\$1,199,210
Accounts Receivable	52,468	141,352	83,872	277,692
Interfund Receivable	0	200	0	200
Due from Other Governments	0	71,474	0	71,474
Materials and Supplies Inventory	0	1,112	228	1,340
Restricted Assets:				
Customer Deposits	0	0	72,166	72,166
Investments	0	0	50,000	50,000
Prepaid Items	1,052	5,555	5,525	12,132
<i>Total Current Assets</i>	<u>366,861</u>	<u>688,498</u>	<u>628,855</u>	<u>1,684,214</u>
Noncurrent:				
Non-Depreciable Capital Assets	0	104,955	1,196,489	1,301,444
Depreciable Capital Assets, Net	0	3,634,639	2,676,492	6,311,131
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>3,739,594</u>	<u>3,872,981</u>	<u>7,612,575</u>
<i>Total Assets</i>	<u>366,861</u>	<u>4,428,092</u>	<u>4,501,836</u>	<u>9,296,789</u>
<b>Liabilities</b>				
Current:				
Accounts Payable	20,237	20,795	4,968	46,000
Contracts Payable	0	4,270	8,444	12,714
Accrued Wages	291	12,718	4,107	17,116
Retainage Payable	0	0	51,963	51,963
Accrued Interest Payable	0	173	1,349	1,522
Vacation Benefits Payable	1,009	18,276	8,633	27,918
Due to Other Governments	675	7,731	3,054	11,460
Issue II Loans Payable	0	4,319	1,739	6,058
Loans Payable	0	59,609	86,302	145,911
Customer Deposits Payable from Restricted Assets	0	0	122,166	122,166
<i>Total Current Liabilities</i>	<u>22,212</u>	<u>127,891</u>	<u>292,725</u>	<u>442,828</u>
Long-Term:				
Compensated Absences Payable	408	10,903	2,501	13,812
Contracts Payable	0	2,150	2,150	4,300
Issue II Loans Payable	0	194,170	68,284	262,454
Loans Payable	0	434,980	942,926	1,377,906
<i>Total Long-Term Liabilities</i>	<u>408</u>	<u>642,203</u>	<u>1,015,861</u>	<u>1,658,472</u>
<i>Total Liabilities</i>	<u>22,620</u>	<u>770,094</u>	<u>1,308,586</u>	<u>2,101,300</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	0	3,041,141	2,770,505	5,811,646
Unrestricted	344,241	616,857	422,745	1,383,843
<i>Total Net Assets</i>	<u>\$344,241</u>	<u>\$3,657,998</u>	<u>\$3,193,250</u>	<u>\$7,195,489</u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Enterprise Funds  
For the Year Ended December 31, 2004*

	Sanitation	Sewer	Water	Total Enterprise Funds
<b>Operating Revenues</b>				
Charges for Services	\$583,070	\$1,138,246	\$690,395	\$2,411,711
Other Operating Revenues	0	1,481	5,421	6,902
<i>Total Operating Revenues</i>	<u>583,070</u>	<u>1,139,727</u>	<u>695,816</u>	<u>2,418,613</u>
<b>Operating Expenses</b>				
Salaries and Wages	7,455	278,745	105,018	391,218
Fringe Benefits	3,327	130,297	51,741	185,365
Contractual Services	458,813	296,993	156,941	912,747
Materials and Supplies	6,586	101,677	113,186	221,449
Depreciation	0	146,226	84,689	230,915
<i>Total Operating Expenses</i>	<u>476,181</u>	<u>953,938</u>	<u>511,575</u>	<u>1,941,694</u>
<i>Operating Income</i>	<u>106,889</u>	<u>185,789</u>	<u>184,241</u>	<u>476,919</u>
<b>Non Operating Revenue (Expenses)</b>				
Gain on Disposal of Capital Assets	0	200	0	200
Interest and Fiscal Charges	0	(12,710)	(38,496)	(51,206)
<i>Total Non Operating Revenues (Expenses)</i>	<u>0</u>	<u>(12,510)</u>	<u>(38,496)</u>	<u>(51,006)</u>
<i>Income Before Contributions and Transfers</i>	<u>106,889</u>	<u>173,279</u>	<u>145,745</u>	<u>425,913</u>
Capital Contributions	0	0	15,385	15,385
Transfers Out	(75,000)	0	0	(75,000)
<i>Change in Net Assets</i>	<u>31,889</u>	<u>173,279</u>	<u>161,130</u>	<u>366,298</u>
<i>Net Assets Beginning of Year - (Restated - See Note 4)</i>	<u>312,352</u>	<u>3,484,719</u>	<u>3,032,120</u>	<u>6,829,191</u>
<i>Net Assets End of Year</i>	<u>\$344,241</u>	<u>\$3,657,998</u>	<u>\$3,193,250</u>	<u>\$7,195,489</u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Cash Flows*  
*Enterprise Funds*  
For the Year Ended December 31, 2004

	Sanitation	Sewer	Water	Total Enterprise Funds
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$576,025	\$1,126,681	\$658,668	\$2,361,374
Cash Payments for Employee Services and Benefits	(10,432)	(403,941)	(155,905)	(570,278)
Cash Payments to Suppliers for Goods and Services	(464,797)	(397,474)	(270,099)	(1,132,370)
Other Operating Revenues	0	939	5,421	6,360
Customer Deposits Received	0	0	12,360	12,360
Customer Deposits Returned	0	0	(4,389)	(4,389)
<i>Net Cash Provided by Operating Activities</i>	<u>100,796</u>	<u>326,205</u>	<u>246,056</u>	<u>673,057</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers Out	<u>(75,000)</u>	<u>0</u>	<u>0</u>	<u>(75,000)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of Capital Assets	0	(151,479)	(1,189,156)	(1,340,635)
Proceeds of Loans	0	0	890,668	890,668
Principal Paid on Debt	0	(95,581)	(73,899)	(169,480)
Interest Paid on Debt	0	(29,256)	(37,147)	(66,403)
Capital Contributions	<u>0</u>	<u>0</u>	<u>15,385</u>	<u>15,385</u>
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>0</u>	<u>(276,316)</u>	<u>(394,149)</u>	<u>(670,465)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	25,796	49,889	(148,093)	(72,408)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>287,545</u>	<u>418,916</u>	<u>637,323</u>	<u>1,343,784</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$313,341</u></u>	<u><u>\$468,805</u></u>	<u><u>\$489,230</u></u>	<u><u>\$1,271,376</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
<i>Operating Income</i>	\$106,889	\$185,789	\$184,241	\$476,919
Adjustments:				
Depreciation	0	146,226	84,689	230,915
(Increase)/Decrease in Assets:				
Accounts Receivable	(7,045)	(12,107)	(31,727)	(50,879)
Materials and Supplies Inventory	0	(444)	170	(274)
Prepaid Items	(45)	(13)	(35)	(93)
Increase/(Decrease) in Liabilities:				
Accounts Payable	1,749	3,232	1,247	6,228
Accrued Wages	66	3,096	954	4,116
Compensated Absences Payable	12	549	17	578
Customer Deposits	0	0	7,971	7,971
Vacation Benefits Payable	213	(905)	(957)	(1,649)
Due to Other Governments	<u>(1,043)</u>	<u>782</u>	<u>(514)</u>	<u>(775)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$100,796</u></u>	<u><u>\$326,205</u></u>	<u><u>\$246,056</u></u>	<u><u>\$673,057</u></u>

Non-Cash Capital and Related Financing Activities:

During 2004, the Street Fund received \$200 from the sale of Sewer Fund capital assets.  
Therefore, the Street Fund owed the Sewer Fund \$200 at year end.

See accompanying notes to the basic financial statements



**City of Belpre, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2004*

**Assets**

Equity Pooled in Cash and Cash Equivalents	\$79,798
Cash and Cash Equivalents in Segregated Accounts	<u>2,389</u>

<i>Total Assets</i>	<u><u>\$82,187</u></u>
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**Liabilities**

Due to Other Governments	\$79,798
Due to Others	<u>2,389</u>

<i>Total Liabilities</i>	<u><u>\$82,187</u></u>
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See accompanying notes to the basic financial statements

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**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 1 - Description of the City and Reporting Entity**

The City of Belpre (the City) is a home-rule municipal corporation, incorporated under the laws of the State of Ohio. The City is organized as a Mayor/Council form of government. Located in the southern part of Washington County, Belpre became a city in 1961. The Mayor, Auditor, Treasurer, and Law Director, all with four year terms, and an eight member Council, with two year terms, are elected. Department directors and public members of various boards and commissions are appointed by the Mayor.

***Reporting Entity***

A reporting entity consists of the primary government, component units, and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Belpre, this includes various services including police protection, recreation (including parks), planning and zoning, street maintenance and repair, sanitation, water and water pollution control, and general administrative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City participates in the Community Action Program Corporation of Washington-Morgan Counties, Ohio, and the Wood, Washington, and Wirt Planning Commission, which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations is presented in Note 15.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the City of Belpre have been prepared in conformity with generally accepted accounting principles (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 to its enterprise funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

***A. Basis of Presentation***

The City's basic 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.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**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 statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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 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 governmental program or business activity self-financing or draws from the general revenues of the City.

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

**B. Fund Accounting**

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

**Governmental Funds** Governmental funds are those through which most governmental functions of the City 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. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Street Fund** The Street Fund is used to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

**Capital Improvement Fund** The Capital Improvement Fund accounts for income tax revenues that are used for general capital improvements in the City.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City's proprietary funds are all classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. All of the City's enterprise funds are major funds.

**Sanitation Fund** The Sanitation Fund is used to account for sanitation billing revenues used to provide sanitation services.

**Sewer Fund** The Sewer Fund is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the City.

**Water Fund** The Water Fund is used to account for the revenues generated from the charges for distribution of water to the residential and commercial users of the City.

**Fiduciary Funds** Fiduciary fund reporting focuses on net assets and changes in net assets. There are four categories of Fiduciary Funds; 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. The City's Agency Funds account for grant money passed through for a scenic route project, payroll activity, and mayor's court collections that are distributed to various local governments.

**C. Measurement Focus**

**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. The statement of activities accounts for increases (i.e. revenues) and decreases (i.e. expenditures) in total 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. Therefore, Governmental Fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the 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 fund net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total 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 Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; Proprietary and Fiduciary Funds also use the accrual basis of accounting. Governmental Funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenues, 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty 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. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). 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 a nonexchange transaction 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: municipal income taxes, hotel taxes, charges for services, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, grants, fees, and rentals.

***Deferred Revenue*** Deferred revenues 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, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met also have been recorded as deferred revenue.

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

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

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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***E. Budget Process***

All funds, except Agency Funds, are legally required to be budgeted and appropriated. 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 tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level for all funds. The City Auditor has been authorized to allocate appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. 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 in effect at the time final appropriations were adopted by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation resolution for that fund that covered 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.

***F. 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 City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The City has a segregated bank account for monies held separate from the City's central bank account. This depository account is presented as "cash and cash equivalents in segregated accounts" since it is not deposited into the City's treasury. The cash of the Mayor's Court is included in this line item.

During 2004, investments were limited to certificates of deposit, which are reported at cost.

Following the Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund and Street and State Highway Special Revenue Funds. Interest revenue credited to the General Fund during 2004 amounted to \$19,209, which includes \$17,774 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

***G. Inventory***

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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On fund financial statements, inventories of Governmental Funds are stated at cost while inventories of Proprietary Funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the Proprietary Funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***I. Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents and investments set aside for repayment of deposits to utility customers.

***J. Capital Assets***

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market value as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of U.S. and State roads, City streets, street signs, and water and sewer systems. 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 phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.



**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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All 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:

Description	Governmental Activities	Business-Type Activities
	Estimated Lives	Estimated Lives
Buildings and Improvements	20 - 50 years	20 - 50 years
Machinery and Equipment	5 - 20 years	5 - 20 years
Vehicles	8 years	8 years
Infrastructure	30 years	50 - 65 years

The City reports infrastructure acquired prior to the implementation of GASB 34, which was 2000.

***K. 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 employer will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "vacation benefits payable". The balances are to be used by employees in the year following the year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after ten year years of service.

***L. Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. 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, compensated absences, and special termination benefits 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. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

***M. Fund Balance Reserves***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances, inventories, and unclaimed monies.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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***N. 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 constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net assets reports \$554,482 of restricted net assets, of which \$36,625 is restricted by enabling legislation. Net assets restricted for other purposes include activities related to the mayor's court, the City's parks and pool, law enforcement, and street and state highway maintenance and repairs.

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

***O. 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 sanitation, sewer, and water utility services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting the definition are reported as non-operating.

***P. Contributions of Capital***

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

***Q. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***R. Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 3 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and each major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures 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).
4. Unrecorded 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.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the General Fund and the Street Special Revenue Fund.

