



**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 Drive
Belpre, Ohio 45714

To the City Council:

We have audited the financial statements of the governmental activities, 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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2006, wherein we noted the City adopted Governmental Accounting Standards Board Statement 40 and 42. 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 basic 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 to be material weaknesses. In a separate letter to the City's management dated June 19, 2006, 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 basic 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 that we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 19, 2006, we reported other matters related to noncompliance we deemed immaterial.

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City of Belpre
Washington County
Independent Accountant's 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 signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

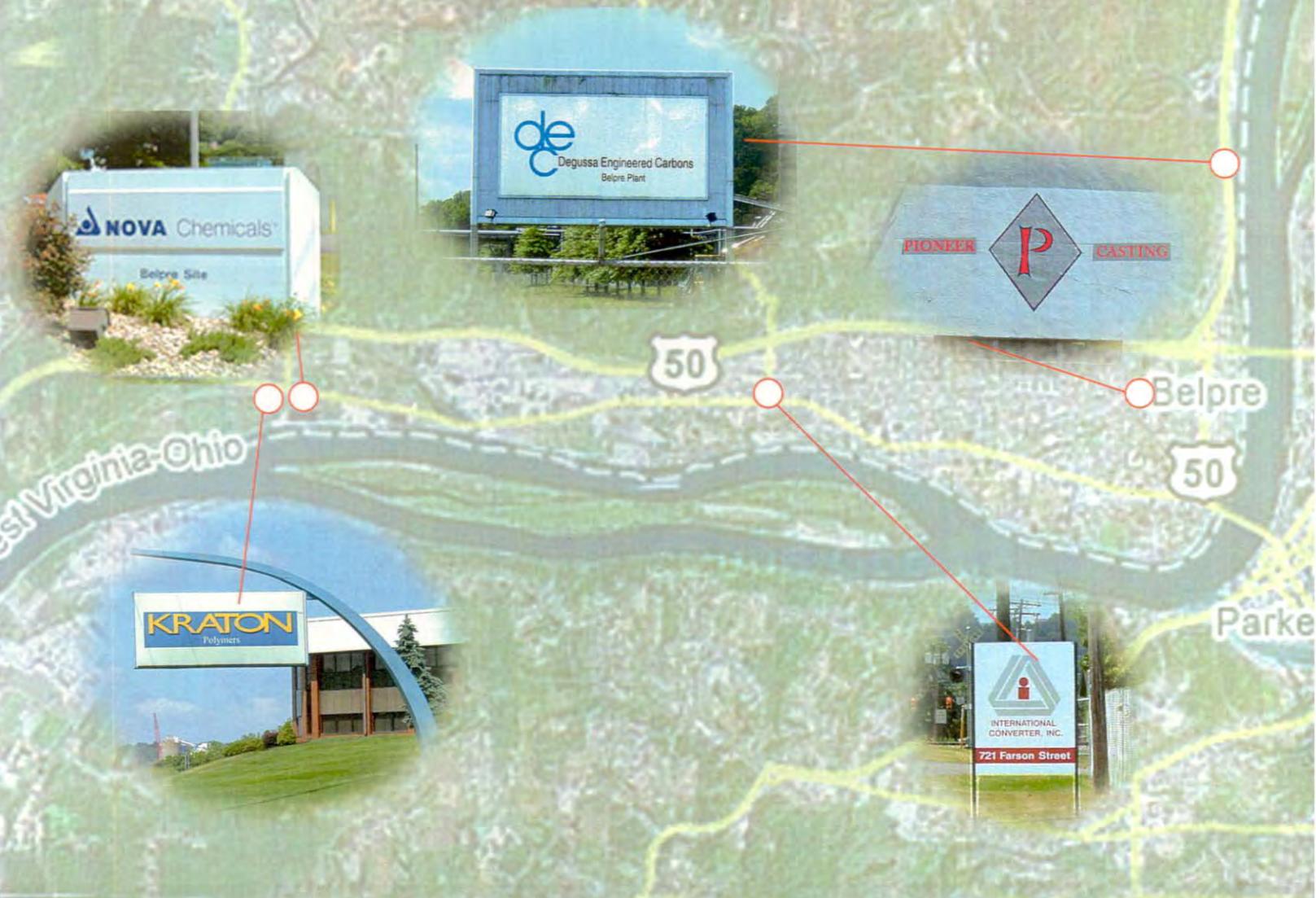
June 19, 2006



City of Belpre, Ohio

*Comprehensive Annual Financial Report
For The Year Ended December 31, 2005*

BELPRE INDUSTRIES



CITY OF BELPRE, OHIO

**Comprehensive Annual Financial Report
For The Year Ended December 31, 2005**

City of Belpre, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2005

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

INTRODUCTORY SECTION

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City of Belpre, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
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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

Dale R. Myers, Jr. – Safety-Service Director

June 19, 2006

To the City Council and Citizens of Belpre:

Ohio law requires that local public offices file their annual financial reports with the Auditor of State's Office and publish notice of the availability of the reports within 150 days of the close of the year. Further, the Ohio Administrative Code requires cities to file their financial reports pursuant to accounting principles generally accepted in the United States of America. The Comprehensive Annual Financial Report (CAFR) of the City of Belpre, Ohio (City), for the year ended December 31, 2005, is submitted herewith. The report has a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by the office of Betty Montgomery, Auditor of the State of Ohio.

The City's management assumes full responsibility for the accuracy of the data presented and the completeness and fairness of the presentation. 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 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 Office of Betty Montgomery, Auditor of State, has audited the City's financial statements. The Auditor of State's Office concluded based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2005. The Independent Accountants' Report is presented as the first component of the financial section of this report.

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

Profile of the Government

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.

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.

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council.

Budgetary control is facilitated through the maintenance of an encumbrance system for requisitions and purchase orders, and through the use of the City's automated financial system. The City Auditor seeks input and consults with the administration and department heads concerning the adoption of appropriations. The proposed appropriations are presented to Council by November 1 of each year. Council then reviews the proposals and passes a temporary appropriation ordinance by December 31. These temporary appropriations allow for expenditures during the first three months of the year. The City Auditor meets with the finance committee and makes any adjustments or changes that may be needed. A final appropriation ordinance is then adopted by Council by March 31.

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.

Economic Condition

Local Economy

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 2005, which include Lunch and More, Fireflies Signs, Garins Auto Sales, Wallace Allstate Insurance, BMB Automotive, Riverside Chiropractic Center, Greenhill Brokerage, and Buckeye ATV.

New businesses have announced plans to locate in the City during 2006, including Snak Shak, HIS Automotive, Check into Cash of Ohio LLC, and Balancing Lives Massage Therapy.

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

Major Initiatives

For the Year:

Infrastructure improvements continued to be a priority during the past year. On Putnam Howe Drive, a new 500,000 gallon water storage tank was completed and the existing 500,000 gallon tank was completely refurbished. These projects were financed through the Water Enterprise Fund revenues.

A major street paving project was in process at year end. This project was a co-operative project with the Ohio Public Works Commission, along with the City of Beverly and the Village of Lowell. The total cost of the project will be over \$430,000. Belpre's portion of the project will be funded by the Ohio Public Works Commission (Issue II) for \$225,635 and by the permissive license tax for \$85,790.

A 1996 Pierce 100 foot platform truck was purchased by the Belpre Volunteer Fire Fighters, Inc., and then donated to the City of Belpre. The truck was purchased for \$340,000.

For the Future:

During 2006, several badly needed pieces for equipment will be purchased. For the Police department, two new Ford cruisers are planned to be acquired at an estimated costs of \$20,190 each. These assets will be funded by income tax revenues of the General Fund. For the Fire department, a Braun ambulance is anticipated to be purchased for approximately \$121,191. Half of the cost will be paid by the Belpre Volunteer Fire Fighters, Inc., and the other half with City income tax revenues. The title to the ambulance will be held by the City.

Also during 2006, the Dupont Corporation is building a larger water filtration system for the City's water supply. The cost of this filtration system will be in excess of \$750,000 and will be paid for by Dupont as a result of a class action lawsuit between water users and Dupont to remove a substance known as C-8 from the City's water.

Long-term Financial Planning

Early in 2006, the City of Belpre issued a request for proposal for an energy conservation and infrastructure modernization program. The City is currently in negotiations with Ameresco, Inc. regarding this project. The total scope of this program is not yet known, but could include, but not be limited to, water meter replacement, lighting retrofit, wastewater collection system survey, swimming pool reconstruction, water treatment plant upgrades, city building mechanical upgrades, and upgrades to the well field, water storage tanks, and sewer lift stations.

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>
2005	\$54,230	2000	\$70,260
2004	20,010	1999	69,311
2003	28,105	1998	61,429
2002	34,286	1997	30,805
2001	45,130	1996	23,800

The City complied with applicable provisions of the Ohio Revised Code and City of Belpre 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.

Awards and Acknowledgments

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, 2004. This was the City of Belpre's sixth 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.

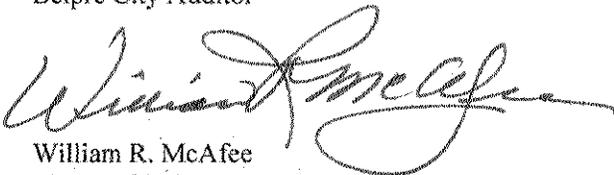
Tree City USA - The City received its tenth Tree City USA Award for the year ended December 31, 2005. This prestigious award recognized the City for its annual program of planting new trees and maintaining and removing old trees.

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. We would like to express my appreciation to all staff members who have contributed or assisted in its preparation. We 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



William R. McAfee
Mayor of Belpre

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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emery

Executive Director

City of Belpre, Ohio
Principal Officials
December 31, 2005

Mayor..... William R. McAfee
President of Council..... Mike Lorentz
Council - 1st Ward..... Larry Martin
Council - 2nd Ward..... Ronald Duvall
Council - 3rd Ward..... David Ferguson
Council - 4th Ward..... Dewey Robinson
Council - at Large..... John Baker
Council - at Large..... Kevin Mayle
Council - at Large..... Susan Abdella
Clerk of Council..... Kimberly Meredith
Law Director..... James McCauley

Finance

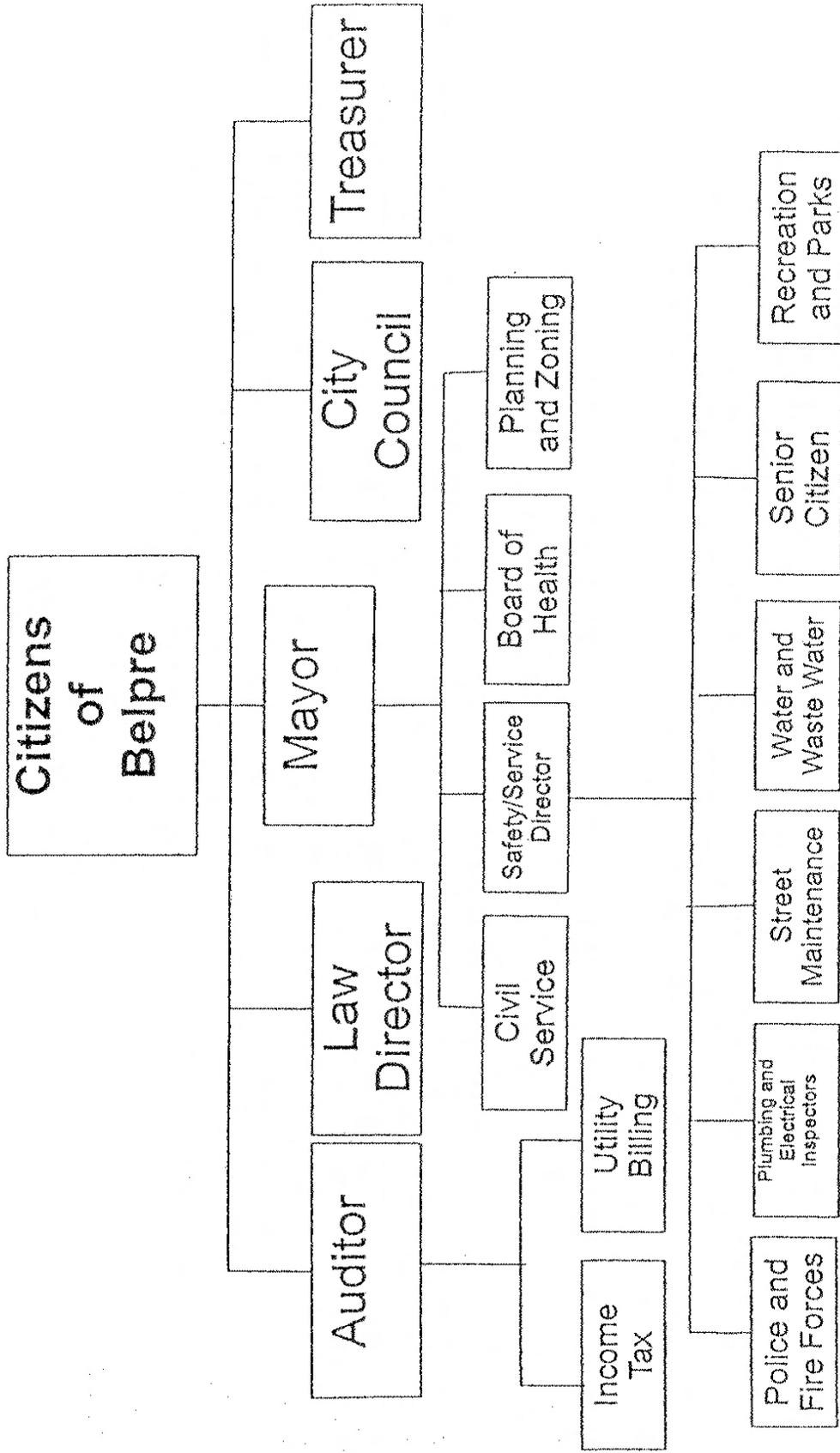
Auditor..... Patrick J. Hines, CPA
Deputy Auditor..... Sharon McVey
Deputy Office Administrator..... Lisa Rankin
Treasurer..... Will Neff
Income Tax Commissioner..... Leonard Wiggins, II

Safety and Service

Safety/Service Director..... Dale Myers, Jr.
Public Works Superintendent..... Mike Betz
Police Chief..... Ira Walker
Fire Chief..... Wesley Walker

CITY of BELPRE, OHIO

Organization Chart



FINANCIAL SECTION

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Belpre
Washington County
715 Park Drive
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, 2005, 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 that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belpre, Washington County, Ohio, as of December 31, 2005, and the respective changes in financial position thereof and the budgetary comparison for the General and Street Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4, during the year ended December 31, 2005, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures* and GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2006, 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 grants 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.



Betty Montgomery
Auditor of State

June 19, 2006

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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, 2005. 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 2005 are as follows:

In total, assets increased \$773,352. Governmental activities experienced the biggest increase of \$747,148, while the business-type activities only increased \$26,204.

Overall, capital assets decreased \$231,072. Total capital assets from governmental activities decreased \$234,636. Capital assets of business-type activities increased \$3,564.

