

**CITY OF BELPRE  
WASHINGTON COUNTY  
Regular Audit  
For the Year Ended December 31, 2007**





# Mary Taylor, CPA

## Auditor of State

Mayor and Members of City Council  
City of Belpre  
715 Park Drive  
P.O. Box 160  
Belpre, Ohio 45714

We have reviewed the *Independent Accountants' Report* of the City of Belpre, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

### **Finding for Recovery**

Ohio Rev. Code Section 9.44(C) states “an employee who has retired in accordance with the provisions of any retirement plan offered by the state and who is employed by the state or any political subdivision of the state on or after June 24, 1987, shall not have prior service with the state, any political subdivision of the state, or a regional council of government established in accordance with Chapter 167 of the Revised Code counted for the purpose of computing vacation leave.”

The City of Belpre Codified Ordinance Section 161.02(A)(2), as amended by Ordinance 47 (94-95), provides that employees with 12 months to 95 months of service are entitled to receive 80 hours of vacation leave annually. Employees with 96 months to 179 months of service are entitled to receive 120 hours of vacation leave annually.

Woody Shaffer retired from full-time employment with the City of Belpre in 1999 and was paid for his accrued and unused vacation and other benefits that time. At that time he began drawing retirement benefits from the Ohio Public Employees Retirement System. At the time Mr. Shaffer retired, he was accruing 240 hours of vacation leave annually.

However, during 2000, Mr. Shaffer was rehired by the City of Belpre. Upon re-employment, Mr. Shaffer received a vacation accrual rate equivalent to the rate he earned upon retirement (240 hours annually). Ohio Rev. Code Section 9.44(C) clearly limits amount of service time allowed to be considered for vacation leave accrual. Accordingly, upon the rehiring of Mr. Shaffer, the City of Belpre should have limited his vacation accrual rate to 80 hours per year (the amount allowed by City of Belpre Codified Ordinances Section 161.02(A)(2)), until his eighth year was completed, at which time the accrual rate would go to 120 hours annually.

As shown in the table below, Mr. Shaffer was allowed to accrue and use all of that vacation leave, up to and including the point where he retired again in 2008, resulting in an overpayment of compensation in the form of vacation leave.

<u>Year</u>	<u>Earned/ Used</u>	<u>Allowed</u>	<u>Excess</u>	<u>Hourly Rate</u>	<u>Total Value</u>
2000	240	80	160	\$15.61	\$2,497.60
2001	240	80	160	\$15.90	2,544.00
2002	240	80	160	\$16.30	2,608.00
2003	240	80	160	\$16.70	2,672.00
2004	240	80	160	\$17.10	2,736.00
2005	240	80	160	\$17.74	2,838.40
2006	240	80	160	\$18.31	2,929.60
2007	240	80	160	\$18.90	3,024.00
2008	240	120	120	\$19.51	<u>2,341.20</u>
Total					<u><u>\$24,190.80</u></u>

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Woody Shaffer, in the amount of \$24,190.80, and in favor of the General Fund of the City of Belpre.

Additionally, under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State ex. Rel. *Village of Linndale v. Masten* (1985), 18 Ohio St. 3d 228. Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Mayor and Members of City Council  
City of Belpre  
715 Park Drive P.O. Box 160 Belpre, Ohio 45714  
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Therefore, because various City officials approved and signed the checks resulting in the improper payments, the following may be jointly and severally liable as follows: William R. McAfee, former Mayor (2000-2007 for \$21,849.60); Michael L. Lorentz, Mayor (2008 for \$2,341.20); Dale R. Myers, Jr. (Safety-Service Director 2000-2002 and 2005-2008 for \$18,782.80); Robert G. Boersma, former Safety-Service Director (2003-2004 for \$5,408.00); and, Patrick J. Hines, CPA, City Auditor (2000-2008 for \$24,190.80). This recovery is in favor of the City of Belpre's General Fund.

The City officials noted above for approving and signing the checks resulting in the improper payments shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from Woody Shaffer.

#### **Finding for Recovery Repaid Under Audit**

Ohio Rev. Code Section 9.44(C) states "an employee who has retired in accordance with the provisions of any retirement plan offered by the state and who is employed by the state or any political subdivision of the state on or after June 24, 1987, shall not have prior service with the state, any political subdivision of the state, or a regional council of government established in accordance with Chapter 167 of the Revised Code counted for the purpose of computing vacation leave."

The City of Belpre Codified Ordinance Section 161.02(A)(2), as amended by Ordinance 47 (94-95), provides that employees with 12 months to 95 months of service are entitled to receive 80 hours of vacation leave annually. Employees with 96 months to 179 months of service are entitled to receive 120 hours of vacation leave annually.

Sharon McVey and Robert Kemper retired from full-time employment with the City of Belpre in 2007 and were paid for their accrued and unused vacation and other benefits that time. At that time they began drawing retirement benefits from the Ohio Public Employees Retirement System. At the time Ms. McVey and Mr. Kemper retired, they were each accruing 240 hours of vacation leave annually.

However, during 2007, Ms. McVey and Mr. Kemper were rehired by the City of Belpre. Upon re-employment, each received a vacation accrual rate equivalent to the rate they earned upon retirement (240 hours annually). Ohio Rev. Code Section 9.44(C) clearly limits amount of service time allowed to be considered for vacation leave accrual.

Mayor and Members of City Council  
City of Belpre  
715 Park Drive P.O. Box 160 Belpre, Ohio 45714  
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Accordingly, upon the rehiring of Ms. McVey and Mr. Shaffer, the City of Belpre should have limited their vacation accrual rate to 80 hours per year (the amount allowed by City of Belpre Codified Ordinances Section 161.02(A)(2)), until the eighth year was completed, at which time the accrual rate would go to 120 hours annually.

The City of Belpre reduced the current vacation balances of Ms. McVey and Mr. Kemper when advised of the situation in July 2008. This finding is considered repaid under audit.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Belpre is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

September 18, 2008

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**CITY OF BELPRE  
WASHINGTON COUNTY**

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***Perry & Associates***  
Certified Public Accountants, A.C.

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

June 19, 2008

City of Belpre  
Washington County  
715 Park Drive  
Belpre, Ohio 45714

To the Members of Council:

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate fund information of the **City of Belpre, Washington County, Ohio** (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report dated June 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

**Internal Control Over Financial Reporting (continued)**

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the City's management in a separate letter dated June 19, 2008.

**Compliance and Other Matters**

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 19, 2008.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

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

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**CITY OF BELPRE  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-001**

**Significant Deficiency**

**Vacation Leave**

The City Street Foreman retired in 1999, was off for a few months, and then returned to work for the City in the same position in early 2000. The employee was given credit for his pre-retirement service in determining his entitlement to annual paid vacation leave and was given six weeks of annual paid vacation leave upon returning to work in 2000 rather than the stipulated two weeks. This employee left employment with the City during 2008 and had used all his respective vacation leave balance. Three other employees retired from City employment during 2007 and also were given credit for their pre-retirement service in determining their entitlement to annual paid vacation leave. These employees leave balances have since been adjusted accordingly to not take into account pre-retirement service.

Based on a legal opinion issued by the City's Law Director dated April 8, 2008, none of the four City employees who retired and then returned to work for the City were entitled to have their pre-retirement service counted for the purpose of computing their annual paid vacation leave under the current status of Ohio law and City Ordinances.

If it is the intention of the City Council to allow pre-retirement service in determining entitlement to annual paid vacation leave, we recommend the City contact legal counsel in order to establish an ordinance authorizing such. We also recommend that the rehiring of employees be approved by City Council and documented in the minutes.

**Management's Response** – The following response was submitted by City Law Director James H. McCauley:

The City of Belpre acknowledges that the vacation paid was paid in error, but it was a good faith error and the City is taking steps to see that such error does not occur in the future by reviewing and revising its Personnel Manual and clarifying City ordinances relating to vacation leave and other benefits to be accorded to a retired City employee who is rehired by the City.

The City points out that the vacation leave in question was not questioned during seven previous state audits and was discovered during this audit only because the City Auditor disclosed the error to the accounting firm performing the 2007 year end state audit.

**CITY OF BELPRE  
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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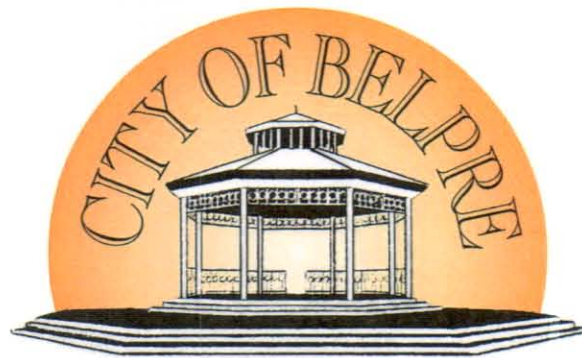
**FINDING NUMBER 2007-001 (Continued)**

**Management's Response (Continued)**

Further the City will not be taking any action to recover the vacation leave funds which were paid to this employee for several reasons, as follow:

1. No Finding of recovery should be issued against Woody Shaffer as he was not at fault in any way;
2. No finding of recovery should be issued against Mr. Shaffer's supervisor because he was acting in good faith by following past practice in the City and because he was relying upon several provisions of law which seemed to mandate that credit for prior service be allowed. Those sections of law are:
  - (a) 9.44 (A), ORC – the broad language of this Section seems to mandate crediting governmental employees for prior service in determining their vacation leave; and
  - (b) 9.44 (C), ORC – which states that an employee who is drawing benefits with PERS shall not be credited for prior service in calculating vacation leave applies to anyone employed after January 24, 1987. Since Mr. Shaffer had become an employee long before January 24, 1987, his supervisor thought that he had to be credited for prior service; and
3. City employees not covered by union contracts were customarily given the same benefits as union employee. The union contract in place while Mr. Shaffer was being credited for prior service with the City in computing vacation pay seemed to mandate credit for all prior service. Thus, Mr. Shaffer's supervisor felt he was entitled to such credit.

# The Unique International Award Winning Design Corridor D Blennerhassett Bridge



***City of Belpre, Ohio***

***Comprehensive Annual Financial Report  
For The Year Ended December 31, 2007***



# **CITY OF BELPRE, OHIO**

**Comprehensive Annual Financial Report  
For The Year Ended December 31, 2007**

City of Belpre, Ohio

# **Comprehensive Annual Financial Report**

For The Year Ended December 31, 2007

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



**City of Belpre, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2007*  
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**City of Belpre, Ohio**  
*Comprehensive Annual Financial Report*  
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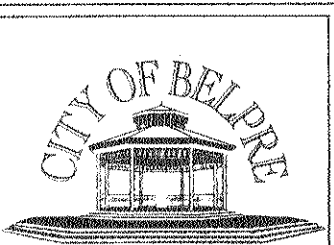
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**City of Belpre, Ohio**  
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Mayor  
Michael L. Lorentz

Auditor  
Patrick J. Hines, CPA

Safety-Service Director  
Dale R. Myers, Jr.

June 19, 2008

To the City Council and Citizens of Belpre:

Ohio law requires that local public offices file their annual financial reports with the Auditor of State's Office and publish notice of the availability of the reports within 150 days of the close of the year. Further, the Ohio Administrative Code requires cities to prepare their financial reports pursuant to accounting principles generally accepted in the United States of America. The Comprehensive Annual Financial Report (CAFR) of the City of Belpre, Ohio (City), for the year ended December 31, 2007, is submitted herewith. The report has a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by the office of Perry and Associates, Certified Public Accountants.

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

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

Perry and Associates, Certified Public Accountants, has audited the City's financial statements. They concluded based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2007. The Independent Accountants' Report is presented as the first component of the financial section of this report.

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

## **Profile of the Government**

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

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

The early settlers came as part of the Ohio Company. The Federal Government, unable to pay cash for their services during the war, gave them land in Ohio. Most were from New England and were well educated. They passed this education on to their children in the wilderness. One of them was Bathsheba Rouse, the first female school teacher in Ohio. Over the years, Belpre grew and prospered. One of the early families, the Dana family, brought along with them seeds from their apple trees in New England. Thus grew a large vinegar and canning business with vinegar being shipped as far as New Orleans. In later years, truck farming became the largest business in the area. Growth came during the 1950's and 60's in the chemical and plastics industries. This growth overshadowed the farming industry, and many of the truck farmers sold their land for housing developments.

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

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

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

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

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

The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level and, within each, at the personal services and other operating level within each fund. The allocations of appropriations among objects, except for personal services, within a fund are made during the year by the City Auditor without an ordinance of Council.

### **Economic Condition**

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 2007, which include R/C Indoor Track, Express Tax, The Washington-Morgan Community Action Program Corporation Branch, Lynch and Associates, Mid-Ohio Valley Medical Group, Lambert-Tatman Funeral Services, Pioneer Pre-owned Cars, Belpre Auto Mall, and Red Barn Trailer Sales.

The City continues to work in conjunction with County development agencies to encourage business growth in the City. The following businesses will open in 2008: Unicorn Wine, Sacred Heart Tattoo's and Piercings, and Danny's Old Fashion Pizza. The City anticipates sizable business growth after the completion of the Blennerhassett Island Bridge (pictured on the cover of this CAFR) over the Ohio River, opening on June 13, 2008. The opening of this bridge marks the notable completion of Appalachian Corridor D – a ten-year highway improvement project connecting Cincinnati, Ohio, to Clarksburg, West Virginia.