Net Change in Fund Balance

	General	Street
GAAP Basis	\$87,971	\$43,548
Net Adjustment for Revenue Accruals	(4,168)	(18,661)
Beginning of Year:		
Unrecorded Cash	1,305	13
Prepaid Items	29,159	4,106
Segregated Accounts	8,971	0
End of Year:		
Unrecorded Cash	(4,278)	(68)
Prepaid Items	(31,167)	(4,165)
Segregated Accounts	(7,550)	0
Net Adjustment for Expenditure Accruals	8,698	1,742
Encumbrances	(9,897)	(5,630)
Budget Basis	<u>\$79,044</u>	<u>\$20,885</u>

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 4 – Changes in Accounting Principles and Restatement of Prior Year Balances**

***A. Changes in Accounting Principles***

For 2004, the City has implemented GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units”, GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section”, GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation”, and GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers.”

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government.

GASB Statement No. 44 establishes and modifies requirements related to the supplementary information presented in the statistical section to improve the understandability and usefulness of the information.

GASB Statement No. 46 clarifies how legal enforceability should be applied for determining restricted net assets.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 39, GASB Statement No. 44, GASB Statement No. 46, and GASB Technical Bulletin No. 2004-2 did not affect the presentation of the financial statements of the City.

***B. Restatement of Prior Year Balances***

During 2004, the City determined that intergovernmental receivables were understated in the business-type activities. This adjustment had the following effects on changes in net assets as previously reported for the year ended December 31, 2003:

	Business-Type Activities	Sewer Enterprise Fund
Change as Previously Reported	\$508,923	\$325,435
Intergovernmental Receivable Understatement	54,755	54,755
Restated Change for the year ended December 31, 2003	<u>\$563,678</u>	<u>\$380,190</u>

The adjustments referred to above had the following effects on net assets as it was previously reported at December 31, 2003:

	Business-Type Activities	Sewer Enterprise Fund
Net Assets as Previously Reported	\$6,774,436	\$3,429,964
Intergovernmental Receivable Understatement	54,755	54,755
Net Assets - December 31, 2003	<u>\$6,829,191</u>	<u>\$3,484,719</u>

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 5 - Deposits and Investments**

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

Active monies 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 be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that 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.

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

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

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Cash on Hand** At year end, the City had \$200 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits** At year end, the carrying amount of the City's deposits was \$1,970,952 and the bank balance was \$2,047,862. Of the bank balance:

\$260,608 was covered by federal depository insurance.

\$1,787,254 was uncollateralized and uninsured. Although the pledging banks have an investment and securities pool used to collateralize all public deposits which are held in the financial institutions name, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**Investments** GASB Statement No.3 requires the City to categorize investments to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments that are held by the counter-party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments that are held by the counter-party or by its trust department or agent but not in the City's name. The City had no investments outstanding at year end.

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement 9. Reconciliation between the classification of cash and investments on the basic financial statements and the classification per GASB Statement 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$1,921,152	\$50,000
Petty Cash	(200)	0
Certificate of Deposit	50,000	(50,000)
GASB Statement 3	<u>\$1,970,952</u>	<u>\$0</u>

## **Note 6 - Receivables**

Receivables at December 31, 2004, consisted primarily of municipal income tax, property and other taxes, permissive tax, accounts (billings for user charged services including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues, and accrued interest on investments.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are expected to be collected within one year.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
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**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utility property taxes represents collections of the 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes. 2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for all capital assets and 23 percent for inventories.

The full tax rate for all City operations for the year ended December 31, 2004, was \$3.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Real Property	\$81,073,780
Public Utility Property	2,718,060
Tangible Personal Property	5,973,700
	<u>\$89,765,540</u>

Real property taxes are payable annually or semi-annually. If paid annually, the 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Belpre. 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, 2004, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue, while the remainder of the receivable has been deferred.

**B. Income Taxes**

The City levies a municipal income tax of one percent on substantially all earned income arising from employment or business activities within the City as well as income of residents earned outside of the City.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are distributed to funds in the following manner:

1. All proceeds needed to defray the costs of collecting the tax and the cost of administering and enforcing the tax to the General Fund;
2. All proceeds needed for payment of the Belpre Volunteer Fire Department's expenses related to the Fire Chief and the volunteer firefighter's clothing allowances to the General Fund;
3. All remaining income tax proceeds are set aside and allocated 60% to the General Fund and 40% to the Capital Improvement Capital Projects Fund.
4. Income tax proceeds allocated each year to the Capital Improvement Capital Projects Fund is limited per City Ordinance, with all tax proceeds thereafter distributed 100% to the General Fund.

**C. Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Governmental Activities</b>	
Local Government	\$75,645
Gasoline Tax	59,418
Federal Emergency Management	53,878
Excise Tax	47,343
Motor Vehicle License Tax	39,800
Rollback and Homestead	14,982
Ohio Department of Transportation	6,113
Personal Property Tax Exemption	2,028
Miscellaneous	410
	<u>299,617</u>
<b>Business-Type Activities</b>	
Issue II Credit Enhancement	71,474
	<u><u>\$371,091</u></u>

**Note 7 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2004, the City contracted with Arch Insurance Company for various types of insurance as follows:



**City of Belpre, Ohio**  
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Type of Coverage	Limit	Agregate	Deductible
<b>Property:</b>			
Building and Contents	\$12,097,050		\$1,000
Earthquake	\$1,000,000		\$25,000
Boiler and Machinery	\$100,000		\$500
Valuable Papers and Records	\$250,000		\$0
Business Income	\$100,000		\$0
Accounts Receivable	\$250,000		\$0
Power Interruption	\$25,000		\$0
Backup of Sewers and Drains	\$25,000		\$0
Computer Equipment	\$250,000		\$0
Building Ordinance or Law	\$250,000		\$0
Extra Expenses	\$500,000		\$0
<b>Liability:</b>			
Umbrella	\$1,000,000 per Occurrence	\$1,000,000	\$10,000
General	\$1,000,000 per Occurrence	\$3,000,000	\$1,000
Employee Benefits	\$1,000,000 per Occurrence	\$3,000,000	\$1,000
Public Officials Wrongful Acts	\$1,000,000 per Occurrence	\$1,000,000	\$2,500
Police Professional	\$1,000,000 per Occurrence	\$1,000,000	\$2,500
Ohio Stop Gap	\$1,000,000 per Occurrence	\$1,000,000	\$0
Fire Damage	\$50,000 per Occurrence		\$1,000
Medical Expense	\$10,000 per Person		\$1,000
Sewer Limitation	\$2,500 per claimant		\$2,500
<b>Vehicle:</b>			
Liability	\$1,000,000		\$0
Medical Expense	\$5,000		\$0
Uninsured/Underinsured	\$0		\$0
Hired Car Physical Damage	\$35,000		
Comprehensive/Collision			\$250/\$500
Employee or Volunteer Auto Personal Effects - Comprehensive; Collision	\$500		\$250/\$500
<b>Crime:</b>			
Inside/Outside	\$10,000		\$250
Employee Dishonesty Blanket	\$50,000		\$250
Forgery and Alterations	\$100,000		\$250
Optional Tax	\$10,000		\$250
<b>Inland Marine:</b>			
Property not Licensed for Highway Use	\$1,651,409		\$500
Miscellaneous Equipment	\$150,000		\$1,000
Emergency Portable Equipment	\$130,000		\$1,000
Canine	\$10,000		\$500

**City of Belpre, Ohio**  
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There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the last three years. The City pays the State Worker's Compensation System a premium for employee injury coverage based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Note 8 - Capital Assets**

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance 12/31/03	Increases	Decreases	Balance 12/31/04
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$2,024,318	\$0	\$0	\$2,024,318
Construction in Progress	26,191	114,258	135,722	4,727
Total Capital Assets not being Depreciated	2,050,509	114,258	135,722	2,029,045
Capital Assets being Depreciated:				
Buildings and Improvements	2,837,264	182,017	0	3,019,281
Machinery and Equipment	1,023,008	20,304	10,248	1,033,064
Vehicles	1,431,687	0	5,000	1,426,687
U.S. and State Roads	6,100,176	0	0	6,100,176
City Streets	13,737,522	224,862	0	13,962,384
Street Signals	468,496	117,222	0	585,718
Total Capital Assets being Depreciated	25,598,153	544,405	15,248	26,127,310
Less Accumulated Depreciation:				
Buildings and Improvements	(1,146,329)	(71,416)	0	(1,217,745)
Machinery and Equipment	(722,172)	(43,561)	(10,248)	(755,485)
Vehicles	(1,260,516)	(59,126)	(4,375)	(1,315,267)
U.S. and State Roads	(3,050,088)	(203,339)	0	(3,253,427)
City Streets	(6,584,226)	(460,371)	0	(7,044,597)
Street Signals	(281,098)	(16,967)	0	(298,065)
Total Accumulated Depreciation	(13,044,429)	(854,780) *	(14,623)	(13,884,586)
Total Capital Assets being Depreciated, Net	12,553,724	(310,375)	625	12,242,724
Governmental Activities Capital Assets, Net	\$14,604,233	(\$196,117)	\$136,347	\$14,271,769

\* Depreciation expense was charged to governmental programs as follows:

General Government	\$13,953
Security of Persons and Property:	
Police	42,025
Fire	36,597
Public Health Services	369
Transportation	709,534
Leisure Time Activities:	
Senior Center	2,180
Parks	41,274
Pool	8,848
Total Depreciation Expense	\$854,780

**City of Belpre, Ohio**  
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	Balance 12/31/03	Increases	Decreases	Balance 12/31/04
<b>Business-Type Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$250,754	\$0	\$0	\$250,754
Construction in Progress	317,536	733,154	0	1,050,690
Total Capital Assets not being Depreciated	568,290	733,154	0	1,301,444
Capital Assets being Depreciated:				
Buildings and Improvements	786,116	3,661	0	789,777
Machinery and Equipment	1,616,449	18,798	2,682	1,632,565
Vehicles	109,424	31,426	0	140,850
Infrastructure	7,631,008	332,906	0	7,963,914
Total Capital Assets being Depreciated	10,142,997	386,791	2,682	10,527,106
Less Accumulated Depreciation:				
Buildings and Improvements	(148,888)	(14,799)	0	(163,687)
Machinery and Equipment	(1,071,856)	(64,529)	(2,682)	(1,133,703)
Vehicles	(71,090)	(10,136)	0	(81,226)
Infrastructure	(2,695,908)	(141,451)	0	(2,837,359)
Total Accumulated Depreciation	(3,987,742)	(230,915)	(2,682)	(4,215,975)
Total Capital Assets being Depreciated, Net	6,155,255	155,876	0	6,311,131
Business-Type Activities Capital Assets, Net	\$6,723,545	\$889,030	\$0	\$7,612,575

## **Note 9 - Employee Benefits**

### ***A. Insurance***

The City provides \$15,000 in life insurance and accidental death and dismemberment insurance to its full-time employees and for all elected officials. The insurance is through Anthem Life Insurance for non-union employees, through the AFSCME Care Plan for AFSCME union members, and through United Commercial Travelers for police personnel.

The City provides comprehensive major medical insurance for full time employees, other than police, through Cardinal Health Care and for police through the United Food & Commercial Worker's Union. The City pays 85% of the total monthly premium for the first plan and 100% of the monthly premium for the second plan. Premiums are paid from the same funds that pay the employees' salaries.

### ***B. Compensated Absences***

The criteria for determining vested sick leave are derived from negotiated agreements and State laws. Upon retirement, all employees with ten or more years of service with the City are paid twenty-five percent of their sick leave up to a maximum of 240 hours; however, union employees under the American Federation of State, County, and Municipal Employees with twenty or more years of service are paid twenty-five percent of their sick leave up to a maximum of 300 hours. Upon voluntary termination, death, or retirement, all employees will receive 100% of vacation earned for the current year and not previously taken.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 10 - Interfund Activity**

***A. Transfers***

Interfund transfers for the year ended December 31, 2004, consisted of the following:

Transfers to	Transfers from		
	Capital Improvement	Sanitation	Total
General	\$88,000	\$75,000	\$163,000
Street	72,200	0	72,200
Parks and Recreation	51,522	0	51,522
	<u>\$211,722</u>	<u>\$75,000</u>	<u>\$286,722</u>

Generally, transfers are used to move revenues from the fund that Statute or budget requires to collect them to the fund that Statute or budget requires to expend them; to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to segregate money for anticipated capital projects.

Since no major capital improvements were made during the year, the transfers from the Capital Improvement Capital Projects Fund of \$211,722 to the General Fund and Street and Parks and Recreation Special Revenue Funds were made to supplement revenue shortfalls of those funds. After making all required expenses from the Sanitation Enterprise Fund, the City made its yearly transfer to the General Fund for \$75,000 to supplement expenditures.

***B. Receivables/Payables***

At year end, the Street Special Revenue Fund owed \$382 and \$200 to the General Fund and Sewer Enterprise Fund, respectively, for capital asset auction proceeds which had been incorrectly receipted into the Street Fund during 2004.