In total, liabilities increased \$125,815. Total liabilities of governmental activities increased \$270,626, while, total liabilities of business-type activities decreased \$144,811 from 2004.

In total, net assets increased \$647,537. Net assets of governmental activities increased \$476,522, similarly, net assets of business-type activities increased \$171,015 from 2004.

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 asks the question, "How did we do financially during 2005?" 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
For the Year Ended December 31, 2005
Unaudited

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 14. Fund financial statements 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, Issue II Paving, 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 2005 compared to 2004.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current and Other Assets	\$2,483,943	\$1,502,159	\$1,706,854	\$1,684,214	\$4,190,797	\$3,186,373
Capital Assets, Net	14,037,133	14,271,769	7,616,139	7,612,575	21,653,272	21,884,344
<i>Total Assets</i>	<u>16,521,076</u>	<u>15,773,928</u>	<u>9,322,993</u>	<u>9,296,789</u>	<u>25,844,069</u>	<u>25,070,717</u>
Liabilities						
Current and Other Liabilities	728,941	433,310	292,109	286,559	1,021,050	719,869
Long-term Liabilities:						
Due Within One Year	20,049	22,238	137,424	156,269	157,473	178,507
Due in More Than One Year	116,771	139,587	1,526,956	1,658,472	1,643,727	1,798,059
<i>Total Liabilities</i>	<u>865,761</u>	<u>595,135</u>	<u>1,956,489</u>	<u>2,101,300</u>	<u>2,822,250</u>	<u>2,696,435</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	13,965,236	14,172,470	5,964,233	5,811,646	19,929,469	19,984,116
Restricted:						
Capital Projects	129,311	6,302	0	0	129,311	6,302
Transportation	337,814	335,200	0	0	337,814	335,200
Other Purposes	35,597	29,575	0	0	35,597	29,575
Unclaimed Monies	6,442	3,997	0	0	6,442	3,997
Unrestricted	1,180,915	631,249	1,402,271	1,383,843	2,583,186	2,015,092
<i>Total Net Assets</i>	<u>\$15,655,315</u>	<u>\$15,178,793</u>	<u>\$7,366,504</u>	<u>\$7,195,489</u>	<u>\$23,021,819</u>	<u>\$22,374,282</u>

Total assets increased \$773,352, with the governmental activities accounting for \$747,148 of the increase. For the governmental activities, Equity in Pooled Cash and Cash Equivalents experienced the largest increase of \$562,903 after a successful effort to increase cash in 2005 by cutting excess and non-essential spending. An increase of \$197,350 in Due from Other Governments resulted from the City recording an Issue II paving receivable of \$212,886 and an estate tax receivable of \$12,637 which was not recorded in 2004. Offsetting those increases in Due from Other Governments is a decrease in the Federal Emergency Management Agency receivable recorded in 2004 for \$53,878. Also contributing to the increase in assets is a \$199,089 increase in Municipal Income Tax Receivable. Offsetting all of these increases in assets is a decrease in governmental activities capital assets of \$234,636. \$648,593 additions to capital assets were offset by \$882,731 in depreciation and \$498 in net changes for asset disposals.

For governmental activities, total liabilities increased \$270,626. Contracts payable for the outstanding Issue II paving project account for \$294,785 towards the increase, while debt payments and reductions in other long-term liabilities of \$25,005 offset the increase.

For business-type activities, no significant changes occurred in 2005. Total assets only increased \$26,204; similarly, the current and other liabilities only increased \$5,550. Long-term liabilities decreased \$150,361 from debt payments and reductions of the sick leave benefits payable.

Table 2 shows the changes in net assets for the year ended December 31, 2005, and comparisons to 2004.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

(Table 2)
 Changes in Net Assets

	Governmental Activities 2005	Business- Type Activities 2005	Total 2005	Governmental Activities 2004	Business- Type Activities 2004	Total 2004
Revenues						
Program Revenues						
Charges for Services	\$401,162	\$2,418,719	\$2,819,881	\$340,424	\$2,411,711	\$2,752,135
Operating Grants, Contributions and Interest Capital Grants and Contributions	360,985	0	360,985	373,586	0	373,586
	742,311	11,420	753,731	481,309	15,385	496,694
Total Program Revenues	1,504,458	2,430,139	3,934,597	1,195,319	2,427,096	3,622,415
General Revenues						
Property Taxes	311,975	0	311,975	273,363	0	273,363
Income Taxes	1,255,847	0	1,255,847	972,487	0	972,487
Franchise Fees	17,509	0	17,509	16,583	0	16,583
Grants and Entitlements	198,275	0	198,275	183,930	0	183,930
Investment Earnings	50,955	0	50,955	19,956	0	19,956
Donations	125	0	125	0	0	0
Gain on Sale of Capital Assets	0	0	0	0	200	200
Other	57,505	17,399	74,904	6,180	6,902	13,082
Total General Revenues	1,892,191	17,399	1,909,590	1,472,499	7,102	1,479,601
Total Revenues	3,396,649	2,447,538	5,844,187	2,667,818	2,434,198	5,102,016
Program Expenses						
General Government	563,229	0	563,229	524,456	0	524,456
Security of Persons and Property:						
Police	875,278	0	875,278	874,426	0	874,426
Fire	202,391	0	202,391	174,653	0	174,653
Public Health Services	35,172	0	35,172	34,853	0	34,853
Transportation	1,185,433	0	1,185,433	1,096,513	0	1,096,513
Leisure Time Activities:						
Senior Center	26,972	0	26,972	31,218	0	31,218
Parks	87,880	0	87,880	102,305	0	102,305
Pool	9,448	0	9,448	9,572	0	9,572
Intergovernmental	0	0	0	7,906	0	7,906
Interest and Fiscal Charges	4,324	0	4,324	5,895	0	5,895
Sanitation	0	578,630	578,630	0	476,181	476,181
Sewer	0	1,043,770	1,043,770	0	966,648	966,648
Water	0	584,123	584,123	0	550,071	550,071
Total Program Expenses	2,990,127	2,206,523	5,196,650	2,861,797	1,992,900	4,854,697
Increase (Deficiency)						
<i>Before Transfers</i>	406,522	241,015	647,537	(193,979)	441,298	247,319
Transfers	70,000	(70,000)	0	75,000	(75,000)	0
Increase (Decrease)						
<i>in Net Assets</i>	476,522	171,015	647,537	(118,979)	366,298	247,319
Net Assets Beginning of Year	15,178,793	7,195,489	15,178,793	15,297,772	6,829,191	15,178,793
Net Assets End of Year	\$15,655,315	\$7,366,504	\$15,826,330	\$15,178,793	\$7,195,489	\$15,426,112

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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 an increase of \$283,360, over 29%. 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 36% of the governmental expenses. During 2005, expenses for police and fire operations amounted to \$875,278 and \$202,391, 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 40% of the governmental expenses. Most of the expenses were related to street paving and patching expenses of \$308,958 and street lighting expenses of \$76,073, while depreciation accounted for \$716,585 in expenses.

Business-Type Activities

The City's business-type activities provide sanitation, water, and sewer 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 2005, program revenues exceeded expenses by \$76,078.

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 completed in 2005 at a cost of \$758,480. A total refurbishment of the existing 500,000 gallon water tank was also completed in 2005 for \$267,905. Loans were obtained from the Peoples Bank Corporation for the tank projects and will be repaid with Water Fund revenues.

The minimum sewer rate is \$12.78 for the first 3,000 gallons of water consumed. In 2005, the City spent \$8,282 in infrastructure improvements and \$171,930 for the Rockland Lift Station improvements that were not yet completed as of year end.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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 \$2,841,045 and expenditures of \$2,456,672. 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 2005. The City's street paving projects during 2005 amounted to \$302,016, a \$40,068 decrease from 2004's projects of \$342,084.

The fund balance of the General Fund increased \$342,748. A \$70,000 transfer was received from the Sanitation Enterprise Fund. The General Fund's Unreserved Fund Balance of \$749,680 represented 45% of current year expenditures. Most of this balance remains in the City's treasury and is invested.

During 2005, the Water Fund had operating revenues of \$653,660 (\$695,816 in 2004) and operating expenses of \$535,157 (\$511,575 in 2004). The Sewer Fund had operating revenues of \$1,127,350 (\$1,139,727 in 2004) and operating expenses of \$1,016,748 (\$953,938 in 2004). Utility rates remained the same in 2005.

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 2005, 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's ending unencumbered cash balance in the General Fund was \$252,017 above the final budgeted amount. The City received \$115,624 more in revenues than anticipated, especially in income taxes where revenues exceeded estimated amounts by almost \$109,000. The City also cut actual expenditures by \$120,777, reducing amounts in all programs.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Capital Assets and Debt Administration

Capital Assets

(Table 3)
 Capital Assets at December 31, 2005

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$2,024,318	\$2,024,318	\$250,754	\$250,754	\$2,275,072	\$2,275,072
Buildings and Improvements	1,735,574	1,801,536	615,247	626,090	2,350,821	2,427,626
Machinery and Equipment	239,333	277,579	475,498	498,862	714,831	776,441
Vehicles	371,982	111,420	45,887	59,624	417,869	171,044
Infrastructure:						
U.S. and State Roads	2,643,410	2,846,749	0	0	2,643,410	2,846,749
City Streets	6,452,419	6,917,787	0	0	6,452,419	6,917,787
Street Signals	268,081	287,653	0	0	268,081	287,653
Sewer System	0	0	2,791,057	2,872,065	2,791,057	2,872,065
Water System	0	0	3,235,209	2,254,490	3,235,209	2,254,490
Construction in Progress	302,016	4,727	202,487	1,050,690	504,503	1,055,417
Totals	\$14,037,133	\$14,271,769	\$7,616,139	\$7,612,575	\$21,653,272	\$21,884,344

The assets of the City are reported at historical cost, net of depreciation. The primary increase is in the water system infrastructure for the completion of the water storage tank projects. Also, under the vehicles category, the fire department acquired a \$340,000 platform truck. For additional information on capital assets, see Note 8 to the basic financial statements.

Debt

(Table 4)
 Outstanding Debt at December 31, 2005

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
City Building Loan	\$66,225	\$79,438	\$132,450	\$158,876	\$198,675	\$238,314
Property Loan	0	2,155	0	4,313	0	6,468
Backhoe Loan	0	857	0	1,717	0	2,574
Issue II Water Well Loan	0	0	66,527	70,023	66,527	70,023
Water Lines Loan	0	0	76,876	88,567	76,876	88,567
New Water Tank Loan	0	0	575,578	614,024	575,578	614,024
Refurbish Old Tank Loan	0	0	237,372	244,184	237,372	244,184
Sewer Treatment Plant Loan	0	0	368,996	412,136	368,996	412,136
Issue II Sewer Treatment Plant Loan	0	0	189,807	198,489	189,807	198,489
Issue II Paving Loan	5,672	16,849	0	0	5,672	16,849
Police Pension Liability	21,792	22,158	0	0	21,792	22,158
Totals	\$93,689	\$121,457	\$1,647,606	\$1,792,329	\$1,741,295	\$1,913,786

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

As shown above, the City had no bond issues outstanding but did have a pension liability and various loans payable at December 31, 2005, totaling \$1,741,295, of which \$155,323 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 six additional loans outstanding; one for police pensions, one for the city building, one for water lines, two for the water tanks, and one for the sewer treatment facility.

The city building loan is paid equally from three funds: General, Sewer, and Water. The General Fund 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 \$556,096, of which \$504,503 had been expended for a sewer digester improvement project, a sewer lift station project, and a paving project (see the contractual commitment Note 12).

The City's overall legal debt margin was \$10,394,003 at December 31, 2005. For additional information on debt, see Note 11 to the basic financial statements.

Current Finance Related Activities

As previously discussed, the year 2005 saw the completion of a new 500,000 gallon north water storage tank on Putnam Howe Drive and the total refurbishment of the neighboring 500,000 gallon south water tank. Loans were obtained from the Peoples Bank Corporation for the tank projects and will be repaid with Water Fund revenues.

The City also acquired a 1996 Pierce platform fire truck in 2005. This truck was purchased by the Belpre Volunteer Fire Fighters, Inc. and then donated to the City. The cost of this vehicle was \$340,000.

As 2005 ended, two major projects were in progress, but not yet completed. One is the overhauled and upgrade of the Rockland sewer lift station in the Sewer Enterprise Fund. The second is a major paving project to be funded by the Ohio Public Works Commission and by permissive motor vehicle license tax funds.

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.

City of Belpre, Ohio

Statement of Net Assets

December 31, 2005

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	Activities	Activities	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,122,273	\$1,257,706	\$2,379,979
Cash and Cash Equivalents in Segregated Accounts	10,820	0	10,820
Investments	0	50,000	50,000
Permissive Tax Receivable	3,056	0	3,056
Accounts Receivable	10,298	340,200	350,498
Accrued Interest Receivable	333	0	333
Due from Other Governments	496,967	44,109	541,076
Municipal Income Tax Receivable	464,466	0	464,466
Materials and Supplies Inventory	24,015	1,246	25,261
Prepaid Items	42,262	13,593	55,855
Property and Other Taxes Receivable	309,453	0	309,453
Non-Depreciable Capital Assets	2,326,334	453,241	2,779,575
Depreciable Capital Assets, Net	<u>11,710,799</u>	<u>7,162,898</u>	<u>18,873,697</u>
<i>Total Assets</i>	<u>16,521,076</u>	<u>9,322,993</u>	<u>25,844,069</u>
Liabilities			
Accounts Payable	24,818	39,307	64,125
Contracts Payable	294,785	57,090	351,875
Accrued Wages	36,084	16,945	53,029
Due to Other Governments	33,033	10,712	43,745
Deferred Revenue	295,099	0	295,099
Accrued Interest Payable	118	154	272
Retainage Payable	0	8,260	8,260
Vacation Benefits Payable	44,804	30,065	74,869
Due to Others	200	0	200
Customer Deposits Payable	0	129,576	129,576
Long-Term Liabilities:			
Due Within One Year	20,049	137,424	157,473
Due In More Than One Year	<u>116,771</u>	<u>1,526,956</u>	<u>1,643,727</u>
<i>Total Liabilities</i>	<u>865,761</u>	<u>1,956,489</u>	<u>2,822,250</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	13,965,236	5,964,233	19,929,469
Restricted for:			
Capital Projects	129,311	0	129,311
Transportation	337,814	0	337,814
Other Purposes	35,597	0	35,597
Unclaimed Monies	6,442	0	6,442
Unrestricted	<u>1,180,915</u>	<u>1,402,271</u>	<u>2,583,186</u>
<i>Total Net Assets</i>	<u>\$15,655,315</u>	<u>\$7,366,504</u>	<u>\$23,021,819</u>

