



**Auditor of State
Betty Montgomery**

CITY OF BELPRE
WASHINGTON COUNTY

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

City of Belpre
Washington County
P.O. Box 160
Belpre, Ohio 45714-0160

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, 2002, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 14, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 14, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 14, 2003.

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Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

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

This report is intended solely for the information and use of the audit committee, management, and the City Council, and is not intended to be and should not be used by 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

May 14, 2003

CITY OF BELPRE, OHIO

**Comprehensive Annual Financial Report
For The Year Ended December 31, 2002**

City of Belpre, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2002

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

INTRODUCTORY SECTION

City of Belpre, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002
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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

May 14, 2003

City Council and
Citizens of Belpre:
Belpre, Ohio 45714

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

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

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

THE CITY OF BELPRE

The City is located on the Ohio River at River Mile Post 184, with good access to river and rail transportation. Belpre 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 ABelleprairie or beautiful prairie. After the Revolutionary War, the early settlers prospered because of the rich farm land. From one of the largest townships in Ohio, the Village of Belpre was formed in 1901, and Belpre was incorporated as a City in 1961.

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

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

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

CITY ORGANIZATION

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

REPORTING ENTITY AND SERVICES PROVIDED

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

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

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

EMPLOYEE RELATIONS

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

<u>Name</u>	<u>Contract Expires</u>	<u>Membership</u>
AFSCME Local #3507	December 31, 2004	13
United Food and Commercial Workers, Local 347	September 16, 2004	16

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

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

ECONOMIC CONDITION AND OUTLOOK

As 2002 drew to a close, economic conditions remained stable in Belpre despite national economic problems. The growth in our City and surrounding townships has made our tax base expand. 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 2002, which include Napoli's Italian Feast, Carole's Classic Seconds, Belpre Lock and Key, Belpre Quick Lube, Kwick Kerb, and Pixie Dust.

We expect our tax base to remain stable in 2003. New businesses have announced plans to locate in the City during 2003, including Health Bridge, a \$3,000,000 physicians' center.

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

MAJOR INITIATIVES

Infrastructure improvements continued during the City's past year. Culverts and catch basins at Stone Road and Campus Drive were replaced at a cost of \$32,420 using Community Development Block Grant funds.

Equipment upgrades were a priority in 2002. This included pumps, wiring, and lighting at various lift stations and the wastewater treatment plant. Also, a new International truck was purchased for the street department for snow plowing and salt spreading for \$55,346, along with a street roller for \$25,465. Building upgrades consisted of new salt storage bins at the street garage at a cost of \$120,491.

A major upgrade of the wastewater treatment plant, costing in excess of \$1.5 million resumed in 2002 after being stalled for over a year. The first phase of the project is completed and is presented as construction in progress. The second phase of the project got underway in 2002. It is funded by grants and low interest loans from the Ohio Public Works Commission and the Washington County Commissioners, along with matching local funds from the Sewer Fund.

FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion is presented at the beginning of the financial section of this report, providing an assessment of the City finances for 2002.

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 excess cash balances consistent with the safety of those monies while maintaining desired liquidity. The City invested in a bank account and short term cash equivalents such as certificates of deposit and overnight repurchase agreements. The City may also invest in money market accounts, federal agency securities, and

the State Treasury Asset Reserve (STAR Ohio). 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 interest earned 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>
2002	\$34,286	1997	\$61,429
2001	45,130	1996	23,800
2000	70,260	1995	18,706
1999	69,311	1994	47,391
1998	61,429	1993	45,556

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

RISK MANAGEMENT

The City purchases insurance policies in varying amounts from Specialty National 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 and through the AFSCME Care Plan for AFSCME union members. Comprehensive major medical insurance is provided through Anthem Blue Cross and Blue Shield and through the United Food and Commercial Worker's Union for the police.

The City also pays unemployment claims to the State of Ohio as incurred. The City also participates in the Ohio Worker's Compensation program.

PENSION AND POSTEMPLOYMENT BENEFIT PLANS

Full-time, permanent employees of the City belong to one of two state operated pension plans. (Both are cost-sharing, defined benefit, multiple-employer plans.) Elected officials and non-uniformed employees are members of the Ohio Public Employees Retirement System (OPERS). Police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). The plans provide pension benefits as well as postretirement health care coverage to qualifying employees. Contributions to the plans by both the City and participating employees are mandated by State statute. Because both plans operate pursuant to the Ohio Revised Code, the Ohio General Assembly could decide to amend the format of the plans and could revise contribution benefit levels. During the plan year ended December 31, 2002, the City contributed \$248,124 to the two plans.

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

Ohio Public Employees Retirement System
277 East Town Street
Columbus, OH 43215-4642
(614) 466-2085

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

INDEPENDENT AUDIT

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

AWARDS

GFOA CERTIFICATE OF ACHIEVEMENT - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belpre, Ohio, for its comprehensive annual financial report for the year ended December 31, 2001. This was the City of Belpre's third 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 seventh Tree City USA Award for the year ended December 31, 2002. This prestigious award recognized the City for its annual program of planting new trees and maintaining and removing old trees.

ACKNOWLEDGMENTS

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

Sincerely,



Patrick J. Hines, CPA
Belpre City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Belpre,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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.



William Patrick Vasta

President

Jeffrey R. Enos

Executive Director

City of Belpre, Ohio
Principal Officials
December 31, 2002

Mayor.....	William R. McAfee
President of Council.....	Don McCullough
Council - 1 st Ward.....	Kevin Mayle
Council - 2 nd Ward.....	Ola Boise
Council - 3 rd Ward.....	David Ferguson
Council - 4 th Ward.....	Dewey Robinson
Council - at Large.....	John Baker
Council - at Large.....	Robert Frank
Council - at Large.....	Will Neff
Clerk of Council.....	Kimberly Meredith
Law Director.....	James McCauley

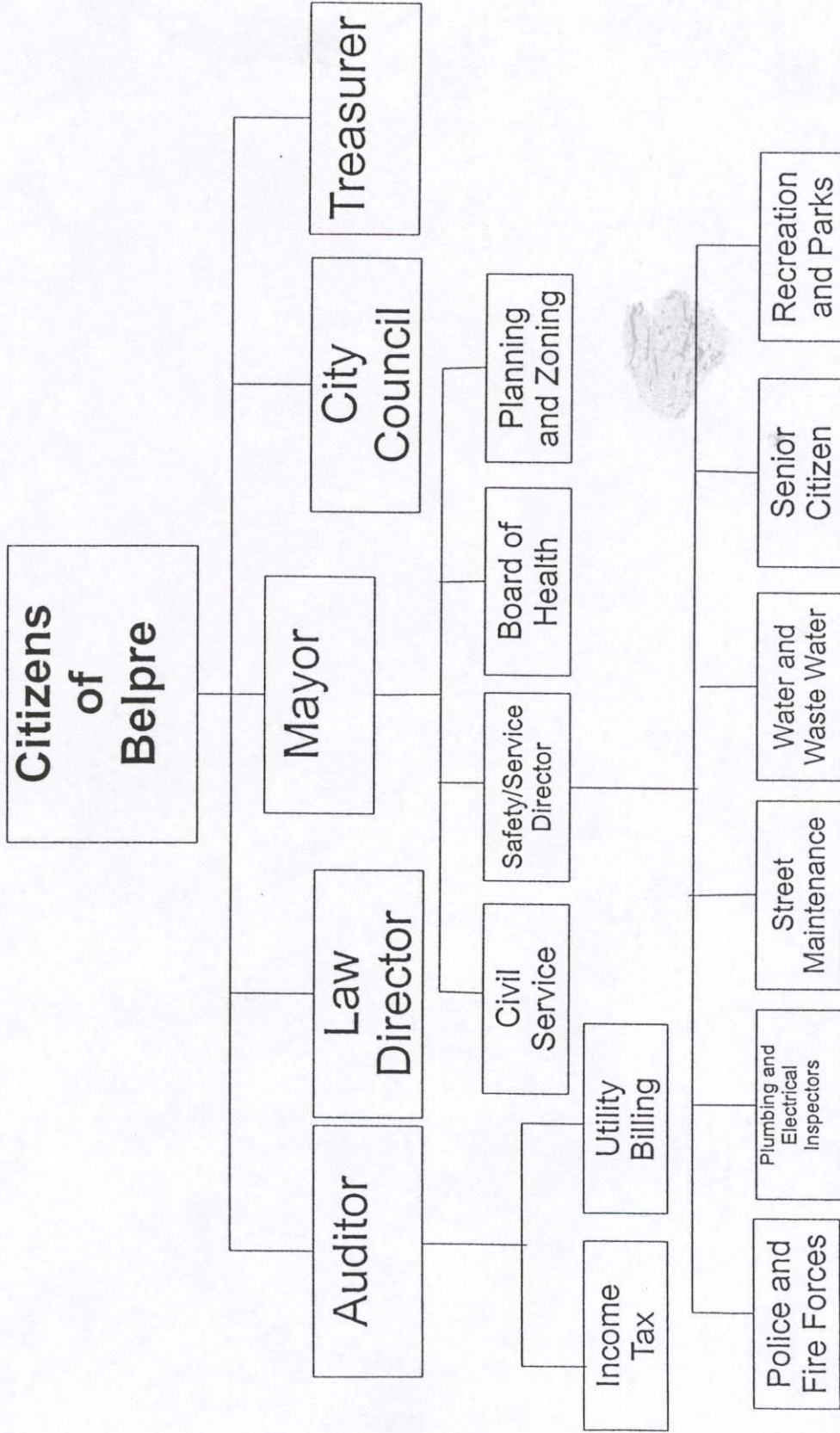
Finance

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

Safety and Service

Safety/Service Director.....	Dale Myers, Jr.
Public Works Superintendent.....	Mike Betz
Police Chief.....	Ira Walker
Fire Chief.....	Wesley Walker
Water Department Foreman.....	Bill Harpold
Sewer Department Senior Operator.....	Howard Watkins, Jr.

CITY of BELPRE, OHIO
 Organization Chart



FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Belpre
Washington County
P.O. Box 160
Belpre, Ohio 45714-0160

To the City Council:

We have audited the accompanying 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, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Belpre, Washington County, as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and Street Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2003 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Statements, Individual Nonmajor Budgetary Comparisons and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. We subjected the Combining, Individual Nonmajor Fund Statements and Individual Nonmajor Budgetary Comparisons 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 Statistical Section to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

May 14, 2003

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
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, 2002. 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 2002 are as follows:

In total, net assets decreased \$761,483. Net assets of governmental activities decreased \$1,164,236 or 15 percent from 2001. Net assets of business-type activities increased \$402,753, which represents a 7 percent increase from 2001.

In total, cash and cash equivalents increased \$164,065 or 10 percent. Total cash and cash equivalents of governmental activities decreased \$65,604, while cash and cash equivalents in our business-type activities increased \$191,478 or 21 percent.

Overall, the book value of capital assets decreased \$810,275. Total capital assets from governmental activities decreased \$1,240,779 or 17 percent. Capital assets of business-type activities increased \$430,504 or 8 percent.

Using this Annual Financial Report

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

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

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Reporting the City of Belpre as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and ask the question, "How did we do financially during 2002?" 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.

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

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

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

Reporting the City of Belpre's Most Significant Funds

Fund Financial Statements

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

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.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

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 2002 compared to 2001.

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Assets						
Current and Other Assets	\$1,378,847	\$1,613,412	\$1,347,712	\$1,160,088	\$2,726,559	\$2,773,500
Capital Assets, Net	6,050,150	7,290,929	6,012,614	5,582,110	12,062,764	12,873,039
<i>Total Assets</i>	<u>7,428,997</u>	<u>8,904,341</u>	<u>7,360,326</u>	<u>6,742,198</u>	<u>14,789,323</u>	<u>15,646,539</u>
Liabilities						
Current and Other Liabilities	372,903	576,427	378,957	178,953	751,860	755,380
Long-term Liabilities						
Due Within One Year	111,575	109,883	185,983	189,497	297,558	299,380
Due in More Than One Year	192,698	301,974	565,285	546,400	757,983	848,374
<i>Total Liabilities</i>	<u>677,176</u>	<u>988,284</u>	<u>1,130,225</u>	<u>914,850</u>	<u>1,807,401</u>	<u>1,903,134</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	5,801,336	6,931,807	5,274,909	4,860,591	11,076,245	11,792,398
Restricted:						
Capital Projects	188,860	200,981	0	0	188,860	200,981
Other Purposes	254,831	247,144	0	0	254,831	247,144
Unrestricted	506,794	536,125	955,192	966,757	1,461,986	1,502,882
<i>Total Net Assets</i>	<u>\$6,751,821</u>	<u>\$7,916,057</u>	<u>\$6,230,101</u>	<u>\$5,827,348</u>	<u>\$12,981,922</u>	<u>\$13,743,405</u>

Total assets decreased \$857,216. Even though total cash and cash equivalents increased \$125,874, the book value of governmental activities' capital assets decreased \$1,240,779. The decrease in governmental activities is due to depreciation expense on capital assets which exceeded current year acquisitions of capital assets. The increase in capital assets in business activities is due to increased capital acquisitions, mostly for the sewer treatment plant improvement project, that exceeded current year depreciation.