### **Major Initiatives**

#### ***For the Year***

Infrastructure improvements continued to be a priority during the past year. A paving project was completed in 2007. This project was a co-operative project with the Ohio Public Works Commission, along with the Villages of Beverly, New Matamoras, and Macksburg. Parts of twenty-three Belpre streets were paved. Belpre's portion of the project was funded by the Ohio Public Works Commission (Issue II) for \$217,007 and by the permissive license tax for \$130,180. The Clement Avenue Paving project was started in 2006 and completed in 2007 at a total cost of \$57,948. The Ohio Department of Transportation contributed \$36,365 for the project. The intersection improvement at Washington Boulevard and Farson Street, which was started in 2006, is still not completed at year end. The City spent \$101,277 on this project during the year.

Over the past decade, the City of Belpre has grappled with stagnant revenues while trying to maintain our deteriorating infrastructure, causing our deferred maintenance to increase dramatically.

In 2004, the City placed a .25% income tax increase on the ballot to help offset some of these mounting concerns. The effort failed. Recognizing the City must continue to provide services, the administration had to research other methods to fund improvements. After researching options, the City decided to explore Performance Based Contracting as a procurement method. After two years, the City entered into a contract with Ameresco, Inc. in October, 2006. The project consists of water meter and line replacements, sewer and water treatment plant improvements, interior and exterior lighting and traffic signals improvements with energy efficient bulbs, and replacement of the community swimming pool.

A significant benefit to our City with this type of “performance based” procurement is that Ameresco, Inc. holds the construction risk in that our City is not at risk for change orders. The implemented improvements help to offset the investment by leveraging energy savings, operational improvements, and enhanced revenues. This process allows us to reclaim the wasted energy dollars and lost revenues. It also allows for an accelerated construction period where we are able to complete a large integrated scope of work that would have taken the City 30 plus years to accomplish using the traditional methods. This work is managed and implemented by a professional firm and we are purchasing the scope of services at today’s construction costs. With construction materials increasing at over five percent each year, our City saves substantial dollars and the project is installed with a higher level of quality than is possible through traditional construction methods.

Through this procurement vehicle, we are also able to take advantage of a financing project called tax exempted leasing purchase (TELP). The City was able to obtain a tax-exempt lease financing interest rate of 4.15%. This structure finances the program costs under a tax-exempt equipment lease-purchase agreement and escrow agreement. Under this financing structure, at close, funds in an amount sufficient to capitalize the entire program cost were deposited in an interest-bearing escrow account established by a bank escrow agent and held for the benefit of the City of Belpre. These funds are invested at the direction of the City with maturities that match the anticipated program costs during program installation. The City requests the escrow agent to disburse payments to Ameresco, Inc., during the installation period as work is completed.

Interest began to accrue at closing and was capitalized during the construction period. No payments were due from the City during that period. Once the program is installed and construction completed or nearly completed, and the City begins to realize savings, payments of principal and interest are due. In this case, it was December of 2007.

The City of Belpre retains ownership in the project, but grants a security interest to a third party financial institution during the financing term. At maturity, the security interest is released and the City of Belpre retains the project free and clear.

The above mentioned project also included renovations and improvements to the City’s swimming pool. After being closed for five summers, the new pool opened in June, 2007. The opening was eagerly anticipated and well received by the public.

In the end, the City of Belpre must continue to provide services needed by our community and our taxpayers. This administration searched out and implemented what is believed to be the “optimum” plan to make the necessary improvements and do so in a financially viable way, providing for our community an infrastructure to serve their needs for the next twenty plus years.

***For the Future***

After the completion of the energy savings and water and sewer infrastructure improvement projects by Ameresco, Inc., the City should not be faced with many capital and infrastructure improvements other than for street paving and improvements.

**Long-term Financial Planning**

As previously discussed, the Ameresco, Inc. project’s lease will be paid mainly through anticipated energy savings. Council has also approved a water and sewer rate increase of ten percent for January 1, 2007, and another ten percent for January 1, 2008. The pool is operated by the Marietta YMCA. The City pays the YMCA a flat operational rate while the City will continue to purchase consumable supplies.

**Cash Management**

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

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2007	\$128,733	2002	\$34,286
2006	108,715	2001	45,130
2005	54,230	2000	70,260
2004	20,010	1999	68,162
2003	28,105	1998	61,429

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

**Risk Management**

During 2007, the City contracted with the Ohio Government Risk Management Plan (the “Plan”) through the Kinder’s Insurance Agency, LTD. The plan is an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to 592 Ohio governments. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages.



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

**Awards and Acknowledgments**

*GFOA Certificate of Achievement* - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Belpre, Ohio, for its comprehensive annual financial report for the year ended December 31, 2006. This was the City of Belpre's seventh 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 twelfth Tree City USA Award for the year ended December 31, 2007. This prestigious award recognized the City for its annual program of planting new trees and maintaining and removing old trees.

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

Sincerely,



Patrick J. Hines, CPA  
Belpre City Auditor



Michael L. Lorentz  
Mayor of Belpre

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Belpre  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2006

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.



*Oliver S. Cox*

President

*Jeffrey R. Egan*

Executive Director

**City of Belpre, Ohio**  
Principal Officials  
December 31, 2007

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

Finance

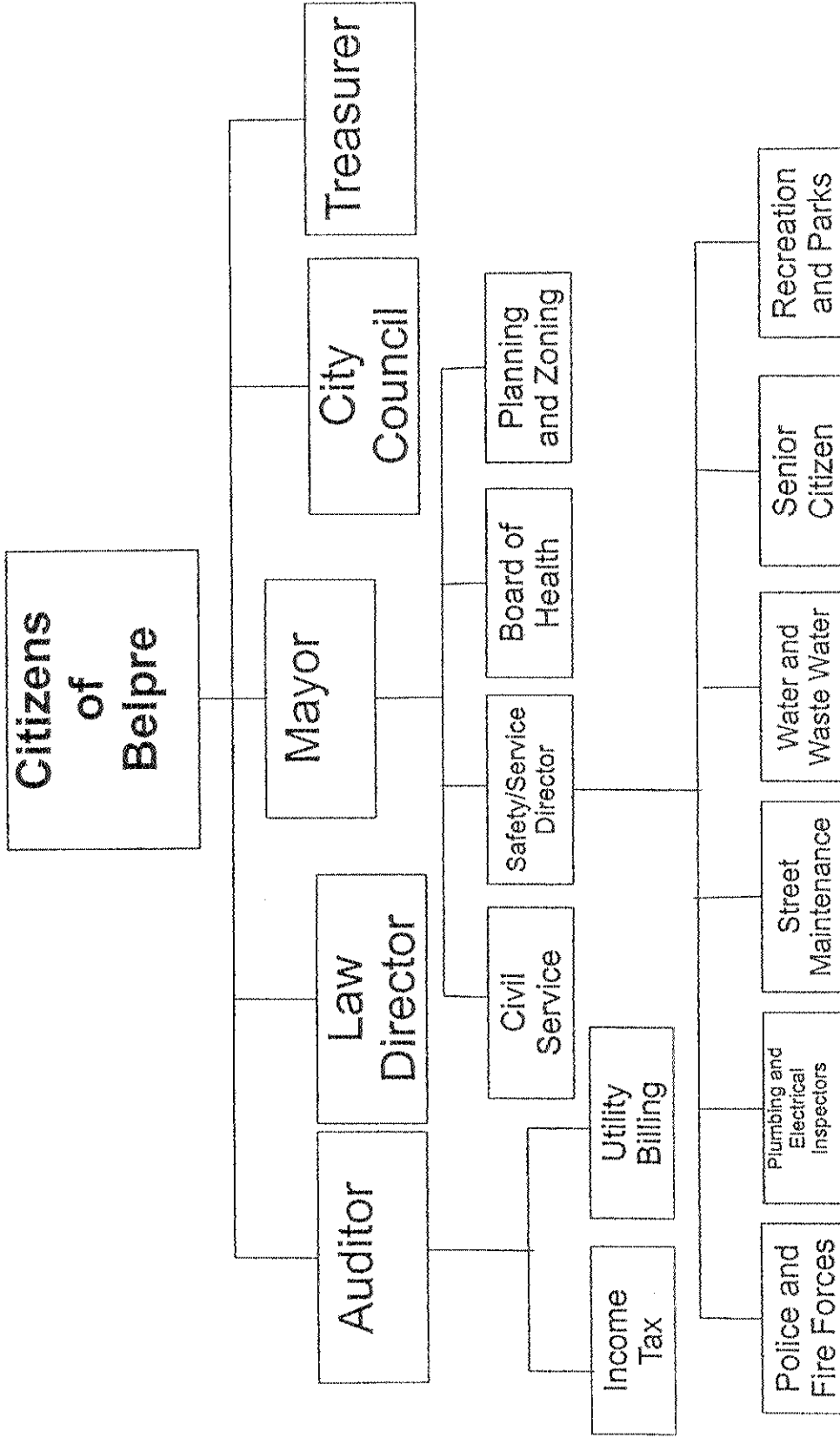
Auditor..... Patrick J. Hines, CPA  
Deputy Auditor..... Sharon McVey  
Deputy Office Administrator..... Lisa Rankin  
Treasurer..... Will Neff  
Income Tax Commissioner..... Leonard Wiggins, II

Safety and Service

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

# CITY of BELPRE, OHIO

Organization Chart



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# **FINANCIAL SECTION**

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***Perry & Associates***  
Certified Public Accountants, A.C.

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

MARIETTA  
428 Second Street  
Marietta, OH 45750  
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT**

June 19, 2008

City of Belpre  
Washington County  
715 Park Drive  
Belpre, Ohio 45714

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the **City of Belpre, Washington County, Ohio** (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General 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 June 19, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund financial statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

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The discussion and analysis of the City of Belpre's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2007. 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, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for 2007 are as follows:

In total, assets increased \$519,586. Governmental activities increased \$408,206 and the business-type activities experienced an increase of \$111,380. Total current and other assets decreased \$4,990,370. The business-type activities accounted for \$5,158,994 of this decrease.

Overall, capital assets increased \$5,509,956. Total capital assets from governmental activities increased \$239,582. Capital assets of business-type activities increased \$5,270,374.

In total, liabilities decreased \$433,017. Total liabilities of governmental activities only decreased \$3,727. Total liabilities of business-type activities decreased \$429,290 from 2006.

In total, net assets increased \$952,603. Net assets of governmental activities increased \$411,933, while net assets of business-type activities increased \$540,670 from 2006.

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

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

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

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

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

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" 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.

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

**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 statements provide detailed information about the City's major funds. Based upon restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Belpre, our major funds are the General, Street, Energy and Pool Improvements, Sanitation, Sewer, and Water Funds.

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

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

***Fiduciary Funds*** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. They are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

**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 2007 compared to 2006.

(Table 1)  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Assets</b>						
Current and Other Assets	\$3,435,955	\$3,267,331	\$2,232,439	\$7,391,433	\$5,668,394	\$10,658,764
Capital Assets, Net	14,496,138	14,256,556	14,657,888	9,387,514	29,154,026	23,644,070
<i>Total Assets</i>	<u>17,932,093</u>	<u>17,523,887</u>	<u>16,890,327</u>	<u>16,778,947</u>	<u>34,822,420</u>	<u>34,302,834</u>
<b>Liabilities</b>						
Current and Other Liabilities	877,075	850,350	845,026	746,658	1,722,101	1,597,008
Long-term Liabilities:						
Due Within One Year	120,668	26,714	658,360	240,937	779,028	267,651
Due in More Than One Year	1,210,567	1,334,973	7,150,736	8,095,817	8,361,303	9,430,790
<i>Total Liabilities</i>	<u>2,208,310</u>	<u>2,212,037</u>	<u>8,654,122</u>	<u>9,083,412</u>	<u>10,862,432</u>	<u>11,295,449</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	13,248,872	13,893,386	7,255,301	6,864,118	20,504,173	20,757,504
Restricted:						
Transportation	327,884	390,640	0	0	327,884	390,640
Capital Projects	325,982	0	0	0	325,982	0
Unclaimed Monies	6,598	6,598	0	0	6,598	6,598
Other Purposes	44,784	36,968	0	0	44,784	36,968
Unrestricted	1,769,663	984,258	980,904	831,417	2,750,567	1,815,675
<i>Total Net Assets</i>	<u>\$15,723,783</u>	<u>\$15,311,850</u>	<u>\$8,236,205</u>	<u>\$7,695,535</u>	<u>\$23,959,988</u>	<u>\$23,007,385</u>

Total governmental assets increased \$408,206. Equity in Pooled Cash and Cash Equivalents increased \$813,296, reflecting the City's effort to spend less than our yearly revenues. Cash with Escrow Agents experienced the largest fluctuation, decreasing \$894,678 as cash was used for the energy savings and pool projects that began in 2006. An increase of \$207,013 in Due from Other Governments resulted mainly from the City recording an Issue II paving receivable of \$217,007 in 2007; there was no such receivable in 2006. Construction in progress had a net decrease of \$226,381 from 2006. Increases and decreases to construction in progress during 2007 is as follows:

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

<u>Project</u>	<u>12/31/06</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/07</u>
Pool Improvements	\$410,600	\$465,667	\$876,267	\$0
Energy Savings	318,235	95,202	0	413,437
Clement Avenue Paving	12,260	45,688	57,948	0
Washington Boulevard and Farson Street Intersection Widening	<u>25,231</u>	<u>101,277</u>	<u>0</u>	<u>126,508</u>
	<u>\$766,326</u>	<u>\$707,834</u>	<u>\$934,215</u>	<u>\$539,945</u>

Total governmental liabilities only decreased \$3,727. The City did not experience a significant change in liabilities from 2006. The City made capital lease payments of \$26,316 during 2007.