See accompanying notes to the basic financial statements

City of Belpre, Ohio
Statement of Activities
For the Year Ended December 31, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government	\$563,229	\$175,461	\$500	\$0
Security of Persons and Property:				
Police	875,278	149,050	0	0
Fire	202,391	0	4,115	340,000
Public Health Services	35,172	14,424	11,299	0
Transportation	1,185,433	58,952	333,248	276,412
Leisure Time Activities:				
Senior Center	26,972	0	4,000	0
Parks	87,880	3,275	7,823	0
Pool	9,448	0	0	125,899
Interest and Fiscal Charges	4,324	0	0	0
<i>Total Governmental Activities</i>	2,990,127	401,162	360,985	742,311
Business-Type Activities				
Sanitation	578,630	654,708	0	0
Sewer	1,043,770	1,111,559	0	0
Water	584,123	652,452	0	11,420
<i>Total Business-Type Activities</i>	2,206,523	2,418,719	0	11,420
<i>Total</i>	\$5,196,650	\$2,819,881	\$360,985	\$753,731

General Revenues

Property Taxes Levied for General Purposes
Income Taxes Levied for General Purposes
Franchise Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Donations
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

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
(\$387,268)	\$0	(\$387,268)
(726,228)	0	(726,228)
141,724	0	141,724
(9,449)	0	(9,449)
(516,821)	0	(516,821)
(22,972)	0	(22,972)
(76,782)	0	(76,782)
116,451	0	116,451
(4,324)	0	(4,324)
(1,485,669)	0	(1,485,669)
0	76,078	76,078
0	67,789	67,789
0	79,749	79,749
0	223,616	223,616
(1,485,669)	223,616	(1,262,053)
311,975	0	311,975
1,255,847	0	1,255,847
17,509	0	17,509
198,275	0	198,275
50,955	0	50,955
125	0	125
57,505	17,399	74,904
1,892,191	17,399	1,909,590
70,000	(70,000)	0
1,962,191	(52,601)	1,909,590
476,522	171,015	647,537
15,178,793	7,195,489	22,374,282
<u>\$15,655,315</u>	<u>\$7,366,504</u>	<u>\$23,021,819</u>

City of Belpre, Ohio

Balance Sheet

Governmental Funds

December 31, 2005

	<u>General</u>	<u>Street</u>	<u>Issue II Paving</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$704,678	\$54,546	\$3,902	\$352,705	\$1,115,831
Cash and Cash Equivalents in Segregated Accounts	9,891	0	0	929	10,820
Restricted Cash	6,442	0	0	0	6,442
Receivables:					
Property and Other Taxes	309,453	0	0	0	309,453
Municipal Income Tax	464,466	0	0	0	464,466
Permissive Tax	0	0	0	3,056	3,056
Accounts	8,798	0	0	1,500	10,298
Accrued Interest	333	0	0	0	333
Due from Other Governments	113,870	157,439	212,886	12,772	496,967
Materials and Supplies Inventory	320	23,695	0	0	24,015
Prepaid Items	33,708	4,447	0	4,107	42,262
<i>Total Assets</i>	<u>\$1,651,959</u>	<u>\$240,127</u>	<u>\$216,788</u>	<u>\$375,069</u>	<u>\$2,483,943</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$19,256	\$4,091	\$0	\$1,471	\$24,818
Contracts Payable	0	0	213,376	81,409	294,785
Accrued Wages	29,842	6,242	0	0	36,084
Due to Other Governments	28,352	4,345	0	336	33,033
Deferred Revenue	632,937	107,176	0	8,696	748,809
Due to Others	200	0	0	0	200
<i>Total Liabilities</i>	<u>710,587</u>	<u>121,854</u>	<u>213,376</u>	<u>91,912</u>	<u>1,137,729</u>
Fund Balances					
Reserved for Encumbrances	184,930	4,719	0	649	190,298
Reserved for Inventory	320	23,695	0	0	24,015
Reserved for Unclaimed Monies	6,442	0	0	0	6,442
Unreserved, Undesignated, Reported in:					
General Fund	749,680	0	0	0	749,680
Special Revenue Funds	0	89,859	0	156,609	246,468
Capital Projects Funds	0	0	3,412	125,899	129,311
<i>Total Fund Balances</i>	<u>941,372</u>	<u>118,273</u>	<u>3,412</u>	<u>283,157</u>	<u>1,346,214</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,651,959</u>	<u>\$240,127</u>	<u>\$216,788</u>	<u>\$375,069</u>	<u>\$2,483,943</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, 2005*

Total Governmental Fund Balances \$1,346,214

*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. 14,037,133

Other long-term assets are not available to pay for current-
 period expenditures and therefore are deferred in the funds:

Investment Earnings	333	
Property Taxes	14,277	
Municipal Income Tax	256,863	
Intergovernmental Revenues	182,237	
Total	453,710	453,710

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

Police Pension Payable	(21,792)	
Accrued Interest Payable	(118)	
Loans Payable	(71,897)	
Compensated Absences Payable	(43,131)	
Vacation Benefits Payable	(44,804)	
Total	(181,742)	(181,742)

Net Assets of Governmental Activities \$15,655,315

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, 2005

	General	Street	Issue II Paving	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Taxes	\$310,073	\$0	\$0	\$0	\$310,073
Municipal Income Tax	1,050,969	0	0	0	1,050,969
Motor Vehicle License Tax	0	0	0	36,122	36,122
Charges for Services	171,930	22,726	0	3,275	197,931
Fines, Licenses and Permits	166,336	0	0	18,178	184,514
Intergovernmental	201,389	282,647	212,990	235,422	932,448
Investment Earnings	51,498	798	0	1,934	54,230
Donations	8,740	0	0	8,513	17,253
Other	14,369	31,295	0	11,841	57,505
<i>Total Revenues</i>	<u>1,975,304</u>	<u>337,466</u>	<u>212,990</u>	<u>315,285</u>	<u>2,841,045</u>
Expenditures					
Current:					
General Government	540,892	0	0	0	540,892
Security of Persons and Property:					
Police	818,512	0	0	13,561	832,073
Fire	144,804	0	0	0	144,804
Public Health Services	34,803	0	0	0	34,803
Transportation	76,073	318,219	215,880	167,162	777,334
Leisure Time Activities:					
Senior Center	24,781	0	0	0	24,781
Parks	0	0	0	52,236	52,236
Pool	0	0	0	600	600
Capital Outlay	17,423	0	0	0	17,423
Debt Service:					
Principal Retirement	16,225	0	0	11,177	27,402
Interest and Fiscal Charges	4,043	0	0	281	4,324
<i>Total Expenditures</i>	<u>1,677,556</u>	<u>318,219</u>	<u>215,880</u>	<u>245,017</u>	<u>2,456,672</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>297,748</u>	<u>19,247</u>	<u>(2,890)</u>	<u>70,268</u>	<u>384,373</u>
Other Financing Sources (Uses)					
Transfers In	70,000	0	0	25,000	95,000
Transfers Out	(25,000)	0	0	0	(25,000)
<i>Total Other Financing Sources (Uses)</i>	<u>45,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>70,000</u>
<i>Net Change in Fund Balances</i>	342,748	19,247	(2,890)	95,268	454,373
<i>Fund Balances Beginning of Year - Restated (see Note 4)</i>	598,897	80,236	6,302	187,889	873,324
Increase (Decrease) in Reserve for Inventory	(273)	18,790	0	0	18,517
<i>Fund Balances End of Year</i>	<u>\$941,372</u>	<u>\$118,273</u>	<u>\$3,412</u>	<u>\$283,157</u>	<u>\$1,346,214</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, 2005*

Net Change in Fund Balances - Total Governmental Funds \$454,373

*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	308,593	
Capital Contribution	340,000	
Depreciation	(882,731)	
Excess of Depreciation Expense over Capital Outlay	(234,138)	(234,138)

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 loss on disposal of assets. (498)

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

Investment Earnings	(543)	
Property and Other Taxes	1,902	
Municipal Income Tax	204,878	
Estate Taxes	3,159	
Grants	(18,452)	
State Shared Revenues	20,019	
Tax Reimbursements	4,641	
Total	215,604	215,604

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities
in the statement of net assets. 27,768

Interest is reported as a program expenditure when due in the governmental
funds, but is accrued on outstanding debt on the statement of activities. 2

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	18,517	
Vacation Benefits Payable	(2,343)	
Compensated Absences Payable - Sick	(2,763)	
Total	13,411	13,411

Change in Net Assets of Governmental Activities \$476,522

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property and Other Taxes	\$272,553	\$272,553	\$310,048	\$37,495
Municipal Income Tax	950,412	950,412	1,059,368	108,956
Charges for Services	170,846	170,846	171,940	1,094
Fines, Licenses and Permits	179,273	179,273	164,041	(15,232)
Intergovernmental	251,816	251,816	194,472	(57,344)
Investment Earnings	18,500	18,500	47,175	28,675
Donations	6,500	6,500	8,740	2,240
Other	5,000	5,000	14,740	9,740
<i>Total Revenues</i>	1,854,900	1,854,900	1,970,524	115,624
Expenditures				
Current:				
General Government	564,948	564,948	539,704	25,244
Security of Persons and Property:				
Police	869,326	869,326	821,721	47,605
Fire	153,705	153,705	143,932	9,773
Public Health Services	42,933	42,933	37,214	5,719
Transportation	83,229	83,229	82,953	276
Leisure Time Activities - Senior Center	25,980	25,980	25,205	775
Capital Outlay	225,026	225,026	195,095	29,931
Debt Service:				
Principal Retirement	18,135	18,135	17,178	957
Interest and Fiscal Charges	5,023	5,023	4,526	497
<i>Total Expenditures</i>	1,988,305	1,988,305	1,867,528	120,777
<i>Excess of Revenues Over (Under) Expenditures</i>	(133,405)	(133,405)	102,996	236,401
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	201	201
Transfers In	134,000	134,000	70,000	(64,000)
Transfers Out	(104,415)	(104,415)	(25,000)	79,415
<i>Total Other Financing Sources (Uses)</i>	29,585	29,585	45,201	15,616
<i>Net Change in Fund Balance</i>	(103,820)	(103,820)	148,197	252,017
<i>Fund Balance Beginning of Year</i>	350,955	350,955	350,955	0
Prior Year Encumbrances Appropriated	12,862	12,862	12,862	0
<i>Fund Balance End of Year</i>	\$259,997	\$259,997	\$512,014	\$252,017

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Revenues				
Charges for Services	\$20,400	\$20,400	\$22,726	\$2,326
Intergovernmental	229,752	229,752	264,598	34,846
Investment Earnings	150	150	730	580
Other	19,143	19,143	31,354	12,211
<i>Total Revenues</i>	269,445	269,445	319,408	49,963
Expenditures				
Current:				
Transportation	353,344	353,344	325,306	28,038
<i>Excess of Revenues Under Expenditures</i>	(83,899)	(83,899)	(5,898)	78,001
Other Financing Sources				
Transfers In	77,000	77,000	0	(77,000)
<i>Net Change in Fund Balance</i>	(6,899)	(6,899)	(5,898)	1,001
<i>Fund Balance Beginning of Year</i>	33,136	33,136	33,136	0
Prior Year Encumbrances Appropriated	5,630	5,630	5,630	0
<i>Fund Balance End of Year</i>	<u>\$31,867</u>	<u>\$31,867</u>	<u>\$32,868</u>	<u>\$1,001</u>

See accompanying notes to the basic financial statements

City of Belpre, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2005

	<u>Sanitation</u>	<u>Sewer</u>	<u>Water</u>	<u>Total Enterprise Funds</u>
Assets				
Current:				
Equity in Pooled Cash and Cash Equivalents	\$291,029	\$485,743	\$401,358	\$1,178,130
Accounts Receivable	82,310	169,384	88,506	340,200
Due from Other Governments	0	44,109	0	44,109
Materials and Supplies Inventory	0	1,144	102	1,246
Restricted Assets:				
Customer Deposits	0	0	79,576	79,576
Investments	0	0	50,000	50,000
Prepaid Items	1,134	6,246	6,213	13,593
<i>Total Current Assets</i>	<u>374,473</u>	<u>706,626</u>	<u>625,755</u>	<u>1,706,854</u>
Noncurrent:				
Non-Depreciable Capital Assets	0	281,292	171,949	453,241
Depreciable Capital Assets, Net	0	3,509,783	3,653,115	7,162,898
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>3,791,075</u>	<u>3,825,064</u>	<u>7,616,139</u>
<i>Total Assets</i>	<u>374,473</u>	<u>4,497,701</u>	<u>4,450,819</u>	<u>9,322,993</u>
Liabilities				
Current:				
Accounts Payable	21,656	12,984	4,667	39,307
Contracts Payable	0	58,165	1,075	59,240
Accrued Wages	298	12,418	4,229	16,945
Retainage Payable	0	8,260	0	8,260
Accrued Interest Payable	0	154	0	154
Vacation Benefits Payable	1,184	20,005	8,876	30,065
Due to Other Governments	200	7,688	2,824	10,712
Issue II Loans Payable	0	4,406	1,774	6,180
Loans Payable	0	59,447	69,647	129,094
Customer Deposits	0	0	129,576	129,576
<i>Total Current Liabilities</i>	<u>23,338</u>	<u>183,527</u>	<u>222,668</u>	<u>429,533</u>
Long-Term:				
Compensated Absences Payable	416	10,346	1,712	12,474
Contracts Payable	0	1,075	1,075	2,150
Issue II Loans Payable	0	185,401	64,753	250,154
Loans Payable	0	375,774	886,404	1,262,178
<i>Total Long-Term Liabilities</i>	<u>416</u>	<u>572,596</u>	<u>953,944</u>	<u>1,526,956</u>
<i>Total Liabilities</i>	<u>23,754</u>	<u>756,123</u>	<u>1,176,612</u>	<u>1,956,489</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	0	3,163,897	2,800,336	5,964,233
Unrestricted	350,719	577,681	473,871	1,402,271
<i>Total Net Assets</i>	<u>\$350,719</u>	<u>\$3,741,578</u>	<u>\$3,274,207</u>	<u>\$7,366,504</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, 2005*

	Sanitation	Sewer	Water	Total Enterprise Funds
Operating Revenues				
Charges for Services	\$654,708	\$1,111,559	\$652,452	\$2,418,719
Other Operating Revenues	400	15,791	1,208	17,399
<i>Total Operating Revenues</i>	<u>655,108</u>	<u>1,127,350</u>	<u>653,660</u>	<u>2,436,118</u>
Operating Expenses				
Salaries and Wages	7,530	284,494	107,939	399,963
Fringe Benefits	2,947	114,996	45,326	163,269
Contractual Services	564,377	369,277	179,770	1,113,424
Materials and Supplies	3,776	96,217	101,457	201,450
Depreciation	0	151,764	100,665	252,429
<i>Total Operating Expenses</i>	<u>578,630</u>	<u>1,016,748</u>	<u>535,157</u>	<u>2,130,535</u>
<i>Operating Income</i>	76,478	110,602	118,503	305,583
Non-Operating Expenses				
Interest and Fiscal Charges	0	(27,022)	(48,966)	(75,988)
<i>Income Before Contributions and Transfers</i>	76,478	83,580	69,537	229,595
Capital Contributions	0	0	11,420	11,420
Transfers Out	(70,000)	0	0	(70,000)
<i>Change in Net Assets</i>	6,478	83,580	80,957	171,015
<i>Net Assets Beginning of Year</i>	<u>344,241</u>	<u>3,657,998</u>	<u>3,193,250</u>	<u>7,195,489</u>
<i>Net Assets End of Year</i>	<u>\$350,719</u>	<u>\$3,741,578</u>	<u>\$3,274,207</u>	<u>\$7,366,504</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, 2005