**City of Belpre, Ohio**  
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**Note 11 - Long-Term Obligations**

A schedule of changes in long-term obligations of the City during 2004 follows:

	Principal Outstanding 12/31/03	Additions	Deletions	Principal Outstanding 12/31/04	Amounts Due in One Year
<b>Governmental Activities:</b>					
Backhoe Loan - 6.75%	\$4,388	\$0	\$3,531	\$857	\$857
Property Loan - 6.00%	13,162	0	11,007	2,155	2,155
City Building Loan - 5.42%	91,936	0	12,498	79,438	13,299
Issue II Paving Loan - 2%	27,806	0	10,957	16,849	5,561
Total Loans	<u>137,292</u>	<u>0</u>	<u>37,993</u>	<u>99,299</u>	<u>21,872</u>
Police Pension	22,509	0	351	22,158	366
Compensated Absences - Sick	36,180	5,150	962	40,368	0
Total Governmental Activities	<u>\$195,981</u>	<u>\$5,150</u>	<u>\$39,306</u>	<u>\$161,825</u>	<u>\$22,238</u>
<b>Business-Type Activities:</b>					
Backhoe Loan - 6.75%	\$8,779	\$0	\$7,062	\$1,717	\$1,717
Property Loan - 6.00%	26,325	0	22,012	4,313	4,313
City Building Loan - 5.42%	183,873	0	24,997	158,876	26,599
Issue II Water Well - 2%	73,450	0	3,427	70,023	1,739
Water Lines Loan - 6.04%	99,544	0	10,977	88,567	11,722
New Water Tank Loan - 4.52%	0	646,484	32,460	614,024	38,719
Repaint Old Water Tank Loan - 4.75%	0	244,184	0	244,184	19,546
Issue II Treatment Plant - 2%	207,000	0	8,511	198,489	4,319
Treatment Plant Loan - 4.89%	472,170	0	60,034	412,136	43,295
Total Loans	<u>1,071,141</u>	<u>890,668</u>	<u>169,480</u>	<u>1,792,329</u>	<u>151,969</u>
Contract Payable	8,600	0	0	8,600	4,300
Compensated Absences - Sick	13,234	578	0	13,812	0
Total Business-Type Activities	<u>\$1,092,975</u>	<u>\$891,246</u>	<u>\$169,480</u>	<u>\$1,814,741</u>	<u>\$156,269</u>

The police pension is paid from general property tax revenues from the General Fund. The police pension liability payments are reflected as program expenditures. Compensated absences for sick leave liabilities will be paid from the General Fund, Street Special Revenue Fund, and Sanitation, Sewer, and Water Enterprise Funds. Since, at year end, the City's management had not received notice from any employee's intent of retirement in 2005 from the business-type activities, no amounts for sick leave benefits liability are considered to be due within one year for that activity.

The Capital Improvement Capital Projects Fund received the backhoe and property loan proceeds. The backhoe and property loans were issued on April 18, 2000, for \$47,025, and on December 15, 1999, for \$400,000, respectively. The City Building Construction Capital Projects Fund received the city building loan proceeds, which were issued on August 10, 1999, for \$400,000. The property, city building, and backhoe loans will be equally paid from three funds as follows: from income tax revenues of the Capital Improvement Capital Projects Fund and charges for services from the Sewer and Water Enterprise Funds.

The Issue II paving loan, issued on March 23, 1998, for \$74,500, will be repaid from motor vehicle license revenue of the Permissive Tax Special Revenue Fund. This paving project resurfaced and improved Blennerhassett Avenue and George Street Extension.

**City of Belpre, Ohio**  
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*For the Year Ended December 31, 2004*

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The final draw on the Issue II water well loan was received on September 18, 2000. The full amount of the loan was \$80,103 and was used for improvements to the water well. In 1999, the City issued notes for \$233,000, representing its portion of the Issue II water well project, for water line connected to the project. Charges for services in the Water Enterprise Fund will repay these obligations.

On July 10, 2003, the City was approved for an \$850,000 loan to construct a new water storage tank. The first draws on the loan were not made until 2004. Since the project was completed under budget, the City did not borrow the full amount of the approved loan. The amount borrowed was \$646,484. Charges for services in the Water Enterprise Fund will repay this obligation.

On August 20, 2004, the City was approved for a \$245,000 loan to repaint the existing water storage tank. Since the project will be completed under budget, the City did not borrow the full amount of the approved loan. The amount borrowed was \$244,184. Charges for services in the Water Enterprise Fund will repay this obligation.

The final draw on the Issue II treatment plant loan was received in 2003. The full amount of the loan was \$207,000. On November 18, 1999, the City was approved for a \$1,023,600 loan for its portion of the Issue II treatment plant project. Since the treatment plant improvements were completed under budget, the City did not borrow the full amount of the approved loan. The amount borrowed was \$850,444. Charges for services in the Sewer Enterprise Fund will repay these obligations.

The City entered into an agreement for the purchase of a \$10,750 meter reading system for the Water and Sewer Enterprise Funds. Under the agreement, the City makes five annual payments of \$2,150, which started in 2003. The City did not make a payment on this contract in 2004; therefore, two payments will be made in 2005.

The City's overall legal debt margin was \$9,161,177 at December 31, 2004.

Principal and interest requirements to retire the police pension liability at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$366	\$938	\$1,304
2006	382	922	1,304
2007	398	906	1,304
2008	416	888	1,304
2009	433	871	1,304
2010-2035	20,163	13,030	33,193
	<u>\$22,158</u>	<u>\$17,555</u>	<u>\$39,713</u>

**City of Belpre, Ohio**  
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For the Year Ended December 31, 2004

Principal and interest requirements to retire the backhoe, property, and city building loans, paid equally from the Capital Improvement, Sewer, and Water Funds, at December 31, 2004, are as follows:

Year	Backhoe Loan		Property Loan		City Building Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$2,574	\$28	\$6,468	\$54	\$39,898	\$11,935	\$48,940	\$12,017
2006	0	0	0	0	42,115	9,718	42,115	9,718
2007	0	0	0	0	44,455	7,378	44,455	7,378
2008	0	0	0	0	46,925	4,908	46,925	4,908
2009	0	0	0	0	49,532	2,301	49,532	2,301
2010	0	0	0	0	15,389	163	15,389	163
	<u>\$2,574</u>	<u>\$28</u>	<u>\$6,468</u>	<u>\$54</u>	<u>\$238,314</u>	<u>\$36,403</u>	<u>\$247,356</u>	<u>\$36,485</u>

Principal and interest requirements to retire the Issue II paving loan at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$5,561	\$168	\$5,729
2006	11,288	170	11,458
	<u>\$16,849</u>	<u>\$338</u>	<u>\$17,187</u>

Principal and interest requirements to retire the Issue II water well loan at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$1,739	\$700	\$2,439
2006	3,531	1,348	4,879
2007	3,602	1,278	4,880
2008	3,675	1,205	4,880
2009	3,748	1,131	4,879
2010-2014	19,902	4,493	24,395
2015-2019	21,985	2,411	24,396
2020-2022	11,841	357	12,198
	<u>\$70,023</u>	<u>\$12,923</u>	<u>\$82,946</u>

Principal and interest requirements to retire the water lines loan at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$11,722	\$5,028	\$16,750
2006	12,450	4,301	16,751
2007	13,223	3,527	16,750
2008	14,044	2,706	16,750
2009	14,917	1,834	16,751
2010-2011	22,211	999	23,210
	<u>\$88,567</u>	<u>\$18,395</u>	<u>\$106,962</u>

**City of Belpre, Ohio**  
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Principal and interest requirements to retire the new water storage tank loan at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$38,719	\$26,958	\$65,677
2006	40,506	25,171	65,677
2007	42,375	23,302	65,677
2008	44,331	21,347	65,678
2009	46,376	19,301	65,677
2010-2014	266,028	62,358	328,386
2015-2017	135,689	7,028	142,717
	<u>\$614,024</u>	<u>\$185,465</u>	<u>\$799,489</u>

Principal and interest requirements to retire the old water storage tank loan at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$19,546	\$11,177	\$30,723
2006	20,495	10,228	30,723
2007	21,489	9,233	30,722
2008	22,533	8,190	30,723
2009	23,627	7,096	30,723
2010-2014	136,494	17,118	153,612
	<u>\$244,184</u>	<u>\$63,042</u>	<u>\$307,226</u>

Principal and interest requirements to retire the Issue II treatment plant loan at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$4,319	\$1,985	\$6,304
2006	8,769	3,840	12,609
2007	8,945	3,664	12,609
2008	9,125	3,484	12,609
2009	9,308	3,300	12,608
2010-2014	49,425	13,619	63,044
2015-2019	54,596	8,448	63,044
2020-2024	54,002	2,734	56,736
	<u>\$198,489</u>	<u>\$41,074</u>	<u>\$239,563</u>

Principal and interest requirements to retire the sewer treatment plant loan at December 31, 2004, are as follows:

Year	Principal	Interest	Total
2005	\$43,295	\$19,192	\$62,487
2006	45,461	17,026	62,487
2007	47,734	14,753	62,487
2008	50,121	12,366	62,487
2009	52,628	9,859	62,487
2010-2012	172,897	13,252	186,149
	<u>\$412,136</u>	<u>\$86,448</u>	<u>\$498,584</u>



**City of Belpre, Ohio**  
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**Note 12 - Contractual Commitments**

As of December 31, 2004, the City had contractual commitments for the following projects:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance Remaining</u>
Permissive Tax Special Revenue Fund - Engineering for 2004 Paving	\$8,800	\$4,727	\$4,073
Sewer Enterprise Fund - Rockland Lift Station	28,245	26,150	2,095
Water Enterprise Fund:			
Refurbishment of Old Water Storage Tank	268,821	267,905	916
New Water Storage Tank	763,943	756,635	7,308
Total Business-Type Activities	<u>1,061,009</u>	<u>1,050,690</u>	<u>10,319</u>
Total	<u><u>\$1,069,809</u></u>	<u><u>\$1,055,417</u></u>	<u><u>\$14,392</u></u>

**Note 13 - Defined Benefit Pension Plans**

***A. Ohio Public Employees Retirement System***

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 member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional pension plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional pension and 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, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6701 or 800-222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional pension plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

**City of Belpre, Ohio**  
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The City's required contributions for pension obligations to the traditional pension and combined plans for the years ended December 31, 2004, 2003, and 2002, were \$85,138, \$50,137, and \$106,329 respectively; 71 percent has been contributed for 2004 and 100 percent for 2003 and 2002. There were no member-directed plan contributions for 2004 for the City of Belpre.

***B. Ohio Police and Fire Pension Fund***

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 pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations, while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters for the years ended December 31, 2004, 2003, and 2002, were \$59,322 and \$6,261 for the year ended December 31, 2004, \$62,374 and \$6,030 for the year ended December 31, 2003, and \$42,789 and \$5,825 for the year ended December 31, 2002. The full amount has been contributed for 2003 and 2002. 82 percent and 77 percent, respectively, have been contributed for 2004.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2004, the unfunded police liability of the City was \$22,158 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

**Note 14 - Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional pension or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent (16.70 percent for both the public safety and law enforcement divisions) of covered payroll; 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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Health care premiums were assumed to increase 1.00 to 6.00 percent annually for the next eight years and 4.00 percent annually after eight years. All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional pension and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$35,660. Actual contribution and actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

***B. Ohio Police and Fire Pension Fund***

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004 and 2003. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$39,127 for police and \$2,986 for firefighters. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

**Note 15 - Jointly Governed Organizations**

***A. Community Action Program Corporation of Washington-Morgan Counties, Ohio***

The Community Action Program Corporation of Washington-Morgan Counties, Ohio, is operated as a non-profit organization formed to provide various programs in Washington and Morgan Counties. Currently, the Corporation administers the Family Service and Outreach Program; the Community Action Bus Line (CABL); the Child Development Program; the Senior Nutrition Program; Women, Infants and Children's Supplemental Nutrition Program; the Home Weatherization Assistance and Energy Program; the Job Training and Partnership Act Program; Housing and Urban Development Section 8 Existing Housing Voucher/Certificate Program; and various other state and federal programs. The Corporation is the direct recipient of the federal and state monies. The Corporation is governed by a fifteen member council. The council is composed of the Mayor of the City of Marietta, the Mayor of the City of Belpre, two commissioners from Washington County, one Commissioner from Morgan County, five lower income representatives, and five private sector representatives from Washington and Morgan Counties selected by outreach workers. Currently, the Corporation, by contract with the City of Belpre and Washington and Morgan Counties, provides administrative services to these governments in specific programs. During 2004, the Corporation did not receive any administrative fees from the City. These fees were received by the Corporation directly from the granting agencies. The continued existence of the Corporation is not dependent on the City's continued participation and the City does not have an equity interest in the Corporation.

***B. Wood, Washington, and Wirt Planning Commission***

The Wood, Washington, and Wirt Planning Commission was created to fulfill the requirements governing urban transportation planning under the Federal Highway Administration and Urban Mass Transportation Administration program regulations in Wood, Washington, and Wirt Counties. The Commission was formed pursuant to West Virginia Code Sections and Ohio Revised Code Section 713.30 and serves as a form of a regional planning commission. The Commission is composed of representatives from county and city governments and a cross section of members from the community appointed by the governmental units. Currently, the Commission has eight governmental representatives including the Mayor of the City of Belpre. Revenues are derived from Federal Highway and Federal Transportation Administration Grants distributed by the States of Ohio and West Virginia. Local governments contribute a ten percent local match. During 2004, the City of Belpre contributed \$2,178. The continued existence of the Commission is not dependent on the City's continued participation and the City does not have an equity interest in the Commission.