For business-type activities, total assets increased \$111,380. Equity in Pooled Cash and Cash Equivalents increased \$145,659, reflecting the City's effort to spend less than our yearly income and the increased water and sewer rates to customers. Accounts Receivable for water, sewer, and sanitation charges to customers increased \$108,079 from 2006. Cash with Escrow Agents experienced the largest fluctuation, decreasing \$5,322,360 as cash was used for the water and sewer plant upgrade projects that began in 2006. Construction in progress had an increase of \$5,501,653, mainly from the previously mentioned upgrade projects. Total liabilities decreased \$429,290. Contracts Payable related to the upgrade projects decreased \$99,488, while Retainage Payable increased \$263,745. Accrued Interest Payable decreased \$73,163 as debt was retired earlier than the scheduled retirement date. During 2007, the City made debt payments of \$530,677.

Table 2 shows the changes in net assets for the year ended December 31, 2007, and comparisons to 2006.

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

(Table 2)  
Changes in Net Assets

	Governmental Activities 2007	Business- Type Activities 2007	Total 2007	Governmental Activities 2006	Business- Type Activities 2006	Total 2006
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$498,063	\$2,929,362	\$3,427,425	\$386,949	\$2,638,589	\$3,025,538
Operating Grants, Contributions and Interest Capital Grants and Contributions	370,050	0	370,050	344,186	0	344,186
	<u>632,441</u>	<u>12,450</u>	<u>644,891</u>	<u>123,525</u>	<u>15,835</u>	<u>139,360</u>
Total Program Revenues	<u>1,500,554</u>	<u>2,941,812</u>	<u>4,442,366</u>	<u>854,660</u>	<u>2,654,424</u>	<u>3,509,084</u>
<b>General Revenues</b>						
Property Taxes	312,334	0	312,334	312,124	0	312,124
Income Tax	1,088,695	0	1,088,695	1,127,411	0	1,127,411
Hotel Tax	664	0	664	906	0	906
Franchise Tax	107,427	0	107,427	43,455	0	43,455
Grants and Entitlements	428,104	0	428,104	281,403	0	281,403
Investment Earnings	122,467	87,508	209,975	103,922	57,805	161,727
Donations	0	0	0	175	0	175
Gain on Disposal of Capital Assets	0	90	90	0	0	0
Other	5,927	514	6,441	7,258	535	7,793
Total General Revenues	<u>2,065,618</u>	<u>88,112</u>	<u>2,153,730</u>	<u>1,876,654</u>	<u>58,340</u>	<u>1,934,994</u>
<i>Total Revenues</i>	<u>3,566,172</u>	<u>3,029,924</u>	<u>6,596,096</u>	<u>2,731,314</u>	<u>2,712,764</u>	<u>5,444,078</u>
<b>Program Expenses</b>						
General Government	583,137	0	583,137	593,808	0	593,808
Security of Persons and Property:						
Police	956,689	0	956,689	923,982	0	923,982
Fire	207,670	0	207,670	206,319	0	206,319
Public Health Services	34,810	0	34,810	34,545	0	34,545
Transportation	1,127,879	0	1,127,879	1,126,410	0	1,126,410
Leisure Time Activities:						
Senior Center	29,659	0	29,659	28,633	0	28,633
Parks	119,315	0	119,315	112,494	0	112,494
Pool	100,847	0	100,847	9,381	0	9,381
Intergovernmental	0	0	0	92,502	0	92,502
Interest and Fiscal Charges	44,233	0	44,233	16,705	0	16,705
Sanitation	0	645,672	645,672	0	652,033	652,033
Sewer	0	1,117,188	1,117,188	0	1,076,686	1,076,686
Water	0	676,394	676,394	0	585,014	585,014
Total Program Expenses	<u>3,204,239</u>	<u>2,439,254</u>	<u>5,643,493</u>	<u>3,144,779</u>	<u>2,313,733</u>	<u>5,458,512</u>
<i>Increase (Deficiency)</i>						
<i>Before Transfers</i>	361,933	590,670	952,603	(413,465)	399,031	(14,434)
Transfers	50,000	(50,000)	0	70,000	(70,000)	0
<i>Increase (Decrease)</i> <i>in Net Assets</i>	411,933	540,670	952,603	(343,465)	329,031	(14,434)
<i>Net Assets Beginning of Year</i>	<u>15,311,850</u>	<u>7,695,535</u>	<u>23,007,385</u>	<u>15,655,315</u>	<u>7,366,504</u>	<u>23,021,819</u>
<i>Net Assets End of Year</i>	<u>\$15,723,783</u>	<u>\$8,236,205</u>	<u>\$23,959,988</u>	<u>\$15,311,850</u>	<u>\$7,695,535</u>	<u>\$23,007,385</u>

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

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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 52 percent of all revenues in the governmental activities.

Income tax collections experienced a small decrease of \$38,716. The City's Tax Commissioner has established procedures for identifying delinquent accounts and for setting up payment schedules for hardship cases.

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

Security of persons and property is a major activity of the City, generating 36% of the governmental expenses. During 2007, expenses for police and fire operations amounted to \$956,689 and \$207,670, respectively. These activities are, for the most part, funded by the municipal income tax. The City attempts to supplement the 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 35% of the governmental expenses. The expenses were related to street maintenance, paving, and patching expenses of \$829,905 and street lighting expenses of \$88,651, while depreciation accounted for \$733,798 in expenses. These expenses were offset \$524,475 for capitalized asset additions.

***Business-Type Activities***

The City's business-type activities provide sanitation, water, and sewer services. The City, itself, does not provide trash pickup, but contracts this service from an outside vendor. The City provides the billing service for trash pickup on the existing utility bills and receives a commission from the vendor for providing this service for them. Operating income generated by this activity is used to help support the City's general government activities. During 2007, program revenues exceeded expenses by \$502,558.

The City's water and sewer departments continued to operate with low rates. On January 1, 2007, the minimum water rate increased to \$7.47 from \$6.78 for the first 3,000 gallons of water consumed and the sewer rate increased to \$14.63 from \$13.30. Water rates for two neighboring water associations are \$12.50 and \$19.80 for the first 2,500 gallons of water. These rate increases raised revenues for charges nearly \$291,000 over 2006 levels. These rate increases were necessary to fund the costs of the ongoing infrastructure improvement projects. Program expenses increased \$125,521 over 2006 levels; however, net assets increased \$540,670 in 2007.

**City of Belpre, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*Unaudited*

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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 \$3,532,998 and expenditures of \$3,498,213. City Council approved the closure of the swimming pool after the 2001 season due to significant repairs and improvements that needed made. The City's swimming pool re-opened in 2007 after much anticipation and fanfare. The pool was rebuilt using lease purchase proceeds and \$350,000 in grant funds. The facility was modernized and rebuilt in the same location as the former pool. Both the City's management and public consider it a big success and great addition the City as a whole. The pool generated \$77,210 in revenue from operations in 2007 and incurred \$76,758 in current expenditures.

The fund balance of the General Fund increased \$537,853. A \$50,000 transfer was received from the Sanitation Enterprise Fund, \$20,000 less than the transfer in 2006. Revenues increased \$296,794 over 2006 levels, mainly in intergovernmental revenues. Expenditures decreased \$215,123 from 2006 levels. The City expended \$193,264 less in 2007 on capital items.

The Street Fund did not experience any significant changes from the previous year. The fund balance only increased \$2,505. The Fund received a \$32,000 transfer from the General Fund in 2006 that it did not receive in the current year.

The fund balance of the Energy and Pool Improvements Fund decreased \$598,938, using all of the beginning of the year fund balance of \$578,023 for capital improvements. The pool portion of the project was completed in 2007 and the energy savings portion is 99% complete at year end.

During 2007, the Water Fund had operating revenues of \$804,332 (\$669,415 in 2006) and operating expenses of \$616,154 (\$536,603 in 2006). The Sewer Fund had operating revenues of \$1,392,978 (\$1,236,808 in 2006) and operating expenses of \$1,062,780 (\$1,050,690 in 2006). The rate increases previously discussed contributed to the increases in operating revenues. Activity within the Sanitation Fund changed little, with the net assets increasing \$36,894 from 2006. This fund transferred \$70,000 to the General Fund in 2006, but only \$50,000 in 2007.

### ***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 2007, the City did not amend its Estimated Revenues. Appropriations were amended \$21,955: increased for street improvements, a vehicle purchase, communication expenditures, flowers for the parks, other park improvements, and improvements to the marina; it was decreased for debt payments. Recommendations for any budget changes come from the City Auditor to the Finance Committee of Council for review before going to the whole Council for Ordinance enactment on the change. The allocation of appropriations among objects, except personal services, 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.

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The City's ending unencumbered cash balance in the General Fund was \$1,292,844, \$436,020 above the final budgeted amount. The City received \$209,878 more in revenues than anticipated. The City also cut actual expenditures by \$201,742, reducing amounts in all appropriated programs.

**Capital Assets and Debt Administration**

(Table 3)  
 Capital Assets at December 31, 2007

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$2,024,318	\$2,024,318	\$250,754	\$250,754	\$2,275,072	\$2,275,072
Buildings and Improvements	2,558,226	1,711,035	592,631	601,776	3,150,857	2,312,811
Machinery and Equipment	231,391	243,872	437,071	489,257	668,462	733,129
Vehicles	450,055	527,299	34,592	33,902	484,647	561,201
Infrastructure:						
U.S. and State Roads	2,236,732	2,440,071	0	0	2,236,732	2,440,071
City Streets	6,222,530	6,295,126	0	0	6,222,530	6,295,126
Street Signals	232,941	248,509	0	0	232,941	248,509
Sewer System	0	0	2,848,051	2,937,707	2,848,051	2,937,707
Water System	0	0	3,080,231	3,161,213	3,080,231	3,161,213
Construction in Progress	539,945	766,326	7,414,558	1,912,905	7,954,503	2,679,231
<b>Totals</b>	<b>\$14,496,138</b>	<b>\$14,256,556</b>	<b>\$14,657,888</b>	<b>\$9,387,514</b>	<b>\$29,154,026</b>	<b>\$23,644,070</b>

The assets of the City are reported at historical cost, net of depreciation. The only increase in the governmental activities is in the building and improvements, which is a result of the completed pool project. The City purchased one vehicle for the safety/service director, added infrastructure improvements of \$524,475, and purchased various equipment for the fire, police, parks, and senior center departments. For the business-type activities, construction in progress also experienced the largest change of \$5,501,653 for the infrastructure improvements. For additional information on capital assets, see Note 9 to the basic financial statements.

(Table 4)  
 Outstanding Debt at December 31, 2007

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Issue II Water Well Loan	\$0	\$0	\$59,323	\$62,961	\$59,323	\$62,961
Water Tank Loan	0	0	496,869	538,760	496,869	538,760
Sewer Treatment Plant Loan	0	0	0	327,605	0	327,605
Issue II Sewer Treatment Plant Loan	0	0	171,915	180,950	171,915	180,950
Capital Leases	1,270,148	1,296,464	7,064,159	7,210,517	8,334,307	8,506,981
Contract Payable	0	0	0	2,150	0	2,150
Police Pension Liability	21,012	21,410	0	0	21,012	21,410
<b>Totals</b>	<b>\$1,291,160</b>	<b>\$1,317,874</b>	<b>\$7,792,266</b>	<b>\$8,322,943</b>	<b>\$9,083,426</b>	<b>\$9,640,817</b>



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

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The City had no bond issues outstanding but did have a pension liability, various loans payable, and a capital lease payable at December 31, 2007, totaling \$9,083,426, of which \$763,542 is due within one year. The City has two Ohio Public Works Issue II loans outstanding, one for a water well replacement and one for sewer treatment plant improvements. The City also has one long-term loan outstanding for a water tank. The City retired the sewer treatment plant loan during 2007, six years earlier than scheduled.

At year end, the City had contractual commitments of \$7,943,709, of which \$7,832,459 had been expended for paving projects and the energy savings and infrastructure improvement projects (see the contractual commitment Note 14).

The City's overall legal debt margin was \$10,334,631 at December 31, 2007. For additional information on debt, see Note 13 to the basic financial statements.