	Sanitation	Sewer	Water	Total Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$624,866	\$1,038,876	\$655,206	\$2,318,948
Cash Payments for Employee Services and Benefits	(10,285)	(398,586)	(153,619)	(562,490)
Cash Payments to Suppliers for Goods and Services	(567,293)	(464,399)	(289,949)	(1,321,641)
Other Operating Revenues	400	16,333	1,208	17,941
Other Non-Operating Revenues	0	71,747	0	71,747
Customer Deposits Received	0	0	10,975	10,975
Customer Deposits Returned	0	0	(3,365)	(3,365)
<i>Net Cash Provided by Operating Activities</i>	<u>47,688</u>	<u>263,971</u>	<u>220,456</u>	<u>532,115</u>
Cash Flows from Noncapital Financing Activities:				
Transfers Out	(70,000)	0	0	(70,000)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	0	(148,644)	(112,109)	(260,753)
Proceeds from Sale of Capital Assets	0	200	0	200
Principal Paid on Debt	0	(71,275)	(77,748)	(149,023)
Interest Paid on Debt	0	(27,314)	(50,315)	(77,629)
Capital Contributions	0	0	11,420	11,420
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>0</u>	<u>(247,033)</u>	<u>(228,752)</u>	<u>(475,785)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(22,312)	16,938	(8,296)	(13,670)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>313,341</u>	<u>468,805</u>	<u>489,230</u>	<u>1,271,376</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$291,029</u>	<u>\$485,743</u>	<u>\$480,934</u>	<u>\$1,257,706</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
<i>Operating Income</i>	\$76,478	\$110,602	\$118,503	\$305,583
Adjustments:				
Depreciation	0	151,764	100,665	252,429
Other Non-Operating Revenues	0	71,747	0	71,747
(Increase)/Decrease in Assets:				
Accounts Receivable	(29,842)	(28,032)	(4,634)	(62,508)
Intergovernmental Receivable	0	(44,109)	0	(44,109)
Materials and Supplies Inventory	0	(32)	126	94
Prepaid Items	(82)	(691)	(688)	(1,461)
Increase/(Decrease) in Liabilities:				
Accounts Payable	1,419	1,893	(272)	3,040
Accrued Wages	7	(300)	122	(171)
Compensated Absences Payable	8	(557)	(789)	(1,338)
Customer Deposits	0	0	7,410	7,410
Vacation Benefits Payable	175	1,729	243	2,147
Due to Other Governments	(475)	(43)	(230)	(748)
<i>Net Cash Provided by Operating Activities</i>	<u>\$47,688</u>	<u>\$263,971</u>	<u>\$220,456</u>	<u>\$532,115</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. The repayment occurred during 2005.

City of Belpre, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2005

Assets	
Equity Pooled in Cash and Cash Equivalents	\$110,100
Cash and Cash Equivalents in Segregated Accounts	<u>2,513</u>
<i>Total Assets</i>	<u><u>\$112,613</u></u>
 Liabilities	
Contracts Payable	\$20,217
Due to Other Governments	91,681
Due to Others	<u>715</u>
<i>Total Liabilities</i>	<u><u>\$112,613</u></u>

See accompanying notes to the basic financial statements

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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, 2005

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.

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.

Issue II Paving Fund This fund accounts for revenues from the Ohio Public Works Commission that are used for street paving projects within 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, 2005

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, pass through grants for paving projects, 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, 2005

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, 2005, but which were levied to finance year 2006 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, 2005

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 2005, 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 2005 amounted to \$51,498, which includes \$40,504 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, 2005

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, 2005, 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 enterprise 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.

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:

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Description	Governmental Activities Estimated Lives	Business-Type Activities 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.

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

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 \$509,164 of restricted net assets, of which \$23,047 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, and law enforcement.

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.

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 Balance - 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:

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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, segregated accounts, and prepaid items are reported on the balance sheet (GAAP) but not on the budgetary basis.

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	\$342,748	\$19,247
Net Adjustment for Revenue Accruals	(81)	(3,029)
Beginning of Year:		
Unrecorded Cash	4,278	68
Prepaid Items	31,167	4,165
Segregated Accounts	7,550	0
End of Year:		
Unrecorded Cash	(6,435)	(15,097)
Prepaid Items	(33,708)	(4,447)
Segregated Accounts	(9,891)	0
Debt Service:		
Principal Retirement	(953)	0
Interest and Fiscal Charges	(483)	0
Net Adjustment for Expenditure Accruals	6,476	(224)
Encumbrances	(192,471)	(6,581)
Budget Basis	\$148,197	(\$5,898)

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

A. Changes in Accounting Principles

For 2005, the City has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."

GASB Statement No. 40 establishes new disclosure requirements for risks associated with deposits and investments.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 42 did not affect the presentation of the financial statements of the City.

B. Restatement of Prior Year Balances

During 2005, the City restructured their fund classification by combining the Capital Improvements Major Capital Projects Fund with the General Fund. This had the following effect on fund balance as it was previously reported at December 31, 2004:

	General Fund	Capital Improvement Fund
Fund Balances as Previously Reported	\$440,172	\$158,725
Fund Reclassification	158,725	(158,725)
Fund Balances - December 31, 2004	\$598,897	\$0

Note 5 - Deposits and Investments

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

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

Inactive deposits are public deposits that 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 (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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;

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the City has not purchased these types of investments or issued these types of notes. 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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the City's deposits was \$2,553,212 and the bank balance was \$2,647,759. Of the bank balance \$364,012 was covered by Federal depository insurance and \$2,283,747 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the City's name.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 6 - Receivables

Receivables at December 31, 2005, 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.

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 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

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. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. 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, 2005, 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	\$91,353,340
Public Utility Property	2,818,600
Tangible Personal Property	6,764,730
	<u>\$100,936,670</u>

City of Belpre, Ohio
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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, 2005, 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 2005 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.

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 allocated to the General Fund.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Issue II	\$212,886
Local Government	75,354
Gasoline Tax	82,162
Excise Tax	46,300
Motor Vehicle License Tax	41,749
Public Utility Reimbursements	1,216
Rollback and Homestead	16,112
Estate Tax	12,637
Personal Property Tax Exemption	2,295
Medicare and Medicaid Reimbursements	6,256
	<u>496,967</u>
Business-Type Activities	
Sewer Services to Washington County	44,109
	<u><u>\$541,076</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 2005, the City contracted with Arch Insurance Company for various types of insurance as follows:

City of Belpre, Ohio
Notes to the Basic Financial Statements
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Type of Coverage	Limit	Aggregate	Deductible
Property:			
Building and Contents	\$12,342,150		\$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
Liability:			
Umbrella	2,000,000 per Occurrence	\$2,000,000	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
Vehicle:			
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
Crime:			
Inside/Outside	25,000		250
Employee Dishonesty Blanket	100,000		250
Forgery and Alterations	100,000		250
Optional Tax	10,000		250
Inland Marine:			
Property not Licensed for Highway Use	1,481,409		500
Miscellaneous Equipment	150,000		1,000
Emergency Portable Equipment	130,000		1,000
Canine	10,000		500
Rented Equipment	50,000		0

City of Belpre, Ohio
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For the Year Ended December 31, 2005

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 Workers' 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, 2005, was as follows:

	Balance 12/31/04	Increases	Decreases	Balance 12/31/05
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$2,024,318	\$0	\$0	\$2,024,318
Construction in Progress	4,727	297,289	0	302,016
Total Capital Assets not being Depreciated	<u>2,029,045</u>	<u>297,289</u>	<u>0</u>	<u>2,326,334</u>
Capital Assets being Depreciated:				
Buildings and Improvements	3,019,281	9,403	0	3,028,684
Machinery and Equipment	1,033,064	1,901	12,234	1,022,731
Vehicles	1,426,687	340,000	0	1,766,687
U.S. and State Roads	6,100,176	0	0	6,100,176
City Streets	13,962,384	0	0	13,962,384
Street Signals	585,718	0	0	585,718
Total Capital Assets being Depreciated	<u>26,127,310</u>	<u>351,304</u>	<u>12,234</u>	<u>26,466,380</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,217,745)	(75,365)	0	(1,293,110)
Machinery and Equipment	(755,485)	(39,649)	(11,736)	(783,398)
Vehicles	(1,315,267)	(79,438)	0	(1,394,705)
U.S. and State Roads	(3,253,427)	(203,339)	0	(3,456,766)
City Streets	(7,044,597)	(465,368)	0	(7,509,965)
Street Signals	(298,065)	(19,572)	0	(317,637)
Total Accumulated Depreciation	<u>(13,884,586)</u>	<u>(882,731) *</u>	<u>(11,736)</u>	<u>(14,755,581)</u>
Total Capital Assets being Depreciated, Net	<u>12,242,724</u>	<u>(531,427)</u>	<u>498</u>	<u>11,710,799</u>
Governmental Activities Capital Assets, Net	<u>\$14,271,769</u>	<u>(\$234,138)</u>	<u>\$498</u>	<u>\$14,037,133</u>

During 2005, the Belpre Volunteer Fire Fighters, Inc., donated to the City of Belpre a \$340,000 1996 Pierce 100 foot platform truck.

* Depreciation expense was charged to governmental programs as follows:

General Government	\$13,006
Security of Persons and Property:	
Police	39,194
Fire	57,491
Public Health Services	369
Transportation	716,585
Leisure Time Activities:	
Senior Center	2,191
Parks	45,047
Pool	8,848
Total Depreciation Expense	<u>\$882,731</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

	Balance 12/31/04	Increases	Decreases	Balance 12/31/05
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$250,754	\$0	\$0	\$250,754
Construction in Progress	1,050,690	178,182	1,026,385	202,487
Total Capital Assets not being Depreciated	<u>1,301,444</u>	<u>178,182</u>	<u>1,026,385</u>	<u>453,241</u>
Capital Assets being Depreciated:				
Buildings and Improvements	789,777	4,074	0	793,851
Machinery and Equipment	1,632,565	38,174	0	1,670,739
Vehicles	140,850	0	0	140,850
Infrastructure	7,963,914	1,061,948	0	9,025,862
Total Capital Assets being Depreciated	<u>10,527,106</u>	<u>1,104,196</u>	<u>0</u>	<u>11,631,302</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(163,687)	(14,917)	0	(178,604)
Machinery and Equipment	(1,133,703)	(61,538)	0	(1,195,241)
Vehicles	(81,226)	(13,737)	0	(94,963)
Infrastructure	(2,837,359)	(162,237)	0	(2,999,596)
Total Accumulated Depreciation	<u>(4,215,975)</u>	<u>(252,429)</u>	<u>0</u>	<u>(4,468,404)</u>
Total Capital Assets being Depreciated, Net	<u>6,311,131</u>	<u>851,767</u>	<u>0</u>	<u>7,162,898</u>
Business-Type Activities Capital Assets, Net	<u>\$7,612,575</u>	<u>\$1,029,949</u>	<u>\$1,026,385</u>	<u>\$7,616,139</u>

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 American United 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
For the Year Ended December 31, 2005

Note 10 - Interfund Activity

Interfund transfers for the year ended December 31, 2005, consisted of the following:

Transfers to	Transfers from		
	General	Sanitation	Total
General	\$0	\$70,000	\$70,000
Parks and Recreation	25,000	0	25,000
	\$25,000	\$70,000	\$95,000

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.

The transfer from the General Fund to the Parks and Recreation Special Revenue Fund was made to supplement a revenue shortfall. After making all required expenses from the Sanitation Enterprise Fund, the City made its yearly transfer to the General Fund for \$70,000 to supplement expenditures.

Note 11 - Long-Term Obligations

A schedule of changes in long-term obligations of the City during 2005 follows:

	Principal Outstanding 12/31/04	Additions	Deletions	Principal Outstanding 12/31/05	Amounts Due in One Year
Governmental Activities:					
Backhoe Loan - 6.75%	\$857	\$0	\$857	\$0	\$0
Property Loan - 6.00%	2,155	0	2,155	0	0
City Building Loan - 5.42%	79,438	0	13,213	66,225	13,995
Issue II Paving Loan - 2%	16,849	0	11,177	5,672	5,672
Total Loans	99,299	0	27,402	71,897	19,667
Police Pension	22,158	0	366	21,792	382
Compensated Absences - Sick	40,368	2,763	0	43,131	0
Total Governmental Activities	\$161,825	\$2,763	\$27,768	\$136,820	\$20,049
Business-Type Activities:					
Backhoe Loan - 6.75%	\$1,717	\$0	\$1,717	\$0	\$0
Property Loan - 6.00%	4,313	0	4,313	0	0
City Building Loan - 5.42%	158,876	0	26,426	132,450	27,988
Issue II Water Well - 2%	70,023	0	3,496	66,527	1,774
Water Lines Loan - 6.04%	88,567	0	11,691	76,876	11,382
New Water Tank Loan - 4.52%	614,024	0	38,446	575,578	37,048
Repaint Old Water Tank Loan - 4.75%	244,184	0	6,812	237,372	7,223
Issue II Treatment Plant - 2%	198,489	0	8,682	189,807	4,406
Treatment Plant Loan - 4.89%	412,136	0	43,140	368,996	45,453
Total Loans	1,792,329	0	144,723	1,647,606	135,274
Contract Payable	8,600	0	4,300	4,300	2,150
Compensated Absences - Sick	13,812	0	1,338	12,474	0
Total Business-Type Activities	\$1,814,741	\$0	\$150,361	\$1,664,380	\$137,424

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 of any employee's intent to retire in 2006, no amounts for sick leave benefits liability are considered to be due within one year.

The General 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 are equally paid from three funds as follows: from income tax revenues of the General 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.