**Note 16 - Contingent Liabilities**

***A. Litigation***

The City of Belpre currently is not party to legal proceedings seeking damages against the City as confirmed by the City Law Director.

***B. Federal and State Grants***

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2004, the audits of certain of these programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date.

# Combining Statements and Individual Fund Schedules

## Combining Statements - Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that is legally restricted to expenditures for specified purposes.

*Permissive Tax* - To account for monies received from two additional \$5 motor vehicle licenses fess, one imposed by Washington County and one by the City, and state grants for paving. The monies are used for the maintenance of public roads, highways, and streets within the City.

*State Highway* - Required by the Ohio Revised Code to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

*Law Enforcement Trust* - Required by the Ohio Revised Code to account for monies received from Federal Law Enforcement agencies designated for law enforcement purposes.

*Enforcement and Education* - To account for money confiscated during drug busts that is used for future drug enforcement and for drug education programs.

*Mayor's Court Computerization* - To account for a fee not to exceed \$3 per case for the purpose of computerizing the court and making computer research services available to the court.

*Clerk Computerization* - To account for a fee not to exceed \$10 per case for the purpose of computerizing the office of the clerk of the mayor's court.

*Federal Emergency Management Agency* - To account for federal money received through the Federal Emergency Management Agency to reimburse the City for snow removal.

*Parks and Recreation* - To account for donations and rental payments used for the operation of the City parks.

*Pool* - To account for receipts from pool passes and rentals to operate the City's swimming pool.

**City of Belpre, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2004*

	Special Revenue			
	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$60,218	\$56,796	\$1,739	\$460
Cash and Cash Equivalent in Segregated Accounts	0	0	0	0
Permissive Tax Receivable	2,881	0	0	0
Due from Other Governments	0	10,994	410	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$63,099</u>	<u>\$67,790</u>	<u>\$2,149</u>	<u>\$460</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$155	\$0	\$0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	7,170	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>7,325</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	4,073	0	0	0
Unreserved, Undesignated, Reported in Special Revenue Funds	59,026	60,465	2,149	460
<i>Total Fund Balances</i>	<u>63,099</u>	<u>60,465</u>	<u>2,149</u>	<u>460</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$63,099</u>	<u>\$67,790</u>	<u>\$2,149</u>	<u>\$460</u>

Funds					
Mayor's Court Computerization	Clerk Computerization	Federal Emergency Management Agency	Parks and Recreation	Pool	Total Nonmajor Governmental Funds
\$2,703	\$1,728	\$0	\$23,504	\$3,188	\$150,336
149	520	0	0	0	669
0	0	0	0	0	2,881
0	0	53,878	0	0	65,282
0	0	0	3,848	0	3,848
<u>\$2,852</u>	<u>\$2,248</u>	<u>\$53,878</u>	<u>\$27,352</u>	<u>\$3,188</u>	<u>\$223,016</u>
\$0	\$0	\$0	\$1,340	\$22	1,517
0	635	0	375	0	1,010
0	0	19,128	0	0	26,298
<u>0</u>	<u>635</u>	<u>19,128</u>	<u>1,715</u>	<u>22</u>	<u>28,825</u>
0	0	0	959	0	5,032
<u>2,852</u>	<u>1,613</u>	<u>34,750</u>	<u>24,678</u>	<u>3,166</u>	<u>189,159</u>
<u>2,852</u>	<u>1,613</u>	<u>34,750</u>	<u>25,637</u>	<u>3,166</u>	<u>194,191</u>
<u>\$2,852</u>	<u>\$2,248</u>	<u>\$53,878</u>	<u>\$27,352</u>	<u>\$3,188</u>	<u>\$223,016</u>

**City of Belpre, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2004*

	Special Revenue			
	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
<b>Revenues</b>				
Motor Vehicle License Tax	\$36,625	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	410	219
Intergovernmental	221,413	21,970	0	0
Investment Earnings	0	611	0	0
Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>258,038</u>	<u>22,581</u>	<u>410</u>	<u>219</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property - Police	0	0	0	0
Transportation	222,466	744	0	0
Leisure Time Activities:				
Parks	0	0	0	0
Pool	0	0	0	0
Intergovernmental	7,906	0	0	0
Debt Service:				
Principal Retirement	10,957	0	0	0
Interest and Fiscal Charges	502	0	0	0
<i>Total Expenditures</i>	<u>241,831</u>	<u>744</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	16,207	21,837	410	219
<b>Other Financing Sources</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	16,207	21,837	410	219
<i>Fund Balances Beginning of Year</i>	<u>46,892</u>	<u>38,628</u>	<u>1,739</u>	<u>241</u>
<i>Fund Balances End of Year</i>	<u><u>\$63,099</u></u>	<u><u>\$60,465</u></u>	<u><u>\$2,149</u></u>	<u><u>\$460</u></u>



Funds					
Mayor's Court Computerization	Clerk Computerization	Federal Emergency Management Agency	Parks and Recreation	Pool	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$0	\$0	\$36,625
0	0	0	3,575	0	3,575
3,150	10,656	0	0	0	14,435
0	0	41,296	66,435	0	351,114
0	0	0	0	0	611
0	0	0	7,250	0	7,250
0	0	0	135	0	135
3,150	10,656	41,296	77,395	0	413,745
2,264	16,651	0	0	0	18,915
0	0	6,546	0	0	229,756
0	0	0	142,375	0	142,375
0	0	0	0	724	724
0	0	0	0	0	7,906
0	0	0	0	0	10,957
0	0	0	0	0	502
2,264	16,651	6,546	142,375	724	411,135
886	(5,995)	34,750	(64,980)	(724)	2,610
0	0	0	51,522	0	51,522
886	(5,995)	34,750	(13,458)	(724)	54,132
1,966	7,608	0	39,095	3,890	140,059
\$2,852	\$1,613	\$34,750	\$25,637	\$3,166	\$194,191

## **Combining Statement - Agency Funds**

### ***Agency Funds***

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

*Ohio River Scenic Route* - To account for grants from the Ohio Department of Transportation which is passed through to Ohio River Trails, Inc., for a scenic route project along the Ohio River.

*Payroll* - To account for the payroll clearing account of the City.

*Mayor's Court* - To account for court costs and fines held for individuals and other governments.

**City of Belpre, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2004*

	Balance 12/31/03	Additions	Deductions	Balance 12/31/04
<b>Ohio River Scenic Route:</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$0</u>
<b>Liabilities</b>				
Due to Others	<u>\$0</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$0</u>
 <b>Payroll:</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$82,139</u>	<u>\$1,642,133</u>	<u>\$1,644,474</u>	<u>\$79,798</u>
<b>Liabilities</b>				
Due to Other Governments	<u>\$82,139</u>	<u>\$1,642,133</u>	<u>\$1,644,474</u>	<u>\$79,798</u>
 <b>Mayor's Court:</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	<u>\$2,561</u>	<u>\$2,389</u>	<u>\$2,561</u>	<u>\$2,389</u>
<b>Liabilities</b>				
Due to Others	<u>\$2,561</u>	<u>\$2,389</u>	<u>\$2,561</u>	<u>\$2,389</u>
 <b>Total All Agency Funds:</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$82,139	\$1,692,133	\$1,694,474	\$79,798
Cash and Cash Equivalents in Segregated Accounts	<u>2,561</u>	<u>2,389</u>	<u>2,561</u>	<u>2,389</u>
<i>Total Assets</i>	<u>\$84,700</u>	<u>\$1,694,522</u>	<u>\$1,697,035</u>	<u>\$82,187</u>
<b>Liabilities</b>				
Due to Other Governments	\$82,139	\$1,642,133	\$1,644,474	\$79,798
Due to Others	<u>2,561</u>	<u>52,389</u>	<u>52,561</u>	<u>2,389</u>
<i>Total Liabilities</i>	<u>\$84,700</u>	<u>\$1,694,522</u>	<u>\$1,697,035</u>	<u>\$82,187</u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual**

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Taxes	\$274,651	\$274,651	\$273,597	(\$1,054)
Municipal Income Tax	701,600	701,600	684,389	(17,211)
Charges for Services	118,556	118,556	117,688	(868)
Fines, Licenses and Permits	162,725	162,725	187,193	24,468
Intergovernmental	185,250	185,250	227,533	42,283
Investment Earnings	33,400	33,400	18,402	(14,998)
Donations	6,000	6,000	5,078	(922)
Other	5,100	5,100	5,514	414
<b>Total Revenues</b>	<b>1,487,282</b>	<b>1,487,282</b>	<b>1,519,394</b>	<b>32,112</b>
<b>Expenditures</b>				
Current:				
General Government:				
Council:				
Salaries and Wages	27,396	27,486	27,482	4
Fringe Benefits	4,853	4,763	4,480	283
Materials and Supplies	7,820	7,820	3,863	3,957
<b>Total Council</b>	<b>40,069</b>	<b>40,069</b>	<b>35,825</b>	<b>4,244</b>
Mayor:				
Salaries and Wages	40,395	40,395	38,395	2,000
Fringe Benefits	14,245	14,245	12,177	2,068
Materials and Supplies	1,700	1,700	665	1,035
Capital Outlay	1,400	1,400	1,123	277
Other	5,000	5,000	4,363	637
<b>Total Mayor</b>	<b>62,740</b>	<b>62,740</b>	<b>56,723</b>	<b>6,017</b>
Auditor and Treasurer:				
Materials and Supplies	29,575	23,325	8,268	15,057
<b>Total Auditor and Treasurer</b>	<b>29,575</b>	<b>23,325</b>	<b>8,268</b>	<b>15,057</b>
Auditor:				
Salaries and Wages	105,720	108,010	108,006	4
Fringe Benefits	44,885	47,403	44,812	2,591
Materials and Supplies	20,571	20,873	13,188	7,685
Capital Outlay	5,750	640	0	640
<b>Total Auditor</b>	<b>\$176,926</b>	<b>\$176,926</b>	<b>\$166,006</b>	<b>\$10,920</b>

(continued)

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Treasurer:				
Salaries and Wages	\$3,239	\$3,239	\$3,239	\$0
Fringe Benefits	792	792	634	158
Materials and Supplies	2,990	2,990	0	2,990
Total Treasurer	7,021	7,021	3,873	3,148
Law Director:				
Salaries and Wages	50,400	50,400	50,368	32
Fringe Benefits	46,666	47,916	44,662	3,254
Total Law Director	97,066	98,316	95,030	3,286
Civil Service:				
Salaries and Wages	1,750	1,750	1,750	0
Fringe Benefits	362	362	270	92
Materials and Supplies	1,325	1,325	886	439
Total Civil Service	3,437	3,437	2,906	531
Inspectors:				
Salaries and Wages	1,750	2,000	1,927	73
Total Inspectors	1,750	2,000	1,927	73
City Building:				
Salaries and Wages	53,505	53,505	53,452	53
Fringe Benefits	21,903	21,343	14,760	6,583
Materials and Supplies	79,363	79,673	61,033	18,640
Total City Building	154,771	154,521	129,245	25,276
Total General Government	573,355	568,355	499,803	68,552
Security of Persons and Property:				
Police:				
Salaries and Wages	580,550	571,940	511,568	60,372
Fringe Benefits	236,803	237,413	202,346	35,067
Materials and Supplies	121,657	124,657	100,403	24,254
Capital Outlay	0	5,000	4,890	110
Total Police	\$939,010	\$939,010	\$819,207	\$119,803

(continued)

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Fire:				
Salaries and Wages	\$38,015	\$38,165	\$38,164	\$1
Fringe Benefits	35,959	29,344	28,960	384
Materials and Supplies	71,763	78,228	68,629	9,599
Total Fire	145,737	145,737	135,753	9,984
Total Security of Persons and Property	1,084,747	1,084,747	954,960	129,787
Public Health Services:				
Health:				
Salaries and Wages	26,598	31,598	27,936	3,662
Fringe Benefits	5,285	5,385	5,208	177
Materials and Supplies	9,200	9,100	6,346	2,754
Total Public Health Services	41,083	46,083	39,490	6,593
Transportation:				
Street Lighting:				
Materials and Supplies	78,254	78,254	73,375	4,879
Total Transportation	78,254	78,254	73,375	4,879
Leisure Time Activities:				
Senior Center:				
Salaries and Wages	15,900	15,900	15,896	4
Fringe Benefits	2,811	2,811	2,617	194
Materials and Supplies	17,950	17,950	17,209	741
Total Leisure Time Activities	36,661	36,661	35,722	939
Total Expenditures	1,814,100	1,814,100	1,603,350	210,750
Excess of Revenues Over/(Under) Expenditures	(326,818)	(326,818)	(83,956)	242,862
<b>Other Financing Sources</b>				
Transfers In	203,000	203,000	163,000	(40,000)
Net Change in Fund Balance	(123,818)	(123,818)	79,044	202,862
Fund Balance Beginning of Year	182,596	182,596	182,596	0
Prior Year Encumbrances Appropriated	18,427	18,427	18,427	0
Fund Balance End of Year	\$77,205	\$77,205	\$280,067	\$202,862