City of Belpre, Ohio
Management's Discussion and Analysis
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Net assets of the City's governmental activities decreased \$1,164,236. Most of this decrease can be attributed to depreciation of general infrastructure assets and the corresponding decrease in net assets: invested in capital assets, net of related debt. Unrestricted net assets decreased \$29,331 or 5 percent. Most of this decrease is due to decreased receivables from other governments for estate tax and state shared revenues.

Total governmental activities liabilities decreased \$311,108. Current liabilities decreased \$203,524. At December 31, 2001, the City carried a liability of \$211,343 to a contractor for a paving project. Long-term liabilities decreased \$107,584 as the City made required loan payments while not issuing any new debt in 2002.

The net assets of the City's business type activities increased \$402,753, with investment in capital assets representing \$414,318 of the increase, which is offset by a decrease of \$11,565 in unrestricted net assets. With usage rates generating operating revenue which exceeds expenses, the financial condition of the business type activities is sound. The City continued to invest heavily in our sewer treatment facility. The treatment facility upgrade began in 2000 and was still incomplete as of the end of 2002. Total amounts to be expended on this upgrade are contracted at \$1.5 million. By project's end, the Ohio Public Works Commission will have provided \$198,000 in grant funds and \$207,000 in low interest (2.0%) loans for this project, with the balance to be made up with funds borrowed by the City from Peoples Banking & Trust Company and repaid over twenty years. Since the City's sewer infrastructure had not been updated for several decades, continual improvements to the plant and the sewer lines carrying the flow to the plant have been our top priority for at least the last two years.

Table 2 shows the changes in net assets for the year ended December 31, 2002.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
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(Table 2)
Changes in Net Assets

	Governmental Activities 2002	Business- Type Activities 2002	Total 2002	Governmental Activities 2001	Business- Type Activities 2001	Total 2001
Revenues						
Program Revenues						
Charges for Services	\$317,585	\$2,442,419	\$2,760,004	\$313,270	\$2,311,020	\$2,624,290
Operating Grants, Contributions and Interest Capital Grants and Contributions	232,964	0	232,964	539,600	0	539,600
	53,273	57,588	110,861	24,635	22,621	47,256
Total Program Revenues	<u>603,822</u>	<u>2,500,007</u>	<u>3,103,829</u>	<u>877,505</u>	<u>2,333,641</u>	<u>3,211,146</u>
General Revenues						
Property Taxes	266,053	0	266,053	242,764	0	242,764
Income Taxes	972,380	0	972,380	953,615	0	953,615
Grants and Entitlements	197,008	0	197,008	223,043	0	223,043
Investment Earnings	31,556	0	31,556	47,657	0	47,657
Other	7,632	2,276	9,908	10,202	9,501	19,703
Total General Revenues	<u>1,474,629</u>	<u>2,276</u>	<u>1,476,905</u>	<u>1,477,281</u>	<u>9,501</u>	<u>1,486,782</u>
<i>Total Revenues</i>	<u>2,078,451</u>	<u>2,502,283</u>	<u>4,580,734</u>	<u>2,354,786</u>	<u>2,343,142</u>	<u>4,697,928</u>
Program Expenses						
General Government	483,156	0	483,156	456,662	0	456,662
Security of Persons and Property:						
Police	849,745	0	849,745	851,506	0	851,506
Fire	198,077	0	198,077	187,481	0	187,481
Public Health Services	33,077	0	33,077	21,978	0	21,978
Transportation	1,609,828	0	1,609,828	1,724,203	0	1,724,203
Leisure Time Activities:						
Senior Services	25,688	0	25,688	23,814	0	23,814
Parks	96,444	0	96,444	126,524	0	126,524
Pool	10,051	0	10,051	71,370	0	71,370
Intergovernmental	0	0	0	20,466	0	20,466
Interest and Fiscal Charges	16,621	0	16,621	20,534	0	20,534
Sanitation	0	529,784	529,784	0	439,430	439,430
Sewer	0	978,181	978,181	0	884,971	884,971
Water	0	511,565	511,565	0	507,929	507,929
Total Program Expenses	<u>3,322,687</u>	<u>2,019,530</u>	<u>5,342,217</u>	<u>3,504,538</u>	<u>1,832,330</u>	<u>5,336,868</u>
<i>Increase (Deficiency)</i>						
<i>Before Transfers</i>	(1,244,236)	482,753	(761,483)	(1,149,752)	510,812	(638,940)
Transfers	80,000	(80,000)	0	85,000	(85,000)	0
<i>Increase (Decrease)</i> <i>in Net Assets</i>	<u>(\$1,164,236)</u>	<u>\$402,753</u>	<u>(\$761,483)</u>	<u>(\$1,064,752)</u>	<u>\$425,812</u>	<u>(\$638,940)</u>

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
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Governmental Activities

Several revenue sources fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate is 1.0 percent. General revenues from grants and entitlements, such as local government funds, are also a large revenue generator. The City monitors both of these revenue sources very closely for fluctuations because the income tax and intergovernmental revenue represent 56 percent of all revenues in the governmental activities.

Despite a general slowdown in the national economy in 2002, income tax collections experienced a small increase of \$18,765. 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.

Security of persons and property is a major activity of the City, generating 32% of the governmental expenses. During 2002, expenses for police and fire operations amounted to \$849,745 and \$198,077, 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 48% of the governmental expenses. Street patching and street lighting expenses during 2002 amounted to \$254,437, with most of the remaining transportation expenses representing depreciation in the amount of \$1,355,291.

Business-Type Activities

The City's business-type activities are the water and sewer departments and sanitation services. The City 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 purchase capital assets for the City's general government activities. During 2002, program revenues exceeded expenses by \$480,477.

The City's water and sewer departments continued to operate with low rates. The minimum water rate is \$6.27 for the first 3,000 gallons of water. Water rates for two neighboring water associations are \$16.30 and \$19.80 for the first 3,000 gallons of water. The City is proud of the fact that our system is able to provide plentiful amounts of water even during the drought and near drought conditions of recent summers. The new City water wells are now complete and the major upgrade to the sewer treatment plant is now underway and will be completed in 2003.

City of Belpre, Ohio
Management's Discussion and Analysis
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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 \$2,063,809 and expenditures of \$2,186,843. During 2002, City Council approved the closure of the swimming pool due to significant repairs and improvements needing made.

The City's street paving projects during 2002 amounted to \$32,420, a \$275,140 decrease from 2001's projects of \$307,560.

The fund balance of the General Fund decreased \$34,955. An \$80,000 transfer was received from the Sanitation Enterprise Fund. The General Fund's Unreserved Fund Balance of \$454,490 represented 21% of current year expenditures. Most of these funds remain in the City's treasury and are invested.

During 2002, the Water Fund had operating revenues of \$672,024 and operating expenses of \$494,439. The Sewer Fund had operating revenues of \$1,204,466 and operating expenses of \$950,921. Utility rates increased on July 1, 2002, with water rates increasing ten percent and sewer rates increasing four percent.

General Fund Budgeting Highlights

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

During the course of 2002, the City amended its General Fund budget several times, none significant. All recommendations for a budget change came 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.

For the General Fund, an increase of \$14,620 was made to the original budgeted revenues. Final budgeted expenditures also increased \$14,620 over the original amount. The City of Belpre's ending unencumbered cash balance in the General Fund was \$107,950 above the final budgeted amount.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
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Capital Assets and Debt Administration

Capital Assets

(Table 3)
 Capital Assets at December 31, 2002

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$2,024,318	\$2,024,318	\$250,754	\$250,754	\$2,275,072	\$2,275,072
Buildings and Improvements	1,746,758	1,653,820	633,958	643,079	2,380,716	2,296,899
Machinery and Equipment	331,965	317,652	546,830	556,093	878,795	873,745
Vehicles	282,712	338,095	48,143	57,952	330,855	396,047
Infrastructure:						
U.S. and State Roads	406,680	813,358	0	0	406,680	813,358
City Streets	1,187,446	2,049,990	0	0	1,187,446	2,049,990
Street Signals	70,271	93,696	0	0	70,271	93,696
Sewer System	0	0	1,324,138	1,359,049	1,324,138	1,359,049
Water System	0	0	2,124,595	2,150,836	2,124,595	2,150,836
Construction in Progress	0	0	1,084,196	564,347	1,084,196	564,347
Totals	\$6,050,150	\$7,290,929	\$6,012,614	\$5,582,110	\$12,062,764	\$12,873,039

The assets of the City are reported at historical cost, net of depreciation. The primary increase is construction in progress in the Sewer Fund due to the treatment plant improvements. For additional information on capital assets, see Note 8 to the basic financial statements.

Debt

The City had no bond issues outstanding but did have various loans payable at December 31, 2002, totaling \$986,519 of which \$297,221 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 property, one for the city building, one for three emergency vehicles, one for water lines, one for a backhoe, and one for the sewer treatment facility.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

(Table 4)
 Outstanding Debt at December 31, 2002

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
City Building Loan	\$103,781	\$114,958	\$207,563	\$229,918	\$311,344	\$344,876
Property Loan	23,533	34,079	47,068	68,158	70,601	102,237
Backhoe Loan	7,953	11,009	15,908	22,018	23,861	33,027
Issue II Water Well Loan	0	0	76,810	80,103	76,810	80,103
Water Lines Loan	0	0	110,712	120,394	110,712	120,394
Water Well Loan	0	0	0	6,734	0	6,734
Sewer Treatment Plant Loan	0	0	233,036	194,194	233,036	194,194
Issue II Sewer Treatment Plant Loan	0	0	46,608	0	46,608	0
Fire Truck Loan	75,000	150,000	0	0	75,000	150,000
Issue II Paving Loan	38,547	49,076	0	0	38,547	49,076
Police Pension	22,845	23,168	0	0	22,845	23,168
Totals	<u>\$271,659</u>	<u>\$382,290</u>	<u>\$737,705</u>	<u>\$721,519</u>	<u>\$1,009,364</u>	<u>\$1,103,809</u>

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

At year end, the City had contractual commitments of \$1,500,672, of which \$1,084,196 had been repaid, for sewer treatment plant improvements. The City has \$541,368 available to them from loan approvals for the completion of the project.

The City's overall legal debt margin was \$8,831,040 at December 31, 2002. For additional information on debt, see Note 10 to the basic financial statements.

Current Finance Related Activities

The City of Belpre continued to be in a strong financial position. Infrastructure upgrades continued to be a major priority for the City. Final costs for the sewer treatment plant upgrade will exceed \$1.5 million dollars. This project is being funded with grants from the Ohio Public Works Commission and the Washington County Commissioners, as well as loans from the Ohio Public Works Commission and local banks.

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 new 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.

City of Belpre, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Contacting the City's 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, 2002

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$558,784	\$1,109,765	\$1,668,549
Cash and Cash Equivalents in Segregated Accounts	8,316	0	8,316
Investments	0	50,000	50,000
Accounts Receivable	18,198	177,098	195,296
Accrued Interest Receivable	19	0	19
Due from Other Governments	214,537	0	214,537
Materials and Supplies Inventory	5,338	2,228	7,566
Prepaid Items	31,083	8,621	39,704
Taxes Receivable	542,572	0	542,572
Non-Depreciable Capital Assets	2,024,318	1,334,950	3,359,268
Depreciable Capital Assets, Net	4,025,832	4,677,664	8,703,496
<i>Total Assets</i>	<u>7,428,997</u>	<u>7,360,326</u>	<u>14,789,323</u>
Liabilities			
Accounts Payable	19,704	34,243	53,947
Contracts Payable	0	159,332	159,332
Accrued Wages	22,533	11,975	34,508
Due to Other Governments	20,629	13,547	34,176
Deferred Revenue	268,036	0	268,036
Accrued Interest Payable	143	258	401
Retainage Payable	0	24,147	24,147
Vacation Benefits Payable	41,658	29,874	71,532
Deposits Held and Due to Others	200	0	200
Customer Deposits Payable	0	105,581	105,581
Long-Term Liabilities:			
Due Within One Year	111,575	185,983	297,558
Due In More Than One Year	192,698	565,285	757,983
<i>Total Liabilities</i>	<u>677,176</u>	<u>1,130,225</u>	<u>1,807,401</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,801,336	5,274,909	11,076,245
Restricted for:			
Capital Projects	188,860	0	188,860
Other Purposes	254,831	0	254,831
Unrestricted	506,794	955,192	1,461,986
<i>Total Net Assets</i>	<u>\$6,751,821</u>	<u>\$6,230,101</u>	<u>\$12,981,922</u>

See accompanying notes to the basic financial statements

City of Belpre, Ohio
Statement of Activities
For the Year Ended December 31, 2002

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities				
General Government	\$483,156	\$121,434	(\$229)	\$0
Security of Persons and Property:				
Police	849,745	135,397	0	0
Fire	198,077	0	2,830	0
Public Health Services	33,077	15,985	8,850	0
Transportation	1,609,828	41,594	212,681	32,420
Leisure Time Activities:				
Senior Center	25,688	0	2,928	2,000
Parks	96,444	3,175	5,904	18,853
Pool	10,051	0	0	0
Interest and Fiscal Charges	16,621	0	0	0
<i>Total Governmental Activities</i>	3,322,687	317,585	232,964	53,273
Business-Type Activities				
Sanitation	529,784	568,205	0	0
Sewer	978,181	1,204,376	0	0
Water	511,565	669,838	0	57,588
<i>Total Business-Type Activities</i>	2,019,530	2,442,419	0	57,588
<i>Total</i>	\$5,342,217	\$2,760,004	\$232,964	\$110,861