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's overall legal debt margin was \$10,394,003 at December 31, 2005.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Principal and interest requirements to retire the police pension liability at December 31, 2005, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$382	\$922	\$1,304
2007	398	906	1,304
2008	416	888	1,304
2009	433	871	1,304
2010	452	852	1,304
2011-2035	19,711	12,178	31,889
	<u>\$21,792</u>	<u>\$16,617</u>	<u>\$38,409</u>

Principal and interest requirements to retire the city building loan, paid equally from the General, Sewer, and Water Funds, at December 31, 2005, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$41,983	\$9,736	\$51,719
2007	44,316	7,403	51,719
2008	46,779	4,940	51,719
2009	49,378	2,341	51,719
2010	16,219	178	16,397
	<u>\$198,675</u>	<u>\$24,598</u>	<u>\$223,273</u>

Principal and interest requirements to retire the Issue II paving loan at December 31, 2005, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$5,672	\$57	\$5,729

Principal and interest requirements to retire the Issue II water well loan at December 31, 2005, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$1,774	\$665	\$2,439
2007	3,602	1,277	4,879
2008	3,675	1,205	4,880
2009	3,748	1,131	4,879
2010	3,823	1,056	4,879
2011-2015	20,302	4,093	24,395
2016-2020	22,427	1,969	24,396
2021-2022	7,176	144	7,320
	<u>\$66,527</u>	<u>\$11,540</u>	<u>\$78,067</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Principal and interest requirements to retire the water lines loan at December 31, 2005, are as follows:

Year	Principal	Interest	Total
2006	\$11,382	\$3,973	\$15,355
2007	13,155	3,595	16,750
2008	13,972	2,779	16,751
2009	14,839	1,911	16,750
2010	15,761	989	16,750
2011	7,767	131	7,898
	<u>\$76,876</u>	<u>\$13,378</u>	<u>\$90,254</u>

Principal and interest requirements to retire the new water storage tank loan at December 31, 2005, are as follows:

Year	Principal	Interest	Total
2006	\$37,048	\$23,156	\$60,204
2007	42,203	23,474	65,677
2008	44,151	21,527	65,678
2009	46,188	19,489	65,677
2010	48,319	17,358	65,677
2011-2015	277,176	51,211	328,387
2016-2017	80,493	2,473	82,966
	<u>\$575,578</u>	<u>\$158,688</u>	<u>\$734,266</u>

Principal and interest requirements to retire the old water storage tank loan at December 31, 2005, are as follows:

Year	Principal	Interest	Total
2006	\$7,223	\$10,194	\$17,417
2007	8,246	10,754	19,000
2008	8,646	10,354	19,000
2009	9,066	9,934	19,000
2010	9,506	9,494	19,000
2011-2015	54,919	40,081	95,000
2016-2020	69,608	25,392	95,000
2021-2025	70,158	7,135	77,293
	<u>\$237,372</u>	<u>\$123,338</u>	<u>\$360,710</u>

Principal and interest requirements to retire the Issue II treatment plant loan at December 31, 2005, are as follows:

Year	Principal	Interest	Total
2006	\$4,406	\$1,898	\$6,304
2007	8,945	3,664	12,609
2008	9,125	3,484	12,609
2009	9,308	3,300	12,608
2010	9,495	3,113	12,608
2011-2015	50,419	12,626	63,045
2016-2020	55,693	7,350	63,043
2021-2024	42,416	1,712	44,128
	<u>\$189,807</u>	<u>\$37,147</u>	<u>\$226,954</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Principal and interest requirements to retire the sewer treatment plant loan at December 31, 2005, are as follows:

Year	Principal	Interest	Total
2006	\$45,453	\$17,034	\$62,487
2007	47,726	14,761	62,487
2008	50,112	12,374	62,486
2009	52,619	9,868	62,487
2010	55,250	7,237	62,487
2011-2012	117,836	6,045	123,881
	\$368,996	\$67,319	\$436,315

Note 12 - Contractual Commitments

As of December 31, 2005, the City had contractual commitments for the following projects:

	Contractual Commitment	Expended	Balance Remaining
Permissive Tax Special Revenue Fund and Issue II			
Paving Capital Projects Fund:			
2004 Paving Project	\$311,425	\$302,016	\$9,409
Sewer Enterprise Fund:			
Rockland Lift Station	228,571	198,080	30,491
Sewer Digester Improvements	16,100	4,407	11,693
Total Sewer Fund	244,671	202,487	42,184
Total	\$556,096	\$504,503	\$51,593

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 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 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional 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 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 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

For the year ended December 31, 2005, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The employer contribution rate for pension benefits for 2005 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003, were \$90,054, \$85,138, and \$50,137, respectively; 66.61 percent has been contributed for 2005 and 100 percent for 2004 and 2003. There were no member-directed plan contributions for 2005 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 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 benefits while the employer 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 OP&F for police and firefighters were \$60,947 and \$6,967 for the year ended December 31, 2005, \$59,322 and \$6,261 for the year ended December 31, 2004, and \$62,374 and \$6,030 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 78.78 percent and 71.55 percent has been contributed for 2005.

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 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 the retirement system is considered an Other Postemployment Benefit 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 2005 local government employer contribution rate was 13.55 percent of covered payroll; 4 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, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 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.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

The number of active contributing participants in the traditional and combined plans was 376,109. Actual City contributions for 2005 which were used to fund postemployment benefits were \$37,719. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 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. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

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 2005 and 2004. 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 2005 that were used to fund postemployment health care benefits were \$40,199 for police and \$3,323 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 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

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 2005, 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 2005, 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 party to legal proceedings seeking damages against the City as confirmed by the City Law Director. See Note 17 for more information.

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, 2005, 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.

Note 17 - Subsequent Event

During 2005, the Food and Commercial Workers Union filed suit on behalf of a former Belpre police officer in an effort to have him re-hired by the City. In June 2006, the case was settled, with the officer resigning and the City agreeing to pay \$10,000 for a final settlement.

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. 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.

Nonmajor Capital Projects Fund

Pool Construction - To account for State grants and donations for the future construction of a new City municipal swimming pool.

City of Belpre, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Special Revenue			
	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
Assets				
Equity in Pooled Cash and Cash Equivalents	\$141,931	\$54,123	\$6,825	\$766
Cash and Cash Equivalent in Segregated Accounts	0	0	0	44
Permissive Tax Receivable	3,056	0	0	0
Accounts Receivable	0	0	0	0
Due from Other Governments	0	12,772	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	\$144,987	\$66,895	\$6,825	\$810
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$116	\$0	\$0
Contracts Payable	81,409	0	0	0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	8,696	0	0
<i>Total Liabilities</i>	81,409	8,812	0	0
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated, Reported in Special Revenue Funds	63,578	58,083	6,825	810
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	63,578	58,083	6,825	810
<i>Total Liabilities and Fund Balances</i>	\$144,987	\$66,895	\$6,825	\$810

<u>Funds</u>					
<u>Mayor's Court Computerization</u>	<u>Clerk Computerization</u>	<u>Parks and Recreation</u>	<u>Pool</u>	<u>Pool Construction Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$481	\$2,690	\$17,404	\$2,586	\$125,899	\$352,705
204	681	0	0	0	929
0	0	0	0	0	3,056
0	0	1,500	0	0	1,500
0	0	0	0	0	12,772
0	0	4,107	0	0	4,107
<u>\$685</u>	<u>\$3,371</u>	<u>\$23,011</u>	<u>\$2,586</u>	<u>\$125,899</u>	<u>\$375,069</u>
\$0	\$0	\$1,335	\$20	\$0	1,471
0	0	0	0	0	81,409
0	0	336	0	0	336
0	0	0	0	0	8,696
<u>0</u>	<u>0</u>	<u>1,671</u>	<u>20</u>	<u>0</u>	<u>91,912</u>
0	0	649	0	0	649
685	3,371	20,691	2,566	0	156,609
0	0	0	0	125,899	125,899
<u>685</u>	<u>3,371</u>	<u>21,340</u>	<u>2,566</u>	<u>125,899</u>	<u>283,157</u>
<u>\$685</u>	<u>\$3,371</u>	<u>\$23,011</u>	<u>\$2,586</u>	<u>\$125,899</u>	<u>\$375,069</u>

City of Belpre, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Special Revenue			
	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
Revenues				
Motor Vehicle License Tax	\$36,122	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	4,676	350
Intergovernmental	63,526	22,919	0	0
Investment Earnings	0	1,725	0	0
Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>99,648</u>	<u>24,644</u>	<u>4,676</u>	<u>350</u>
Expenditures				
Current:				
Security of Persons and Property - Police	0	0	0	0
Transportation	81,409	27,026	0	0
Leisure Time Activities:				
Parks	0	0	0	0
Pool	0	0	0	0
Debt Service:				
Principal Retirement	11,177	0	0	0
Interest and Fiscal Charges	281	0	0	0
<i>Total Expenditures</i>	<u>92,867</u>	<u>27,026</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	6,781	(2,382)	4,676	350
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	6,781	(2,382)	4,676	350
<i>Fund Balances Beginning of Year</i>	<u>56,797</u>	<u>60,465</u>	<u>2,149</u>	<u>460</u>
<i>Fund Balances End of Year</i>	<u><u>\$63,578</u></u>	<u><u>\$58,083</u></u>	<u><u>\$6,825</u></u>	<u><u>\$810</u></u>

Funds

Mayor's Court Computerization	Clerk Computerization	Federal Emergency Management Agency	Parks and Recreation	Pool	Pool Construction Capital Projects	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$36,122
0	0	0	3,275	0	0	3,275
294	12,858	0	0	0	0	18,178
0	0	23,977	0	0	125,000	235,422
0	0	0	0	0	209	1,934
0	0	0	7,823	0	690	8,513
0	0	0	11,841	0	0	11,841
<u>294</u>	<u>12,858</u>	<u>23,977</u>	<u>22,939</u>	<u>0</u>	<u>125,899</u>	<u>315,285</u>
2,461	11,100	0	0	0	0	13,561
0	0	58,727	0	0	0	167,162
0	0	0	52,236	0	0	52,236
0	0	0	0	600	0	600
0	0	0	0	0	0	11,177
0	0	0	0	0	0	281
<u>2,461</u>	<u>11,100</u>	<u>58,727</u>	<u>52,236</u>	<u>600</u>	<u>0</u>	<u>245,017</u>
(2,167)	1,758	(34,750)	(29,297)	(600)	125,899	70,268
<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
(2,167)	1,758	(34,750)	(4,297)	(600)	125,899	95,268
<u>2,852</u>	<u>1,613</u>	<u>34,750</u>	<u>25,637</u>	<u>3,166</u>	<u>0</u>	<u>187,889</u>
<u>\$685</u>	<u>\$3,371</u>	<u>\$0</u>	<u>\$21,340</u>	<u>\$2,566</u>	<u>\$125,899</u>	<u>\$283,157</u>

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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
Revenues				
Property and Other Taxes	\$272,553	\$272,553	\$310,048	\$37,495
Municipal Income Tax	950,412	950,412	1,059,368	108,956
Charges for Services	170,846	170,846	171,940	1,094
Fines, Licenses and Permits	179,273	179,273	164,041	(15,232)
Intergovernmental	251,816	251,816	194,472	(57,344)
Investment Earnings	18,500	18,500	47,175	28,675
Donations	6,500	6,500	8,740	2,240
Other	5,000	5,000	14,740	9,740
<i>Total Revenues</i>	<u>1,854,900</u>	<u>1,854,900</u>	<u>1,970,524</u>	<u>115,624</u>
Expenditures				
Current:				
General Government:				
Council:				
Salaries and Wages	28,200	28,200	27,648	552
Fringe Benefits	4,985	4,985	4,679	306
Materials and Supplies	8,775	8,775	5,095	3,680
Total Council	<u>41,960</u>	<u>41,960</u>	<u>37,422</u>	<u>4,538</u>
Mayor:				
Salaries and Wages	39,759	39,759	39,757	2
Fringe Benefits	20,836	20,836	20,817	19
Materials and Supplies	950	950	620	330
Capital Outlay	1,400	1,400	350	1,050
Total Mayor	<u>62,945</u>	<u>62,945</u>	<u>61,544</u>	<u>1,401</u>
Auditor and Treasurer:				
Materials and Supplies	25,850	25,850	23,694	2,156
Total Auditor and Treasurer	<u>25,850</u>	<u>25,850</u>	<u>23,694</u>	<u>2,156</u>
Auditor:				
Salaries and Wages	113,097	113,097	113,082	15
Fringe Benefits	30,529	30,529	30,386	143
Materials and Supplies	17,570	17,570	16,180	1,390
Total Auditor	<u>\$161,196</u>	<u>\$161,196</u>	<u>\$159,648</u>	<u>\$1,548</u>

(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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
Treasurer:				
Salaries and Wages	\$3,325	\$3,325	\$3,304	\$21
Fringe Benefits	899	899	860	39
Materials and Supplies	90	90	0	90
Total Treasurer	4,314	4,314	4,164	150
Law Director:				
Salaries and Wages	51,905	51,905	51,904	1
Fringe Benefits	47,025	47,025	43,073	3,952
Total Law Director	98,930	98,930	94,977	3,953
Civil Service:				
Salaries and Wages	1,750	1,750	591	1,159
Fringe Benefits	362	362	149	213
Materials and Supplies	1,500	1,500	0	1,500
Total Civil Service	3,612	3,612	740	2,872
Inspectors:				
Salaries and Wages	2,450	2,450	2,433	17
Total Inspectors	2,450	2,450	2,433	17
City Building:				
Salaries and Wages	55,850	55,850	55,848	2
Fringe Benefits	13,016	13,016	12,127	889
Materials and Supplies	94,319	94,319	86,601	7,718
Capital Outlay	506	506	506	0
Total City Building	163,691	163,691	155,082	8,609
Total General Government	564,948	564,948	539,704	25,244
Security of Persons and Property:				
Police:				
Salaries and Wages	514,737	514,737	506,569	8,168
Fringe Benefits	227,484	227,484	209,677	17,807
Materials and Supplies	127,105	127,105	105,475	21,630
Total Police	869,326	869,326	821,721	47,605
Fire:				
Salaries and Wages	39,550	39,550	39,547	3
Fringe Benefits	31,470	31,470	26,574	4,896
Materials and Supplies	82,685	82,685	77,811	4,874
Total Fire	153,705	153,705	143,932	9,773
Total Security of Persons and Property	\$1,023,031	\$1,023,031	\$965,653	\$57,378

(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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
Public Health Services:				
Health:				
Salaries and Wages	\$31,723	\$31,723	\$27,407	\$4,316
Fringe Benefits	5,685	5,685	5,539	146
Materials and Supplies	5,525	5,525	4,268	1,257
Total Public Health Services	<u>42,933</u>	<u>42,933</u>	<u>37,214</u>	<u>5,719</u>
Transportation:				
Street Lighting:				
Materials and Supplies	83,229	83,229	82,953	276
Total Transportation	<u>83,229</u>	<u>83,229</u>	<u>82,953</u>	<u>276</u>
Leisure Time Activities:				
Senior Center:				
Salaries and Wages	16,300	16,300	16,280	20
Fringe Benefits	2,880	2,880	2,775	105
Materials and Supplies	6,800	6,800	6,150	650
Total Leisure Time Activities	<u>25,980</u>	<u>25,980</u>	<u>25,205</u>	<u>775</u>
Capital Outlay	<u>225,026</u>	<u>225,026</u>	<u>195,095</u>	<u>29,931</u>
Debt Service:				
Principal Retirement	18,135	18,135	17,178	957
Interest and Fiscal Charges	5,023	5,023	4,526	497
Total Debt Service	<u>23,158</u>	<u>23,158</u>	<u>21,704</u>	<u>1,454</u>
<i>Total Expenditures</i>	<u>1,988,305</u>	<u>1,988,305</u>	<u>1,867,528</u>	<u>120,777</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(133,405)</u>	<u>(133,405)</u>	<u>102,996</u>	<u>236,401</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	201	201
Transfers In	134,000	134,000	70,000	(64,000)
Transfers Out	(104,415)	(104,415)	(25,000)	79,415
Total Other Financing Sources (Uses)	<u>29,585</u>	<u>29,585</u>	<u>45,201</u>	<u>15,616</u>
<i>Net Change in Fund Balance</i>	<u>(103,820)</u>	<u>(103,820)</u>	<u>148,197</u>	<u>252,017</u>
<i>Fund Balance Beginning of Year</i>	350,955	350,955	350,955	0
Prior Year Encumbrances Appropriated	<u>12,862</u>	<u>12,862</u>	<u>12,862</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$259,997</u>	<u>\$259,997</u>	<u>\$512,014</u>	<u>\$252,017</u>