### **Current Finance Related Activities**

The City is taking action to remedy its largest problem - the deteriorating infrastructure of our water and sewer operations. The resolution was to enter into a contract with Ameresco, Inc. in October, 2006, to address this issue along with other problems within the City, including water meter and line replacements, interior and exterior lighting and traffic signal improvements with energy efficient bulbs, and replacement of the community swimming pool. In order to afford this \$8,479,839 contract, the City entered into a tax exempted leasing purchase. Pool revenues, energy savings, and water and sewer rate increases will pay for this contract. One rate increase occurred on July 1, 2006, and another one took effect on January 1, 2007, with yet another one on January 1, 2008, for ten percent each. The swimming pool portion of the project was completed in 2007. The energy savings project within the governmental activities and water and sewer plant improvements are 99% complete at year end. Operating revenues in the Water and Sewer Funds have increased due to the rate increases and accurate meter readings from the new equipment. However, any type of savings from this action is hard to measure with the increased operating expenses.

The closing of the City swimming pool in 2002 caused public concern. Through donations, grants, and the lease-purchase, the City worked to replace the old pool under the contract with Ameresco, Inc. for \$939,133. The pool opened in June, 2007.

I personally thank Mrs. Mary Taylor, our State Auditor, and her staff, the Local Government Services Division, for their involvement and tremendous amount of help in putting together these statements. Mrs. Taylor'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, 2007*  
*Unaudited*

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**Contacting the City Auditor's Department**

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

**City of Belpre, Ohio**

*Statement of Net Assets*

December 31, 2007

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,004,982	\$1,081,957	\$3,086,939
Cash and Cash Equivalents in Segregated Accounts	6,883	0	6,883
Cash with Escrow Agent	49,010	534,992	584,002
Investments	0	50,000	50,000
Permissive Tax Receivable	4,188	0	4,188
Accounts Receivable	30,925	508,083	539,008
Accrued Interest Receivable	1,429	0	1,429
Due from Other Governments	480,994	43,187	524,181
Municipal Income Tax Receivable	488,973	0	488,973
Materials and Supplies Inventory	8,231	2,603	10,834
Prepaid Items	32,177	11,617	43,794
Property Taxes Receivable	328,163	0	328,163
Non-Depreciable Capital Assets	2,564,263	7,665,312	10,229,575
Depreciable Capital Assets, Net	11,931,875	6,992,576	18,924,451
<i>Total Assets</i>	<u>17,932,093</u>	<u>16,890,327</u>	<u>34,822,420</u>
<b>Liabilities</b>			
Accounts Payable	25,747	58,178	83,925
Accrued Wages	35,315	16,242	51,557
Contracts Payable	334,476	222,658	557,134
Due to Other Governments	51,215	16,660	67,875
Retainage Payable	71,736	354,962	426,698
Matured Compensated Absences Payable	5,750	0	5,750
Sick Leave Benefits Payable	0	2,760	2,760
Deferred Revenue	315,880	0	315,880
Accrued Interest Payable	114	3,138	3,252
Vacation Benefits Payable	36,642	22,091	58,733
Due to Others	200	0	200
Customer Deposits Payable	0	148,337	148,337
Long-Term Liabilities:			
Due Within One Year	120,668	658,360	779,028
Due In More Than One Year	1,210,567	7,150,736	8,361,303
<i>Total Liabilities</i>	<u>2,208,310</u>	<u>8,654,122</u>	<u>10,862,432</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	13,248,872	7,255,301	20,504,173
Restricted for:			
Transportation	327,884	0	327,884
Capital Projects	325,982	0	325,982
Unclaimed Monies	6,598	0	6,598
Other Purposes	44,784	0	44,784
Unrestricted	1,769,663	980,904	2,750,567
<i>Total Net Assets</i>	<u>\$15,723,783</u>	<u>\$8,236,205</u>	<u>\$23,959,988</u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$583,137	\$199,045	\$347	\$10,000
Security of Persons and Property:				
Police	956,689	139,118	2,698	6,271
Fire	207,670	0	6,871	0
Public Health Services	34,810	16,751	3,683	0
Transportation	1,127,879	62,089	340,698	327,256
Leisure Time Activities:				
Senior Center	29,659	0	3,509	2,300
Parks	119,315	3,850	6,096	0
Pool	100,847	77,210	6,148	286,614
Interest and Fiscal Charges	44,233	0	0	0
<i>Total Governmental Activities</i>	<u>3,204,239</u>	<u>498,063</u>	<u>370,050</u>	<u>632,441</u>
<b>Business-Type Activities</b>				
Sanitation	645,672	732,566	0	0
Sewer	1,117,188	1,392,710	0	0
Water	676,394	804,086	0	12,450
<i>Total Business-Type Activities</i>	<u>2,439,254</u>	<u>2,929,362</u>	<u>0</u>	<u>12,450</u>
<i>Total</i>	<u>\$5,643,493</u>	<u>\$3,427,425</u>	<u>\$370,050</u>	<u>\$644,891</u>

**General Revenues**

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

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$373,745)	\$0	(\$373,745)
(808,602)	0	(808,602)
(200,799)	0	(200,799)
(14,376)	0	(14,376)
(397,836)	0	(397,836)
(23,850)	0	(23,850)
(109,369)	0	(109,369)
269,125	0	269,125
(44,233)	0	(44,233)
(1,703,685)	0	(1,703,685)
0	86,894	86,894
0	275,522	275,522
0	140,142	140,142
0	502,558	502,558
(1,703,685)	502,558	(1,201,127)
312,334	0	312,334
1,088,695	0	1,088,695
664	0	664
107,427	0	107,427
428,104	0	428,104
122,467	87,508	209,975
0	90	90
5,927	514	6,441
2,065,618	88,112	2,153,730
50,000	(50,000)	0
2,115,618	38,112	2,153,730
411,933	540,670	952,603
15,311,850	7,695,535	23,007,385
<u>\$15,723,783</u>	<u>\$8,236,205</u>	<u>\$23,959,988</u>

**City of Belpre, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2007*

	<u>General</u>	<u>Street</u>	<u>Energy and Pool Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,310,061	\$115,444	\$0	\$572,879	\$1,998,384
Cash and Cash Equivalents in Segregated Accounts	6,021	0	0	862	6,883
Cash with Escrow Agent	0	0	49,010	0	49,010
Restricted Cash	6,598	0	0	0	6,598
Receivables:					
Permissive Tax	0	0	0	4,188	4,188
Accounts	28,099	2,460	0	366	30,925
Accrued Interest	1,429	0	0	0	1,429
Municipal Income Tax	488,973	0	0	0	488,973
Property Taxes	328,163	0	0	0	328,163
Due from Other Governments	99,298	152,337	0	229,359	480,994
Materials and Supplies Inventory	286	7,945	0	0	8,231
Prepaid Items	26,423	2,991	0	2,763	32,177
<i>Total Assets</i>	<u>\$2,295,351</u>	<u>\$281,177</u>	<u>\$49,010</u>	<u>\$810,417</u>	<u>\$3,435,955</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$19,123	\$3,194	\$0	\$3,430	\$25,747
Accrued Wages	27,960	7,355	0	0	35,315
Contracts Payable	0	0	5,441	329,035	334,476
Due to Other Governments	42,303	6,963	0	1,949	51,215
Retainage Payable	0	0	64,484	7,252	71,736
Matured Compensated Absences Payable	2,760	2,990	0	0	5,750
Deferred Revenue	709,140	100,413	0	8,142	817,695
Due to Others	200	0	0	0	200
<i>Total Liabilities</i>	<u>801,486</u>	<u>120,915</u>	<u>69,925</u>	<u>349,808</u>	<u>1,342,134</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	12,829	3,622	0	942	17,393
Reserved for Inventory	286	7,945	0	0	8,231
Reserved for Unclaimed Monies	6,598	0	0	0	6,598
Unreserved, Undesignated, Reported in:					
General Fund	1,474,152	0	0	0	1,474,152
Special Revenue Funds	0	148,695	0	110,803	259,498
Capital Projects Funds (Deficit)	0	0	(20,915)	348,864	327,949
<i>Total Fund Balances (Deficit)</i>	<u>1,493,865</u>	<u>160,262</u>	<u>(20,915)</u>	<u>460,609</u>	<u>2,093,821</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,295,351</u>	<u>\$281,177</u>	<u>\$49,010</u>	<u>\$810,417</u>	<u>\$3,435,955</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, 2007*

**Total Governmental Fund Balances** \$2,093,821

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

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the funds. 14,496,138

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

Investment Earnings	1,429	
Property Taxes	12,283	
Municipal Income Tax	307,591	
Intergovernmental Revenues	180,512	
<b>Total</b>	<b>501,815</b>	<b>501,815</b>

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

Police Pension Payable	(21,012)	
Accrued Interest Payable	(114)	
Capital Leases Payable	(1,270,148)	
Compensated Absences Payable	(40,075)	
Vacation Benefits Payable	(36,642)	
<b>Total</b>	<b>(1,367,991)</b>	<b>(1,367,991)</b>

***Net Assets of Governmental Activities*** **\$15,723,783**

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, 2007*

	General	Street	Energy and Pool Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$314,074	\$0	\$0	\$0	\$314,074
Municipal Income Tax	1,065,340	0	0	0	1,065,340
Hotel Tax	664	0	0	0	664
Motor Vehicle License Tax	0	0	0	52,161	52,161
Charges for Services	193,401	9,928	0	81,060	284,389
Fines, Licenses and Permits	252,210	0	0	16,730	268,940
Intergovernmental	480,027	304,850	0	590,610	1,375,487
Investment Earnings	106,747	3,775	15,734	2,477	128,733
Donations	13,425	0	0	23,858	37,283
Other	3,997	1,783	0	147	5,927
<i>Total Revenues</i>	<u>2,429,885</u>	<u>320,336</u>	<u>15,734</u>	<u>767,043</u>	<u>3,532,998</u>
<b>Expenditures</b>					
Current:					
General Government	562,162	0	0	0	562,162
Security of Persons and Property:					
Police	904,186	0	0	13,092	917,278
Fire	148,568	0	0	0	148,568
Public Health Services	34,688	0	0	0	34,688
Transportation	58,328	317,831	0	235,805	611,964
Leisure Time Activities:					
Senior Center	27,449	0	0	0	27,449
Parks	0	0	0	61,515	61,515
Pool	0	0	0	76,758	76,758
Capital Outlay	127,854	0	560,869	285,108	973,831
Debt Service:					
Principal Retirement	26,316	0	0	0	26,316
Interest and Fiscal Charges	3,881	0	53,803	0	57,684
<i>Total Expenditures</i>	<u>1,893,432</u>	<u>317,831</u>	<u>614,672</u>	<u>672,278</u>	<u>3,498,213</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>536,453</u>	<u>2,505</u>	<u>(598,938)</u>	<u>94,765</u>	<u>34,785</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	400	0	0	0	400
Transfers In	50,000	0	0	49,000	99,000
Transfers Out	(49,000)	0	0	0	(49,000)
<i>Total Other Financing Sources (Uses)</i>	<u>1,400</u>	<u>0</u>	<u>0</u>	<u>49,000</u>	<u>50,400</u>
<i>Net Change in Fund Balances</i>	537,853	2,505	(598,938)	143,765	85,185
<i>Fund Balances Beginning of Year</i>	955,996	155,507	578,023	316,844	2,006,370
Increase in Reserve for Inventory	16	2,250	0	0	2,266
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,493,865</u>	<u>\$160,262</u>	<u>(\$20,915)</u>	<u>\$460,609</u>	<u>\$2,093,821</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, 2007*

**Net Change in Fund Balances - Total Governmental Funds** \$85,185

***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	1,146,876	
Depreciation	(906,330)	
		240,546

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (964)

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

Investment Earnings	(14)	
Property Taxes	(1,740)	
Municipal Income Tax	23,355	
Estate Tax	(2,184)	
Grants	(4,683)	
State Shared Revenues	11,527	
Tax Reimbursements	6,913	
Total		33,174

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 26,714

Interest is reported as a program expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. 13,453

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	2,266	
Vacation Benefits Payable	7,821	
Compensated Absences Payable - Sick	3,738	
Total		13,825