General Revenues

Property Taxes Levied for General Purposes
Income Taxes Levied for:
 General Purposes
 Capital Outlay
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Other

Total General Revenues

Transfers

Change in Net Assets

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

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$361,951)	\$0	(\$361,951)
(714,348)	0	(714,348)
(195,247)	0	(195,247)
(8,242)	0	(8,242)
(1,323,133)	0	(1,323,133)
(20,760)	0	(20,760)
(68,512)	0	(68,512)
(10,051)	0	(10,051)
(16,621)	0	(16,621)
<u>(2,718,865)</u>	<u>0</u>	<u>(2,718,865)</u>
0	38,421	38,421
0	226,195	226,195
0	215,861	215,861
<u>0</u>	<u>480,477</u>	<u>480,477</u>
<u>(2,718,865)</u>	<u>480,477</u>	<u>(2,238,388)</u>
266,053	0	266,053
700,564	0	700,564
271,816	0	271,816
197,008	0	197,008
31,556	0	31,556
7,632	2,276	9,908
1,474,629	2,276	1,476,905
<u>80,000</u>	<u>(80,000)</u>	<u>0</u>
(1,164,236)	402,753	(761,483)
<u>7,916,057</u>	<u>5,827,348</u>	<u>13,743,405</u>
<u>\$6,751,821</u>	<u>\$6,230,101</u>	<u>\$12,981,922</u>

City of Belpre, Ohio
Balance Sheet
Governmental Funds
December 31, 2002

	General	Street	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$316,498	\$22,243	\$84,592	\$135,451	\$558,784
Cash and Cash Equivalents in Segregated Accounts	7,484	0	0	832	8,316
Receivables:					
Taxes	435,698	0	104,268	2,606	542,572
Accounts	18,198	0	0	0	18,198
Accrued Interest	19	0	0	0	19
Interfund	4,927	0	0	0	4,927
Due from Other Governments	100,447	106,030	0	8,060	214,537
Materials and Supplies Inventory	1,040	4,298	0	0	5,338
Prepaid Items	23,273	3,489	0	4,321	31,083
<i>Total Assets</i>	<u>\$907,584</u>	<u>\$136,060</u>	<u>\$188,860</u>	<u>\$151,270</u>	<u>\$1,383,774</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$15,623	\$2,306	\$0	\$1,775	\$19,704
Accrued Wages	18,288	4,245	0	0	22,533
Due to Other Governments	17,687	2,678	0	264	20,629
Deferred Revenue	389,339	76,410	25,532	5,659	496,940
Interfund	0	0	0	4,927	4,927
Deposits Held and Due to Others	200	0	0	0	200
<i>Total Liabilities</i>	<u>441,137</u>	<u>85,639</u>	<u>25,532</u>	<u>12,625</u>	<u>564,933</u>
Fund Balances					
Reserved for Encumbrances	6,960	1,910	0	1,380	10,250
Reserved for Inventory	1,040	4,298	0	0	5,338
Reserved for Unclaimed Monies	3,957	0	0	0	3,957
Unreserved, Undesignated, Reported in:					
General Fund	454,490	0	0	0	454,490
Special Revenue Funds	0	44,213	0	137,265	181,478
Capital Projects Funds	0	0	163,328	0	163,328
<i>Total Fund Balances</i>	<u>466,447</u>	<u>50,421</u>	<u>163,328</u>	<u>138,645</u>	<u>818,841</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$907,584</u>	<u>\$136,060</u>	<u>\$188,860</u>	<u>\$151,270</u>	<u>\$1,383,774</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, 2002*

Total Governmental Fund Balances \$818,841

*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. 6,050,150

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

Investment Earnings	776	
Property Taxes	11,174	
Municipal Income Taxes	63,831	
Intergovernmental Revenues	146,123	
Fines, Licenses, and Permits	7,000	
Total	228,904	228,904

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

Police Pension Payable	(22,845)	
Accrued Interest Payable	(143)	
Loans Payable	(248,814)	
Compensated Absences Payable	(32,614)	
Vacation Benefits Payable	(41,658)	
Total	(346,074)	(346,074)

Net Assets of Governmental Activities \$6,751,821

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, 2002

	General	Street	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Taxes	\$266,478	\$0	\$0	\$0	\$266,478
Municipal Income Tax	685,387	0	261,698	0	947,085
Motor Vehicle License Tax	0	0	0	36,204	36,204
Charges for Services	82,924	5,390	0	3,175	91,489
Fines, Licenses and Permits	158,282	0	0	15,875	174,157
Intergovernmental	205,925	202,843	53,273	16,447	478,488
Investment Earnings	33,784	136	0	366	34,286
Donations	5,758	0	0	5,904	11,662
Other	23,175	202	75	508	23,960
<i>Total Revenues</i>	<u>1,461,713</u>	<u>208,571</u>	<u>315,046</u>	<u>78,479</u>	<u>2,063,809</u>
Expenditures					
Current:					
General Government	463,824	0	15,360	0	479,184
Security of Persons and Property:					
Police	789,200	0	0	27,321	816,521
Fire	115,554	0	0	0	115,554
Public Health Services	32,530	0	2,145	0	34,675
Transportation	71,827	296,862	117,344	6,304	492,337
Leisure Time Activities:					
Senior Center	23,733	0	2,799	0	26,532
Parks	0	0	30,312	61,742	92,054
Pool	0	0	0	1,203	1,203
Debt Service:					
Principal Retirement	0	0	99,779	10,529	110,308
Interest and Fiscal Charges	0	0	17,546	929	18,475
<i>Total Expenditures</i>	<u>1,496,668</u>	<u>296,862</u>	<u>285,285</u>	<u>108,028</u>	<u>2,186,843</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(34,955)</u>	<u>(88,291)</u>	<u>29,761</u>	<u>(29,549)</u>	<u>(123,034)</u>
Other Financing Sources (Uses)					
Transfers In	80,000	90,000	0	42,000	212,000
Transfers Out	(80,000)	0	(52,000)	0	(132,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>90,000</u>	<u>(52,000)</u>	<u>42,000</u>	<u>80,000</u>
<i>Net Change in Fund Balances</i>	<u>(34,955)</u>	<u>1,709</u>	<u>(22,239)</u>	<u>12,451</u>	<u>(43,034)</u>
<i>Fund Balances Beginning of Year (Restated - See Note 4)</i>	501,938	49,902	185,567	126,194	863,601
Decrease in Reserve for Inventory	(536)	(1,190)	0	0	(1,726)
<i>Fund Balances End of Year</i>	<u>\$466,447</u>	<u>\$50,421</u>	<u>\$163,328</u>	<u>\$138,645</u>	<u>\$818,841</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, 2002*

Net Change in Fund Balances - Total Governmental Funds (\$43,034)

*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	309,461	
Depreciation	<u>(1,550,240)</u>	
Excess of Depreciation Expense over Capital Outlay		(1,240,779)

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

Interest	(2,228)	
Property and Other Taxes	(425)	
Municipal Income Taxes	25,295	
Estate Taxes	(2,072)	
Grants	925	
State Shared Revenues	<u>(6,853)</u>	
Total		14,642

In the statement of activities, interest is accrued on outstanding
loans, whereas in governmental funds, an interest expenditure
is reported when due. 1,856

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities
in the statement of net assets. 110,308

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	(1,726)	
Vacation Benefits Payable	(2,779)	
Compensated Absences Payable - Sick	(3,047)	
Police Pension Payable	<u>323</u>	
Total		<u>(7,229)</u>

Change in Net Assets of Governmental Activities (\$1,164,236)

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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Revenues				
Property and Other Taxes	\$271,565	\$271,565	\$266,478	(\$5,087)
Municipal Income Tax	685,000	685,000	667,840	(17,160)
Charges for Services	80,650	80,650	82,102	1,452
Fines, Licenses and Permits	118,500	118,500	156,609	38,109
Intergovernmental	205,291	219,911	210,268	(9,643)
Investment Earnings	42,000	42,000	33,550	(8,450)
Donations	6,900	6,900	5,758	(1,142)
Other	21,400	21,400	19,428	(1,972)
<i>Total Revenues</i>	<u>1,431,306</u>	<u>1,445,926</u>	<u>1,442,033</u>	<u>(3,893)</u>
Expenditures				
Current:				
General Government	493,164	494,783	463,399	31,384
Security of Persons and Property:				
Police	889,749	865,844	793,704	72,140
Fire	120,307	133,707	116,708	16,999
Public Health Services	29,364	47,745	36,504	11,241
Transportation	75,569	75,569	71,775	3,794
Leisure Time Activities - Senior Center	25,027	30,152	23,867	6,285
<i>Total Expenditures</i>	<u>1,633,180</u>	<u>1,647,800</u>	<u>1,505,957</u>	<u>141,843</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(201,874)</u>	<u>(201,874)</u>	<u>(63,924)</u>	<u>137,950</u>
Other Financing Sources (Uses)				
Transfers In	110,000	110,000	80,000	(30,000)
Transfers Out	(80,000)	(80,000)	(80,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>(30,000)</u>
<i>Net Change in Fund Balance</i>	(171,874)	(171,874)	(63,924)	107,950
<i>Fund Balance Beginning of Year</i>	348,131	348,131	348,131	0
Prior Year Encumbrances Appropriated	19,026	19,026	19,026	0
<i>Fund Balance End of Year</i>	<u>\$195,283</u>	<u>\$195,283</u>	<u>\$303,233</u>	<u>\$107,950</u>

See accompanying notes to the basic financial statements

City of Belpre, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$7,500	\$7,500	\$5,390	(\$2,110)
Intergovernmental	212,500	212,500	202,885	(9,615)
Interest	600	600	105	(495)
Other	0	0	202	202
<i>Total Revenues</i>	<u>220,600</u>	<u>220,600</u>	<u>208,582</u>	<u>(12,018)</u>
Expenditures				
Current:				
Transportation	<u>325,085</u>	<u>325,085</u>	<u>299,254</u>	<u>25,831</u>
<i>Excess of Revenues Under Expenditures</i>	(104,485)	(104,485)	(90,672)	13,813
Other Financing Sources				
Transfers In	<u>106,000</u>	<u>106,000</u>	<u>90,000</u>	<u>(16,000)</u>
<i>Net Change in Fund Balance</i>	1,515	1,515	(672)	(2,187)
<i>Fund Balance Beginning of Year</i>	19,017	19,017	19,017	0
Prior Year Encumbrances Appropriated	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$21,032</u>	<u>\$21,032</u>	<u>\$18,845</u>	<u>(\$2,187)</u>

See accompanying notes to the basic financial statements

City of Belpre, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2002

	Sanitation	Sewer	Water	Total Enterprise Funds
Assets				
Current:				
Equity in Pooled Cash and Cash Equivalents	\$210,838	\$364,362	\$478,984	\$1,054,184
Accounts Receivable	40,821	92,898	43,379	177,098
Materials and Supplies Inventory	0	488	1,740	2,228
Prepaid Items	384	4,138	4,099	8,621
<i>Total Current Assets</i>	<u>252,043</u>	<u>461,886</u>	<u>528,202</u>	<u>1,242,131</u>
Noncurrent:				
Restricted Assets:				
Customer Deposits	0	0	55,581	55,581
Investments	0	0	50,000	50,000
Non-Depreciable Capital Assets	0	1,163,001	171,949	1,334,950
Depreciable Capital Assets, Net	0	2,095,511	2,582,153	4,677,664
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>3,258,512</u>	<u>2,859,683</u>	<u>6,118,195</u>
<i>Total Assets</i>	<u>252,043</u>	<u>3,720,398</u>	<u>3,387,885</u>	<u>7,360,326</u>
Liabilities				
Current:				
Accounts Payable	18,135	12,019	4,089	34,243
Contracts Payable	0	152,732	6,600	159,332
Accrued Interest Payable	0	146	112	258
Accrued Wages	185	8,984	2,806	11,975
Retainage Payable	0	24,147	0	24,147
Vacation Benefits Payable	778	19,725	9,371	29,874
Due to Other Governments	105	8,049	5,393	13,547
Issue II Loans Payable	0	0	3,359	3,359
Loans Payable	0	146,847	35,777	182,624
<i>Total Current Liabilities</i>	<u>19,203</u>	<u>372,649</u>	<u>67,507</u>	<u>459,359</u>
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	105,581	105,581
Long-Term:				
Compensated Absences Payable	384	10,566	2,613	13,563
Issue II Loans Payable	0	46,608	73,451	120,059
Loans Payable	0	221,458	210,205	431,663
<i>Total Long-Term Liabilities</i>	<u>384</u>	<u>278,632</u>	<u>286,269</u>	<u>565,285</u>
<i>Total Liabilities</i>	<u>19,587</u>	<u>651,281</u>	<u>459,357</u>	<u>1,130,225</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	0	2,843,599	2,431,310	5,274,909
Unrestricted	232,456	225,518	497,218	955,192
<i>Total Net Assets</i>	<u>\$232,456</u>	<u>\$3,069,117</u>	<u>\$2,928,528</u>	<u>\$6,230,101</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, 2002*