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Charges for Services	\$20,400	\$20,400	\$22,726	\$2,326
Intergovernmental	229,752	229,752	264,598	34,846
Investment Earnings	150	150	730	580
Other	19,143	19,143	31,354	12,211
<i>Total Revenues</i>	269,445	269,445	319,408	49,963
Expenditures				
Current:				
Transportation:				
Street:				
Salaries and Wages	170,251	170,251	166,249	4,002
Fringe Benefits	68,758	68,758	64,541	4,217
Materials and Supplies	110,385	110,385	90,566	19,819
Capital Outlay	3,950	3,950	3,950	0
<i>Total Expenditures</i>	353,344	353,344	325,306	28,038
<i>Excess of Revenues Under Expenditures</i>	(83,899)	(83,899)	(5,898)	78,001
Other Financing Sources				
Transfers In	77,000	77,000	0	(77,000)
<i>Net Change in Fund Balance</i>	(6,899)	(6,899)	(5,898)	1,001
<i>Fund Balance Beginning of Year</i>	33,136	33,136	33,136	0
Prior Year Encumbrances Appropriated	5,630	5,630	5,630	0
<i>Fund Balance End of Year</i>	\$31,867	\$31,867	\$32,868	\$1,001

City of Belpre, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Paving Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Intergovernmental	\$219,182	\$219,182	\$104	(\$219,078)
Expenditures				
Capital Outlay:				
Capital Outlay	309,755	309,755	2,504	307,251
<i>Excess of Revenues Under Expenditures</i>	(90,573)	(90,573)	(2,400)	88,173
Other Financing Sources				
Transfers In	86,500	86,500	0	(86,500)
<i>Net Change in Fund Balance</i>	(4,073)	(4,073)	(2,400)	1,673
<i>Fund Balance Beginning of Year</i>	2,229	2,229	2,229	0
Prior Year Encumbrances Appropriated	4,073	4,073	4,073	0
<i>Fund Balance End of Year</i>	<u>\$2,229</u>	<u>\$2,229</u>	<u>\$3,902</u>	<u>\$1,673</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Charges for Services	\$565,000	\$640,167	\$636,587	(\$3,580)
Other	0	0	400	400
<i>Total Revenues</i>	565,000	640,167	636,987	(3,180)
Expenses				
Salaries and Wages	7,341	7,341	7,340	1
Fringe Benefits	3,029	3,029	2,945	84
Contractual Services	519,800	608,800	563,517	45,283
Materials and Supplies	4,550	4,550	3,776	774
<i>Total Expenses</i>	534,720	623,720	577,578	46,142
<i>Excess of Revenues Over Expenses</i>	30,280	16,447	59,409	42,962
Transfers Out	(105,000)	(105,000)	(70,000)	35,000
<i>Net Change in Fund Balance</i>	(74,720)	(88,553)	(10,591)	77,962
<i>Fund Balance Beginning of Year</i>	301,620	301,620	301,620	0
<i>Fund Balance End of Year</i>	\$226,900	\$213,067	\$291,029	\$77,962

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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,101,266	\$1,101,266	\$1,059,174	(\$42,092)
Other Operating Revenues	1,000	5,944	16,333	10,389
Sale of Capital Assets	0	0	200	200
Other Non-Operating Revenues	<u>0</u>	<u>71,747</u>	<u>71,747</u>	<u>0</u>
<i>Total Revenues</i>	<u>1,102,266</u>	<u>1,178,957</u>	<u>1,147,454</u>	<u>(31,503)</u>
Expenses				
Salaries and Wages	283,802	283,802	283,622	180
Fringe Benefits	124,891	124,891	116,483	8,408
Contractual Services	433,367	433,367	384,397	48,970
Materials and Supplies	138,315	138,315	111,273	27,042
Capital Outlay	268,581	268,581	256,761	11,820
Debt Service:				
Principal Retirement	70,112	70,112	69,003	1,109
Interest and Fiscal Charges	<u>28,908</u>	<u>28,908</u>	<u>28,012</u>	<u>896</u>
<i>Total Expenses</i>	<u>1,347,976</u>	<u>1,347,976</u>	<u>1,249,551</u>	<u>98,425</u>
<i>Net Change in Fund Balance</i>	(245,710)	(169,019)	(102,097)	66,922
<i>Fund Balance Beginning of Year</i>	374,566	374,566	374,566	0
Prior Year Encumbrances Appropriated	<u>73,941</u>	<u>73,941</u>	<u>73,941</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$202,797</u></u>	<u><u>\$279,488</u></u>	<u><u>\$346,410</u></u>	<u><u>\$66,922</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, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
Revenues				
Charges for Services	\$656,855	\$656,855	\$676,688	\$19,833
Tap-In Fees	14,000	14,000	11,420	(2,580)
Other Operating Revenues	4,200	4,200	1,208	(2,992)
Other Non-Operating Revenues	10,000	10,000	10,975	975
<i>Total Revenues</i>	<u>685,055</u>	<u>685,055</u>	<u>700,291</u>	<u>15,236</u>
Expenses				
Salaries and Wages	118,083	118,083	108,363	9,720
Fringe Benefits	61,939	61,939	45,631	16,308
Contractual Services	215,021	215,021	194,146	20,875
Materials and Supplies	180,454	180,454	107,452	73,002
Other Non-Operating Expenses	10,000	10,000	3,365	6,635
Capital Outlay	186,902	186,902	113,117	73,785
Debt Service:				
Principal Retirement	91,322	91,322	77,626	13,696
Interest and Fiscal Charges	54,401	54,401	50,799	3,602
<i>Total Expenses</i>	<u>918,122</u>	<u>918,122</u>	<u>700,499</u>	<u>217,623</u>
<i>Net Change in Fund Balance</i>	(233,067)	(233,067)	(208)	232,859
<i>Fund Balance Beginning of Year</i>	442,178	442,178	442,178	0
Prior Year Encumbrances Appropriated	76,345	76,345	76,345	0
<i>Fund Balance End of Year</i>	<u><u>\$285,456</u></u>	<u><u>\$285,456</u></u>	<u><u>\$518,315</u></u>	<u><u>\$232,859</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Motor Vehicle License Tax	\$35,000	\$35,000	\$35,947	\$947
Intergovernmental	35,000	63,526	63,526	0
<i>Total Revenues</i>	<u>70,000</u>	<u>98,526</u>	<u>99,473</u>	<u>947</u>
Expenditures				
Debt Service:				
Principal Retirement	11,177	11,177	11,177	0
Interest and Fiscal Charges	283	283	281	2
<i>Total Expenditures</i>	<u>11,460</u>	<u>11,460</u>	<u>11,458</u>	<u>2</u>
<i>Excess of Revenues over Expenditures</i>	58,540	87,066	88,015	945
Other Financing Uses				
Transfers Out	(86,500)	(86,500)	0	86,500
<i>Net Change in Fund Balance</i>	(27,960)	566	88,015	87,445
<i>Fund Balance Beginning of Year</i>	<u>53,916</u>	<u>53,916</u>	<u>53,916</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,956</u></u>	<u><u>\$54,482</u></u>	<u><u>\$141,931</u></u>	<u><u>\$87,445</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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$18,931	\$18,931	\$21,454	\$2,523
Investment Earnings	0	0	1,613	1,613
<i>Total Revenues</i>	<u>18,931</u>	<u>18,931</u>	<u>23,067</u>	<u>4,136</u>
Expenditures				
Current:				
Transportation:				
State Highway:				
Salaries and Wages	21,093	21,093	19,143	1,950
Materials and Supplies	10,050	10,050	7,922	2,128
<i>Total Expenditures</i>	<u>31,143</u>	<u>31,143</u>	<u>27,065</u>	<u>4,078</u>
<i>Net Change in Fund Balance</i>	(12,212)	(12,212)	(3,998)	8,214
<i>Fund Balance Beginning of Year</i>	<u>56,705</u>	<u>56,705</u>	<u>56,705</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$44,493</u></u>	<u><u>\$44,493</u></u>	<u><u>\$52,707</u></u>	<u><u>\$8,214</u></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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Revenues				
Fines, Licenses and Permits	\$0	\$0	\$5,086	\$5,086
<i>Net Change in Fund Balance</i>	0	0	5,086	5,086
<i>Fund Balance Beginning of Year</i>	1,739	1,739	1,739	0
<i>Fund Balance End of Year</i>	<u>\$1,739</u>	<u>\$1,739</u>	<u>\$6,825</u>	<u>\$5,086</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Revenues				
Fines, Licenses and Permits	\$0	\$0	\$306	\$306
<i>Net Change in Fund Balance</i>	0	0	306	306
<i>Fund Balance Beginning of Year</i>	460	460	460	0
<i>Fund Balance End of Year</i>	<u>\$460</u>	<u>\$460</u>	<u>\$766</u>	<u>\$306</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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$3,500	\$3,500	\$239	(\$3,261)
Expenditures				
Current:				
Security of Persons and Property:				
Mayor's Court:				
Materials and Supplies	4,500	4,500	2,461	2,039
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	(2,222)	(1,222)
<i>Fund Balance Beginning of Year</i>	2,703	2,703	2,703	0
<i>Fund Balance End of Year</i>	\$1,703	\$1,703	\$481	(\$1,222)

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$12,000	\$12,000	\$12,697	\$697
Expenditures				
Current:				
Security of Persons and Property:				
Mayor's Court Clerk:				
Materials and Supplies	<u>11,750</u>	<u>11,750</u>	<u>11,735</u>	<u>15</u>
<i>Net Change in Fund Balance</i>	250	250	962	712
<i>Fund Balance Beginning of Year</i>	<u>1,728</u>	<u>1,728</u>	<u>1,728</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,978</u></u>	<u><u>\$1,978</u></u>	<u><u>\$2,690</u></u>	<u><u>\$712</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 Fund
For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$59,046	\$58,727	(\$319)
Expenditures				
Current:				
Transportation:				
Flood Cleanup:				
Capital Outlay	<u>0</u>	<u>59,046</u>	<u>58,727</u>	<u>319</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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
Parks and Recreation Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
Revenues				
Charges for Services	\$2,500	\$2,500	\$3,350	\$850
Donations	6,000	6,000	6,323	323
Other	475	8,051	11,841	3,790
<i>Total Revenues</i>	<u>8,975</u>	<u>16,551</u>	<u>21,514</u>	<u>4,963</u>
Expenditures				
Current:				
Leisure Time Activities:				
Parks:				
Salaries and Wages	18,000	18,000	16,286	1,714
Fringe Benefits	3,245	3,245	2,810	435
Materials and Supplies	36,034	36,034	29,219	6,815
Capital Outlay	4,875	4,875	4,873	2
<i>Total Expenditures</i>	<u>62,154</u>	<u>62,154</u>	<u>53,188</u>	<u>8,966</u>
<i>Excess of Revenues Under Expenditures</i>	(53,179)	(45,603)	(31,674)	13,929
Other Financing Sources				
Transfers In	55,000	55,000	25,000	(30,000)
<i>Net Change in Fund Balance</i>	1,821	9,397	(6,674)	(16,071)
<i>Fund Balance Beginning of Year</i>	22,470	22,470	22,470	0
Prior Year Encumbrances Appropriated	959	959	959	0
<i>Fund Balance End of Year</i>	<u><u>\$25,250</u></u>	<u><u>\$32,826</u></u>	<u><u>\$16,755</u></u>	<u><u>(\$16,071)</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current:				
Leisure Time Activities:				
Pool:				
Materials and Supplies	\$700	\$700	\$602	\$98
<i>Net Change in Fund Balance</i>	(700)	(700)	(602)	98
<i>Fund Balance Beginning of Year</i>	3,188	3,188	3,188	0
<i>Fund Balance End of Year</i>	<u>\$2,488</u>	<u>\$2,488</u>	<u>\$2,586</u>	<u>\$98</u>

City of Belpre, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Pool Construction Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$125,000	\$125,000
Investment Earnings	0	0	209	
Donations	0	0	690	(690)
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>125,899</u>	<u>125,899</u>
<i>Net Change in Fund Balance</i>	0	0	125,899	125,899
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$125,899</u>	<u>\$125,899</u>

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.

Paving Cooperative - To account for grants from the Ohio Public Works Commission which is passed through to other municipalities for their paving projects for which those municipalities could not obtain grant funding independently. The City of Belpre is the fiscal agent.