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$17,525	\$17,525	\$5,037	(\$12,488)
Intergovernmental	251,324	251,324	252,380	1,056
Investment Earnings	150	150	135	(15)
Other	0	0	683	683
<i>Total Revenues</i>	<u>268,999</u>	<u>268,999</u>	<u>258,235</u>	<u>(10,764)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street:				
Salaries and Wages	167,500	167,500	158,361	9,139
Fringe Benefits	75,500	75,500	72,562	2,938
Materials and Supplies	104,398	104,398	78,627	25,771
<i>Total Expenditures</i>	<u>347,398</u>	<u>347,398</u>	<u>309,550</u>	<u>37,848</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<u>(78,399)</u>	<u>(78,399)</u>	<u>(51,315)</u>	<u>27,084</u>
<b>Other Financing Sources</b>				
Transfers In	72,200	72,200	72,200	0
<i>Net Change in Fund Balance</i>	<u>(6,199)</u>	<u>(6,199)</u>	<u>20,885</u>	<u>27,084</u>
<i>Fund Balance Beginning of Year</i>	<u>2,303</u>	<u>2,303</u>	<u>2,303</u>	<u>0</u>
Prior Year Encumbrances Appropriated	9,948	9,948	9,948	0
<i>Fund Balance End of Year</i>	<u><u>\$6,052</u></u>	<u><u>\$6,052</u></u>	<u><u>\$33,136</u></u>	<u><u>\$27,084</u></u>



**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Municipal Income Tax	\$250,000	\$250,000	\$250,000	\$0
Intergovernmental	35,000	150,671	168,206	17,535
Donations	0	0	20,213	20,213
Other	799	799	0	(799)
<i>Total Revenues</i>	<u>285,799</u>	<u>401,470</u>	<u>438,419</u>	<u>36,949</u>
<b>Expenditures</b>				
Capital Outlay:				
Capital Outlay	83,404	197,073	209,206	(12,133)
Debt Service:				
Principal Retirement	27,952	29,026	27,989	1,037
Interest and Fiscal Charges	6,352	7,279	5,877	1,402
<i>Total Expenditures</i>	<u>117,708</u>	<u>233,378</u>	<u>243,072</u>	<u>(9,694)</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<u>168,091</u>	<u>168,092</u>	<u>195,347</u>	<u>27,255</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	201	201	0	(201)
Transfers Out	(232,650)	(232,650)	(211,722)	20,928
<i>Total Other Financing Sources(Uses)</i>	<u>(232,449)</u>	<u>(232,449)</u>	<u>(211,722)</u>	<u>20,727</u>
<i>Net Change in Fund Balance</i>	<u>(64,358)</u>	<u>(64,357)</u>	<u>(16,375)</u>	<u>47,982</u>
<i>Fund Balance Beginning of Year</i>	<u>83,780</u>	<u>83,780</u>	<u>83,780</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>3,483</u>	<u>3,483</u>	<u>3,483</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,905</u></u>	<u><u>\$22,906</u></u>	<u><u>\$70,888</u></u>	<u><u>\$47,982</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sanitation Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$583,000	\$583,000	\$564,304	(\$18,696)
<b>Expenses</b>				
Salaries and Wages	7,144	7,164	7,164	0
Fringe Benefits	3,468	3,501	3,268	233
Contractual Services	529,725	527,267	458,211	69,056
Materials and Supplies	4,865	7,270	6,586	684
<i>Total Expenses</i>	<u>545,202</u>	<u>545,202</u>	<u>475,229</u>	<u>69,973</u>
<i>Excess of Revenues Over/(Under) Expenses</i>	37,798	37,798	89,075	51,277
Transfers Out	<u>(115,000)</u>	<u>(115,000)</u>	<u>(75,000)</u>	<u>40,000</u>
<i>Net Change in Fund Balance</i>	(77,202)	(77,202)	14,075	91,277
<i>Fund Balance Beginning of Year</i>	287,230	287,230	287,230	0
Prior Year Encumbrances Appropriated	<u>315</u>	<u>315</u>	<u>315</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$210,343</u></u>	<u><u>\$210,343</u></u>	<u><u>\$301,620</u></u>	<u><u>\$91,277</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$1,265,782	\$1,265,782	\$1,106,383	(\$159,399)
Other Operating Revenues	1,000	1,000	939	(61)
Proceeds of Loans	282,743	269,896	0	(269,896)
<i>Total Revenues</i>	<u>1,549,525</u>	<u>1,536,678</u>	<u>1,107,322</u>	<u>(429,356)</u>
<b>Expenses</b>				
Salaries and Wages	308,181	277,253	276,005	1,248
Fringe Benefits	111,981	138,409	129,334	9,075
Contractual Services	392,092	431,996	332,722	99,274
Materials and Supplies	160,260	174,320	121,431	52,889
Capital Outlay	591,542	534,551	165,690	368,861
Debt Service:				
Principal Retirement	140,694	145,965	96,534	49,431
Interest and Fiscal Charges	30,666	32,922	29,956	2,966
<i>Total Expenses</i>	<u>1,735,416</u>	<u>1,735,416</u>	<u>1,151,672</u>	<u>583,744</u>
<i>Net Change in Fund Balance</i>	(185,891)	(198,738)	(44,350)	154,388
<i>Fund Balance Beginning of Year</i>	383,025	383,025	383,025	0
Prior Year Encumbrances Appropriated	<u>35,891</u>	<u>35,891</u>	<u>35,891</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$233,025</u></u>	<u><u>\$220,178</u></u>	<u><u>\$374,566</u></u>	<u><u>\$154,388</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$611,720	\$611,720	\$637,386	\$25,666
Tap-In Fees	14,000	14,000	15,385	1,385
Proceeds of Loans	815,732	1,060,732	890,668	(170,064)
Other Operating Revenues	0	0	5,421	5,421
Other Non-Operating Revenues	10,000	10,000	12,160	2,160
<i>Total Revenues</i>	<u>1,451,452</u>	<u>1,696,452</u>	<u>1,561,020</u>	<u>(135,432)</u>
<b>Expenses</b>				
Salaries and Wages	120,510	115,510	105,004	10,506
Fringe Benefits	56,062	56,062	51,201	4,861
Contractual Services	188,848	193,828	159,837	33,991
Materials and Supplies	163,407	167,347	118,652	48,695
Other Non-Operating Expenses	10,000	10,000	4,389	5,611
Capital Outlay	1,176,826	1,538,650	1,255,430	283,220
Debt Service:				
Principal Retirement	85,965	87,141	74,852	12,289
Interest and Fiscal Charges	37,667	40,749	37,631	3,118
<i>Total Expenses</i>	<u>1,839,285</u>	<u>2,209,287</u>	<u>1,806,996</u>	<u>402,291</u>
<i>Net Change in Fund Balance</i>	<u>(387,833)</u>	<u>(512,835)</u>	<u>(245,976)</u>	<u>266,859</u>
<i>Fund Balance Beginning of Year</i>	<u>677,019</u>	<u>677,019</u>	<u>677,019</u>	<u>0</u>
Prior Year Encumbrances Appropriated	11,135	11,135	11,135	0
<i>Fund Balance End of Year</i>	<u><u>\$300,321</u></u>	<u><u>\$175,319</u></u>	<u><u>\$442,178</u></u>	<u><u>\$266,859</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permissive Tax Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Motor Vehicle Licence Tax	\$32,500	\$32,500	\$36,473	\$3,973
Intergovernmental	367,964	545,964	301,861	(244,103)
<i>Total Revenues</i>	<u>400,464</u>	<u>578,464</u>	<u>338,334</u>	<u>(240,130)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street:				
Capital Outlay	456,526	316,969	360,503	(43,534)
Intergovernmental:				
Other	8,006	16,265	7,906	8,359
Debt Service:				
Principal Retirement	10,849	10,957	10,957	0
Interest and Fiscal Charges	611	502	502	0
<i>Total Expenditures</i>	<u>475,992</u>	<u>344,693</u>	<u>379,868</u>	<u>(35,175)</u>
<i>Net Change in Fund Balance</i>	<u>(75,528)</u>	<u>233,771</u>	<u>(41,534)</u>	<u>(275,305)</u>
<i>Fund Balance Beginning of Year</i>	<u>97,679</u>	<u>97,679</u>	<u>97,679</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,151</u></u>	<u><u>\$331,450</u></u>	<u><u>\$56,145</u></u>	<u><u>(\$275,305)</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$20,577	\$20,577	\$20,463	(\$114)
Investment Earnings	0	0	561	561
<i>Total Revenues</i>	<u>20,577</u>	<u>20,577</u>	<u>21,024</u>	<u>447</u>
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway:				
Salaries and Wages	12,250	12,250	160	12,090
Fringe Benefits	1,653	1,653	0	1,653
Materials and Supplies	13,900	13,900	3,938	9,962
<i>Total Expenditures</i>	<u>27,803</u>	<u>27,803</u>	<u>4,098</u>	<u>23,705</u>
<i>Net Change in Fund Balance</i>	(7,226)	(7,226)	16,926	24,152
<i>Fund Balance Beginning of Year</i>	36,379	36,379	36,379	0
Prior Year Encumbrances Appropriated	3,400	3,400	3,400	0
<i>Fund Balance End of Year</i>	<u>\$32,553</u>	<u>\$32,553</u>	<u>\$56,705</u>	<u>\$24,152</u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Trust Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>1,739</u>	<u>1,739</u>	<u>1,739</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,739</u></u>	<u><u>\$1,739</u></u>	<u><u>\$1,739</u></u>	<u><u>\$0</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$0</u>	<u>\$0</u>	<u>\$225</u>	<u>\$225</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>225</u>	<u>225</u>
<i>Fund Balance Beginning of Year</i>	<u>235</u>	<u>235</u>	<u>235</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$235</u></u>	<u><u>\$235</u></u>	<u><u>\$460</u></u>	<u><u>\$225</u></u>



**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Mayor's Court Computerization Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Fines, Licenses and Permits	\$3,500	\$3,500	\$3,208	(\$292)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Mayor's Court:				
Materials and Supplies	3,500	3,500	2,264	1,236
<i>Net Change in Fund Balance</i>	0	0	944	944
<i>Fund Balance Beginning of Year</i>	1,759	1,759	1,759	0
<i>Fund Balance End of Year</i>	<u>\$1,759</u>	<u>\$1,759</u>	<u>\$2,703</u>	<u>\$944</u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Clerk Computerization Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$11,500	\$11,500	\$10,817	(\$683)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Mayor's Court Clerk:				
Materials and Supplies	<u>17,460</u>	<u>17,460</u>	<u>16,982</u>	<u>478</u>
<i>Net Change in Fund Balance</i>	(5,960)	(5,960)	(6,165)	(205)
<i>Fund Balance Beginning of Year</i>	7,433	7,433	7,433	0
Prior Year Encumbrances Appropriated	<u>460</u>	<u>460</u>	<u>460</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,933</u></u>	<u><u>\$1,933</u></u>	<u><u>\$1,728</u></u>	<u><u>(\$205)</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Emergency Management Agency*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts		Variance with Final Budget Over (Under)
	Original	Final	Actual
<b>Revenues</b>			
Intergovernmental	\$0	\$60,545	\$6,546
			(\$53,999)
<b>Expenditures</b>			
Current:			
Transportation:			
Flood Cleanup:			
Capital Outlay	0	50,000	0
Other	0	10,545	6,546
			3,999
<i>Total Expenditures</i>	0	60,545	6,546
			53,999
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
			0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0
			\$0

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Parks and Recreation Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for Services	\$2,500	\$2,500	\$3,500	\$1,000
Intergovernmental	104,530	104,530	73,785	(30,745)
Donations	7,000	7,000	7,250	250
Other	750	750	135	(615)
<i>Total Revenues</i>	<u>114,780</u>	<u>114,780</u>	<u>84,670</u>	<u>(30,110)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Parks:				
Salaries and Wages	34,303	25,303	17,596	7,707
Fringe Benefits	3,245	3,245	2,931	314
Materials and Supplies	38,390	40,390	29,307	11,083
Capital Outlay	26,517	33,517	27,060	6,457
Other	83,757	83,757	66,435	17,322
<i>Total Expenditures</i>	<u>186,212</u>	<u>186,212</u>	<u>143,329</u>	<u>42,883</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	(71,432)	(71,432)	(58,659)	12,773
<b>Other Financing Sources</b>				
Transfers In	<u>72,450</u>	<u>72,450</u>	<u>51,522</u>	<u>(20,928)</u>
<i>Net Change in Fund Balance</i>	1,018	1,018	(7,137)	(8,155)
<i>Fund Balance Beginning of Year</i>	26,138	26,138	26,138	0
Prior Year Encumbrances Appropriated	<u>3,469</u>	<u>3,469</u>	<u>3,469</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,625</u></u>	<u><u>\$30,625</u></u>	<u><u>\$22,470</u></u>	<u><u>(\$8,155)</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Pool Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Pool:				
Materials and Supplies	<u>\$750</u>	<u>\$750</u>	<u>\$702</u>	<u>\$48</u>
<i>Net Change in Fund Balance</i>	<u>(750)</u>	<u>(750)</u>	<u>(702)</u>	<u>48</u>
<i>Fund Balance Beginning of Year</i>	<u>3,890</u>	<u>3,890</u>	<u>3,890</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,140</u></u>	<u><u>\$3,140</u></u>	<u><u>\$3,188</u></u>	<u><u>\$48</u></u>

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# STATISTICAL SECTION

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## **Statistical Section**

The following statistical tables reflect social and economic data, financial trends, and fiscal capacity of the City. The City of Belpre has not had any special assessments or general bonded debt outstanding for the past ten years; therefore, no ratios of net general bonded debt to assessed value and net bonded debt per capita, no ratio of annual debt service expenditures for general bonded debt to total general governmental expenditures, and no special assessment billings and collections are presented in the City's statistical tables.