	Sanitation	Sewer	Water	Total Enterprise Funds
Operating Revenues				
Charges for Services	\$568,205	\$1,204,376	\$669,838	\$2,442,419
Other Operating Revenues	0	90	2,186	2,276
<i>Total Operating Revenues</i>	<u>568,205</u>	<u>1,204,466</u>	<u>672,024</u>	<u>2,444,695</u>
Operating Expenses				
Salaries and Wages	6,629	266,064	101,097	373,790
Fringe Benefits	2,601	88,086	44,697	135,384
Contractual Services	517,211	443,733	175,034	1,135,978
Materials and Supplies	3,343	34,739	88,787	126,869
Depreciation	0	118,299	84,824	203,123
<i>Total Operating Expenses</i>	<u>529,784</u>	<u>950,921</u>	<u>494,439</u>	<u>1,975,144</u>
<i>Operating Income</i>	38,421	253,545	177,585	469,551
Non Operating Expenses				
Interest and Fiscal Charges	0	(27,260)	(17,126)	(44,386)
<i>Income Before Contributions and Transfers</i>	38,421	226,285	160,459	425,165
Capital Contributions	0	36,748	20,840	57,588
Transfers Out	(80,000)	0	0	(80,000)
<i>Change in Net Assets</i>	(41,579)	263,033	181,299	402,753
<i>Net Assets Beginning of Year</i>	<u>274,035</u>	<u>2,806,084</u>	<u>2,747,229</u>	<u>5,827,348</u>
<i>Net Assets End of Year</i>	<u><u>\$232,456</u></u>	<u><u>\$3,069,117</u></u>	<u><u>\$2,928,528</u></u>	<u><u>\$6,230,101</u></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, 2002

	Sanitation	Sewer	Water	Total Enterprise Funds
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$572,103	\$1,198,965	\$672,100	\$2,443,168
Cash Payments for Employee Services and Benefits	(9,203)	(352,449)	(144,893)	(506,545)
Cash Payments to Suppliers for Goods and Services	(525,606)	(475,009)	(259,986)	(1,260,601)
Other Operating Revenues	0	2,242	2,186	4,428
Customer Deposits Received	0	0	12,738	12,738
Customer Deposits Returned	0	0	(2,445)	(2,445)
<i>Net Cash Provided by Operating Activities</i>	<u>37,294</u>	<u>373,749</u>	<u>279,700</u>	<u>690,743</u>
Cash Flows from Noncapital Financing Activities:				
Transfers Out	(80,000)	0	0	(80,000)
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(80,000)</u>	<u>0</u>	<u>0</u>	<u>(80,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	0	(408,762)	(39,406)	(448,168)
Proceeds of Issue II Loans	0	46,608	0	46,608
Proceeds of Loans	0	161,581	0	161,581
Principal Paid on Debt	0	(147,517)	(44,486)	(192,003)
Interest Paid on Debt	0	(27,621)	(17,250)	(44,871)
Capital Contributions	0	36,748	20,840	57,588
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>0</u>	<u>(338,963)</u>	<u>(80,302)</u>	<u>(419,265)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(42,706)	34,786	199,398	191,478
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>253,544</u>	<u>329,576</u>	<u>335,167</u>	<u>918,287</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$210,838</u>	<u>\$364,362</u>	<u>\$534,565</u>	<u>\$1,109,765</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
<i>Operating Income</i>	\$38,421	\$253,545	\$177,585	\$469,551
Adjustments:				
Depreciation	0	118,299	84,824	203,123
(Increase)/Decrease in Assets:				
Accounts Receivable	3,898	(5,635)	2,262	525
Due from Other Governments	0	2,152	0	2,152
Materials and Supplies Inventory	0	229	1,855	2,084
Prepaid Items	(18)	(351)	(538)	(907)
Increase/(Decrease) in Liabilities:				
Accounts Payable	(2,975)	1,349	(70)	(1,696)
Accrued Wages	36	2,108	(63)	2,081
Compensated Absences Payable	11	(1,205)	379	(815)
Customer Deposits	0	0	10,293	10,293
Vacation Benefits Payable	(74)	(1,266)	(137)	(1,477)
Due to Other Governments	(2,005)	4,524	3,310	5,829
<i>Net Cash Provided by Operating Activities</i>	<u>\$37,294</u>	<u>\$373,749</u>	<u>\$279,700</u>	<u>\$690,743</u>

See accompanying notes to the basic financial statements

City of Belpre, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2002

Assets

Equity Pooled in Cash and Cash Equivalents	\$117,697
Cash and Cash Equivalents in Segregated Accounts	<u>2,965</u>

<i>Total Assets</i>	<u><u>\$120,662</u></u>
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Liabilities

Due to Other Governments	\$117,697
Deposits Held and Due to Others	<u>2,965</u>

<i>Total Liabilities</i>	<u><u>\$120,662</u></u>
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See accompanying notes to the basic financial statements

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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 proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most 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, 2002

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

B. Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

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

Capital Improvement Fund The Capital Improvement Fund accounts for income tax revenues and grants used for general capital improvements in the City.

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

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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

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

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

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

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. There are four categories of fiduciary funds; pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. The City's agency funds account for grant money passed through for a scenic route project, payroll activity, and mayor's court collections that are distributed to various local governments.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities accounts for increases (i.e. revenues) and decreases (i.e. expenditures) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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, 2002, but which were levied to finance year 2003 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, 2002

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 required to be deposited into the City's treasury. The cash of the Mayor's Court is included in this line item.

During 2002, 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 2002 amounted to \$33,784, which includes \$28,264 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, 2002

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, 2002, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

I. Restricted Assets

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

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed 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, 2002

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	15 - 20 years	50 - 65 years

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 within the year 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, special termination benefits, and contractually required pension contributions 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 or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Net assets restricted for other purposes include activities related to the mayor's court, the City's parks and pool, law enforcement, and street and state highway maintenance and repairs.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitation, sewer, and water utility services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Expenses not meeting the definition include interest and fiscal charges.

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 Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and each major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance

	General	Street
GAAP Basis	(\$34,955)	\$1,709
Net Adjustment for Revenue Accruals	(18,050)	42
Beginning of Year:		
Unrecorded Cash	2,436	25
Prepaid Items	21,472	2,997
Segregated Accounts	6,138	0
End of Year:		
Unrecorded Cash	(2,720)	(56)
Prepaid Items	(23,273)	(3,489)
Segregated Accounts	(7,484)	0
Net Adjustment for Expenditure Accruals	2,100	1,442
Encumbrances	(9,588)	(3,342)
Budget Basis	(\$63,924)	(\$672)

Note 4 – Restatement of Prior Year Balances

During 2002, the City determined that income tax revenues were understated and governmental capital assets were overstated. These adjustments had the following effects on changes in net assets as previously reported as of December 31, 2001:

	Governmental Activities
Change as Previously Reported	(\$1,136,745)
Income Tax Understatement	73,993
Capital Asset Overstatement - Security of Persons and Property - Police	(2,000)
Restated Change - December 31, 2001	(\$1,064,752)

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

The adjustments referred to above had the following effects on net assets as it was previously reported at December 31, 2001:

	Governmental Activities
Net Assets as Previously Reported	\$7,844,064
Income Tax Understatement	73,993
Capital Asset Overstatement	(2,000)
Net Assets - December 31, 2001	\$7,916,057

The adjustments referred to above also had the following effects on fund balance as it was previously reported at December 31, 2001:

	General Fund	Capital Improvement
Fund Balance as Previously Reported	\$457,542	\$155,970
Income Tax Understatement	44,396	29,597
Fund Balance - December 31, 2001	\$501,938	\$185,567

Note 5 - Deposits and Investments

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

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

Inactive deposits are public deposits that Council has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily and that the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in number 1 or 2 above and repurchase agreements secured by such obligations, provided that instruments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required or needed 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
3. Obligations of the City

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

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

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

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

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Deposits At year end, the carrying amount of the City's deposits was \$1,847,327 and the bank balance was \$1,976,332. Of the bank balance:

1. \$261,281 was covered by federal depository insurance.
2. \$1,715,051 was uncollateralized and uninsured. Although the pledging banks have an investment and securities pool used to collateralize all public deposits which are held in the financial institutions name, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

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

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$1,797,527	\$50,000
Petty Cash	(200)	0
Certificate of Deposit	50,000	(50,000)
GASB Statement 3	\$1,847,327	\$0

Note 6 - Receivables

Receivables at December 31, 2002, consisted primarily of municipal income taxes, property and other taxes, 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 2002 for real and public utility property taxes represents collections of the 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

City of Belpre, Ohio
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For the Year Ended December 31, 2002

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. 2002 public utility property taxes became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for all property except inventory, which has a rate of 24 percent.

The full tax rate for all City operations for the year ended December 31, 2002, was \$3.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property	\$79,511,950
Public Utility Property	3,038,800
Tangible Personal Property	6,500,610
	<u>\$89,051,360</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Belpre. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2002, 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 2002 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, 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;

City of Belpre, Ohio
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3. All remaining income tax proceeds are set aside and allocated 60% to the General Fund and 40% to the Capital Improvement Capital Projects Fund.
4. Income tax proceeds allocated each year to the Capital Improvement Capital Projects Fund is limited per City Ordinance, with all tax proceeds thereafter distributed 100% to the General Fund.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government	\$79,814
Motor Vehicle License Tax	41,821
Gasoline Tax	48,168
Excise Tax	24,101
Rollback and Homestead	13,057
Public Utility Reimbursements	3,089
State Health Subsidy	2,103
Estate Tax	1,246
Medicare Reimbursements	822
Workers' Compensation Refund	316
	<u>\$214,537</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 2002, the City contracted with Specialty National Insurance Company for various types of insurance as follows:

City of Belpre, Ohio
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Type of Coverage	Limit	Aggregate	Deductible
Property:			
Building and Contents	\$11,069,834		\$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	1,000,000 per Occurrence	\$1,000,000	10,000
General	1,000,000 per Occurrence	3,000,000	1,000
Employee Benefits	1,000,000 per Occurrence	3,000,000	1,000
Public Officials Wrongful Acts	1,000,000 per Occurrence	1,000,000	2,500
Police Professional	1,000,000 per Occurrence	1,000,000	2,500
Ohio Stop Gap	1,000,000 per Occurrence	1,000,000	0
Fire Damage	50,000 per Occurrence		1,000
Medical Expense	10,000 per Person		1,000
Vehicle:			
Liability	1,000,000		0
Medical Expense	5,000		0
Uninsured/Underinsured	1,000,000		0
Hired Car Physical Damage	35,000		
Comprehensive; Collision			100;250
Employee or Volunteer Auto Personal Effects - Comprehensive; Collision	500		100;250
Crime:			
Inside/Outside	10,000		250
Employee Dishonesty Blanket	50,000		250
Forgery and Alterations	50,000		250
Optional Tax	20,000		250
Inland Marine:			
Property not Licensed for Highway Use	1,447,048		500
Borrowed, Leased, or Rental Equipment	100,000		0
Miscellaneous Equipment	126,460		0
Emergency Portable Equipment	130,000		500
Canine	10,000		500

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

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2002, was as follows:

	Balance 12/31/01	Increases	Decreases	Balance 12/31/02
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$2,024,318	\$0	\$0	\$2,024,318
Capital Assets being Depreciated:				
Buildings and Improvements	2,669,730	157,534	0	2,827,264
Machinery and Equipment	949,677	64,161	3,800	1,010,038
Vehicles	1,376,341	55,346	0	1,431,687
Roads	6,100,176	0	0	6,100,176
Streets	13,421,743	32,420	0	13,454,163
Street Signals	468,496	0	0	468,496
Total Capital Assets being Depreciated	<u>24,986,163</u>	<u>309,461</u>	<u>3,800</u>	<u>25,291,824</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,015,910)	(64,596)	0	(1,080,506)
Machinery and Equipment	(632,025)	(49,848)	(3,800)	(678,073)
Vehicles	(1,038,246)	(110,729)	0	(1,148,975)
Roads	(5,286,818)	(406,678)	0	(5,693,496)
Streets	(11,371,753)	(894,964)	0	(12,266,717)
Street Signals	(374,800)	(23,425)	0	(398,225)
Total Accumulated Depreciation	<u>(19,719,552)</u>	<u>(1,550,240)</u>	<u>(3,800)</u>	<u>(21,265,992)</u>
Total Capital Assets being Depreciated, Net	<u>5,266,611</u>	<u>(1,240,779)</u>	<u>0</u>	<u>4,025,832</u>
Governmental Activities Capital Assets, Net	<u>\$7,290,929</u>	<u>(\$1,240,779)</u>	<u>\$0</u>	<u>\$6,050,150</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

	Balance 12/31/01	Increases	Decreases	Balance 12/31/02
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$250,754	\$0	\$0	\$250,754
Construction in Progress	564,347	519,849	0	1,084,196
Total Capital Assets not being Depreciated	<u>815,101</u>	<u>519,849</u>	<u>0</u>	<u>1,334,950</u>
Capital Assets being Depreciated:				
Buildings and Improvements	761,975	6,600	0	768,575
Machinery and Equipment	1,508,998	50,270	0	1,559,268
Vehicles	109,424	0	0	109,424
Infrastructure	5,979,893	56,908	0	6,036,801
Total Capital Assets being Depreciated	<u>8,360,290</u>	<u>113,778</u>	<u>0</u>	<u>8,474,068</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(118,896)	(15,721)	0	(134,617)
Machinery and Equipment	(952,905)	(59,533)	0	(1,012,438)
Vehicles	(51,472)	(9,809)	0	(61,281)
Infrastructure	(2,470,008)	(118,060)	0	(2,588,068)
Total Accumulated Depreciation	<u>(3,593,281)</u>	<u>(203,123)</u>	<u>0</u>	<u>(3,796,404)</u>
Total Capital Assets being Depreciated, Net	<u>4,767,009</u>	<u>(89,345)</u>	<u>0</u>	<u>4,677,664</u>
Governmental Activities Capital Assets, Net	<u>\$5,582,110</u>	<u>\$430,504</u>	<u>\$0</u>	<u>\$6,012,614</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$16,738
Security of Persons and Property:	
Police	43,533
Fire	86,685
Public Health Services	246
Transportation	1,355,291
Leisure Time Activities:	
Senior Center	1,955
Parks	36,944
Swimming Pool	8,848
Total Depreciation Expense	<u>\$1,550,240</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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, other than police, and for all elected officials. The insurance is through Anthem Life Insurance for non-union employees and through the AFSCME Care Plan for AFSCME union members.