City of Belpre, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005

	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/05</u>
Ohio River Scenic Route:				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$0</u>
Liabilities				
Due to Others	<u>\$0</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$0</u>
Payroll:				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$79,798</u>	<u>\$1,655,554</u>	<u>\$1,645,469</u>	<u>\$89,883</u>
Liabilities				
Due to Other Governments	<u>\$79,798</u>	<u>\$1,655,554</u>	<u>\$1,645,469</u>	<u>\$89,883</u>
Mayor's Court:				
Assets				
Cash and Cash Equivalents in Segregated Accounts	<u>\$2,389</u>	<u>\$2,513</u>	<u>\$2,389</u>	<u>\$2,513</u>
Liabilities				
Due to Other Governments	\$1,334	\$1,798	\$1,334	\$1,798
Due to Others	<u>1,055</u>	<u>715</u>	<u>1,055</u>	<u>715</u>
<i>Total Liabilities</i>	<u>\$2,389</u>	<u>\$2,513</u>	<u>\$2,389</u>	<u>\$2,513</u>
Paving Cooperative:				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$23,801</u>	<u>\$3,584</u>	<u>\$20,217</u>
Liabilities				
Contracts Payable	<u>\$0</u>	<u>\$23,801</u>	<u>\$3,584</u>	<u>\$20,217</u>
Total All Agency Funds:				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$79,798	\$1,683,355	\$1,653,053	\$110,100
Cash and Cash Equivalents in Segregated Accounts	<u>2,389</u>	<u>2,513</u>	<u>2,389</u>	<u>2,513</u>
<i>Total Assets</i>	<u>\$82,187</u>	<u>\$1,685,868</u>	<u>\$1,655,442</u>	<u>\$112,613</u>
Liabilities				
Contracts Payable	\$0	\$23,801	\$3,584	\$20,217
Due to Other Governments	81,132	1,657,352	1,646,803	91,681
Due to Others	<u>1,055</u>	<u>4,715</u>	<u>5,055</u>	<u>715</u>
<i>Total Liabilities</i>	<u>\$82,187</u>	<u>\$1,685,868</u>	<u>\$1,655,442</u>	<u>\$112,613</u>

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STATISTICAL SECTION

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.....S3 – S7

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

Revenue CapacityS8 - S12

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

Debt CapacityS13 - S15

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 InformationS16 - S17

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

Operating InformationS18 - S23

These schedules contain service and infrastructure data to help the reader understand how the information in the City’ 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 Six Years
(accrual basis of accounting)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$13,965,236	\$14,172,470	\$14,466,941	\$14,914,188	\$6,931,807	\$7,994,300
Restricted:						
Capital Projects	129,311	6,302	179,218	188,860	200,981	82,755
Transportation (1)	337,814	335,200	0	0	0	0
Other Purposes	35,597	29,575	262,767	254,831	247,144	283,089
Unclaimed Monies	6,442	3,997	3,957	0	0	0
Unrestricted	1,180,915	631,249	384,889	506,794	536,125	620,665
Total Governmental Activities Net Assets	<u>\$15,655,315</u>	<u>\$15,178,793</u>	<u>\$15,297,772</u>	<u>\$15,864,673</u>	<u>\$7,916,057</u>	<u>\$8,980,809</u>
Business-Type Activities:						
Invested in Capital Assets, Net of Related Debt	\$5,964,233	\$5,811,646	\$5,643,804	\$5,274,909	\$4,860,591	\$4,544,399
Unrestricted	1,402,271	1,383,843	1,185,387	990,604	966,757	857,137
Total Business-Type Activities Net Assets	<u>\$7,366,504</u>	<u>\$7,195,489</u>	<u>\$6,829,191</u>	<u>\$6,265,513</u>	<u>\$5,827,348</u>	<u>\$5,401,536</u>
Primary Government:						
Invested in Capital Assets, Net of Related Debt	\$19,929,469	\$19,984,116	\$20,110,745	\$20,189,097	\$11,792,398	\$12,538,699
Restricted	509,164	375,074	445,942	443,691	448,125	365,844
Unrestricted	2,583,186	2,015,092	1,570,276	1,497,398	1,502,882	1,477,802
Total Primary Government Net Assets	<u>\$23,021,819</u>	<u>\$22,374,282</u>	<u>\$22,126,963</u>	<u>\$22,130,186</u>	<u>\$13,743,405</u>	<u>\$14,382,345</u>

(1) The City did not distinguish between restricted for transportation and other purposes prior to 2004.

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

	2005	2004	2003	2002	2001	2000
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	\$175,461	\$128,186	\$99,130	\$121,434	\$107,334	\$107,009
Security of Persons and Property - Police	149,050	154,370	154,428	135,397	106,557	107,230
Public Health Services	14,424	12,631	13,670	15,985	14,497	9,593
Transportation	58,952	41,662	42,704	41,594	43,751	44,932
Leisure Time Activities:						
Parks	3,275	3,575	2,800	3,175	5,452	5,700
Pool	0	0	0	0	35,679	25,752
Subtotal - Charges for Services	<u>401,162</u>	<u>340,424</u>	<u>312,732</u>	<u>317,585</u>	<u>313,270</u>	<u>300,216</u>
Operating Grants and Contributions:						
General Government	500	0	0	0	0	0
Security of Persons and Property:						
Police	0	0	4,927	0	23,313	7,298
Fire	4,115	0	8,985	2,830	2,150	3,705
Public Health Services	11,299	1,927	805	8,621	2,357	2,039
Transportation	333,248	359,331	263,970	212,681	499,039	219,565
Leisure Time Activities:						
Senior Center	4,000	5,078	5,573	2,928	4,045	3,799
Parks	7,823	7,250	210,011	5,904	8,696	149,046
Subtotal - Operating Grants and Contributions	<u>360,985</u>	<u>373,586</u>	<u>494,271</u>	<u>232,964</u>	<u>539,600</u>	<u>385,452</u>
Capital Grants and Contributions:						
General Government	0	0	0	0	1,400	1,500
Security of Persons and Property:						
Police	0	0	0	0	2,795	821
Fire	340,000	12,000	0	0	440	0
Transportation	276,412	314,484	244,918	32,420	20,000	0
Leisure Time Activities:						
Senior Center	0	11,593	0	2,000	0	0
Parks	0	143,232	7,350	18,853	0	400
Pool	125,899	0	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>742,311</u>	<u>481,309</u>	<u>252,268</u>	<u>53,273</u>	<u>24,635</u>	<u>2,721</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,504,458</u>	<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	654,708	583,070	588,519	568,205	563,366	552,979
Sewer	1,111,559	1,138,246	1,307,259	1,229,376	1,067,677	1,045,206
Water	652,452	690,395	625,639	669,838	679,977	669,365
Subtotal - Charges for Services	<u>2,418,719</u>	<u>2,411,711</u>	<u>2,521,417</u>	<u>2,467,419</u>	<u>2,311,020</u>	<u>2,267,550</u>
Capital Grants and Contributions						
Sewer	0	0	0	0	0	221,873
Water	11,420	15,385	14,946	57,588	22,621	83,926
Subtotal - Capital Grants and Contributions	<u>11,420</u>	<u>15,385</u>	<u>14,946</u>	<u>57,588</u>	<u>22,621</u>	<u>305,799</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>2,430,139</u>	<u>2,427,096</u>	<u>2,536,363</u>	<u>2,525,007</u>	<u>2,333,641</u>	<u>2,573,349</u>
<i>Total Primary Government Program Revenues</i>	<u>\$3,934,597</u>	<u>\$3,622,415</u>	<u>\$3,595,634</u>	<u>\$3,128,829</u>	<u>\$3,211,146</u>	<u>\$3,261,738</u>

(continued)

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

	2005	2004	2003	2002	2001	2000
Expenses						
Governmental Activities:						
General Government	\$563,229	\$524,456	\$525,298	\$483,156	\$456,662	\$443,082
Security of Persons and Property:						
Police	875,278	874,426	908,510	849,745	851,506	840,810
Fire	202,391	174,653	209,677	198,077	187,481	203,981
Public Health Services	35,172	34,853	33,494	33,077	21,978	31,433
Transportation - Restated at 1/1/2003	1,185,433	1,096,513	1,123,332	(7,503,024)	1,724,203	1,701,589
Leisure Time Activities:						
Senior Center	26,972	31,218	33,288	25,688	23,814	21,584
Parks	87,880	102,305	304,306	96,444	126,524	226,731
Pool	9,448	9,572	9,328	10,051	71,370	65,380
Intergovernmental	0	7,906	0	0	20,466	0
Interest and Fiscal Charges	4,324	5,895	8,921	16,621	20,534	34,698
<i>Total Governmental Activities Expenses</i>	<u>2,990,127</u>	<u>2,861,797</u>	<u>3,156,154</u>	<u>(5,790,165)</u>	<u>3,504,538</u>	<u>3,569,288</u>
Business-Type Activities:						
Sanitation	578,630	476,181	482,248	529,784	439,430	438,346
Sewer	1,043,770	966,648	928,093	967,769	884,971	828,501
Water	584,123	550,071	537,433	511,565	507,929	529,920
<i>Total Business-Type Activities Expenses</i>	<u>2,206,523</u>	<u>1,992,900</u>	<u>1,947,774</u>	<u>2,009,118</u>	<u>1,832,330</u>	<u>1,796,767</u>
<i>Total Primary Government Program Expenses</i>	<u>\$5,196,650</u>	<u>\$4,854,697</u>	<u>\$5,103,928</u>	<u>(\$3,781,047)</u>	<u>\$5,336,868</u>	<u>\$5,366,055</u>
Net (Expense)/Revenue						
Governmental Activities	(\$1,485,669)	(\$1,666,478)	(\$2,096,883)	\$6,393,987	(\$2,627,033)	(\$2,880,899)
Business-Type Activities	223,616	434,196	588,589	515,889	501,311	776,582
<i>Total Primary Government Net Expense</i>	<u>(\$1,262,053)</u>	<u>(\$1,232,282)</u>	<u>(\$1,508,294)</u>	<u>\$6,909,876</u>	<u>(\$2,125,722)</u>	<u>(\$2,104,317)</u>

(continued)

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

	2005	2004	2003	2002	2001	2000
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes:						
Property Taxes Levied for General Purposes	\$311,975	\$273,363	\$277,250	\$266,053	\$242,764	\$247,518
Income Taxes levied for:						
General Purposes	1,255,847	972,487	673,969	700,564	714,327	671,575
Capital Outlay	0	0	237,687	271,816	239,288	267,926
Franchise Taxes	17,509	16,583	15,936	0	0	0
Grants and Entitlements not Restricted to						
Specific Programs	198,275	183,930	253,584	197,008	223,043	289,198
Investment Earnings	50,955	19,956	26,815	31,556	47,657	68,561
Gain on Disposal of Capital Assets	0	0	0	0	880	0
Other	57,630	6,180	18,366	7,632	9,322	26,497
Transfers	70,000	75,000	26,375	80,000	85,000	76,774
<i>Total Governmental Activities</i>	<u>1,962,191</u>	<u>1,547,499</u>	<u>1,529,982</u>	<u>1,554,629</u>	<u>1,562,281</u>	<u>1,648,049</u>
Business-Type Activities:						
Gain on Disposal of Capital Assets	0	200	0	0	6,810	0
Other	17,399	6,902	1,464	2,276	2,691	6,859
Transfers	(70,000)	(75,000)	(26,375)	(80,000)	(85,000)	(76,774)
<i>Total Business-Type Activities</i>	<u>(52,601)</u>	<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>\$1,909,590</u>	<u>\$1,479,601</u>	<u>\$1,505,071</u>	<u>\$1,476,905</u>	<u>\$1,486,782</u>	<u>\$1,578,134</u>
Change in Net Assets						
Governmental Activities	\$476,522	(\$118,979)	(\$566,901)	\$7,948,616	(\$1,064,752)	(\$1,232,850)
Business-Type Activities	171,015	366,298	563,678	438,165	425,812	706,667
<i>Total Primary Government Change in Net Assets</i>	<u>\$647,537</u>	<u>\$247,319</u>	<u>(\$3,223)</u>	<u>\$8,386,781</u>	<u>(\$638,940)</u>	<u>(\$526,183)</u>

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
General Fund									
Reserved	\$191,692	\$12,731	\$10,481	\$11,957	\$21,478	\$15,607	\$6,821	\$12,441	\$3,777
Unreserved	<u>749,680</u>	<u>586,166</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>941,372</u>	<u>598,897</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>
All Other Governmental Funds									
Reserved	29,063	14,614	17,333	7,588	12,768	16,183	22,703	16,536	17,627
Unreserved, Undesignated, Reported in:									
Special Revenue Funds	246,468	259,813	162,242	181,478	164,395	205,717	131,355	156,731	197,362
Capital Projects Funds	<u>129,311</u>	<u>0</u>	<u>158,241</u>	<u>163,328</u>	<u>184,500</u>	<u>62,111</u>	<u>384,561</u>	<u>101,424</u>	<u>(406,325)</u>
Total All Other Governmental Funds	<u>404,842</u>	<u>274,427</u>	<u>337,816</u>	<u>352,394</u>	<u>361,663</u>	<u>284,011</u>	<u>538,619</u>	<u>274,691</u>	<u>(191,336)</u>
Total Governmental Funds	<u><u>\$1,346,214</u></u>	<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>\$976,926</u></u>	<u><u>\$551,625</u></u>	<u><u>\$33,507</u></u>

(1) Information prior to 1997 is unavailable.

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues									
Property and Other Taxes	\$310,073	\$273,596	\$275,816	\$266,478	\$241,033	\$246,504	\$229,939	\$198,130	\$206,147
Municipal Income Tax	1,050,969	964,238	931,751	947,085	965,857	928,753	937,217	886,784	858,765
Motor Vehicle License Tax	36,122	36,625	36,379	36,204	35,421	35,370	35,789	36,368	33,631
Charges for Services	197,931	126,310	88,125	91,489	119,986	109,371	70,810	71,893	54,949
Fines, Licenses, and Permits	184,514	201,072	194,819	174,157	150,159	145,858	161,705	108,316	108,119
Intergovernmental	932,448	1,010,927	936,813	478,488	774,975	653,661	874,214	627,138	628,411
Investment Earnings	54,230	20,010	28,105	34,286	45,130	70,260	68,162	61,429	17,083
Donations	17,253	32,541	25,969	11,662	13,791	34,271	0	0	26,135
Other	57,505	6,180	32,218	23,960	17,026	32,614	51,922	80,868	14,218
Total Revenues	2,841,045	2,671,499	2,549,995	2,063,809	2,363,378	2,256,662	2,429,758	2,070,926	1,947,458
Expenditures									
Current:									
General Government	540,892	501,709	492,811	479,184	449,960	426,545	364,078	465,875	370,713
Security of Persons and Property:									
Police	832,073	838,562	869,738	816,521	830,278	876,349	798,536	765,645	715,391
Fire	144,804	134,930	119,844	115,554	113,201	115,238	105,006	100,681	94,072
Public Health Services	34,803	34,484	33,125	34,675	21,978	21,735	19,910	28,112	32,259
Transportation	777,334	607,938	713,075	492,337	697,409	406,219	441,047	346,332	378,273
Leisure Time Activities:									
Senior Center	24,781	36,212	25,430	26,532	22,046	19,816	15,529	8,508	4,211
Parks	52,236	142,375	278,409	92,054	92,492	193,447	151,601	83,057	41,109
Pool	600	724	480	1,203	62,522	56,533	44,304	24,272	12,014
Capital Outlay	17,423	215,320	51,324	0	0	0	2,044,321	205,139	161,105
Intergovernmental	0	7,906	0	0	20,466	0	0	0	68,102
Debt Service:									
Principal Retirement	27,402	37,993	111,522	110,308	107,002	353,084	83,623	2,634	633
Interest and Fiscal Charges	4,324	5,895	8,941	18,475	18,660	34,698	23,996	20,032	27,351
Total Expenditures	2,456,672	2,564,048	2,704,699	2,186,843	2,436,014	2,503,664	4,091,951	2,050,287	1,905,233
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>384,373</i>	<i>107,451</i>	<i>(154,704)</i>	<i>(123,034)</i>	<i>(72,636)</i>	<i>(247,002)</i>	<i>(1,662,193)</i>	<i>20,639</i>	<i>42,225</i>
Other Financing Sources (Uses)									
Sale of Capital Assets	0	201	0	0	880	47,563	1,196,173	3,618	1,437
Proceeds from Loans	0	0	0	0	0	0	760,000	449,500	0
Inception of Capital Lease	0	0	0	0	0	0	0	0	8,304
Transfers In	95,000	286,722	173,375	212,000	215,000	245,069	261,000	136,000	111,393
Transfers Out	(25,000)	(211,722)	(147,000)	(132,000)	(130,000)	(168,295)	(131,000)	(96,000)	(49,895)
Total Other Financing Sources (Uses)	70,000	75,201	26,375	80,000	85,880	124,337	2,086,173	493,118	71,239
Net Change in Fund Balances	454,373	182,652	(128,329)	(43,034)	13,244	(122,665)	423,980	513,757	113,464
Increase (Decrease) in Reserve for Inventory	18,517	453	(293)	(1,726)	333	(4,237)	1,321	4,361	0
Change in Fund Balances	\$472,890	\$183,105	(\$128,622)	(\$44,760)	\$13,577	(\$126,902)	\$425,301	\$518,118	\$113,464
Debt Service as a Percentage of Noncapital Expenditures	1.3%	1.9%	4.8%	6.3%	5.5%	18.3%	5.5%	1.2%	1.7%

(1) Information prior to 1997 is unavailable.