***Change in Net Assets of Governmental Activities*** \$411,933

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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$305,977	\$305,977	\$314,074	\$8,097
Municipal Income Tax	1,126,640	1,126,640	1,069,659	(56,981)
Hotel Tax	845	845	734	(111)
Charges for Services	192,750	192,750	193,381	631
Fines, Licenses and Permits	232,503	232,503	236,760	4,257
Intergovernmental	253,585	253,585	494,227	240,642
Investment Earnings	97,222	97,222	104,349	7,127
Donations	6,500	6,500	12,953	6,453
Other	4,500	4,500	4,263	(237)
<i>Total Revenues</i>	<u>2,220,522</u>	<u>2,220,522</u>	<u>2,430,400</u>	<u>209,878</u>
<b>Expenditures</b>				
Current:				
General Government	638,973	645,123	563,876	81,247
Security of Persons and Property:				
Police	965,452	956,858	906,577	50,281
Fire	163,521	167,026	153,270	13,756
Public Health Services	49,889	49,428	34,142	15,286
Transportation	91,754	91,754	61,295	30,459
Leisure Time Activities - Senior Center	29,039	31,289	27,671	3,618
Capital Outlay	81,373	134,939	127,854	7,085
Debt Service:				
Principal Retirement	57,609	27,154	27,269	(115)
Interest and Fiscal Charges	8,496	4,490	4,365	125
<i>Total Expenditures</i>	<u>2,086,106</u>	<u>2,108,061</u>	<u>1,906,319</u>	<u>201,742</u>
<i>Excess of Revenues Over Expenditures</i>	<u>134,416</u>	<u>112,461</u>	<u>524,081</u>	<u>411,620</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	400	400
Transfers In	80,000	80,000	50,000	(30,000)
Transfers Out	(103,000)	(103,000)	(49,000)	54,000
<i>Total Other Financing Sources (Uses)</i>	<u>(23,000)</u>	<u>(23,000)</u>	<u>1,400</u>	<u>24,400</u>
<i>Net Change in Fund Balance</i>	111,416	89,461	525,481	436,020
<i>Fund Balance Beginning of Year</i>	737,312	737,312	737,312	0
Prior Year Encumbrances Appropriated	30,051	30,051	30,051	0
<i>Fund Balance End of Year</i>	<u>\$878,779</u>	<u>\$856,824</u>	<u>\$1,292,844</u>	<u>\$436,020</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
<b>Revenues</b>				
Charges for Services	\$25,000	\$25,000	\$9,928	(\$15,072)
Intergovernmental	283,290	283,290	304,646	21,356
Investment Earnings	0	0	3,849	3,849
Other	0	0	623	623
<i>Total Revenues</i>	308,290	308,290	319,046	10,756
<b>Expenditures</b>				
Current:				
Transportation	341,852	341,852	316,735	25,117
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,562)	(33,562)	2,311	35,873
<b>Other Financing Sources</b>				
Transfers In	54,000	54,000	0	(54,000)
<i>Net Change in Fund Balance</i>	20,438	20,438	2,311	(18,127)
<i>Fund Balance Beginning of Year</i>	102,902	102,902	102,902	0
Prior Year Encumbrances Appropriated	5,790	5,790	5,790	0
<i>Fund Balance End of Year</i>	<u>\$129,130</u>	<u>\$129,130</u>	<u>\$111,003</u>	<u>(\$18,127)</u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Fund Net Assets*  
*Enterprise Funds*  
*December 31, 2007*

	Sanitation	Sewer	Water	Total Enterprise Funds
<b>Assets</b>				
Current:				
Equity in Pooled Cash and Cash Equivalents	\$356,843	\$363,778	\$262,999	\$983,620
Cash with Escrow Agent	0	327,270	207,722	534,992
Accounts Receivable	68,244	336,765	103,074	508,083
Due from Other Governments	0	43,187	0	43,187
Materials and Supplies Inventory	0	1,356	1,247	2,603
Restricted Assets:				
Customer Deposits	0	0	98,337	98,337
Investments	0	0	50,000	50,000
Prepaid Items	1,483	5,064	5,070	11,617
<i>Total Current Assets</i>	<u>426,570</u>	<u>1,077,420</u>	<u>728,449</u>	<u>2,232,439</u>
Noncurrent:				
Non-Depreciable Capital Assets	0	4,237,713	3,427,599	7,665,312
Depreciable Capital Assets, Net	0	3,503,233	3,489,343	6,992,576
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>7,740,946</u>	<u>6,916,942</u>	<u>14,657,888</u>
<i>Total Assets</i>	<u>426,570</u>	<u>8,818,366</u>	<u>7,645,391</u>	<u>16,890,327</u>
<b>Liabilities</b>				
Current:				
Accounts Payable	26,778	23,729	7,671	58,178
Contracts Payable	0	180,250	42,408	222,658
Accrued Wages	342	13,061	2,839	16,242
Retainage Payable	0	198,820	156,142	354,962
Accrued Interest Payable	0	0	3,138	3,138
Sick Leave Benefits Payable	552	1,104	1,104	2,760
Vacation Benefits Payable	422	16,926	4,743	22,091
Compensated Absences Payable	0	3,254	0	3,254
Due to Other Governments	353	12,200	4,107	16,660
Capital Lease Payable	0	334,127	266,650	600,777
Loans Payable	0	0	47,898	47,898
Issue II Loans Payable	0	4,585	1,846	6,431
<i>Total Current Liabilities</i>	<u>28,447</u>	<u>788,056</u>	<u>538,546</u>	<u>1,355,049</u>
Long-Term:				
Customer Deposits Payable from Restricted Assets	0	0	148,337	148,337
Capital Lease Payable	0	3,594,666	2,868,716	6,463,382
Loans Payable	0	0	448,971	448,971
Issue II Loans Payable	0	167,330	57,477	224,807
Compensated Absences Payable	177	9,917	3,482	13,576
<i>Total Long-Term Liabilities</i>	<u>177</u>	<u>3,771,913</u>	<u>3,526,983</u>	<u>7,299,073</u>
<i>Total Liabilities</i>	<u>28,624</u>	<u>4,559,969</u>	<u>4,065,529</u>	<u>8,654,122</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt Unrestricted	0	3,886,691	3,368,610	7,255,301
	397,946	371,706	211,252	980,904
<i>Total Net Assets</i>	<u>\$397,946</u>	<u>\$4,258,397</u>	<u>\$3,579,862</u>	<u>\$8,236,205</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, 2007*

	Sanitation	Sewer	Water	Total Enterprise Funds
<b>Operating Revenues</b>				
Charges for Services	\$732,566	\$1,392,710	\$804,086	\$2,929,362
Other Operating Revenues	0	268	246	514
<i>Total Operating Revenues</i>	<u>732,566</u>	<u>1,392,978</u>	<u>804,332</u>	<u>2,929,876</u>
<b>Operating Expenses</b>				
Salaries and Wages	8,534	307,306	106,763	422,603
Fringe Benefits	4,284	117,524	46,452	168,260
Contractual Services	628,329	363,676	210,991	1,202,996
Materials and Supplies	4,525	114,942	147,761	267,228
Depreciation	0	159,332	104,187	263,519
<i>Total Operating Expenses</i>	<u>645,672</u>	<u>1,062,780</u>	<u>616,154</u>	<u>2,324,606</u>
<i>Operating Income</i>	<u>86,894</u>	<u>330,198</u>	<u>188,178</u>	<u>605,270</u>
<b>Non-Operating Revenues (Expenses)</b>				
Investment Earnings	0	48,668	38,840	87,508
Gain on Disposal of Assets	0	90	0	90
Interest and Fiscal Charges	0	(54,408)	(60,240)	(114,648)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>0</u>	<u>(5,650)</u>	<u>(21,400)</u>	<u>(27,050)</u>
<i>Income Before Contributions and Transfers</i>	86,894	324,548	166,778	578,220
Capital Contributions	0	0	12,450	12,450
Transfers Out	(50,000)	0	0	(50,000)
<i>Change in Net Assets</i>	36,894	324,548	179,228	540,670
<i>Net Assets Beginning of Year</i>	<u>361,052</u>	<u>3,933,849</u>	<u>3,400,634</u>	<u>7,695,535</u>
<i>Net Assets End of Year</i>	<u>\$397,946</u>	<u>\$4,258,397</u>	<u>\$3,579,862</u>	<u>\$8,236,205</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, 2007

	Sanitation	Sewer	Water	Total Enterprise Funds
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$737,869	\$1,353,192	\$817,803	\$2,908,864
Cash Payments for Employee Services and Benefits	(13,727)	(431,303)	(158,583)	(603,613)
Cash Payments to Suppliers for Goods and Services	(629,927)	(469,005)	(353,400)	(1,452,332)
Other Operating Revenues	0	268	246	514
Customer Deposits Received	0	0	11,385	11,385
Customer Deposits Returned	0	0	(3,443)	(3,443)
<i>Net Cash Provided by Operating Activities</i>	<u>94,215</u>	<u>453,152</u>	<u>314,008</u>	<u>861,375</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers Out	(50,000)	0	0	(50,000)
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of Capital Assets	0	(2,921,208)	(2,221,573)	(5,142,781)
Principal Paid on Debt	0	(419,113)	(111,564)	(530,677)
Interest Paid on Debt	0	(223,623)	(190,953)	(414,576)
Capital Contributions	0	0	12,450	12,450
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>0</u>	<u>(3,563,944)</u>	<u>(2,511,640)</u>	<u>(6,075,584)</u>
<b>Cash Flows from Investing Activities:</b>				
Investment Earnings	0	48,668	38,840	87,508
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	44,215	(3,062,124)	(2,158,792)	(5,176,701)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>312,628</u>	<u>3,753,172</u>	<u>2,727,850</u>	<u>6,793,650</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$356,843</u>	<u>\$691,048</u>	<u>\$569,058</u>	<u>\$1,616,949</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
<i>Operating Income</i>	\$86,894	\$330,198	\$188,178	\$605,270
<b>Adjustments:</b>				
Depreciation	0	159,332	104,187	263,519
<b>(Increase)/Decrease in Assets:</b>				
Accounts Receivable	5,303	(127,735)	14,353	(108,079)
Intergovernmental Receivable	0	88,217	0	88,217
Materials and Supplies Inventory	0	(544)	151	(393)
Prepaid Items	(68)	1,293	1,323	2,548
<b>Increase/(Decrease) in Liabilities:</b>				
Accounts Payable	2,995	8,962	3,242	15,199
Accrued Wages	(21)	(1,068)	(1,639)	(2,728)
Compensated Absences Payable	(402)	1,972	1,449	3,019
Matured Compensated Absences Payable	552	1,104	1,104	2,760
Customer Deposits	0	0	7,942	7,942
Vacation Benefits Payable	(970)	(4,758)	(4,517)	(10,245)
Due to Other Governments	(68)	(3,821)	(1,765)	(5,654)
<i>Net Cash Provided by Operating Activities</i>	<u>\$94,215</u>	<u>\$453,152</u>	<u>\$314,008</u>	<u>\$861,375</u>

Non-cash capital transaction:

During 2007, the Sewer Enterprise Fund received a \$1,200 trade-in allowance on a vehicle.

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2007*

<b>Assets</b>	
Equity Pooled in Cash and Cash Equivalents	\$32,940
Cash and Cash Equivalents in Segregated Accounts	<u>2,269</u>
<i>Total Assets</i>	<u><u>\$35,209</u></u>
 <b>Liabilities</b>	
Due to Other Governments	\$34,549
Due to Others	<u>660</u>
<i>Total Liabilities</i>	<u><u>\$35,209</u></u>

See accompanying notes to the basic financial statements

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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

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

***Reporting Entity***

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

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

The City participates in the Community Action Program Corporation of Washington-Morgan Counties, Ohio, and the Wood, Washington, and Wirt Planning Commission, which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations is presented in Note 17.

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

The financial statements of the City of Belpre have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

***A. Basis of Presentation***

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.



**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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

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.

***Energy and Pool Improvements Fund*** This fund accounts for capital lease proceeds and investment earnings that are used for energy savings projects and pool improvements.

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, 2007*

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

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

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

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

**Fiduciary Funds** Fiduciary fund reporting focuses on net assets and changes in net assets. There are four categories of fiduciary funds; pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. The City's agency funds account for 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, 2007*

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***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenues, and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). 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, 2007, but which were levied to finance year 2008 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, 2007*

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***E. Budget Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level and, within each, at the personal services and other operating 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, except for an investment of the Water Enterprise Fund which is invested separately. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

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

Cash held separately for the City by an escrow agent and not held with the City Treasurer is recorded as "Cash with Escrow Agent". The account is used to comply with the terms of a capital lease in which the lessor deposited the amount sufficient to capitalize the entire cost of construction under the lease in an interest-bearing escrow account established by a bank escrow agent and held for the benefit of the City of Belpre. See Note 12 for additional information on the capital lease.

During 2007, investments were limited to non-negotiable 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 2007 amounted to \$106,747, which includes \$67,169 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.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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***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.

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, 2007, 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. Unclaimed monies that are required to be held for five years before they may be utilized by the City are reported as restricted.

***J. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market value as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of U.S. and State roads, City streets, street signs, and water and sewer systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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

The City's infrastructure consists of City streets, street signs, traffic signals, and water and sewer systems and includes infrastructure acquired prior to December 31, 1980.

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "vacation benefits payable". The balances are to be used by employees in the year following the year in which the benefit was earned.

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

The entire compensated absences liability is reported on the government-wide and proprietary fund financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are reported as "matured compensated absences payable" in the fund from which the employees who will receive the payment are paid.

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

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

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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***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. The government-wide statement of net assets reports \$705,248 of restricted net assets, of which none is restricted by enabling legislation. Net assets restricted for other purposes include activities related to the mayor's court, the City's parks and pool, and law enforcement.

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

***O. Operating Revenues and Expenses***

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

***P. Contributions of Capital***

Contributions of capital in the proprietary fund financial statements can 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. Capital contributions during 2007 arose from tap-in fees.

***Q. Internal Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

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.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

**R. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 3 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unrecorded cash and interest, segregated accounts, and prepaid items are reported on the balance sheet (GAAP) but not on the budgetary basis.