The City provides comprehensive major medical insurance for full time employees, other than police, through Anthem Blue Cross and Blue Shield 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.

Note 10 - Long-Term Debt

A schedule of changes in long-term obligations of the City during 2002 follows:

	Principal Outstanding 12/31/01	Additions	Deletions	Principal Outstanding 12/31/02	Amounts Due in One Year
Governmental Activities:					
Backhoe Loan - 6.75%	\$11,009	\$0	\$3,056	\$7,953	\$3,275
Property Loan - 6.00%	34,079	0	10,546	23,533	10,314
City Building Loan - 5.42%	114,958	0	11,177	103,781	11,908
Fire Trucks Loan - 4.8%	150,000	0	75,000	75,000	75,000
Issue II Paving Loan - 2%	49,076	0	10,529	38,547	10,741
Total Loans	<u>359,122</u>	<u>0</u>	<u>110,308</u>	<u>248,814</u>	<u>111,238</u>
Police Pension	23,168	0	323	22,845	337
Compensated Absences- Sick	29,567	14,695	11,648	32,614	0
Total Governmental Activities	<u>\$411,857</u>	<u>\$14,695</u>	<u>\$122,279</u>	<u>\$304,273</u>	<u>\$111,575</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

	Principal Outstanding 12/31/01	Additions	Deletions	Principal Outstanding 12/31/02	Amounts Due in One Year
Business-Type Activities:					
Backhoe Loan - 6.75%	\$22,018	\$0	\$6,110	\$15,908	\$6,550
Property Loan - 6.00%	68,158	0	21,090	47,068	20,628
City Building Loan - 5.42%	229,918	0	22,355	207,563	23,816
Issue II Water Well - 2%	80,103	0	3,293	76,810	3,359
Water Loan - 5.71%	6,734	0	6,734	0	0
Water Lines Loan - 6.04%	120,394	0	9,682	110,712	10,280
Issue II Treatment Plant - 2%	0	46,608	0	46,608	0
Treatment Plant Loan - 4.89%	194,194	161,581	122,739	233,036	121,350
Total Loans	<u>721,519</u>	<u>208,189</u>	<u>192,003</u>	<u>737,705</u>	<u>185,983</u>
Compensated Absences- Sick	14,378	8,547	9,362	13,563	0
Total Governmental Activities	<u><u>\$735,897</u></u>	<u><u>\$216,736</u></u>	<u><u>\$201,365</u></u>	<u><u>\$751,268</u></u>	<u><u>\$185,983</u></u>

The police pension is paid from general property tax revenues from the General Fund. The police pension liability payments are reflected as program expenditures. Compensated absences for sick leave liabilities will be paid from the General Fund, Street Special Revenue Fund, and Sanitation, Sewer, and Water Enterprise Funds.

The Capital Improvement Capital Projects Fund received the fire trucks, backhoe, and property loan proceeds. The fire trucks, backhoe, and property loans were issued on December 29, 1999, for \$700,000, 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 fire trucks loan will be repaid from income tax revenues of the Capital Improvement Capital Projects Fund. The property, city building, and backhoe loans will be equally paid from three funds as follows: from income tax revenues of the Capital Improvement Capital Projects Fund and charges for services from the Sewer and Water Enterprise Funds.

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

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 for its portion of the Issue II water well project. Charges for services in the Water Enterprise Fund will repay these obligations.

On June 26, 2001, the City issued notes for \$125,000 for the replacement of water lines and installations of fire hydrants. Charges for services in the Water Enterprise Fund will repay this obligation.

The City has been approved for a \$207,000 loan for sewer treatment plant improvements from the Ohio Public Works Commission. The Issue II treatment plant loan had not been fully drawn down at year end; therefore, no amortization schedule has been established.

On November 18, 1999, the City was approved for a \$1,023,600 loan for improvements to the sewer treatment plant. As of the year ended December 31, 2002, \$482,232 had been drawn by the City on this loan and \$249,196 has been repaid.

The City's overall legal debt margin was \$8,831,040 at December 31, 2002.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Principal and interest requirements to retire the backhoe, property, and city building loans, paid equally from the Capital Improvement, Sewer, and Water Funds, at December 31, 2002, are as follows:

Year	Backhoe Loan		Property Loan		City Building Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$9,825	\$1,308	\$30,942	\$3,395	\$35,724	\$15,995	\$76,491	\$20,698
2004	10,509	624	32,850	1,486	37,706	14,012	81,065	16,122
2005	3,527	48	6,809	60	39,803	11,917	50,139	12,025
2006	0	0	0	0	42,015	9,704	42,015	9,704
2007	0	0	0	0	44,349	7,369	44,349	7,369
2008-2010	0	0	0	0	111,747	7,373	111,747	7,373
	<u>\$23,861</u>	<u>\$1,980</u>	<u>\$70,601</u>	<u>\$4,941</u>	<u>\$311,344</u>	<u>\$66,370</u>	<u>\$405,806</u>	<u>\$73,291</u>

A principal payment of \$75,000 and interest payment of \$2,700 in 2003 will retire the fire truck loan.

Principal and interest requirements to retire the Issue II paving loan at December 31, 2002, are as follows:

Year	Principal	Interest	Total
2003	\$10,741	\$717	\$11,458
2004	10,957	502	11,459
2005	11,177	281	11,458
2006	5,672	57	5,729
	<u>\$38,547</u>	<u>\$1,557</u>	<u>\$40,104</u>

Principal and interest requirements to retire the police pension liability at December 31, 2002, are as follows:

Year	Principal	Interest	Total
2003	\$337	\$967	\$1,304
2004	351	953	1,304
2005	366	938	1,304
2006	382	922	1,304
2007	398	906	1,304
2008-2035	21,011	14,790	35,801
	<u>\$22,845</u>	<u>\$19,476</u>	<u>\$42,321</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Principal and interest requirements to retire the Issue II water well loan at December 31, 2002, are as follows:

Year	Principal	Interest	Total
2003	\$3,359	\$1,519	\$4,878
2004	3,427	1,452	4,879
2005	3,496	1,383	4,879
2006	3,566	1,313	4,879
2007	3,638	1,242	4,880
2008-2012	19,317	5,078	24,395
2013-2017	21,340	3,058	24,398
2018-2022	18,667	849	19,516
	<u>\$76,810</u>	<u>\$15,894</u>	<u>\$92,704</u>

Principal and interest requirements to retire the water lines loan at December 31, 2002, are as follows:

Year	Principal	Interest	Total
2003	\$10,280	\$6,406	\$16,686
2004	10,918	5,768	16,686
2005	11,595	5,091	16,686
2006	12,317	4,369	16,686
2007	13,081	3,605	16,686
2008-2011	52,521	5,879	58,400
	<u>\$110,712</u>	<u>\$31,118</u>	<u>\$141,830</u>

Principal and interest requirements to retire the sewer plant loan at December 31, 2002, are as follows:

Year	Principal	Interest	Total
2003	\$121,350	\$8,700	\$130,050
2004	111,686	2,651	114,337
	<u>\$233,036</u>	<u>\$11,351</u>	<u>\$244,387</u>

Note 11 - Interfund Assets/Liabilities and Transfers

At December 31, 2002, the Enforcement and Education nonmajor governmental fund owed the General Fund \$4,927. This balance resulted from the time lag between the dates reimbursable expenditures occur.

Interfund transfers for the year ended December 31, 2002, consisted of the following:

Transfers to	Transfers from			Total
	General	Improvement	Sanitation	
General	\$0	\$0	\$80,000	\$80,000
Street	80,000	10,000	0	90,000
Other Governmental Funds	0	42,000	0	42,000
	<u>\$80,000</u>	<u>\$52,000</u>	<u>\$80,000</u>	<u>\$212,000</u>

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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.

After making all required expenses from the Sanitation Enterprise Fund, the City made its yearly transfer to the General Fund for \$80,000 during the year ended December 31, 2002.

Note 12 - Contractual Commitments

As of December 31, 2002, the City had a contractual commitment for the following project:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance Remaining</u>
Sewer Treatment Plant Improvements	\$1,500,672	\$1,084,196	\$416,476

Note 13 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For 2002 employer pension contribution rate for the City was 8.55 percent of covered payroll, decreased from 9.25 percent in 2001. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000, were \$106,329, \$100,281, and \$52,781, respectively. The full amount has been contributed for 2001 and 2000. 59 percent has been contributed for 2002, with the remainder being presented as "due to other governments" within the funds.

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 public employee retirement system administered by the OP&F's Board of Trustees. 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 by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215 - 5164.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police and 16.25 percent for firefighters. For 2001, the City contributions were 12 percent for police and 16.50 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$42,789 and \$5,825 for the year ended December 31, 2002, \$43,075 and \$5,636 for the year ended December 31, 2001, and \$45,343 and \$5,820 for the year ended December 31, 2000. The full amount has been contributed for 2001 and 2000. 74 percent and 77 percent, respectively, have been contributed for 2002 with the remainder being presented as "due to other governments" within the funds.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2002, the unfunded police liability of the City was \$22,845 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

Note 14 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. 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 OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 7.75 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 .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4 percent annually.

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.

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$62,181. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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 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 Ohio Police and Fire Pension Fund 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 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 2002. For 2001 the percent used to fund healthcare was 7.50 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$28,222 for police and \$2,778 for fire. The OP&F's total health care expenses for the year ended December 31, 2001, (the latest information available) were \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

Note 15 - Jointly Governed Organizations

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

The Community Action Program Corporation of Washington-Morgan Counties, Ohio, is operated as a non-profit organization formed to provide various programs in Washington and Morgan Counties. Currently, the Corporation administers the Family Service and Outreach Program; the Community Action Bus Line (CABL); the Child Development Program; the Senior Nutrition Program; Women, Infants and Children's Supplemental Nutrition Program; the Home Weatherization Assistance and Energy Program; the Job Training and Partnership Act Program; Housing and Urban Development Section 8 Existing Housing Voucher/Certificate Program; and various other state and federal programs. The Corporation is the direct recipient of the federal and state monies. The Corporation is governed by a fifteen member council. The council is composed of the Mayor of the City of Marietta, the Mayor of the City of Belpre, two commissioners from Washington County, one Commissioner from Morgan County, five lower income representatives, and five private sector representatives from Washington and Morgan Counties selected by outreach workers. Currently, the Corporation, by contract with the City of Belpre and Washington and Morgan Counties, provides administrative services to these governments in specific programs. During 2002, 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.

City of Belpre, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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 2002, the City of Belpre contributed \$2,178. The continued existence of the Commission is not dependent on the City's continued participation and the City does not have an equity interest in the Commission.

Note 16 - Contingent Liabilities

A. Litigation

The City of Belpre currently is not party to any legal proceedings seeking damages against the City.

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, 2002, the audits of certain of these programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date.

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Permissive Tax – The Permissive Tax Fund is used to account for monies received from two additional \$5 motor vehicle licenses fees, one imposed by Washington County and one by the City. The monies are used for the maintenance of public roads, highways, streets, and bridges 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. This fund also accounts for the Drug Abuse Resistance Education (DARE) program which accounts for donations and grant monies for education designed to prevent drug abuse.

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.