## STATISTICAL SECTION

This part of the City of Belpre's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

### **Pages**

#### **Financial Trends.....S2 – S8**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity .....S9 - S13**

These schedules contain information to help the reader assess the City's most significant local revenue sources, property and income taxes.

#### **Debt Capacity .....S14 - S16**

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.

#### **Demographic and Economic Information .....S17 - S18**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information .....S19 - S23**

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.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2000; schedules presenting government-wide information include information beginning in that year.



**City of Belpre, Ohio**  
*Net Assets by Component*  
*Last Five Years*  
(accrual basis of accounting)

	2004	2003	2002	2001	2000
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$14,172,470	\$14,466,941	\$5,801,336	\$6,931,807	\$7,994,300
Restricted:					
Capital Projects	179,408	179,218	188,860	200,981	82,755
Other Purposes	371,077	262,767	254,831	247,144	283,089
Unclaimed Monies	3,997	3,957	0	0	0
Unrestricted	451,841	384,889	506,794	536,125	620,665
Total Governmental Activities Net Assets	<u>\$15,178,793</u>	<u>\$15,297,772</u>	<u>\$6,751,821</u>	<u>\$7,916,057</u>	<u>\$8,980,809</u>
Business-Type Activities:					
Invested in Capital Assets, Net of Related Debt	\$5,811,646	\$5,643,804	\$5,274,909	\$4,860,591	\$4,544,399
Unrestricted	1,383,843	1,185,387	955,192	966,757	857,137
Total Business-Type Activities Net Assets	<u>\$7,195,489</u>	<u>\$6,829,191</u>	<u>\$6,230,101</u>	<u>\$5,827,348</u>	<u>\$5,401,536</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	\$19,984,116	\$20,110,745	\$11,076,245	\$11,792,398	\$12,538,699
Restricted	554,482	445,942	443,691	448,125	365,844
Unrestricted	1,835,684	1,570,276	1,461,986	1,502,882	1,477,802
Total Primary Government Net Assets	<u>\$22,374,282</u>	<u>\$22,126,963</u>	<u>\$12,981,922</u>	<u>\$13,743,405</u>	<u>\$14,382,345</u>

**City of Belpre, Ohio**  
*Changes in Net Assets*  
*Last Five Years*  
(accrual basis of accounting)

	2004	2003	2002	2001	2000
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$128,186	\$99,130	\$121,434	\$107,334	\$107,009
Security of Persons and Property - Police	154,370	154,428	135,397	106,557	107,230
Public Health Services	12,631	13,670	15,985	14,497	9,593
Transportation	41,662	42,704	41,594	43,751	44,932
Leisure Time Activities:					
Parks	3,575	2,800	3,175	5,452	5,700
Pool	0	0	0	35,679	25,752
Subtotal - Charges for Services	340,424	312,732	317,585	313,270	300,216
Operating Grants and Contributions:					
Security of Persons and Property:					
Police	0	4,927	0	23,313	7,298
Fire	0	8,985	2,830	2,150	3,705
Public Health Services	1,927	805	8,621	2,357	2,039
Transportation	359,331	263,970	212,681	499,039	219,565
Leisure Time Activities:					
Senior Center	5,078	5,573	2,928	4,045	3,799
Parks	7,250	210,011	5,904	8,696	149,046
Subtotal - Operating Grants and Contributions	373,586	494,271	232,964	539,600	385,452
Capital Grants and Contributions:					
General Government	0	0	0	1,400	1,500
Security of Persons and Property:					
Police	0	0	0	2,795	821
Fire	12,000	0	0	440	0
Transportation	314,484	244,918	32,420	20,000	0
Leisure Time Activities:					
Senior Center	11,593	0	2,000	0	0
Parks	143,232	7,350	18,853	0	400
Subtotal - Capital Grants and Contributions	481,309	252,268	53,273	24,635	2,721
<i>Total Governmental Activities Program Revenues</i>	<u>1,195,319</u>	<u>1,059,271</u>	<u>603,822</u>	<u>877,505</u>	<u>688,389</u>
Business-Type Activities:					
Charges for Services:					
Sanitation	583,070	588,519	568,205	563,366	552,979
Sewer	1,138,246	1,252,504	1,204,376	1,067,677	1,045,206
Water	690,395	625,639	669,838	679,977	669,365
Subtotal - Charges for Services	2,411,711	2,466,662	2,442,419	2,311,020	2,267,550
Capital Grants and Contributions					
Sewer	0	0	0	0	221,873
Water	15,385	14,946	57,588	22,621	83,926
Subtotal - Capital Grants and Contributions	15,385	14,946	57,588	22,621	305,799
<i>Total Business-Type Activities Program Revenues</i>	<u>2,427,096</u>	<u>2,481,608</u>	<u>2,500,007</u>	<u>2,333,641</u>	<u>2,573,349</u>
<i>Total Primary Government Program Revenues</i>	<u>\$3,622,415</u>	<u>\$3,540,879</u>	<u>\$3,103,829</u>	<u>\$3,211,146</u>	<u>\$3,261,738</u>

(continued)

**City of Belpre, Ohio**  
*Changes in Net Assets (continued)*  
*Last Five Years*  
 (accrual basis of accounting)

	2004	2003	2002	2001	2000
<b>Expenses</b>					
Governmental Activities:					
General Government	\$524,456	\$525,298	\$483,156	\$456,662	\$443,082
Security of Persons and Property:					
Police	874,426	908,510	849,745	849,506	840,810
Fire	174,653	209,677	198,077	187,481	203,981
Public Health Services	34,853	33,494	33,077	21,978	31,433
Transportation	1,096,513	1,123,332	1,609,828	1,724,203	1,701,589
Leisure Time Activities:					
Senior Center	31,218	33,288	25,688	23,814	21,584
Parks	102,305	304,306	96,444	126,524	226,731
Pool	9,572	9,328	10,051	71,370	65,380
Intergovernmental	7,906	0	0	20,466	0
Interest and Fiscal Charges	5,895	8,921	16,621	20,534	34,698
<i>Total Governmental Activities Expenses</i>	<u>2,861,797</u>	<u>3,156,154</u>	<u>3,322,687</u>	<u>3,502,538</u>	<u>3,569,288</u>
Business-Type Activities:					
Sanitation	476,181	482,248	529,784	439,430	438,346
Sewer	966,648	928,093	978,181	884,971	828,501
Water	550,071	537,433	511,565	507,929	529,920
<i>Total Business-Type Activities Expenses</i>	<u>1,992,900</u>	<u>1,947,774</u>	<u>2,019,530</u>	<u>1,832,330</u>	<u>1,796,767</u>
<i>Total Primary Government Program Expenses</i>	<u>\$4,854,697</u>	<u>\$5,103,928</u>	<u>\$5,342,217</u>	<u>\$5,334,868</u>	<u>\$5,366,055</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(\$1,666,478)	(\$2,096,883)	(\$2,718,865)	(\$2,625,033)	(\$2,880,899)
Business-Type Activities	434,196	533,834	480,477	501,311	776,582
<i>Total Primary Government Net Expense</i>	<u>(\$1,232,282)</u>	<u>(\$1,563,049)</u>	<u>(\$2,238,388)</u>	<u>(\$2,123,722)</u>	<u>(\$2,104,317)</u>

(continued)

**City of Belpre, Ohio**  
*Changes in Net Assets (continued)*  
*Last Five Years*  
 (accrual basis of accounting)

	2004	2003	2002	2001	2000
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities:					
Taxes:					
Property Taxes Levied for General Purposes	\$273,363	\$277,250	\$266,053	\$242,764	\$247,518
Income Taxes levied for:					
General Purposes	707,358	673,969	700,564	640,334	671,575
Capital Outlay	265,129	237,687	271,816	239,288	267,926
Franchise Fees	16,583	15,936	0	0	0
Grants and Entitlements not Restricted to					
Specific Programs	183,930	253,584	197,008	223,043	289,198
Investment Earnings	19,956	26,815	31,556	47,657	68,561
Gain on Disposal of Capital Assets	0	0	0	880	0
Other	6,180	18,366	7,632	9,322	26,497
Transfers	75,000	26,375	80,000	85,000	76,774
<i>Total Governmental Activities</i>	<u>1,547,499</u>	<u>1,529,982</u>	<u>1,554,629</u>	<u>1,488,288</u>	<u>1,648,049</u>
Business-Type Activities:					
Gain on Disposal of Capital Assets	200	0	0	6,810	0
Other	6,902	1,464	2,276	2,691	6,859
Transfers	(75,000)	(26,375)	(80,000)	(85,000)	(76,774)
<i>Total Business-Type Activities</i>	<u>(67,898)</u>	<u>(24,911)</u>	<u>(77,724)</u>	<u>(75,499)</u>	<u>(69,915)</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>\$1,479,601</u>	<u>\$1,505,071</u>	<u>\$1,476,905</u>	<u>\$1,412,789</u>	<u>\$1,578,134</u>
<b>Change in Net Assets</b>					
Governmental Activities	(\$118,979)	(\$566,901)	(\$1,164,236)	(\$1,136,745)	(\$1,232,850)
Business-Type Activities	366,298	508,923	402,753	425,812	706,667
<i>Total Primary Government Change in Net Assets</i>	<u>\$247,319</u>	<u>(\$57,978)</u>	<u>(\$761,483)</u>	<u>(\$710,933)</u>	<u>(\$526,183)</u>

**City of Belpre, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Eight Years (1)*  
(modified accrual basis of accounting)

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>General Fund</b>								
Reserved	\$11,295	\$10,481	\$11,957	\$21,478	\$15,607	\$6,821	\$12,441	\$3,777
Unreserved	<u>428,877</u>	<u>341,922</u>	<u>454,490</u>	<u>480,460</u>	<u>550,406</u>	<u>431,486</u>	<u>264,493</u>	<u>221,066</u>
Total General Fund	<u>440,172</u>	<u>352,403</u>	<u>466,447</u>	<u>501,938</u>	<u>566,013</u>	<u>438,307</u>	<u>276,934</u>	<u>224,843</u>
<b>All Other Governmental Funds</b>								
Reserved	16,050	17,333	7,588	12,768	16,183	22,703	16,536	17,627
Unreserved, Undesignated, Reported in:								
Special Revenue Funds	259,813	162,242	181,478	164,395	205,717	117,985	156,731	197,362
Capital Projects Funds	<u>157,289</u>	<u>158,241</u>	<u>163,328</u>	<u>184,500</u>	<u>62,111</u>	<u>350,853</u>	<u>101,424</u>	<u>(406,325)</u>
Total All Other Governmental Funds	<u>433,152</u>	<u>337,816</u>	<u>352,394</u>	<u>361,663</u>	<u>284,011</u>	<u>491,541</u>	<u>274,691</u>	<u>(191,336)</u>
<b>Total Governmental Funds</b>	<u><u>\$873,324</u></u>	<u><u>\$690,219</u></u>	<u><u>\$818,841</u></u>	<u><u>\$863,601</u></u>	<u><u>\$850,024</u></u>	<u><u>\$929,848</u></u>	<u><u>\$551,625</u></u>	<u><u>\$33,507</u></u>

Note: Years 1999, 1998, and 1997 are non-GASB 34

(1) Information prior to 1997 is unavailable.