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

Net Change in Fund Balance

	General	Street
GAAP Basis	\$537,853	\$2,505
Net Adjustment for Revenue Accruals	(440)	(1,364)
Beginning of Year:		
Unrecorded Items	8,241	498
Prepaid Items	31,898	4,636
Segregated Accounts	9,442	0
End of Year:		
Unrecorded Items	(10,707)	(424)
Prepaid Items	(26,423)	(2,991)
Segregated Accounts	(6,021)	0
Net Adjustment for Expenditure Accruals	(5,254)	3,468
Encumbrances	(13,108)	(4,017)
Budget Basis	\$525,481	\$2,311



**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**Note 4 - Changes in Accounting Principles**

For 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"; GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues"; and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of \$35,336 and \$41,920, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

**Note 5 – Accountability and Compliance**

***A. Accountability***

The Energy and Pool Improvements Capital Projects Fund has a deficit fund balance of \$20,915 as of December 31, 2007. The deficit is the result of the recognition of retainage and contracts payables related to the pool construction and energy improvements.

***B. Compliance***

The following accounts had expenditures in excess of final appropriations for the year ended December 31, 2007:

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
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	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Excess</u>
Energy and Pool Improvements			
Capital Projects Fund:			
Capital Outlay	\$809,493	\$856,609	(\$47,116)
Debt Service	50,844	53,803	(2,959)
Enterprise Funds:			
Sewer Fund:			
Expenses other than Salaries and Wages	4,156,074	4,213,131	(57,057)
Water Fund:			
Expenses other than Salaries and Wages	2,876,493	2,947,172	(70,679)

This City will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

**Note 6 - Deposits and Investments**

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

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the City has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**Deposits**

Custodial credit risk for deposits is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the City's deposits was \$3,762,833 and the bank balance was \$3,792,269. Of the bank balance, \$466,720 was covered by Federal depository insurance; \$2,841,547 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department; and \$484,002 was also exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

**Note 7 - Receivables**

Receivables at December 31, 2007, consisted of municipal income taxes, property taxes, permissive tax, accounts (billings for user charged services including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues, and accrued interest on investments. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except property and income taxes, are expected to be received within one year. Property and income taxes, although ultimately collectible, include some portion of delinquencies that will not 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 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets other than inventory, which was assessed at 23 percent. The tangible personal property tax is being phased out - the assessment percentage of all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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The full tax rate for all City operations for the year ended December 31, 2007, was \$3.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$92,344,380
Public Utility Property	2,558,920
Tangible Personal Property	<u>3,521,760</u>
	<u><u>\$98,425,060</u></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, 2007, 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 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue, while the remainder of the receivable has been deferred.

***B. Income Taxes***

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

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

***C. Intergovernmental Receivables***

A summary of intergovernmental receivables follows:

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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	<u>Amounts</u>
<b>Governmental Activities</b>	
Issue II	\$217,007
Excise Tax	88,338
Local Government	75,375
Gasoline Tax	44,682
Motor Vehicle License Tax	31,669
Rollback and Homestead	18,349
Estate Tax	2,031
Medicare and Medicaid Reimbursements	1,488
Personal Property Tax Exemption	825
Public Utility Reimbursements	1,230
	480,994
<b>Business-Type Activities</b>	
Sewer Services to Washington County	43,187
	\$524,181

**Note 8 - 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 2007, the City contracted with the Ohio Government Risk Management Plan (the “Plan”) through the Kinder’s Insurance Agency, LTD. The Plan is an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to 592 Ohio governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine, and other coverages, modified for each Member’s needs. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the member’s deductible.

The Plan does not operate as a risk pool, but provides conventional insurance protection and reinsures these coverages. The Plan retains a small portion of the risk as identified in the Plan’s financials presented on the website at [www.ohioplan.com](http://www.ohioplan.com). The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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 various types of coverages, limits, and deductibles are as follows:

**City of Belpre, Ohio**  
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Type of Coverage	Limit	Aggregate	Deductible
<b>Property:</b>			
Building and Contents	\$17,352,266		\$1,000
Earthquake	2,000,000		25,000
Boiler and Machinery	17,352,266		1,000
Valuable Papers and Records	250,000		1,000
Business Income	500,000		0
Accounts Receivable	250,000		1,000
Power Interruption	25,000		1,000
Backup of Sewers and Drains	25,000		1,000
Computer Equipment	250,000		1,000
Building Ordinance or Law	250,000		1,000
Extra Expenses	500,000		1,000
<b>Liability:</b>			
General	3,000,000 per Occurrence	\$5,000,000	1,000
Employee Benefits	1,000,000 per Occurrence	3,000,000	1,000
Public Officials Wrongful Acts	3,000,000 per Occurrence	5,000,000	2,500
Police Professional	3,000,000 per Occurrence	5,000,000	2,500
Ohio Stop Gap	3,000,000 per Occurrence	3,000,000	1,000
Fire Damage	1,000,000 per Occurrence		1,000
Medical Expense	10,000 per Person	50,000	1,000
Sewer Limitation	3,000,000		1,000
<b>Vehicle:</b>			
Liability	3,000,000		0
Medical Expense	5,000		0
Uninsured/Underinsured	0		0
Hired Car Physical Damage	50,000		
Comprehensive; Collision			500;500
Employee or Volunteer Auto Personal Effects - Comprehensive; Collision	2,500		250;250
<b>Crime:</b>			
Inside/Outside Premise	25,000		0
Employee Dishonesty Blanket	100,000		0
Forgery and Alterations	100,000		0
<b>Inland Marine:</b>			
Property not Licensed for Highway Use	1,778,109		1,000
Miscellaneous Equipment	15,000		1,000
Emergency Portable Equipment	300,000		1,000
Canine Mortality	10,000		1,000
Lease/Rented Equipment	100,000		0
Grounds/Maintenance Equipment	30,000		0

**City of Belpre, Ohio**  
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The City pays the State Workers' Compensation System a premium for employee injury coverage based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Note 9 - Capital Assets**

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance 12/31/06	Increases	Decreases	Balance 12/31/07
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$2,024,318	\$0	\$0	\$2,024,318
Construction in Progress	766,326	707,834	934,215	539,945
Total Capital Assets not being Depreciated	<u>2,790,644</u>	<u>707,834</u>	<u>934,215</u>	<u>2,564,263</u>
Capital Assets being Depreciated:				
Buildings and Improvements	3,080,580	934,088	0	4,014,668
Machinery and Equipment	1,027,873	24,153	1,396	1,050,630
Vehicles	1,960,953	5,843	0	1,966,796
U.S. and State Roads	6,100,176	0	0	6,100,176
City Streets	14,280,168	405,135	0	14,685,303
Street Signals	585,718	4,038	0	589,756
Total Capital Assets being Depreciated	<u>27,035,468</u>	<u>1,373,257</u>	<u>1,396</u>	<u>28,407,329</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,369,545)	(86,897)	0	(1,456,442)
Machinery and Equipment	(784,001)	(35,670)	(432)	(819,239)
Vehicles	(1,433,654)	(83,087)	0	(1,516,741)
U.S. and State Roads	(3,660,105)	(203,339)	0	(3,863,444)
City Streets	(7,985,042)	(477,731)	0	(8,462,773)
Street Signals	(337,209)	(19,606)	0	(356,815)
Total Accumulated Depreciation	<u>(15,569,556)</u>	<u>(906,330) *</u>	<u>(432)</u>	<u>(16,475,454)</u>
Total Capital Assets being Depreciated, Net	<u>11,465,912</u>	<u>466,927</u>	<u>964</u>	<u>11,931,875</u>
Governmental Activities Capital Assets, Net	<u>\$14,256,556</u>	<u>\$1,174,761</u>	<u>\$935,179</u>	<u>\$14,496,138</u>

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

General Government	\$13,403
Security of Persons and Property:	
Police	32,965
Fire	57,788
Public Health Services	122
Transportation	733,798
Leisure Time Activities:	
Senior Center	2,210
Parks	47,190
Pool	18,854
Total Depreciation Expense	<u>\$906,330</u>



**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2007

	Balance 12/31/06	Increases	Decreases	Balance 12/31/07
<b>Business-Type Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$250,754	\$0	\$0	\$250,754
Construction in Progress	1,912,905	5,501,653	0	7,414,558
Total Capital Assets not being Depreciated	<u>2,163,659</u>	<u>5,501,653</u>	<u>0</u>	<u>7,665,312</u>
Capital Assets being Depreciated:				
Buildings and Improvements	795,417	5,999	0	801,416
Machinery and Equipment	1,747,021	14,464	0	1,761,485
Vehicles	140,850	12,887	13,356	140,381
Infrastructure	9,267,928	0	0	9,267,928
Total Capital Assets being Depreciated	<u>11,951,216</u>	<u>33,350</u>	<u>13,356</u>	<u>11,971,210</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(193,641)	(15,144)	0	(208,785)
Machinery and Equipment	(1,257,764)	(66,650)	0	(1,324,414)
Vehicles	(106,948)	(11,087)	(12,246)	(105,789)
Infrastructure	(3,169,008)	(170,638)	0	(3,339,646)
Total Accumulated Depreciation	<u>(4,727,361)</u>	<u>(263,519)</u>	<u>(12,246)</u>	<u>(4,978,634)</u>
Total Capital Assets being Depreciated, Net	<u>7,223,855</u>	<u>(230,169)</u>	<u>1,110</u>	<u>6,992,576</u>
Business-Type Activities Capital Assets, Net	<u>\$9,387,514</u>	<u>\$5,271,484</u>	<u>\$1,110</u>	<u>\$14,657,888</u>

**Note 10 - Employee Benefits**

**A. Insurance**

The City provides \$25,000 in life insurance and accidental death and dismemberment insurance to its full-time non-union employees and for all elected officials through American United Life Insurance. For the union employees, \$15,000 is provided through the AFSCME Care Plan for AFSCME union members and through United Commercial Travelers for police personnel.

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

**B. Compensated Absences**

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

**Note 11 - Interfund Activity**

Interfund transfers for the year ended December 31, 2007, consisted of the following:

Transfers to	Transfers from		
	General	Sanitation	Total
General	\$0	\$50,000	\$50,000
Parks and Recreation	49,000	0	49,000
	\$49,000	\$50,000	\$99,000

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

The transfer from the General Fund to the Parks and Recreation Special Revenue Fund was made to supplement a revenue shortfall. After making all required expenses from the Sanitation Enterprise Fund, the City made its yearly transfer to the General Fund for \$50,000 to supplement expenditures.

**Note 12 – Capital Leases – Lessee Disclosure**

In the previous year, the City entered into a capitalized lease for energy and pool improvements. This lease met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. The City made principal payments during 2007 of \$26,316 in the governmental activities and \$146,358 in the business-type activities.

Under the terms of the capital lease, the lessor deposited the amount sufficient to capitalize the entire cost of the construction under the lease in an interest-bearing escrow account established by a bank escrow agent and held for the benefit of the City of Belpre. The City requests the escrow agent to disburse payments to the contractor during the construction period as work is completed. \$412,561 remains unspent at year end.

The assets constructed through the capital lease were not complete at year end and are therefore recorded as construction in progress as follows:

	Governmental Activities	Business-Type Activities
Property under Capital Lease	\$1,273,582	\$6,820,838
Less Accumulated Depreciation	0	0
Total at December 31, 2007	\$1,273,582	\$6,820,838

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2007

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2007:

Year Ending December 31,	Governmental Activities	Business-Type Activities	Total
2008	\$159,065	\$884,670	\$1,043,735
2009	159,065	884,670	1,043,735
2010	159,065	884,670	1,043,735
2011	159,065	884,670	1,043,735
2012	159,065	884,670	1,043,735
2013-2017	755,561	4,202,183	4,957,744
Total Minimum Lease Payments	1,550,886	8,625,533	10,176,419
Less: Amount Representing Interest	(280,738)	(1,561,374)	(1,842,112)
Present Value of Net Minimum Lease Payments	<u>\$1,270,148</u>	<u>\$7,064,159</u>	<u>\$8,334,307</u>

**Note 13 - Long-Term Obligations**

A schedule of changes in long-term obligations of the City during 2007 follows:

	Principal Outstanding 12/31/06	Additions	Deletions	Principal Outstanding 12/31/07	Amounts Due in One Year
<b>Governmental Activities:</b>					
Capital Lease	\$1,296,464	\$0	\$26,316	\$1,270,148	\$108,021
Police Pension	21,410	0	398	21,012	415
Compensated Absences - Sick	43,813	2,012	5,750	40,075	12,232
Total Governmental Activities	<u>\$1,361,687</u>	<u>\$2,012</u>	<u>\$32,464</u>	<u>\$1,331,235</u>	<u>\$120,668</u>
<b>Business-Type Activities:</b>					
Issue II Water Well - 2%	\$62,961	\$0	\$3,638	\$59,323	\$1,846
Water Tank Loan - 4.52%	538,760	0	41,891	496,869	47,898
Issue II Treatment Plant - 2%	180,950	0	9,035	171,915	4,585
Treatment Plant Loan - 4.89%	327,605	0	327,605	0	0
Total Loans	<u>1,110,276</u>	<u>0</u>	<u>382,169</u>	<u>728,107</u>	<u>54,329</u>
Capital Lease	7,210,517	0	146,358	7,064,159	600,777
Contract Payable	2,150	0	2,150	0	0
Compensated Absences - Sick	13,811	5,779	2,760	16,830	3,254
Total Business-Type Activities	<u>\$8,336,754</u>	<u>\$5,779</u>	<u>\$533,437</u>	<u>\$7,809,096</u>	<u>\$658,360</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. Capital leases will be paid from energy savings from the General Fund and the Water and Sewer Enterprise Funds. Compensated absences for sick leave liabilities will be paid from the General Fund, Street Special Revenue Fund, and Sanitation, Sewer, and Water Enterprise Funds. These funds also made severance payments during 2007.