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

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

City of Belpre, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002

	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
Assets				
Equity in Pooled Cash and Cash Equivalents	\$70,406	\$34,639	\$1,739	\$4,927
Cash and Cash Equivalent in Segregated Accounts	0	0	0	0
Taxes Receivable	2,606	0	0	0
Due from Other Governments	0	8,060	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$73,012</u>	<u>\$42,699</u>	<u>\$1,739</u>	<u>\$4,927</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Due to Other Governments	0	0	0	0
Deferred Revenue	0	5,659	0	0
Interfund Payable	0	0	0	4,927
<i>Total Liabilities</i>	<u>0</u>	<u>5,659</u>	<u>0</u>	<u>4,927</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated, Reported in Special Revenue Funds	73,012	37,040	1,739	0
<i>Total Fund Balances</i>	<u>73,012</u>	<u>37,040</u>	<u>1,739</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$73,012</u>	<u>\$42,699</u>	<u>\$1,739</u>	<u>\$4,927</u>

<u>Mayor's Court Computerization</u>	<u>Clerk Computerization</u>	<u>Parks and Recreation</u>	<u>Pool</u>	<u>Total Nonmajor Governmental Funds</u>
\$1,726	\$9,153	\$8,948	\$3,913	\$135,451
192	640	0	0	832
0	0	0	0	2,606
0	0	0	0	8,060
0	1,179	3,142	0	4,321
<u>\$1,918</u>	<u>\$10,972</u>	<u>\$12,090</u>	<u>\$3,913</u>	<u>\$151,270</u>
\$0	\$0	\$1,768	\$7	\$1,775
0	0	264	0	264
0	0	0	0	5,659
0	0	0	0	4,927
<u>0</u>	<u>0</u>	<u>2,032</u>	<u>7</u>	<u>12,625</u>
0	1,380	0	0	1,380
<u>1,918</u>	<u>9,592</u>	<u>10,058</u>	<u>3,906</u>	<u>137,265</u>
<u>1,918</u>	<u>10,972</u>	<u>10,058</u>	<u>3,906</u>	<u>138,645</u>
<u>\$1,918</u>	<u>\$10,972</u>	<u>\$12,090</u>	<u>\$3,913</u>	<u>\$151,270</u>

City of Belpre, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2002

	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
Revenues				
Motor Vehicle License Tax	\$36,204	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	770	350
Intergovernmental	0	16,447	0	0
Investment Earnings	0	366	0	0
Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>36,204</u>	<u>16,813</u>	<u>770</u>	<u>350</u>
Expenditures				
Current:				
Security of Persons and Property - Police	0	0	0	5,177
Transportation	0	6,304	0	0
Leisure Time Activities:				
Parks	0	0	0	0
Pool	0	0	0	0
Debt Service:				
Principal Retirement	10,529	0	0	0
Interest and Fiscal Charges	929	0	0	0
<i>Total Expenditures</i>	<u>11,458</u>	<u>6,304</u>	<u>0</u>	<u>5,177</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	24,746	10,509	770	(4,827)
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	24,746	10,509	770	(4,827)
<i>Fund Balances Beginning of Year</i>	<u>48,266</u>	<u>26,531</u>	<u>969</u>	<u>4,827</u>
<i>Fund Balances End of Year</i>	<u><u>\$73,012</u></u>	<u><u>\$37,040</u></u>	<u><u>\$1,739</u></u>	<u><u>\$0</u></u>

Mayor's Court Computerization	Clerk Computerization	Parks and Recreation	Pool	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$0	\$36,204
0	0	3,175	0	3,175
3,294	11,461	0	0	15,875
0	0	0	0	16,447
0	0	0	0	366
0	0	5,904	0	5,904
0	0	50	458	508
<u>3,294</u>	<u>11,461</u>	<u>9,129</u>	<u>458</u>	<u>78,479</u>
7,741	14,403	0	0	27,321
0	0	0	0	6,304
0	0	61,742	0	61,742
0	0	0	1,203	1,203
0	0	0	0	10,529
0	0	0	0	929
<u>7,741</u>	<u>14,403</u>	<u>61,742</u>	<u>1,203</u>	<u>108,028</u>
(4,447)	(2,942)	(52,613)	(745)	(29,549)
<u>0</u>	<u>0</u>	<u>42,000</u>	<u>0</u>	<u>42,000</u>
(4,447)	(2,942)	(10,613)	(745)	12,451
<u>6,365</u>	<u>13,914</u>	<u>20,671</u>	<u>4,651</u>	<u>126,194</u>
<u>\$1,918</u>	<u>\$10,972</u>	<u>\$10,058</u>	<u>\$3,906</u>	<u>\$138,645</u>

Combining Statements - Agency Funds

Agency Funds

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

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

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

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

City of Belpre, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2002

	<u>Balance</u> <u>12/31/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/02</u>
Ohio River Scenic Route:				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$97,500</u>	<u>\$97,500</u>	<u>\$0</u>
Liabilities				
Due to Others	<u>\$0</u>	<u>\$97,500</u>	<u>\$97,500</u>	<u>\$0</u>
Payroll:				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$80,043</u>	<u>\$1,604,854</u>	<u>\$1,567,200</u>	<u>\$117,697</u>
Liabilities				
Intergovernmental Payable	<u>\$80,043</u>	<u>\$1,604,854</u>	<u>\$1,567,200</u>	<u>\$117,697</u>
Mayor's Court:				
Assets				
Cash and Cash Equivalents in Segregated Accounts	<u>\$2,428</u>	<u>\$2,965</u>	<u>\$2,428</u>	<u>\$2,965</u>
Liabilities				
Due to Others	<u>\$2,428</u>	<u>\$2,965</u>	<u>\$2,428</u>	<u>\$2,965</u>
Total All Agency Funds:				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$80,043	\$1,702,354	\$1,664,700	\$117,697
Cash and Cash Equivalents in Segregated Accounts	<u>2,428</u>	<u>2,965</u>	<u>2,428</u>	<u>2,965</u>
<i>Total Assets</i>	<u>\$82,471</u>	<u>\$1,705,319</u>	<u>\$1,667,128</u>	<u>\$120,662</u>
Liabilities				
Intergovernmental Payable	\$80,043	\$1,604,854	\$1,567,200	\$117,697
Due to Others	<u>2,428</u>	<u>100,465</u>	<u>99,928</u>	<u>2,965</u>
<i>Total Liabilities</i>	<u>\$82,471</u>	<u>\$1,705,319</u>	<u>\$1,667,128</u>	<u>\$120,662</u>

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

City of Belpre, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Taxes	\$271,565	\$271,565	\$266,478	(\$5,087)
Municipal Income Tax	685,000	685,000	667,840	(17,160)
Charges for Services	80,650	80,650	82,102	1,452
Fines, Licenses and Permits	118,500	118,500	156,609	38,109
Intergovernmental	205,291	219,911	210,268	(9,643)
Investment Income	42,000	42,000	33,550	(8,450)
Donations	6,900	6,900	5,758	(1,142)
Other	21,400	21,400	19,428	(1,972)
<i>Total Revenues</i>	<u>1,431,306</u>	<u>1,445,926</u>	<u>1,442,033</u>	<u>(3,893)</u>
Expenditures				
Current:				
General Government:				
Council:				
Salaries and Wages	26,050	26,050	25,842	208
Fringe Benefits	4,861	4,061	3,810	251
Materials and Supplies	6,420	7,220	5,970	1,250
Total Council	<u>37,331</u>	<u>37,331</u>	<u>35,622</u>	<u>1,709</u>
Mayor:				
Salaries and Wages	35,740	35,991	35,991	0
Fringe Benefits	11,888	10,975	10,154	821
Materials and Supplies	1,594	623	679	(56)
Capital Outlay	1,400	6,933	2,514	4,419
Total Mayor	<u>50,622</u>	<u>54,522</u>	<u>49,338</u>	<u>5,184</u>
Auditor and Treasurer:				
Materials and Supplies	29,425	14,669	14,451	218
Total Auditor and Treasurer	<u>29,425</u>	<u>14,669</u>	<u>14,451</u>	<u>218</u>
Auditor:				
Salaries and Wages	89,200	101,475	99,162	2,313
Fringe Benefits	28,471	34,291	33,066	1,225
Materials and Supplies	17,950	17,358	11,322	6,036
Capital Outlay	5,964	2,364	1,608	756
Total Auditor	<u>\$141,585</u>	<u>\$155,488</u>	<u>\$145,158</u>	<u>\$10,330</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Treasurer:				
Salaries and Wages	\$3,055	\$3,055	\$3,045	\$10
Fringe Benefits	759	759	455	304
Materials and Supplies	190	190	0	190
Total Treasurer	4,004	4,004	3,500	504
Law Director:				
Salaries and Wages	49,500	49,032	47,467	1,565
Fringe Benefits	30,499	32,167	31,410	757
Total Law Director	79,999	81,199	78,877	2,322
Civil Service:				
Salaries and Wages	1,750	1,750	1,750	0
Fringe Benefits	362	362	244	118
Materials and Supplies	1,325	1,325	374	951
Total Civil Service	3,437	3,437	2,368	1,069
Inspectors:				
Salaries and Wages	1,750	1,750	1,565	185
Total Inspectors	1,750	1,750	1,565	185
City Building:				
Salaries and Wages	53,000	48,955	47,293	1,662
Fringe Benefits	19,750	19,465	18,824	641
Materials and Supplies	72,261	73,963	66,403	7,560
Total City Building	145,011	142,383	132,520	9,863
Total General Government	493,164	494,783	463,399	31,384
Security of Persons and Property:				
Police:				
Salaries and Wages	551,963	523,438	510,389	13,049
Fringe Benefits	228,773	216,273	191,452	24,821
Materials and Supplies	106,214	118,214	89,178	29,036
Capital Outlay	2,799	7,919	2,685	5,234
Total Police	\$889,749	\$865,844	\$793,704	\$72,140

(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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fire:				
Salaries and Wages	\$32,200	\$35,720	\$35,712	\$8
Fringe Benefits	24,825	25,470	23,048	2,422
Materials and Supplies	62,901	66,396	52,600	13,796
Capital Outlay	381	6,121	5,348	773
Total Fire	<u>120,307</u>	<u>133,707</u>	<u>116,708</u>	<u>16,999</u>
Total Security of Persons and Property	<u>1,010,056</u>	<u>999,551</u>	<u>910,412</u>	<u>89,139</u>
Public Health Services:				
Health:				
Salaries and Wages	21,160	32,061	26,623	5,438
Fringe Benefits	4,250	4,166	4,151	15
Materials and Supplies	3,954	6,518	5,730	788
Capital Outlay	0	5,000	0	5,000
Total Public Health Services	<u>29,364</u>	<u>47,745</u>	<u>36,504</u>	<u>11,241</u>
Transportation:				
Street Lighting:				
Materials and Supplies	75,569	75,569	71,775	3,794
Total Transportation	<u>75,569</u>	<u>75,569</u>	<u>71,775</u>	<u>3,794</u>
Leisure Time Activities:				
Senior Center:				
Salaries and Wages	14,850	14,850	14,850	0
Fringe Benefits	2,635	2,235	2,211	24
Materials and Supplies	7,542	13,067	6,806	6,261
Total Leisure Time Activities	<u>25,027</u>	<u>30,152</u>	<u>23,867</u>	<u>6,285</u>
Total Expenditures	<u>1,633,180</u>	<u>1,647,800</u>	<u>1,505,957</u>	<u>141,843</u>
Excess of Revenues Under Expenditures	<u>(201,874)</u>	<u>(201,874)</u>	<u>(63,924)</u>	<u>137,950</u>
Other Financing Sources (Uses)				
Transfers In	110,000	110,000	80,000	(30,000)
Transfers Out	(80,000)	(80,000)	(80,000)	0
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>(30,000)</u>
Net Change in Fund Balance	<u>(171,874)</u>	<u>(171,874)</u>	<u>(63,924)</u>	<u>107,950</u>
Fund Balance Beginning of Year	348,131	348,131	348,131	0
Prior Year Encumbrances Appropriated	<u>19,026</u>	<u>19,026</u>	<u>19,026</u>	<u>0</u>
Fund Balance End of Year	<u>\$195,283</u>	<u>\$195,283</u>	<u>\$303,233</u>	<u>\$107,950</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Revenues				
Charges for Services	\$7,500	\$7,500	\$5,390	(\$2,110)
Intergovernmental	212,500	212,500	202,885	(9,615)
Investment Earnings	600	600	105	(495)
Other	0	0	202	202
<i>Total Revenues</i>	<u>220,600</u>	<u>220,600</u>	<u>208,582</u>	<u>(12,018)</u>
Expenditures				
Current:				
Street:				
Transportation:				
Salaries and Wages	183,835	170,035	157,842	12,193
Fringe Benefits	58,650	59,816	56,287	3,529
Materials and Supplies	82,600	93,658	83,601	10,057
Materials and Supplies	0	1,576	1,524	52
<i>Total Expenditures</i>	<u>325,085</u>	<u>325,085</u>	<u>299,254</u>	<u>25,831</u>
<i>Excess of Revenues Under Expenditures</i>	(104,485)	(104,485)	(90,672)	13,813
Other Financing Sources				
Transfers In	106,000	106,000	90,000	(16,000)
<i>Net Change in Fund Balance</i>	1,515	1,515	(672)	(2,187)
<i>Fund Balance Beginning of Year</i>	19,017	19,017	19,017	0
Prior Year Encumbrances Appropriated	500	500	500	0
<i>Fund Balance End of Year</i>	<u>\$21,032</u>	<u>\$21,032</u>	<u>\$18,845</u>	<u>(\$2,187)</u>

City of Belpre, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Tax	\$250,000	\$250,000	\$250,000	\$0
Intergovernmental	35,000	70,000	53,273	(16,727)
Other	0	0	75	75
<i>Total Revenues</i>	<u>285,000</u>	<u>320,000</u>	<u>303,348</u>	<u>(16,652)</u>
Expenditures				
Capital Outlay:				
Capital Outlay	152,833	213,595	167,960	45,635
Debt Service:				
Principal Retirement	99,310	101,109	99,779	1,330
Interest and Fiscal Charges	15,148	19,174	17,546	1,628
<i>Total Expenditures</i>	<u>267,291</u>	<u>333,878</u>	<u>285,285</u>	<u>48,593</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>17,709</u>	<u>(13,878)</u>	<u>18,063</u>	<u>31,941</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	1,000	0	(1,000)
Transfers Out	(101,000)	(69,413)	(52,000)	17,413
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>(68,413)</u>	<u>(52,000)</u>	<u>16,413</u>
<i>Net Change in Fund Balance</i>	(82,291)	(82,291)	(33,937)	48,354
<i>Fund Balance Beginning of Year</i>	117,462	117,462	117,462	0
Prior Year Encumbrances Appropriated	1,067	1,067	1,067	0
<i>Fund Balance End of Year</i>	<u>\$36,238</u>	<u>\$36,238</u>	<u>\$84,592</u>	<u>\$48,354</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Revenues				
Charges for Services	\$549,500	\$549,500	\$572,103	\$22,603
Expenses				
Salaries and Wages	34,200	6,764	6,656	108
Fringe Benefits	3,900	3,950	2,547	1,403
Contractual Services	479,902	540,788	522,263	18,525
Materials and Supplies	4,850	4,850	3,343	1,507
Capital Outlay	10,000	0	0	0
<i>Total Expenses</i>	<u>532,852</u>	<u>556,352</u>	<u>534,809</u>	<u>21,543</u>
<i>Excess of Revenues Over Expenses</i>	16,648	(6,852)	37,294	44,146
Transfers Out	(110,000)	(86,500)	(80,000)	6,500
<i>Net Change in Fund Balance</i>	(93,352)	(93,352)	(42,706)	50,646
<i>Fund Balance Beginning of Year</i>	235,642	235,642	235,642	0
Prior Year Encumbrances Appropriated	17,902	17,902	17,902	0
<i>Fund Balance End of Year</i>	<u>\$160,192</u>	<u>\$160,192</u>	<u>\$210,838</u>	<u>\$50,646</u>