**City of Belpre, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Eight Years (1)*  
(modified accrual basis of accounting)

	2004	2003	2002	2001	2000	1999	1998	1997
<b>Revenues</b>								
Property and Other Taxes	\$273,596	\$275,816	\$266,478	\$241,033	\$246,504	\$229,939	\$198,130	\$206,147
Municipal Income Tax	964,238	931,751	947,085	891,864	928,753	937,217	886,784	858,765
Motor Vehicle License Tax	36,625	36,379	36,204	35,421	35,370	35,789	36,368	33,631
Charges for Services	126,310	88,125	91,489	119,986	109,371	74,310	64,423	54,949
Fines, Licenses, and Permits	201,072	194,819	174,157	150,159	145,858	161,705	108,316	108,119
Intergovernmental	1,010,927	936,813	478,488	774,975	653,661	874,214	627,138	628,411
Investment Earnings	20,010	28,105	34,286	45,130	70,260	68,162	61,429	17,083
Donations	32,541	25,969	11,662	13,791	34,271	0	0	26,135
Other	6,180	32,218	23,960	17,026	32,614	41,135	80,868	14,218
<i>Total Revenues</i>	<u>2,671,499</u>	<u>2,549,995</u>	<u>2,063,809</u>	<u>2,289,385</u>	<u>2,256,662</u>	<u>2,422,471</u>	<u>2,063,456</u>	<u>1,947,458</u>
<b>Expenditures</b>								
Current:								
General Government	501,709	492,811	479,184	449,960	426,545	403,869	465,875	370,713
Security of Persons and Property:								
Police	838,562	869,738	816,521	830,278	876,349	798,536	765,645	715,391
Fire	134,930	119,844	115,554	113,201	115,238	105,006	100,681	94,072
Public Health Services	34,484	33,125	34,675	21,978	21,735	19,910	28,112	32,259
Transportation	607,938	713,075	492,337	697,409	406,219	441,047	346,332	378,273
Leisure Time Activities:								
Senior Center	36,212	25,430	26,532	22,046	19,816	15,529	8,508	4,211
Parks	142,375	278,409	92,054	92,492	193,447	151,601	83,057	41,109
Pool	724	480	1,203	62,522	56,533	44,304	24,272	12,014
Capital Outlay	215,320	51,324	0	0	0	2,044,321	205,139	161,105
Intergovernmental	7,906	0	0	20,466	0	0	0	68,102
Debt Service:								
Principal Retirement	37,993	111,522	110,308	107,002	353,084	83,623	2,634	633
Interest and Fiscal Charges	5,895	8,941	18,475	18,660	34,698	23,996	20,032	27,351
<i>Total Expenditures</i>	<u>2,564,048</u>	<u>2,704,699</u>	<u>2,186,843</u>	<u>2,436,014</u>	<u>2,503,664</u>	<u>4,131,742</u>	<u>2,050,287</u>	<u>1,905,233</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>107,451</u>	<u>(154,704)</u>	<u>(123,034)</u>	<u>(146,629)</u>	<u>(247,002)</u>	<u>(1,709,271)</u>	<u>13,169</u>	<u>42,225</u>
<b>Other Financing Sources (Uses)</b>								
Sale of Capital Assets	201	0	0	880	47,563	1,196,173	3,618	1,437
Proceeds from Loans	0	0	0	0	0	760,000	0	0
Inception of Capital Lease	0	0	0	0	0	0	0	8,304
Transfers In	286,722	173,375	212,000	215,000	245,069	261,000	136,000	111,393
Transfers Out	(211,722)	(147,000)	(132,000)	(130,000)	(168,295)	(131,000)	(96,000)	(49,895)
<i>Total Other Financing Sources (Uses)</i>	<u>75,201</u>	<u>26,375</u>	<u>80,000</u>	<u>85,880</u>	<u>124,337</u>	<u>2,086,173</u>	<u>43,618</u>	<u>71,239</u>
<i>Net Change in Fund Balances</i>	<u>\$182,652</u>	<u>(\$128,329)</u>	<u>(\$43,034)</u>	<u>(\$60,749)</u>	<u>#####</u>	<u>\$376,902</u>	<u>\$56,787</u>	<u>\$113,464</u>
Debt Service as a Percentage of Noncapital Expenditures	1.9%	4.8%	6.3%	5.4%	18.3%	5.4%	1.2%	1.7%

(1) Information prior to 1997 is unavailable.

**City of Belpre, Ohio**  
*Tax Revenues by Source, Governmental Funds*  
*Last Ten Years*  
(modified accrual basis of accounting)

<u>Year (1)</u>	<u>Property and Other Local Taxes</u>	<u>Municipal Income Tax</u>	<u>Total</u>	<u>Percentage of Total Revenue</u>
2004	\$273,596	\$964,238	\$1,237,834	46.33%
2003	275,816	931,751	1,207,567	47.36
2002	266,478	947,085	1,213,563	58.80
2001	241,033	891,864	1,132,897	49.48
2000	246,504	928,753	1,175,257	52.08
1999	229,939	937,217	1,167,156	48.18
1998	198,130	886,784	1,084,914	52.58
1997	206,147	858,765	1,064,912	54.68
1996	190,324	603,691	794,015	68.45
1995	211,769	775,545	987,314	74.59

(1) The City implemented GASB 34 for the year 2000 and thereafter.

**City of Belpre, Ohio**  
*Assessed Valuation and Estimated True Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property	Public Utility Property	Tangible Personal Property	Total	Estimated (1) True Values of Taxable Property
2004	\$81,073,780	\$2,718,060	\$5,973,700	\$89,765,540	\$260,700,685
2003	79,747,020	3,100,080	5,933,280	88,780,380	257,168,316
2002	79,511,950	3,038,800	6,500,610	89,051,360	257,716,057
2001	70,169,070	3,500,510	7,885,740	81,555,320	236,003,869
2000	68,284,830	3,533,210	6,371,260	78,189,300	224,599,566
1999	67,820,000	3,672,170	6,464,460	77,956,630	223,802,189
1998	56,399,320	3,617,770	5,791,340	65,808,430	188,417,377
1997	54,949,380	3,591,100	5,443,110	63,983,590	182,851,464
1996	54,649,860	3,639,420	5,182,190	63,471,470	181,006,922
1995	51,529,080	4,344,050	4,874,710	60,747,840	171,661,203

Source: Washington County, Ohio; County Auditor

Note: Property in the City is reassessed by the County every three years. The tax rate applied by the City is at \$3.40 per \$1,000 of assessed value.

- (1) This amount is calculated based on the following percentages:  
Real property is assessed at thirty-five percent of actual value.  
Public utility is normally assessed at eighty-eight percent of actual value.  
Tangible personal is assessed at twenty-five percent of actual value for capital assets  
and twenty-three percent for inventory.



**City of Belpre, Ohio**  
*Property Tax Rates, Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

<u>Year</u>	<u>City of Belpre General Fund</u>	<u>Belpre City School District</u>	<u>Washington County JVS</u>	<u>Washington County</u>	<u>Total</u>
2004	\$3.40	\$34.84	\$1.80	\$9.05	\$49.09
2003	3.40	35.12	1.80	9.05	49.37
2002	3.40	35.10	1.80	9.05	49.35
2001	3.40	35.00	1.80	9.05	49.25
2000	3.40	35.00	1.80	8.20	48.40
1999	3.40	31.00	1.80	7.70	43.90
1998	3.40	31.00	1.80	7.70	43.90
1997	3.40	31.00	1.80	7.70	43.90
1996	3.40	31.00	1.80	7.70	43.90
1995	3.40	31.00	1.80	7.70	43.90

Source: Washington County, Ohio; County Auditor

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Overlapping rates are those of local and county governments that apply to property owners within the City.

**City of Belpre, Ohio**  
*Property Tax Levies and Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2004	\$284,993	\$255,254	89.48%	\$15,091	\$270,345	94.86%	\$19,739	6.93%
2003	275,945	253,610	91.91	18,906	272,516	98.76	23,756	8.61
2002	276,856	247,729	89.48	14,362	262,091	94.67	18,336	6.62
2001	242,912	227,626	93.71	9,894	237,520	97.78	14,914	6.14
2000	242,287	226,336	93.42	11,970	238,306	98.36	14,758	6.09
1999	239,936	219,231	91.37	8,426	227,657	94.88	9,033	3.76
1998	202,644	189,906	93.71	6,624	196,530	96.98	8,143	4.02
1997	195,098	184,793	94.72	8,498	193,291	99.07	10,170	5.21
1996	193,628	182,908	94.46	7,417	190,325	98.29	9,977	5.15
1995	184,895	175,199	94.76	7,902	183,101	99.03	10,452	5.65

Source: Washington County, Ohio; County Auditor

(1) State reimbursement of rollback and homestead exemptions are not included.

Note: Washington County does not maintain delinquency information by tax year; therefore, this information is not available for the City of Belpre.

**City of Belpre, Ohio**  
*Principal Real Property Taxpayers*  
*Current Year and Nine Years Ago*

Taxpayer	2004	
	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
Kroger Limited Partnership	\$1,065,550	1.19%
Plaza LLC	782,340	0.87
Midwest Estates LLC	620,110	0.69
Belpre CVS, Incorporated	592,850	0.66
Holder Harbour Corporation	566,260	0.63
John O. and Linda I. Cornell Land Management	529,580	0.59
David E. and Victoria Higgins Land Management	404,960	0.45
Marta B. May Land Management	397,860	0.44
Orion Development LLP	393,070	0.44
George R. Campbell	372,330	0.41
Total	\$5,724,910	6.37%
Total Assessed Valuation	\$89,765,540	

Taxpayer	1995	
	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
International Converter, Incorporated	\$1,462,740	2.41%
Kroger Limited Partnership	1,417,170	2.33
Lee Middleton Original Dolls, Incorporated	1,261,730	2.08
Russell L. Covey Land Management	622,010	1.02
John O. and Linda I. Cornell Land Management	504,250	0.83
Belpre Furniture Gallery	461,510	0.76
Analytical Products Group, Incorporated	456,100	0.75
Belpre CVS, Incorporated	444,620	0.73
Marta B. May Land Management	369,850	0.61
Moore Enterprises	357,580	0.59
Total	\$7,357,560	12.11%
Total Assessed Valuation	\$60,747,840	

Source: Washington County, Ohio; County Auditor

(1) Property Assessed at 35% of Fair Market Value

**City of Belpre, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Eight Years*

<u>Tax Year (1)</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2004	1.0%	\$972,487	\$532,062	54.71%	\$33,330	3.43%	\$407,095	41.86%
2003	1.00	911,656	(2)	n/a	(2)	n/a	(2)	n/a
2002	1.00	972,380	(2)	n/a	(2)	n/a	(2)	n/a
2001	1.00	879,622	(2)	n/a	(2)	n/a	(2)	n/a
2000	1.00	939,501	(2)	n/a	(2)	n/a	(2)	n/a
1999	1.00	937,217	(2)	n/a	(2)	n/a	(2)	n/a
1998	1.00	886,784	(2)	n/a	(2)	n/a	(2)	n/a
1997	1.00	858,765	(2)	n/a	(2)	n/a	(2)	n/a

(1) 2000 through 2004 are on an Accrual Basis and 1997 through 1999 are on a Modified Accrual Basis

(2) Information for the breakdown is unavailable. The City converted to a new computer system in 2004 that makes this information available for 2004 only.

**City of Belpre, Ohio**  
*Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita*  
*Last Ten Years*

Year	Governmental Activities				Business-Type Activities			Total Debt	Percentage of Personal Income (1)	Per Capita (1)
	Loans	OPWC Loans	Capital Leases	Police Pension	Loans	OPWC Loans	Contract Payable			
2004	\$82,450	\$16,849	\$0	\$22,158	\$1,523,817	\$268,512	\$8,600	\$1,922,386	1.58%	\$287.95
2003	109,486	27,806	0	22,509	790,691	280,450	8,600	1,239,542	1.02	185.67
2002	210,267	38,547	0	22,845	603,875	123,418	0	998,952	0.82	149.63
2001	310,046	49,076	0	23,168	641,416	80,103	0	1,103,809	0.91	165.79
2000	406,726	59,398	0	23,477	745,320	80,103	0	1,315,024	1.09	197.45
1999	702,129	69,516	2,228	23,774	516,763	13,313	0	1,327,723	1.51	189.03
1998	375,000	74,500	5,037	24,059	0	0	0	478,596	0.54	68.21
1997	450,000	0	7,671	24,332	100,000	0	0	582,003	0.66	83.11
1996	550,000	0	8,304	24,594	350,000	0	0	932,898	1.06	133.31
1995	700,000	0	0	24,844	0	0	0	724,844	0.83	103.97

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements

(1) See S17 for personal income and population data.

**City of Belpre, Ohio**  
*Computation of Overlapping General Obligation Bonded Debt*  
*December 31, 2004*

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Belpre(1)</u>	<u>Amount Applicable to City of Belpre</u>
Washington County	\$6,720,000	8.51%	\$572,141

Source: Washington County, Ohio; County Auditor

(1) Percentage was determined by dividing the total assessed valuation of the City by the overlapping subdivision's assessed valuation. The valuations used were for the 2004 collection year.