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	Total Direct Tax Rate
2005	\$91,353,340	\$2,818,600	\$6,764,730	\$100,936,670	\$293,624,367	\$3.40
2004	81,073,780	2,718,060	5,973,700	89,765,540	260,700,685	3.40
2003	79,747,020	3,100,080	5,933,280	88,780,380	257,168,316	3.40
2002	79,511,950	3,038,800	6,500,610	89,051,360	257,716,057	3.40
2001	70,169,070	3,500,510	7,885,740	81,555,320	236,003,869	3.40
2000	68,284,830	3,533,210	6,371,260	78,189,300	224,599,566	3.40
1999	67,820,000	3,672,170	6,464,460	77,956,630	223,802,189	3.40
1998	56,399,320	3,617,770	5,791,340	65,808,430	188,417,377	3.40
1997	54,949,380	3,591,100	5,443,110	63,983,590	182,851,464	3.40
1996	54,649,860	3,639,420	5,182,190	63,471,470	181,006,922	3.40

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 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>
2005	\$3.40	\$34.10	\$1.80	\$9.05	\$48.35
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

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
2005	\$317,555	\$284,661	89.64%	\$22,142	\$306,803	96.61%	\$26,264	8.27%
2004	284,993	255,254	89.57	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

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	<i>2005</i>	
	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
Kroger Limited Partnership	\$1,057,790	1.05%
Plaza LLC	782,340	0.78
Midwest Estates LLC	620,110	0.61
Belpre CVS, Incorporated	592,850	0.59
Holder Harbour Corporation	566,260	0.56
Charles L. Schilling II, LLC	477,450	0.47
Lee Middleton Original Dolls, Inc.	477,350	0.47
David E. and Victoria Higgins Land Management	404,960	0.40
Marta B. May Land Management	397,860	0.39
Orion Development LLP	393,070	0.39
Total	\$5,770,040	5.71%
Total Assessed Valuation	\$100,936,670	

Taxpayer	<i>1996</i>	
	Real Property Assessed Valuation (1)	Percentage of Total Assessed Valuation
International Converter, Incorporated	\$1,462,740	2.30%
Kroger Limited Partnership	1,417,170	2.23
Lee Middleton Original Dolls, Incorporated	1,261,730	1.99
Russell L. Covey Land Management	622,010	0.98
John O. and Linda I. Cornell Land Management	504,250	0.79
Belpre Furniture Gallery	461,510	0.73
Analytical Products Group, Incorporated	456,100	0.72
Belpre CVS, Incorporated	444,620	0.70
Marta B. May Land Management	369,850	0.58
Moore Enterprises	357,580	0.56
Total	\$7,357,560	11.58%
Total Assessed Valuation	\$63,471,470	

Source: Washington County, Ohio; County Auditor

(1) Property Assessed at 35% of Fair Market Value
 S12

City of Belpre, Ohio
Income Tax Revenue Base and Collections
Last Nine 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>
2005	1.0%	\$1,255,847	\$636,735	50.70%	\$52,963	4.22%	\$566,149	45.08%
2004	1.00	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 2005 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 and 2005 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			
2005	\$66,225	\$5,672	\$0	\$21,792	\$1,391,272	\$256,334	\$4,300	\$1,745,595	1.44%	\$261.47
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

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, 2005

<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	\$6,285,000	8.89%	\$558,838

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 2005 collection year.

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

Legal Debt Margin Calculation for 2005

Overall Debt Limitation

10 1/2% of Assessed Valuation \$10,598,350

Loans Payable \$1,457,497

Issue II Loans Payable 262,006

Gross Indebtedness Outstanding 1,719,503

Less: Debt Exempt from Limitation

 Sewer Loan 368,996

 Issue II Sewer Loan 189,807

 New Water Tank Loan 575,578

 Refurbish Old Tank Loan 237,372

 Water Lines Loan 76,876

 Issue II Water Loan 66,527

Total 1,515,156

Net Debt within 10 1/2% Limitation 204,347

Legal Debt Margin within 10 1/2% Limitation \$10,394,003

Unvoted Debt Limitation

5 1/2% of Assessed Valuation \$5,551,517

Gross Indebtedness Outstanding \$1,719,503

Less: Debt Exempt from Limitation (1,515,156)

Net Debt within 5 1/2% Limitation 204,347

Legal Debt Margin within 5 1/2% Limitation \$5,347,170

	<u>2005</u>	<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>
Overall Debt Limit	\$10,394,003	\$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
Total Net Debt Applicable to Limit	<u>204,347</u>	<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>
Legal Overall Debt Margin	<u><u>\$10,189,656</u></u>	<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>
Total Net Debt Applicable to the Limit as a Percentage of Overall Debt Limit	2.01%	2.88%	3.97%	5.88%	8.62%	11.24%	15.99%	5.74%	7.18%	9.00%
Unvoted Debt Limit	<u><u>\$5,551,517</u></u>	<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>
Total Net Debt Applicable to the Limit as a Percentage of Unvoted Debt Limit	3.68%	5.65%	7.87%	11.86%	17.84%	23.90%	35.73%	11.56%	14.66%	18.70%

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)
2005	6,676	\$121,469,820	\$18,195	\$29,603	41.2	13.5%	1,298	5.0%	\$78,500	\$100,936,670
2004	6,676	121,469,820	18,195	29,603	41.2	13.5	1,316	5.7	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

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

a) Years 2000 through 2005 - 2000 Federal Census

b) Years 1996 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	<i>2005</i>			
	Employees	Percentage of Total City Employment	Income Tax Collections	Percentage of Total City Income Tax Collections
Belpre City School District	273	10.59%	\$58,632	4.67%
Pioneer Casting	141	5.47	7,020	0.56
Kroger Limited Partnership	128	4.97	23,929	1.91
McDonalds	127	4.93	7,651	0.61
Wal-Bon of Ohio	111	4.31	6,809	0.54
Wendy's	94	3.65	3,179	0.25
International Converter, Incorporated	79	3.07	32,068	2.55
Belpre Car Wash and Lube	74	2.87	885	0.07
Hardee's	68	2.64	2,720	0.22
Enlow's	65	2.52	2,621	0.21
Total	1,160	45.02%	\$145,514	11.59%
Total Employment within the City	<u>2,577</u>			
Total City Income Tax Collections	<u>\$1,255,847</u>			

Employer	<i>1996</i>
	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	<u>n/a</u>
Total City Income Tax Collections	<u>n/a</u>

Source: City Records

n/a - Information not available

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

Function/Program	2005	2004	2003	2002	2001
General Government:					
Council	8.50	8.50	8.50	8.50	8.50
Mayor	1.00	1.00	1.00	1.00	1.00
Auditor	2.75	2.75	2.75	2.75	2.75
Income Tax	0.80	0.80	0.80	0.80	0.80
Treasurer	1.00	1.00	1.00	1.00	1.00
Law	2.00	2.00	2.00	2.00	2.00
Civil Service	3.00	3.00	3.00	3.00	3.00
Safety/Service Director	1.00	1.00	1.00	1.00	1.00
Security of Persons and Property:					
Police Chief	1.00	1.00	1.00	1.00	1.00
Police Officers	8.00	8.00	10.00	10.00	10.00
Police - Dispatchers/Office	5.00	5.00	5.00	5.00	5.00
Fire Chief	1.00	1.00	1.00	1.00	1.00
Public Health Services:					
Health Commissioner	1.00	1.00	1.00	1.00	1.00
Health Department (1)	0.00	0.00	0.00	0.00	0.00
Sanitarian (1)	0.00	0.00	0.00	0.00	0.00
Transportation:					
Street Maintenance and Repair	5.00	5.00	5.00	5.00	5.00
Leisure Time Activities:					
Senior Center	0.50	0.50	0.50	0.50	0.50
Parks	1.00	1.00	0.50	0.50	0.50
Pool (2)	0.00	0.00	0.00	0.00	15.00
Basic Utility Services:					
Sanitation	0.25	0.25	0.25	0.25	0.25
Sewer	8.10	8.10	8.10	8.10	8.10
Water	3.10	3.10	3.10	3.10	3.10
Totals:	<u>54.00</u>	<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. Information prior to 2001 is not meaningful and, therefore, not presented.

- (1) Services are contracted.
- (2) Pool did not re-open after 2001 season.

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

Function/Program	2005	2004	2003
General Government:			
<i>Council and Clerk</i>			
Number of Ordinances Passed	13	15	20
Number of Resolutions Passed	17	18	14
<i>Mayor's Court</i>			
Number of Traffic Cases	1,098	936	1,135
Number of Criminal cases	552	433	373
<i>Auditor</i>			
Number of Checks/Vouchers Issued	2,143	2,155	2,319
Amount of Checks Written	\$5,110,890	\$6,310,646	\$5,790,891
Interest Earnings for Year (cash basis General Fund)	\$47,175	\$18,402	\$28,827
Number of Receipts Issued	597	379	411
Number of Budget Adjustments Issued	4	3	1
General Fund Receipts (cash basis)	\$1,970,524	\$1,957,813	\$150,602
General Fund Expenditures (cash basis)	\$1,867,528	\$1,846,422	\$1,602,623
General Fund Cash Balances	\$721,011	\$363,817	\$202,645
<i>Income Tax Department</i>			
Number of Individual Returns	2,086	2,063	n/a
Number of Business Returns	167	165	n/a
Number of Business Withholding Accounts	415	417	n/a
<i>Civil Service</i>			
Number of Police Entry Tests Administered	0	17	0
Number of Police Promotional Tests Administered	0	0	0
Number of Hires of Police Officers from Certified Lists	0	0	0
Number of Promotions from Police Certified Lists	0	0	0
<i>Safety/Service</i>			
Number of Construction Permits Issued	125	211	356
Number of Plumbing Permits Issued	8	27	15
Number of Sewer Permits Issued	9	18	12
Amount of Revenue Generated from Permits	\$4,843	\$11,652	\$11,680

(continued)

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

Function/Program	2005	2004	2003
Security of Persons & Property:			
<i>Police</i>			
Total Calls for Services	9,244	8,240	7,048
Number of Traffic Citations Issued	962	936	1,135
Number of Parking Citations Issued	26	63	87
Number of Criminal Arrests	473	433	373
Number of Accident Reports Completed	217	227	215
Part 1 Offenses (major offenses)	55	64	61
DUI Arrests	34	27	24
Prisoners	96	70	85
Property Damage Accidents	177	153	173
Fatalities from Motor Vehicle Accidents	1	0	0
Number of Stations	1	1	1
<i>Fire</i>			
EMS Calls	890	861	820
Fire Calls	154	166	147
Fires with Loss	9	12	9
Fires with Losses exceeding \$10K	3	1	1
Fire Losses \$	\$111,600	\$35,500	\$111,500
Fire Safety Inspections	10	12	12
Number of Stations	2	2	2
Number of Volunteer Firemen	39	40	44
Number of Fire Hydrants	250	154	154
Public Health Services:			
Number of Health Inspections	148	130	110
Number of Immunizations Given	316	282	365
House Trailer Licenses Issued	\$644	\$1,103	\$1,250
Food Establishment Licenses Issued	\$11,164	\$10,389	\$7,554
Transportation:			
Street Improvements - Cost of Paving	\$302,016	\$224,862	\$281,921
Paint Striping	\$0	\$7,642	\$0
Hot and Cold Patch	\$6,942	\$14,610	\$12,564
Tons of Snow Melting Salt Purchased (Nov-Mar)	\$404	\$401	\$455
Cost of Salt Purchased (includes hauling)	\$17,469	\$15,990	\$15,472
Miles of City Streets	43	43	43
Number of Street Lights	497	497	496

(continued)

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

Function/Program	2005	2004	2003
Leisure Time Activities:			
<i>Senior Center</i>			
Number of Meals Served	3,000	3,328	3,700
<i>Parks</i>			
Number of Parks Rentals Reserved	142	156	116
Number of Tennis Courts	1	1	1
Number of Baseball and Softball Diamonds	6	6	6
Number of Boat Ramps	2	2	2
Basic Utility Services:			
<i>Sanitation</i>			
Total Sanitation Collections Annually	\$654,708	\$583,070	\$588,519
Contracted Sanitation Charge per Year	\$558,032	\$458,211	\$464,121
<i>Sewer</i>			
Wastewater Rates per 1st 3,000 gallons of Water Used	\$12.78	\$12.78	\$12.29
Total Sewer Collections Annually	\$1,111,559	\$1,138,246	\$1,307,259
Average Monthly Consumption (per household) - in gallons	7,000	7,000	7,000
<i>Water</i>			
Water Rates per 1st 3,000 gallons of Water Used	\$6.51	\$6.51	\$6.27
Total Water Collections Annually	\$652,452	\$690,395	\$625,639
Average Monthly Consumption (per household) - in gallons	7,000	7,000	7,000
Number of Consumers:			
Residential	2,969	2,895	2,934
Commercial	279	218	270

(1) Information prior to 2003 is not available

n/a Information not available

City of Belpre, Ohio
Capital Asset Statistics by Function/Program
Last Four Years (1)

Function/Program	2005	2004	2003	2002
General Government:				
Square Footage Occupied	6,880	6,880	6,880	6,880
Police:				
Stations	1	1	1	1
Square Footage of Building	3,440	3,440	3,440	3,440
Vehicles - Police Cruisers	9	9	10	9
Vehicles - Other	1	1	2	1
Police Dogs	1	1	1	1
Fire:				
Stations	2	2	2	2
Square Footage of Building #1	7,426	7,426	7,426	7,426
Square Footage of Building #2	1,920	1,920	1,920	1,920
Vehicles - Pumpers/Fire Trucks	7	6	6	6
Vehicles - Ambulances	2	2	2	2
Transportation:				
Streets (miles)	43	43	43	43
Number of Streetlights (per light bill)	498	498	497	497
Service Vehicles	6	6	6	5
Senior Center:				
Square Footage Occupied	3,180	3,180	3,180	3,180
Passenger Vehicles	1	1	1	1
Parks:				
Number of Parks	3	3	3	3
Number of Tennis Courts	1	1	1	1
Number of Baseball and Softball Diamonds	6	6	6	6
Number of Boat Ramps	2	2	2	2
Pool:				
Number of Pools (closed in 2002)	1	1	1	1
Sewer:				
Sanitary Sewers (miles)	28	28	28	28
Vehicles	6.5	6.5	6.5	6.5
Water Department				
Water Lines (miles)	27	27	27	27
Vehicles	3.5	3.5	3.5	3.5

(1) Information prior to 2002 is not available



**Auditor of State
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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
AUGUST 3, 2006**