City of Belpre, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,126,800	\$1,148,300	\$1,198,965	\$50,665
Capital Grants	681,350	879,853	36,748	(843,105)
Other Operating Revenues	4,000	4,000	2,242	(1,758)
Proceeds of Issue II Loans	243,747	243,747	46,608	(197,139)
Proceeds of Loans	0	0	161,581	161,581
<i>Total Revenues</i>	<u>2,055,897</u>	<u>2,275,900</u>	<u>1,446,144</u>	<u>(829,756)</u>
Expenses				
Salaries and Wages	397,850	304,025	266,427	37,598
Fringe Benefits	101,690	94,982	86,022	8,960
Contractual Services	486,469	603,475	470,622	132,853
Materials and Supplies	37,216	45,066	37,766	7,300
Capital Outlay	925,097	1,173,202	408,762	764,440
Debt Service:				
Principal Retirement	115,245	156,045	147,517	8,528
Interest and Fiscal Charges	55,973	56,248	27,621	28,627
<i>Total Expenses</i>	<u>2,119,540</u>	<u>2,433,043</u>	<u>1,444,737</u>	<u>988,306</u>
<i>Net Change in Fund Balance</i>	(63,643)	(157,143)	1,407	158,550
<i>Fund Balance Beginning of Year</i>	311,282	311,282	311,282	0
Prior Year Encumbrances Appropriated	<u>18,294</u>	<u>18,294</u>	<u>18,294</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$265,933</u></u>	<u><u>\$172,433</u></u>	<u><u>\$330,983</u></u>	<u><u>\$158,550</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$637,906	\$637,906	\$672,100	\$34,194
Tap-In Fees	10,000	10,000	20,840	10,840
Investment Earnings	0	0	0	0
Other Operating Revenues	1,094	1,094	2,186	1,092
Other Non-Operating Revenues	10,000	10,000	12,738	2,738
<i>Total Revenues</i>	<u>659,000</u>	<u>659,000</u>	<u>707,864</u>	<u>48,864</u>
Expenses				
Salaries and Wages	208,850	135,317	100,918	34,399
Fringe Benefits	47,664	51,364	43,975	7,389
Contractual Services	208,143	239,520	178,321	61,199
Materials and Supplies	148,664	145,789	93,990	51,799
Other Non-Operating Expenses	10,000	10,000	2,445	7,555
Capital Outlay	30,755	41,260	39,406	1,854
Debt Service:				
Principal Retirement	43,586	61,088	44,486	16,602
Interest and Fiscal Charges	11,513	19,837	17,250	2,587
<i>Total Expenses</i>	<u>709,175</u>	<u>704,175</u>	<u>520,791</u>	<u>183,384</u>
<i>Net Change in Fund Balance</i>	(50,175)	(45,175)	187,073	232,248
<i>Fund Balance Beginning of Year</i>	364,077	364,077	364,077	0
Prior Year Encumbrances Appropriated	21,486	21,486	21,486	0
<i>Fund Balance End of Year</i>	<u>\$335,388</u>	<u>\$340,388</u>	<u>\$572,636</u>	<u>\$232,248</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Motor Vehicle Licence Tax	\$35,700	\$35,700	\$36,041	\$341
Intergovernmental	61,000	272,343	211,343	(61,000)
<i>Total Revenues</i>	<u>96,700</u>	<u>308,043</u>	<u>247,384</u>	<u>(60,659)</u>
Expenditures				
Current:				
Street:				
Transportation:				
Capital Outlay	62,000	273,343	211,343	62,000
Debt Service:				
Principal Retirement	10,219	10,529	10,529	0
Interest and Fiscal Charges	1,239	929	929	0
<i>Total Expenditures</i>	<u>73,458</u>	<u>284,801</u>	<u>222,801</u>	<u>62,000</u>
<i>Net Change in Fund Balance</i>	23,242	23,242	24,583	1,341
<i>Fund Balance Beginning of Year</i>	<u>45,823</u>	<u>45,823</u>	<u>45,823</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$69,065</u></u>	<u><u>\$69,065</u></u>	<u><u>\$70,406</u></u>	<u><u>\$1,341</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$17,000	\$17,000	\$16,450	(\$550)
Investment Earnings	0	0	335	335
<i>Total Revenues</i>	<u>17,000</u>	<u>17,000</u>	<u>16,785</u>	<u>(215)</u>
Expenditures				
Current:				
State Highway:				
Transportation:				
Salaries and Wages	10,650	10,650	5,498	5,152
Fringe Benefits	1,753	1,753	806	947
Materials and Supplies	10,230	10,230	0	10,230
<i>Total Expenditures</i>	<u>22,633</u>	<u>22,633</u>	<u>6,304</u>	<u>16,329</u>
<i>Net Change in Fund Balance</i>	(5,633)	(5,633)	10,481	16,114
<i>Fund Balance Beginning of Year</i>	23,872	23,872	23,872	0
Prior Year Encumbrances Appropriated	230	230	230	0
<i>Fund Balance End of Year</i>	<u>\$18,469</u>	<u>\$18,469</u>	<u>\$34,583</u>	<u>\$16,114</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, 2002*

	<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	\$0	\$0	\$770	\$770
<i>Net Change in Fund Balance</i>	0	0	770	770
<i>Fund Balance Beginning of Year</i>	969	969	969	0
<i>Fund Balance End of Year</i>	<u>\$969</u>	<u>\$969</u>	<u>\$1,739</u>	<u>\$770</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines, Licenses and Permits	\$275	\$275	\$400	\$125
Intergovernmental	4,900	4,900	4,552	(348)
<i>Total Revenues</i>	<u>5,175</u>	<u>5,175</u>	<u>4,952</u>	<u>(223)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Salaries and Wages	5,175	4,925	0	4,925
Materials and Supplies	0	250	250	0
<i>Total Expenditures</i>	<u>5,175</u>	<u>5,175</u>	<u>250</u>	<u>4,925</u>
<i>Net Change in Fund Balance</i>	0	0	4,702	4,702
<i>Fund Balance Beginning of Year</i>	<u>225</u>	<u>225</u>	<u>225</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$225</u></u>	<u><u>\$225</u></u>	<u><u>\$4,927</u></u>	<u><u>\$4,702</u></u>

City of Belpre, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Computerization Fund
For the Year Ended December 31, 2002*

	<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	\$3,200	\$3,200	\$3,283	\$83
Expenditures				
Current:				
Security of Persons and Property:				
Mayor's Court:				
Materials and Supplies	<u>8,560</u>	<u>8,560</u>	<u>7,741</u>	<u>819</u>
<i>Net Change in Fund Balance</i>	(5,360)	(5,360)	(4,458)	902
<i>Fund Balance Beginning of Year</i>	6,124	6,124	6,124	0
Prior Year Encumbrances Appropriated	<u>60</u>	<u>60</u>	<u>60</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$824</u></u>	<u><u>\$824</u></u>	<u><u>\$1,726</u></u>	<u><u>\$902</u></u>

City of Belpre, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Clerk Computerization Fund
For the Year Ended December 31, 2002*

	<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	\$10,000	\$10,000	\$11,371	\$1,371
Expenditures				
Current:				
Security of Persons and Property:				
Clerk:				
Materials and Supplies	<u>17,500</u>	<u>17,500</u>	<u>16,962</u>	<u>538</u>
<i>Net Change in Fund Balance</i>	(7,500)	(7,500)	(5,591)	1,909
<i>Fund Balance Beginning of Year</i>	<u>13,364</u>	<u>13,364</u>	<u>13,364</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,864</u></u>	<u><u>\$5,864</u></u>	<u><u>\$7,773</u></u>	<u><u>\$1,909</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, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
Revenues				
Charges for Services	\$5,000	\$5,000	\$3,175	(\$1,825)
Intergovernmental	135,000	135,000	0	(135,000)
Donations	8,000	8,000	5,904	(2,096)
Other	900	900	50	(850)
<i>Total Revenues</i>	<u>148,900</u>	<u>148,900</u>	<u>9,129</u>	<u>(139,771)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Parks:				
Salaries and Wages	20,500	20,250	20,250	0
Fringe Benefits	3,575	3,035	3,016	19
Materials and Supplies	33,948	34,738	26,713	8,025
Capital Outlay	149,351	149,351	11,564	137,787
<i>Total Expenditures</i>	<u>207,374</u>	<u>207,374</u>	<u>61,543</u>	<u>145,831</u>
<i>Excess of Revenues Under Expenditures</i>	(58,474)	(58,474)	(52,414)	6,060
Other Financing Sources				
Transfers In	43,000	43,000	42,000	(1,000)
<i>Net Change in Fund Balance</i>	(15,474)	(15,474)	(10,414)	5,060
<i>Fund Balance Beginning of Year</i>	14,808	14,808	14,808	0
Prior Year Encumbrances Appropriated	4,554	4,554	4,554	0
<i>Fund Balance End of Year</i>	<u><u>\$3,888</u></u>	<u><u>\$3,888</u></u>	<u><u>\$8,948</u></u>	<u><u>\$5,060</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, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$69,700	\$0	\$0	\$0
Other	0	0	458	458
<i>Total Revenues</i>	<u>69,700</u>	<u>0</u>	<u>458</u>	<u>458</u>
Expenditures				
Current:				
Leisure Time Activities:				
Pool:				
Salaries and Wages	32,750	0	0	0
Fringe Benefits	6,470	11	0	11
Materials and Supplies	29,757	5,382	1,938	3,444
<i>Total Expenditures</i>	<u>68,977</u>	<u>5,393</u>	<u>1,938</u>	<u>3,455</u>
<i>Net Change in Fund Balance</i>	723	(5,393)	(1,480)	3,913
<i>Fund Balance Beginning of Year</i>	4,386	4,386	4,386	0
Prior Year Encumbrances Appropriated	<u>1,007</u>	<u>1,007</u>	<u>1,007</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,116</u></u>	<u><u>\$0</u></u>	<u><u>\$3,913</u></u>	<u><u>\$3,913</u></u>

STATISTICAL SECTION

Statistical Section

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

City of Belpre, Ohio
 General Governmental Revenues by Source
 and Expenses/Expenditures by Function
 Last Ten Years

	2002		2001	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Program Revenues				
Charges for Services	\$317,585	N/A	\$313,270	N/A
Operating Grants, Contributions and Interest	232,964	N/A	539,600	N/A
Capital Grants and Contributions	53,273	N/A	24,635	N/A
General Revenues (1)				
Property and Other Taxes	266,053	266,478	242,764	241,033
Municipal Income Tax	972,380	947,085	879,622	891,864
Motor Vehicle License Tax	0	36,204	0	35,421
Charges for Services	0	91,489	0	119,986
Fines, Licenses and Permits	0	174,157	0	150,159
Intergovernmental	197,008	478,488	223,043	774,975
Investment Earnings	31,556	34,286	47,657	45,130
Other	7,632	35,622	9,322	30,817
Total	\$2,078,451	\$2,063,809	\$2,279,913	\$2,289,385
Expenses/Expenditures (1)				
Current:				
General Government	\$483,156	\$479,184	\$456,662	\$449,960
Security of Persons and Property: (2)				
Police	849,745	816,521	849,506	830,278
Fire	198,077	115,554	187,481	113,201
Public Health Services	33,077	34,675	21,978	21,978
Transportation	1,609,828	492,337	1,724,203	697,409
Leisure Time Activities: (2)				
Senior Center	25,688	26,532	23,814	22,046
Parks	96,444	92,054	126,524	92,492
Pool	10,051	1,203	71,370	62,522
Capital Outlay	0	0	0	0
Intergovernmental	0	0	20,466	20,466
Debt Service:				
Principal Retirement	0	110,308	0	107,002
Interest and Fiscal Charges	16,621	18,475	20,534	18,660
Total	\$3,322,687	\$2,186,843	\$3,502,538	\$2,436,014

- (1) 1993 thru 1996 revenues and expenditures are cash basis and include General Fund only. All governmental funds are included in the remaining years.
- (2) 2000 was the first year subcategories were identified for security of persons and property and leisure time activities.
- (3) 2000 was the first year for full accrual information. In later years, when comparisons are available, a separate table will be provided.