**City of Belpre, Ohio**  
*Legal Debt Margin Information*  
*Last Ten Years*

**Legal Debt Margin Calculation for 2004**

*Overall Debt Limitation*

10 1/2% of Assessed Valuation \$9,425,382

Loans Payable	\$1,606,267
Issue II Loans Payable	285,361
Gross Indebtedness Outstanding	<u>1,891,628</u>
Less: Debt Exempt from Limitation	
Sewer Loan	412,136
Issue II Sewer Loan	198,489
New Water Tank Loan	614,024
Refurbish Old Tank Loan	244,184
Water Lines Loan	88,567
Issue II Water Loan	<u>70,023</u>
Total	<u>1,627,423</u>

Net Debt within 10 1/2% Limitation 264,205

Legal Debt Margin within 10 1/2% Limitation \$9,161,177

*Unvoted Debt Limitation*

5 1/2% of Assessed Valuation \$4,937,105

Gross Indebtedness Outstanding	\$1,891,628
Less: Debt Exempt from Limitation	<u>(1,627,423)</u>
Net Debt within 5 1/2% Limitation	<u>264,205</u>

Legal Debt Margin within 5 1/2% Limitation \$4,672,900

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Overall Debt Limit	\$9,425,382	\$9,321,940	\$9,350,393	\$8,563,309	\$8,209,877	\$8,185,446	\$6,909,885	\$6,718,277	\$6,664,504	\$6,378,523
Total Net Debt Applicable to Limit	<u>264,205</u>	<u>356,269</u>	<u>519,353</u>	<u>679,216</u>	<u>829,578</u>	<u>1,128,686</u>	<u>375,000</u>	<u>450,000</u>	<u>550,000</u>	<u>700,000</u>
Legal Overall Debt Margin	<u><u>\$9,161,177</u></u>	<u><u>\$8,965,671</u></u>	<u><u>\$8,831,040</u></u>	<u><u>\$7,884,093</u></u>	<u><u>\$7,380,299</u></u>	<u><u>\$7,056,760</u></u>	<u><u>\$6,534,885</u></u>	<u><u>\$6,268,277</u></u>	<u><u>\$6,114,504</u></u>	<u><u>\$5,678,523</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Overall Debt Limit	2.88%	3.97%	5.88%	8.62%	11.24%	15.99%	5.74%	7.18%	9.00%	12.33%
Unvoted Legal Debt Margin	<u><u>\$4,672,900</u></u>	<u><u>\$4,526,652</u></u>	<u><u>\$4,378,472</u></u>	<u><u>\$3,806,327</u></u>	<u><u>\$3,470,834</u></u>	<u><u>\$3,158,929</u></u>	<u><u>\$3,244,464</u></u>	<u><u>\$3,069,097</u></u>	<u><u>\$2,940,931</u></u>	<u><u>\$2,641,131</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Unvoted Debt Limit	5.65%	7.87%	11.86%	17.84%	23.90%	35.73%	11.56%	14.66%	18.70%	26.50%

Sources: Washington County, Ohio; County Auditor, and City records

**City of Belpre, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Washington County Unemployment Rate (3)	Median Value of Residential Property (1)	Total Assessed Property Value (4)
2004	6,676	\$121,469,820	\$18,195	\$29,603	41.2	13.5%	1,316	6.2%	\$78,500	\$89,765,540
2003	6,676	121,469,820	18,195	29,603	41.2	13.5	1,335	5.8	78,500	88,780,380
2002	6,676	121,469,820	18,195	29,603	41.2	13.5	1,327	4.8	78,500	89,051,360
2001	6,658	121,142,310	18,195	29,603	41.2	13.5	1,307	5.0	78,500	81,555,320
2000	6,660	121,178,700	18,195	29,603	41.2	13.5	1,281	5.0	78,500	78,189,300
1999	7,024	88,214,416	12,559	23,002	41.2	12.5	1,406	6.6	52,400	77,956,630
1998	7,016	88,113,944	12,559	23,002	41.2	12.5	1,425	5.5	52,400	65,808,430
1997	7,003	87,950,677	12,559	23,002	41.2	12.5	1,491	5.9	52,400	63,983,590
1996	6,998	87,887,882	12,559	23,002	41.2	12.5	1,539	6.5	52,400	63,471,470
1995	6,972	87,561,348	12,559	23,002	41.2	12.5	1,543	6.2	52,400	60,747,840

(1) Sources: U. S. Census and City Records

a) Years 2000 through 2004 - 2000 Federal Census

b) Years 1995 through 1999 - 1990 Federal Census

(2) Source: Belpre City School District

(3) Source: Ohio Job and Family Services

(4) Source: Washington County, Ohio; County Auditor

(5) Computation of per capita personal income multiplied by population



**City of Belpre, Ohio**  
*Principal Employers*  
*Current Year and Nine Years Ago*

Employer	2004	
	Employees	Percentage of Total City Employment
Belpre City School District	297	11.39%
Kroger Limited Partnership	131	5.02
Wal-Bon of Ohio	124	4.76
Pioneer Casting	121	4.64
McDonalds	116	4.45
Wendy's	97	3.72
International Converter, Incorporated	81	3.11
Dishlink	71	2.72
Hardee's	63	2.42
City of Belpre	61	2.34
Total	1,162	44.57%

Total Employment within the City 2,607

Employer	1995
	Employees
Belpre City School District	230
Kroger Limited Partnership	219
Enlow's	193
Lee Middleton Original Dolls, Incorporated	179
Wal-Bon of Ohio	131
McDonalds	128
Pioneer Casting	104
IGA	99
Hardee's	80
International Converter, Incorporated	75
Total	1,438

Total Employment within the City n/a

Source: City Records

n/a - Information not available

**City of Belpre, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Three Years*

Function/Program	2004	2003	2002	2001
General Government:				
Council	8.50	8.50	8.50	8.50
Mayor	1.00	1.00	1.00	1.00
Auditor	2.75	2.75	2.75	2.75
Income Tax	0.80	0.80	0.80	0.80
Treasurer	1.00	1.00	1.00	1.00
Law	2.00	2.00	2.00	2.00
Civil Service	3.00	3.00	3.00	3.00
Safety/Service Director	1.00	1.00	1.00	1.00
Security of Persons and Property:				
Police Chief	1.00	1.00	1.00	1.00
Police Officers	8.00	10.00	10.00	10.00
Police - Dispatchers/Office/Other	5.00	5.00	5.00	5.00
Fire Chief	1.00	1.00	1.00	1.00
Public Health Services:				
Health Commissioner	1.00	1.00	1.00	1.00
Health Department (1)	0.00	0.00	0.00	0.00
Sanitarian (1)	0.00	0.00	0.00	0.00
Transportation:				
Street Maintenance and Repair	5.00	5.00	5.00	5.00
Leisure Time Activities:				
Senior Center	0.50	0.50	0.50	0.50
Parks	1.00	0.50	0.50	0.50
Pool (2)	0.00	0.00	0.00	15.00
Basic Utility Services:				
Sanitation	0.25	0.25	0.25	0.25
Sewer	8.10	8.10	8.10	8.10
Water	3.10	3.10	3.10	3.10
Totals:	<u>54.00</u>	<u>55.50</u>	<u>55.50</u>	<u>70.50</u>

**Source:** City of Belpre, Payroll

**Method:** Using 1.0 for each full-time employee, 0.50 for each part-time and seasonal employee, and percentages for employees paid by more than one fund. Amounts include elected officials.

(1) Services are contracted.

(2) Pool did not re-open after 2001 season.

**City of Belpre, Ohio**  
*Operating Indicators by Function/Program*  
*Last Two Years (1)*

Function/Program	2004	2003
<b>General Government:</b>		
<i><b>Council and Clerk</b></i>		
Number of Ordinances Passed	15	20
Number of Resolutions Passed	18	14
<i><b>Mayor's Court</b></i>		
Number of Traffic Cases	936	1,135
Number of Criminal cases	433	373
<i><b>Auditor</b></i>		
Number of Checks/Vouchers Issued	2,155	2,319
Amount of Checks Written	\$6,310,646	\$5,790,891
Interest Earnings for Year (cash basis General Fund)	\$18,402	\$28,827
Number of Receipts Issued	379	411
Number of Budget Adjustments Issued	3	1
General Fund Receipts (cash basis)	\$1,519,394	\$150,602
General Fund Expenditures (cash basis)	\$1,603,350	\$1,602,623
General Fund Cash Balances	\$295,303	\$202,645
<i><b>Income Tax Department</b></i>		
Number of Individual Returns	1,317	n/a
Number of Business Returns	165	n/a
Number of Business Withholding Accounts	2,063	n/a
Annual Number of Reconciliations of Withholdings Processed	2,607	n/a
<i><b>Civil Service</b></i>		
Number of Police Entry Tests Administered	17	0
Number of Police Promotional Tests Administered	0	0
Number of Hires of Police Officers from Certified Lists	0	0
Number of Promotions from Police Certified Lists	0	0
<i><b>Safety/Service</b></i>		
Number of Construction Permits Issued	211	356
Number of Plumbing Permits Issued	27	15
Number of Sewer Permits Issued	18	12
Amount of Revenue Generated from Permits	\$11,652	\$11,680

(continued)

**City of Belpre, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Two Years (1)*

Function/Program	2004	2003
<b>Security of Persons &amp; Property:</b>		
<i><b>Police</b></i>		
Total Calls for Services	8,240	7,048
Number of Traffic Citations Issued	936	1,135
Number of Parking Citations Issued	63	87
Number of Criminal Arrests	433	373
Number of Accident Reports Completed	227	215
Part 1 Offenses (major offenses)	64	61
DUI Arrests	27	24
Prisoners	70	85
Property Damage Accidents	153	173
Fatalities from Motor Vehicle Accidents	0	0
Number of Stations	1	1
<i><b>Fire</b></i>		
EMS Calls	861	820
Fire Calls	166	147
Fires with Loss	12	9
Fires with Losses exceeding \$10K	1	1
Fire Losses \$	\$35,500	\$111,500
Fire Safety Inspections	12	12
Number of Stations	2	2
Number of Volunteer Firemen	40	44
Number of Fire Hydrants	154	154
<b>Public Health Services:</b>		
Number of Health Inspections	130	110
Number of Immunizations Given	282	365
House Trailer Licenses Issued	\$1,103	\$1,250
Food Establishment Licenses Issued	\$10,389	\$7,554
<b>Transportation:</b>		
Street Improvements - Cost of Paving	\$224,862	\$281,921
Paint Striping	\$7,642	\$0
Hot and Cold Patch	\$14,610	\$12,564
Tons of Snow Melting Salt Purchased (Nov-Mar)	\$401	\$455
Cost of Salt Purchased (includes hauling)	\$15,990	\$15,472
Miles of City Streets	43	43
Number of Street Lights	497	496
		(continued)

**City of Belpre, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Two Years (1)*

Function/Program	2004	2003
<b>Leisure Time Activities:</b>		
<i>Senior Center</i>		
Number of Meals Served	3,328	3,700
<i>Parks</i>		
Number of Parks	3	3
Number of Parks Rentals Reserved	156	116
Number of Tennis Courts	1	1
Number of Baseball and Softball Diamonds	6	6
Number of Boat Ramps	2	2
<b>Basic Utility Services:</b>		
<i>Sanitation</i>		
Total Sanitation Collections Annually - cash basis	\$564,304	\$583,917
Contracted Sanitation Charge per Year - cash basis	\$458,211	\$464,121
<i>Sewer</i>		
Wastewater Rates per 1st 3,000 gallons of Water Used	\$12.78	\$12.29
Total Sewer Collections Annually - cash basis	\$1,106,383	\$1,240,933
Average Monthly Consumption (per household) - in gallons	7,000	7,000
Miles of Sanitary Sewer	28	28
<i>Water</i>		
Water Rates per 1st 3,000 gallons of Water Used	\$6.51	\$6.27
Total Water Collections Annually - cash basis	\$637,386	\$616,873
Average Monthly Consumption (per household) - in gallons	7,000	7,000
Miles of Water Mains	27	27
Number of Consumers:		
Residential	2,895	2,934
Commercial	218	270

(1) Information prior to 2002 is not available

n/a Information not available

**City of Belpre, Ohio**  
*Capital Asset Statistics by Function/Program*  
*Last Three Years*

Function/Program	2004	2003	2002
<b>General Government:</b>			
Square Footage Occupied	6,880	6,880	6,880
<b>Police:</b>			
Stations	1	1	1
Square Footage of Building	3,440	3,440	3,440
Vehicles - Police Cruisers	9	10	9
Vehicles - Other	1	2	1
Police Dogs	1	1	1
<b>Fire:</b>			
Stations	2	2	2
Square Footage of Building #1	7,426	7,426	7,426
Square Footage of Building #2	1,920	1,920	1,920
Vehicles - Pumpers/Fire Trucks	6	6	6
Vehicles - Ambulances	2	2	2
<b>Transportation:</b>			
Streets (miles)	43	43	43
Number of Streetlights (per light bill)	498	497	497
Service Vehicles	6	6	5
<b>Senior Center:</b>			
Square Footage Occupied	3,180	3,180	3,180
Passenger Vehicles	1	1	1
<b>Parks:</b>			
Number of Parks	3	3	3
Number of Tennis Courts	1	1	1
Number of Baseball and Softball Diamonds	6	6	6
Number of Boat Ramps	2	2	2
<b>Pool:</b>			
Number of Pools	1	1	1
<b>Sewer:</b>			
Sanitary Sewers (miles)	28	28	28
Vehicles	6.5	6.5	6.5
<b>Water Department</b>			
Water Lines (miles)	27	27	27
Vehicles	3.5	3.5	3.5



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF BELPRE  
WASHINGTON 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  
JULY 14, 2005**