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. Charges for services in the Water Enterprise Fund will repay this obligation.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2007

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

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

The City entered into an agreement for the purchase of a \$10,750 meter reading system for the Water and Sewer Enterprise Funds. Under the agreement, the City makes five annual payments of \$2,150, which started in 2003.

The City's overall legal debt margin was \$10,334,631 at December 31, 2007.

Principal and interest requirements to retire the police pension liability at December 31, 2007, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$415	\$888	\$1,303
2009	433	871	1,304
2010	452	852	1,304
2011	471	833	1,304
2012	492	813	1,305
2013-2035	18,749	10,532	29,281
	<u>\$21,012</u>	<u>\$14,789</u>	<u>\$35,801</u>

Principal and interest requirements to retire the Issue II water well loan at December 31, 2007, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$1,846	\$593	\$2,439
2009	3,749	1,131	4,880
2010	3,823	1,056	4,879
2011	3,901	979	4,880
2012	3,979	900	4,879
2013-2017	21,128	3,269	24,397
2018-2022	20,897	849	21,746
	<u>\$59,323</u>	<u>\$8,777</u>	<u>\$68,100</u>

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2007

Principal and interest requirements to retire the water storage tank loan at December 31, 2007, are as follows:

Year	Principal	Interest	Total
2008	\$47,898	\$23,257	\$71,155
2009	46,340	19,342	65,682
2010	48,479	17,203	65,682
2011	50,716	14,966	65,682
2012	53,057	12,625	65,682
2013-2017	250,379	24,938	275,317
	<u>\$496,869</u>	<u>\$112,331</u>	<u>\$609,200</u>

Principal and interest requirements to retire the Issue II treatment plant loan at December 31, 2007, are as follows:

Year	Principal	Interest	Total
2008	\$4,585	\$1,719	\$6,304
2009	9,308	3,300	12,608
2010	9,495	3,114	12,609
2011	9,686	2,922	12,608
2012	9,881	2,727	12,608
2013-2017	52,466	10,579	63,045
2018-2022	57,953	5,089	63,042
2023-2024	18,541	372	18,913
	<u>\$171,915</u>	<u>\$29,822</u>	<u>\$201,737</u>

**Note 14 - Contractual Commitments**

As of December 31, 2007, the City had contractual commitments for the following projects:

	Contractual Commitment	Expended	Balance Remaining
<b>Energy and Pool Improvements</b>			
<b>Capital Projects Fund:</b>			
Energy Savings	\$415,892	\$413,437	\$2,455
<b>Sewer Enterprise Fund:</b>			
Sewer Plant Improvements	4,179,953	4,158,908	21,045
<b>Water Enterprise Fund:</b>			
Water System Study	24,800	4,464	20,336
Water Plant, Meter, and Line Replacements	3,323,064	3,255,650	67,414
Total	<u>\$7,943,709</u>	<u>\$7,832,459</u>	<u>\$111,250</u>

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**Note 15 - Defined Benefit Pension Plans**

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5% of covered payroll, public safety members contributed 9.75%, and law enforcement members contributed 10.1%.

The City's contribution rate for 2007 was 13.85 percent of covered payroll. For the period January 1 through June 30, a portion of the City's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007, this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005, were \$74,192, \$72,243, and \$90,054, respectively; 72.38 percent has been contributed for 2007 and 100 percent for 2006 and 2005. There were no contributions to the member-directed plan for 2007 for the City of Belpre.

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

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City’s contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2007, a portion of the City’s contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City’s pension contributions to OP&F for police and firefighters were \$60,404 and \$5,981 for the year ended December 31, 2007, \$59,158 and \$6,083 for the year ended December 31, 2006, and \$60,947 and \$6,967 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 80.76 percent has been contributed for police and 81.33 percent has been contributed for firefighters for 2007.

**Note 16 - Postemployment Benefits**

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

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part b premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree’s surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005, were \$52,079, \$35,336, and \$37,719, respectively; 72.38 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$36,517 and \$2,597 for the year ended December 31, 2007, \$39,019 and \$2,901 for the year ended December 31, 2006, and \$40,199 and \$3,323 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 80.76 percent has been contributed for police and 81.33 percent has been contributed for firefighters for 2007.



**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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**Note 17 - 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 2007, the Corporation did not receive any administrative fees from the City. These fees were received by the Corporation directly from the granting agencies. The continued existence of the Corporation is not dependent on the City's continued participation and the City does not have an equity interest in the Corporation.

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

The Wood, Washington, and Wirt Planning Commission was created to fulfill the requirements governing urban transportation planning under the Federal Highway Administration and Urban Mass Transportation Administration program regulations in Wood, Washington, and Wirt Counties. The Commission was formed pursuant to West Virginia Code Sections and Ohio Revised Code Section 713.30 and serves as a form of a regional planning commission. The Commission is composed of representatives from county and city governments and a cross section of members from the community appointed by the governmental units. Currently, the Commission has eight governmental representatives including the Mayor of the City of Belpre. Revenues are derived from Federal Highway and Federal Transportation Administration Grants distributed by the States of Ohio and West Virginia. Local governments contribute a ten percent local match. During 2007, 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 18 - Contingent Liabilities**

***A. Litigation***

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

**City of Belpre, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2007*

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***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, 2007, the audits of certain of these programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date.

# Combining Statements and Individual Fund Schedules

## Combining Statements - Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

### *Nonmajor Capital Projects Funds*

*Issue II Paving* - To account for revenues from the Ohio Public Works Commission that are used for street paving projects within the City.

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

**City of Belpre, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2007*

	Special Revenue			
	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$122,454	\$55,542	\$7,687	\$1,235
Cash and Cash Equivalent in Segregated Accounts	0	0	0	6
Permissive Tax Receivable	4,188	0	0	0
Accounts Receivable	0	0	0	0
Due from Other Governments	0	12,352	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$126,642</u>	<u>\$67,894</u>	<u>\$7,687</u>	<u>\$1,241</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$153	\$0	\$0
Contracts Payable	112,028	0	0	0
Due to Other Governments	0	0	0	0
Retainage Payable	7,252	0	0	0
Deferred Revenue	0	8,142	0	0
<i>Total Liabilities</i>	<u>119,280</u>	<u>8,295</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated, Reported in Special Revenue Funds	7,362	59,599	7,687	1,241
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>7,362</u>	<u>59,599</u>	<u>7,687</u>	<u>1,241</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$126,642</u>	<u>\$67,894</u>	<u>\$7,687</u>	<u>\$1,241</u>

Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
Mayor's Court Computerization	Clerk Computerization	Parks and Recreation	Pool	Issue II Paving	Pool Construction	
\$1,319	\$5,057	\$20,723	\$8,998	\$4,205	\$345,659	\$572,879
198	658	0	0	0	0	862
0	0	0	0	0	0	4,188
0	0	366	0	0	0	366
0	0	0	0	217,007	0	229,359
0	0	2,763	0	0	0	2,763
<u>\$1,517</u>	<u>\$5,715</u>	<u>\$23,852</u>	<u>\$8,998</u>	<u>\$221,212</u>	<u>\$345,659</u>	<u>\$810,417</u>
\$0	\$0	\$2,271	\$6	\$0	\$1,000	\$3,430
0	0	0	0	217,007	0	329,035
0	1,241	708	0	0	0	1,949
0	0	0	0	0	0	7,252
0	0	0	0	0	0	8,142
<u>0</u>	<u>1,241</u>	<u>2,979</u>	<u>6</u>	<u>217,007</u>	<u>1,000</u>	<u>349,808</u>
0	120	649	173	0	0	942
1,517	4,354	20,224	8,819	0	0	110,803
0	0	0	0	4,205	344,659	348,864
<u>1,517</u>	<u>4,474</u>	<u>20,873</u>	<u>8,992</u>	<u>4,205</u>	<u>344,659</u>	<u>460,609</u>
<u>\$1,517</u>	<u>\$5,715</u>	<u>\$23,852</u>	<u>\$8,998</u>	<u>\$221,212</u>	<u>\$345,659</u>	<u>\$810,417</u>

**City of Belpre, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2007*

	Special Revenue			
	Permissive Tax	State Highway	Law Enforcement Trust	Enforcement and Education
<b>Revenues</b>				
Motor Vehicle License Tax	\$52,161	\$0	\$0	\$0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	2,975	231
Intergovernmental	73,884	24,719	0	0
Investment Earnings	0	2,477	0	0
Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>126,045</u>	<u>27,196</u>	<u>2,975</u>	<u>231</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property - Police	0	0	0	0
Transportation	208,688	27,117	0	0
Leisure Time Activities:				
Parks	0	0	0	0
Pool	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>208,688</u>	<u>27,117</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(82,643)	79	2,975	231
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(82,643)	79	2,975	231
<i>Fund Balances Beginning of Year</i>	<u>90,005</u>	<u>59,520</u>	<u>4,712</u>	<u>1,010</u>
<i>Fund Balances End of Year</i>	<u><u>\$7,362</u></u>	<u><u>\$59,599</u></u>	<u><u>\$7,687</u></u>	<u><u>\$1,241</u></u>

Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
Mayor's Court Computerization	Clerk Computerization	Parks and Recreation	Pool	Issue II Paving	Pool Construction	
\$0	\$0	\$0	\$0	\$0	\$0	\$52,161
0	0	3,850	77,210	0	0	81,060
3,099	10,425	0	0	0	0	16,730
0	0	0	0	217,007	275,000	590,610
0	0	0	0	0	0	2,477
0	0	6,096	6,148	0	11,614	23,858
0	0	147	0	0	0	147
<u>3,099</u>	<u>10,425</u>	<u>10,093</u>	<u>83,358</u>	<u>217,007</u>	<u>286,614</u>	<u>767,043</u>
2,645	10,447	0	0	0	0	13,092
0	0	0	0	0	0	235,805
0	0	61,515	0	0	0	61,515
0	0	0	76,758	0	0	76,758
0	0	0	0	217,007	68,101	285,108
<u>2,645</u>	<u>10,447</u>	<u>61,515</u>	<u>76,758</u>	<u>217,007</u>	<u>68,101</u>	<u>672,278</u>
454	(22)	(51,422)	6,600	0	218,513	94,765
0	0	49,000	0	0	0	49,000
454	(22)	(2,422)	6,600	0	218,513	143,765
<u>1,063</u>	<u>4,496</u>	<u>23,295</u>	<u>2,392</u>	<u>4,205</u>	<u>126,146</u>	<u>316,844</u>
<u>\$1,517</u>	<u>\$4,474</u>	<u>\$20,873</u>	<u>\$8,992</u>	<u>\$4,205</u>	<u>\$344,659</u>	<u>\$460,609</u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$305,977	\$305,977	\$314,074	\$8,097
Municipal Income Tax	1,126,640	1,126,640	1,069,659	(56,981)
Hotel Tax	845	845	734	(111)
Charges for Services	192,750	192,750	193,381	631
Fines, Licenses and Permits	232,503	232,503	236,760	4,257
Intergovernmental	253,585	253,585	494,227	240,642
Investment Earnings	97,222	97,222	104,349	7,127
Donations	6,500	6,500	12,953	6,453
Other	4,500	4,500	4,263	(237)
<i>Total Revenues</i>	<i>2,220,522</i>	<i>2,220,522</i>	<i>2,430,400</i>	<i>209,878</i>
<b>Expenditures</b>				
Current:				
General Government:				
Council:				
Salaries and Wages	29,742	29,742	29,739	3
Fringe Benefits	5,205	5,910	5,854	56
Materials and Supplies	9,075	9,075	6,171	2,904
Total Council	44,022	44,727	41,764	2,963
Mayor:				
Salaries and Wages	41,500	42,520	41,819	701
Fringe Benefits	13,600	14,400	14,066	334
Materials and Supplies	7,050	7,050	2,435	4,615
Total Mayor	62,150	63,970	58,320	5,650
Auditor and Treasurer:				
Materials and Supplies	28,700	28,700	16,902	11,798
Total Auditor and Treasurer	28,700	28,700	16,902	11,798
Auditor:				
Salaries and Wages	119,080	119,440	119,439	1
Fringe Benefits	49,449	49,029	48,700	329
Materials and Supplies	23,790	23,790	10,260	13,530
Total Auditor	192,319	192,259	178,399	13,860
Treasurer:				
Salaries and Wages	3,506	3,506	3,505	1
Fringe Benefits	833	994	992	2
Materials and Supplies	195	195	0	195
Total Treasurer	\$4,534	\$4,695	\$4,497	\$198