Source: City financial records

2000

Full Accrual	Modified Accrual	1999	1998	1997	1996	1995	1994	1993
\$300,216	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
385,452	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2,721	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
247,518	246,504	229,939	198,130	206,147	190,324	211,769	208,072	211,598
939,501	928,753	937,217	886,784	858,765	603,691	775,545	805,503	794,762
0	35,370	35,789	36,368	33,631	0	0	0	0
0	109,371	74,310	64,423	54,949	44,392	44,392	88,441	128,093
0	145,858	161,705	108,316	108,119	105,711	98,025	80,479	67,814
289,198	653,661	874,214	627,138	628,411	164,631	148,169	128,073	125,905
68,561	70,260	68,162	61,429	17,083	27,489	27,042	24,575	23,165
26,497	66,885	41,135	80,868	40,353	23,800	18,706	47,931	45,556
<u>\$2,259,664</u>	<u>\$2,256,662</u>	<u>\$2,422,471</u>	<u>\$2,063,456</u>	<u>\$1,947,458</u>	<u>\$1,160,038</u>	<u>\$1,323,648</u>	<u>\$1,383,074</u>	<u>\$1,396,893</u>
\$443,082	\$426,545	\$403,869	\$465,875	\$438,815	\$389,520	\$365,084	\$477,418	\$415,559
		903,542	866,326	809,463	848,402	769,158	738,419	701,856
840,810	876,349	N/A	N/A	N/A	N/A	N/A	N/A	N/A
203,981	115,238	N/A	N/A	N/A	N/A	N/A	N/A	N/A
31,433	21,735	19,910	28,112	32,259	31,789	31,772	30,602	29,430
1,701,589	406,219	441,047	346,332	378,273	60,321	66,640	127,961	98,858
		211,434	115,837	57,334	20,148	22,188	15,370	16,929
21,584	19,816	N/A	0	0	0	0	0	0
226,731	193,447	N/A	0	0	0	0	0	0
65,380	56,533	N/A	0	0	0	0	0	0
0	0	2,044,321	205,139	161,105	0	0	0	0
0	0	0	0	0	0	0	0	0
0	353,084	83,623	2,634	633	0	0	0	0
34,698	34,698	23,996	20,032	27,351	0	0	0	0
<u>\$3,569,288</u>	<u>\$2,503,664</u>	<u>\$4,131,742</u>	<u>\$2,050,287</u>	<u>\$1,905,233</u>	<u>\$1,350,180</u>	<u>\$1,254,842</u>	<u>\$1,389,770</u>	<u>\$1,262,632</u>

City of Belpre, Ohio
 Property Tax Levies and Collections
 Real and Public Utility Tax(1)
 Last Ten Years

Year	Total Tax Levy	Current Collections(2)	Delinquent Collections	Total Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Accumulated Delinquent Taxes to Total Tax Levy
1993	\$167,203	\$159,665	\$6,354	\$166,019	99.29%	\$8,081	4.83%
1994	170,019	162,090	6,450	168,540	99.13	8,678	5.10
1995	170,129	160,243	7,679	167,922	98.70	8,378	4.92
1996	176,973	166,643	6,985	173,628	98.11	7,898	4.46
1997	178,043	167,726	7,967	175,693	98.68	7,762	4.36
1998	183,038	172,708	5,967	178,675	97.62	5,845	3.19
1999	220,727	202,237	5,537	207,774	94.13	6,680	3.03
2000	220,658	202,555	9,523	212,078	96.11	10,551	4.78
2001	222,488	207,332	9,630	216,962	97.52	12,219	5.49
2002	254,055	230,648	14,149	244,797	96.36	15,135	5.96

Source: Washington County, Ohio; County Auditor

(1) Does not include state reimbursements of homestead and rollback exemptions.

(2) Includes penalties which are not included in the total tax levy.

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

Year	Total Tax Levy	Current Collections	Delinquent Collections	Total Collections	Percent of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent of Accumulated Delinquent Taxes to Total Tax Levy
1993	\$15,004	\$13,476	\$417	\$13,893	92.60%	\$2,871	19.13%
1994	14,185	14,331	443	14,774	104.15	2,255	15.90
1995	14,766	14,956	223	15,179	102.80	2,074	14.05
1996	16,655	16,265	432	16,697	100.25	2,079	12.48
1997	17,055	17,067	531	17,598	103.18	2,408	14.12
1998	19,606	17,198	657	17,855	91.07	2,298	11.72
1999	19,209	16,994	2,889	19,883	103.51	2,353	12.25
2000	21,629	23,781	2,447	26,228	121.26	4,207	19.45
2001	20,424	20,294	264	20,558	100.66	2,695	13.20
2002	22,801	17,081	213	17,294	75.85	3,201	14.04

Source: Washington County, Ohio; County Auditor

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

Year	Agricultural/ Residential		Other		Total		Public		Tangible		Total		Estimated		Percent of Assessed Value To Estimated True Value
	Real Estate	Real Estate	Real Estate	Real Estate	Real Estate	Real Estate	Utility Personal	Personal	Personal	Personal	Assessed Value	True Value(1)	True Value(1)	True Value	
1993	\$37,609,900	\$13,387,570	\$50,997,470	\$3,963,250	\$5,471,465	\$60,432,185					\$172,096,610			35%	
1994	37,767,770	13,595,420	51,363,190	4,484,940	5,141,890	60,990,020					172,416,054			35	
1995	37,991,850	13,537,230	51,529,080	4,344,050	4,874,710	60,747,840					171,661,203			35	
1996	41,060,610	13,589,250	54,649,860	3,639,420	5,182,190	63,471,470					181,006,922			35	
1997	41,288,970	13,660,410	54,949,380	3,591,100	5,443,110	63,983,590					182,851,464			35	
1998	42,403,090	13,996,230	56,399,320	3,617,770	5,791,340	65,808,430					188,417,377			35	
1999	51,397,150	16,422,850	67,820,000	3,672,170	6,464,460	77,956,630					223,802,189			35	
2000	51,542,200	16,742,630	68,284,830	3,533,210	6,371,260	78,189,300					224,599,566			35	
2001	52,296,810	17,872,260	70,169,070	3,500,510	7,885,740	81,555,320					236,003,869			35	
2002	60,364,720	19,147,230	79,511,950	3,038,800	6,500,610	89,051,360					256,632,622			35	

Source: Washington County, Ohio; County Auditor

(1) This amount is calculated by dividing the assessed value by the assessment percentage. The percentages for 2002 are:

35 percent for all real estate,

88 percent for all public utility personal, and

25 percent for tangible personal; 24 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 School District</u>	<u>Washington County JVS</u>	<u>Washington County</u>	<u>Total</u>
1993	\$3.40	\$31.00	\$1.80	\$7.70	\$43.90
1994	3.40	31.00	1.80	7.70	43.90
1995	3.40	31.00	1.80	7.70	43.90
1996	3.40	31.00	1.80	7.70	43.90
1997	3.40	31.00	1.80	7.70	43.90
1998	3.40	31.00	1.80	7.70	43.90
1999	3.40	31.00	1.80	7.70	43.90
2000	3.40	35.00	1.80	8.20	48.40
2001	3.40	35.00	1.80	9.05	49.25
2002	3.40	35.10	1.80	9.05	49.35

Source: Washington County, Ohio; County Auditor

City of Belpre, Ohio
 Computation of Legal Debt Margin
 December 31, 2002

Overall Debt Limitation		
10 1/2% of Assessed Valuation		\$9,350,393
Loans Payable	\$824,554	
Issue II Loans Payable	<u>161,965</u>	
Gross Indebtedness Outstanding	<u>986,519</u>	
Less: Debt Exempt from Limitation		
Sewer Loan	233,036	
Issue II Sewer Loan	46,608	
Water Lines Loan	110,712	
Issue II Water Loan	<u>76,810</u>	
Total	<u>467,166</u>	
Net Debt within 10 1/2% Limitation		<u>519,353</u>
Legal Debt Margin within 10 1/2% Limitation		<u><u>\$8,831,040</u></u>
 Unvoted Debt Limitation		
5 1/2% of Assessed Valuation		\$4,897,825
Gross Indebtedness Outstanding	\$986,519	
Less: Debt Exempt from Limitation	<u>(467,166)</u>	
Net Debt within 5 1/2% Limitation		<u>519,353</u>
Legal Debt Margin within 5 1/2% Limitation		<u><u>\$4,378,472</u></u>

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

City of Belpre, Ohio
 Computation of Overlapping General Obligation Bonded Debt
 December 31, 2002

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Belpre(1)	Amount Applicable to City of Belpre
Washington County	\$3,970,000	8.50%	\$337,331

Source: Washington County, Ohio; County Auditor

(1) Percentage was determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

City of Belpre, Ohio
Property Value and Construction
Last Ten Years

<u>Year</u>	<u>Property Value (1)</u>	<u>Residential Construction Assessed Value</u>	<u>Commercial Construction Assessed Value</u>
1993	\$50,997,470	\$281,530	\$222,480
1994	51,363,190	185,560	196,000
1995	51,529,080	294,570	69,490
1996	54,649,860	344,170	103,410
1997	54,949,380	111,510	2,170
1998	56,399,320	1,042,440	294,290
1999	67,820,000	1,671,610	56,560
2000	68,284,830	243,130	251,000
2001	70,169,070	575,840	944,490
2002	79,511,950	862,200	179,160

Source: Washington County, Ohio; County Auditor

(1) Represents assessed value of real estate.

City of Belpre, Ohio
Principal Taxpayers - Real and Tangible Personal Property
December 31, 2002

Taxpayer	Nature of Business	2002 Assessed Valuation	Percent of Total Assessed Valuation
International Converter, Incorporated	Packaging Manufacturing	\$1,993,270	2.32%
Lee Middleton Original Dolls, Incorporated	Doll Manufacturing	1,811,590	2.11
Kroger Limited Partnership	Grocer	1,571,100	1.83
Russell L. Covey	Land Management	622,010	0.72
Orion Development	Pharmacy	587,840	0.68
Holder Harbour Corporation	Land Management	523,230	0.61
John O. and Linda I. Cornell	Land Management	515,480	0.60
Albrights of Belpre	Furniture Merchandising	411,110	0.48
David E. and Victoria Higgins	Land Management	379,000	0.44
Moore Enterprises	Land Management	369,950	0.43
		<u>\$8,784,580</u>	<u>10.22%</u>

Source: Washington County, Ohio; County Auditor

City of Belpre, Ohio
Principal Taxpayers - Public Utility Property
December 31, 2002

Taxpayer	2002 Assessed Valuation	Percent of Total Assessed Valuation
Monongahela Power Company	\$1,307,690	43.03%
Ohio Bell Telephone	1,045,940	34.42
East Ohio Gas Company	301,380	9.92
	<u>\$2,655,010</u>	<u>87.37%</u>

Source: Washington County, Ohio; County Auditor

City of Belpre, Ohio
Ten Largest Employers
December 31, 2002

<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Belpre City School District	School	281
Enlow's	Food Service	187
Kroger Limited Partnership	Grocer	175
Wal-Bon of Ohio	Food Service	136
Lee Middleton Original Dolls, Incorporated	Doll Manufacturing	118
McDonalds	Food Service	117
Wendy's	Food Service	101
Riverview Financial Services	Financial Management	90
Pioneer Casting	Pipe Manufacturing	89
International Converter, Incorporated	Packaging Manufacturing	84

Source: City records

City of Belpre, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population(1)</u>	<u>School Enrollment(2)</u>	<u>Unemployment Rate of Washington County(3)</u>
1993	6,931	1,490	8.10%
1994	6,964	1,545	6.60
1995	6,972	1,543	6.20
1996	6,998	1,539	6.50
1997	7,003	1,491	5.90
1998	7,016	1,425	5.50
1999	7,024	1,406	6.60
2000	6,660	1,281	5.00
2001	6,658	1,307	5.00
2002	6,676	1,327	4.80

2000 Census Information (4)

Median Age	41.2 years
Average Household Size	2.18 persons
Total Households	3,058
Households 65 Years and Over	926
Owner-occupied Housing Units	2,017
Renter-Occupied Housing Units	1,041

(1) Source: City of Belpre

(2) Source: Belpre City School District

(3) Source: Ohio Job and Family Services

(4) Source: U.S. Bureau of the Census; 2000

City of Belpre, Ohio
Miscellaneous Statistics
December 31, 2002

Year of Incorporation as a City	1961
Form of Government	Mayor/Council
Area	3.5 square miles
Miles of City Streets	43
Number of Street Lights	497
Number of Building Permits Issued in 2002	171
Fire Protection:	
Number of Stations	2
Number of Volunteer Firemen and Officers	44
Fire Hydrants	154
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	12
Municipal Utilities:	
Miles of Water Mains	28
Miles of Sanitary Sewer	28
Number of Consumers:	
Residential	2,942
Commercial	266
Average Monthly Consumption (per household):	
Sewer	7,000 gallons
Water	7,000 gallons
Minimum Rate:	
Sewer	\$12.29
Water	\$6.27
Education:	
Number of Teachers	92
Number of Students	1,327
Recreation and Culture:	
Number of Parks	3
Number of Libraries	1
Number of Swimming Pools	1
Number of Tennis Courts	1
Number of Baseball and Softball Diamonds	6
Number of Boat Ramps	2
Employees:	
Full-Time	44
Part-Time	1
Seasonal	1

Source: City records



**Auditor of State
Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

**CITY OF BELPRE
WASHINGTON COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 12, 2003**