(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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Law Director:				
Salaries and Wages	\$54,450	\$54,450	\$54,447	\$3
Fringe Benefits	45,773	48,055	46,884	1,171
<b>Total Law Director</b>	<b>100,223</b>	<b>102,505</b>	<b>101,331</b>	<b>1,174</b>
Civil Service:				
Salaries and Wages	1,750	1,750	0	1,750
Fringe Benefits	367	367	26	341
Materials and Supplies	1,550	1,550	0	1,550
<b>Total Civil Service</b>	<b>3,667</b>	<b>3,667</b>	<b>26</b>	<b>3,641</b>
Inspectors:				
Salaries and Wages	1,975	1,975	629	1,346
<b>Total Inspectors</b>	<b>1,975</b>	<b>1,975</b>	<b>629</b>	<b>1,346</b>
City Building:				
Salaries and Wages	57,830	58,720	58,719	1
Fringe Benefits	22,150	22,502	22,161	341
Materials and Supplies	114,903	114,903	76,478	38,425
Capital Outlay	6,500	6,500	4,650	1,850
<b>Total City Building</b>	<b>201,383</b>	<b>202,625</b>	<b>162,008</b>	<b>40,617</b>
<b>Total General Government</b>	<b>638,973</b>	<b>645,123</b>	<b>563,876</b>	<b>81,247</b>
Security of Persons and Property:				
Police:				
Salaries and Wages	562,965	542,148	536,746	5,402
Fringe Benefits	254,579	265,902	250,060	15,842
Materials and Supplies	142,558	143,449	114,412	29,037
Capital Outlay	5,350	5,359	5,359	0
<b>Total Police</b>	<b>965,452</b>	<b>956,858</b>	<b>906,577</b>	<b>50,281</b>
Fire:				
Salaries and Wages	41,280	41,480	41,479	1
Fringe Benefits	30,235	33,840	32,343	1,497
Materials and Supplies	88,330	88,042	76,475	11,567
Capital Outlay	3,676	3,664	2,973	691
<b>Total Fire</b>	<b>163,521</b>	<b>167,026</b>	<b>153,270</b>	<b>13,756</b>
<b>Total Security of Persons and Property</b>	<b>\$1,128,973</b>	<b>\$1,123,884</b>	<b>\$1,059,847</b>	<b>\$64,037</b>

(continued)

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
Public Health Services:				
Health:				
Salaries and Wages	\$34,849	\$36,549	\$25,609	\$10,940
Fringe Benefits	6,260	4,099	3,948	151
Materials and Supplies	8,780	8,780	4,585	4,195
Total Public Health Services	<u>49,889</u>	<u>49,428</u>	<u>34,142</u>	<u>15,286</u>
Transportation:				
Street Lighting:				
Materials and Supplies	91,754	91,754	61,295	30,459
Total Transportation	<u>91,754</u>	<u>91,754</u>	<u>61,295</u>	<u>30,459</u>
Leisure Time Activities:				
Senior Center:				
Salaries and Wages	17,395	17,052	15,854	1,198
Fringe Benefits	3,050	4,443	3,212	1,231
Materials and Supplies	8,594	9,794	8,605	1,189
Total Leisure Time Activities	<u>29,039</u>	<u>31,289</u>	<u>27,671</u>	<u>3,618</u>
Capital Outlay	<u>81,373</u>	<u>134,939</u>	<u>127,854</u>	<u>7,085</u>
Debt Service:				
Principal Retirement	57,609	27,154	27,269	(115)
Interest and Fiscal Charges	8,496	4,490	4,365	125
Total Debt Service	<u>66,105</u>	<u>31,644</u>	<u>31,634</u>	<u>10</u>
<i>Total Expenditures</i>	<u>2,086,106</u>	<u>2,108,061</u>	<u>1,906,319</u>	<u>201,742</u>
<i>Excess of Revenues Over Expenditures</i>	<u>134,416</u>	<u>112,461</u>	<u>524,081</u>	<u>411,620</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	400	400
Transfers In	80,000	80,000	50,000	(30,000)
Transfers Out	(103,000)	(103,000)	(49,000)	54,000
Total Other Financing Sources (Uses)	<u>(23,000)</u>	<u>(23,000)</u>	<u>1,400</u>	<u>24,400</u>
<i>Net Change in Fund Balance</i>	111,416	89,461	525,481	436,020
<i>Fund Balance Beginning of Year</i>	737,312	737,312	737,312	0
Prior Year Encumbrances Appropriated	<u>30,051</u>	<u>30,051</u>	<u>30,051</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$878,779</u></u>	<u><u>\$856,824</u></u>	<u><u>\$1,292,844</u></u>	<u><u>\$436,020</u></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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$25,000	\$25,000	\$9,928	(\$15,072)
Intergovernmental	283,290	283,290	304,646	21,356
Investment Earnings	0	0	3,849	3,849
Other	0	0	623	623
<i>Total Revenues</i>	<u>308,290</u>	<u>308,290</u>	<u>319,046</u>	<u>10,756</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street:				
Salaries and Wages	169,260	166,260	160,342	5,918
Fringe Benefits	61,967	64,967	60,361	4,606
Materials and Supplies	110,625	110,625	96,032	14,593
<i>Total Expenditures</i>	<u>341,852</u>	<u>341,852</u>	<u>316,735</u>	<u>25,117</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,562)	(33,562)	2,311	35,873
<b>Other Financing Sources</b>				
Transfers In	54,000	54,000	0	(54,000)
<i>Net Change in Fund Balance</i>	20,438	20,438	2,311	(18,127)
<i>Fund Balance Beginning of Year</i>	102,902	102,902	102,902	0
Prior Year Encumbrances Appropriated	5,790	5,790	5,790	0
<i>Fund Balance End of Year</i>	<u>\$129,130</u>	<u>\$129,130</u>	<u>\$111,003</u>	<u>(\$18,127)</u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Energy and Pool Improvements Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment Earnings	\$20,567	\$20,567	\$15,734	(\$4,833)
<b>Expenditures</b>				
Capital Outlay:				
Capital Outlay	809,493	809,493	856,609	(47,116)
Debt Service:				
Interest and Fiscal Charges	50,844	50,844	53,803	(2,959)
<i>Total Expenditures</i>	<u>860,337</u>	<u>860,337</u>	<u>910,412</u>	<u>(50,075)</u>
<i>Net Change in Fund Balance</i>	(839,770)	(839,770)	(894,678)	(54,908)
<i>Fund Balance Beginning of Year</i>	<u>943,688</u>	<u>943,688</u>	<u>943,688</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$103,918</u>	<u>\$103,918</u>	<u>\$49,010</u>	<u>(\$54,908)</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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$738,377	\$738,377	\$737,312	(\$1,065)
<b>Expenses</b>				
Salaries and Wages	7,860	10,752	9,375	1,377
Fringe Benefits	4,391	4,499	4,352	147
Contractual Services	640,350	640,350	625,402	14,948
Materials and Supplies	5,100	5,600	4,525	1,075
<i>Total Expenses</i>	657,701	661,201	643,654	17,547
<i>Excess of Revenues Over Expenses</i>	80,676	77,176	93,658	16,482
Transfers Out	(80,000)	(76,500)	(50,000)	26,500
<i>Net Change in Fund Balance</i>	676	676	43,658	42,982
<i>Fund Balance Beginning of Year</i>	309,876	309,876	309,876	0
<i>Fund Balance End of Year</i>	\$310,552	\$310,552	\$353,534	\$42,982

**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, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$1,221,964	\$1,221,964	\$1,349,809	\$127,845
Investment Earnings	63,617	63,617	48,668	(14,949)
Other Operating Revenues	0	0	268	268
<i>Total Revenues</i>	<u>1,285,581</u>	<u>1,285,581</u>	<u>1,398,745</u>	<u>113,164</u>
<b>Expenses</b>				
Salaries and Wages	343,609	334,009	310,056	23,953
Fringe Benefits	127,530	137,130	122,645	14,485
Contractual Services	429,582	404,982	366,286	38,696
Materials and Supplies	120,723	146,402	122,715	23,687
Capital Outlay	2,604,579	2,631,000	2,921,208	(290,208)
Debt Service:				
Principal Retirement	502,132	506,147	446,255	59,892
Interest and Fiscal Charges	327,128	330,413	234,022	96,391
<i>Total Expenses</i>	<u>4,455,283</u>	<u>4,490,083</u>	<u>4,523,187</u>	<u>(33,104)</u>
<i>Net Change in Fund Balance</i>	(3,169,702)	(3,204,502)	(3,124,442)	80,060
<i>Fund Balance Beginning of Year</i>	3,726,523	3,726,523	3,726,523	0
Prior Year Encumbrances Appropriated	<u>23,262</u>	<u>23,262</u>	<u>23,262</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$580,083</u></u>	<u><u>\$545,283</u></u>	<u><u>\$625,343</u></u>	<u><u>\$80,060</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, 2007*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
<b>Revenues</b>				
Charges for Services	\$691,944	\$691,944	\$817,570	\$125,626
Tap-In Fees	11,400	11,400	12,450	1,050
Other Operating Revenues	0	0	246	246
Investment Earnings	50,770	50,770	38,840	(11,930)
Other Non-Operating Revenues	10,000	10,000	11,385	1,385
<i>Total Revenues</i>	<u>764,114</u>	<u>764,114</u>	<u>880,491</u>	<u>116,377</u>
<b>Expenses</b>				
Salaries and Wages	131,572	110,507	110,366	141
Fringe Benefits	54,264	55,329	48,517	6,812
Contractual Services	222,184	220,714	208,415	12,299
Materials and Supplies	122,303	145,973	153,412	(7,439)
Other Non-Operating Expenses	10,000	10,000	3,443	6,557
Capital Outlay	2,092,006	2,146,186	2,228,701	(82,515)
Debt Service:				
Principal Retirement	131,278	148,698	113,507	35,191
Interest and Fiscal Charges	157,393	159,593	194,620	(35,027)
<i>Total Expenses</i>	<u>2,921,000</u>	<u>2,997,000</u>	<u>3,060,981</u>	<u>(63,981)</u>
<i>Net Change in Fund Balance</i>	(2,156,886)	(2,232,886)	(2,180,490)	52,396
<i>Fund Balance Beginning of Year</i>	2,767,388	2,767,388	2,767,388	0
Prior Year Encumbrances Appropriated	9,462	9,462	9,462	0
<i>Fund Balance End of Year</i>	<u>\$619,964</u>	<u>\$543,964</u>	<u>\$596,360</u>	<u>\$52,396</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, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Motor Vehicle License Tax	\$35,000	\$35,000	\$47,079	\$12,079
Intergovernmental	35,000	35,000	73,884	38,884
<i>Total Revenues</i>	70,000	70,000	120,963	50,963
<b>Expenditures</b>				
Current:				
Transportation:				
Street:				
Capital Outlay	147,892	191,392	89,408	101,984
<i>Excess of Revenues Over (Under) Expenditures</i>	(77,892)	(121,392)	31,555	152,947
<b>Other Financing Sources</b>				
Proceeds of Loans	35,000	35,000	0	(35,000)
<i>Net Change in Fund Balance</i>	(42,892)	(86,392)	31,555	117,947
<i>Fund Balance Beginning of Year</i>	86,832	86,832	86,832	0
<i>Fund Balance End of Year</i>	<u>\$43,940</u>	<u>\$440</u>	<u>\$118,387</u>	<u>\$117,947</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, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$22,964	\$22,964	\$24,702	\$1,738
Investment Earnings	0	0	2,514	2,514
<i>Total Revenues</i>	<u>22,964</u>	<u>22,964</u>	<u>27,216</u>	<u>4,252</u>
<b>Expenditures</b>				
Current:				
Transportation:				
State Highway:				
Salaries and Wages	15,440	15,440	13,440	2,000
Fringe Benefits	10,326	10,326	7,076	3,250
Materials and Supplies	12,850	12,850	6,469	6,381
<i>Total Expenditures</i>	<u>38,616</u>	<u>38,616</u>	<u>26,985</u>	<u>11,631</u>
<i>Net Change in Fund Balance</i>	(15,652)	(15,652)	231	15,883
<i>Fund Balance Beginning of Year</i>	<u>55,099</u>	<u>55,099</u>	<u>55,099</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$39,447</u></u>	<u><u>\$39,447</u></u>	<u><u>\$55,330</u></u>	<u><u>\$15,883</u></u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Trust Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$0	\$2,975	\$2,975
<i>Net Change in Fund Balance</i>	0	0	2,975	2,975
<i>Fund Balance Beginning of Year</i>	4,712	4,712	4,712	0
<i>Fund Balance End of Year</i>	<u>\$4,712</u>	<u>\$4,712</u>	<u>\$7,687</u>	<u>\$2,975</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$0	\$225	\$225
<i>Net Change in Fund Balance</i>	0	0	225	225
<i>Fund Balance Beginning of Year</i>	1,010	1,010	1,010	0
<i>Fund Balance End of Year</i>	<u>\$1,010</u>	<u>\$1,010</u>	<u>\$1,235</u>	<u>\$225</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines, Licenses and Permits	\$3,102	\$3,102	\$3,114	\$12
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Mayor's Court:				
Materials and Supplies	1,574	1,574	1,531	43
Capital Outlay	1,376	1,376	1,234	142
<i>Total Expenditures</i>	<u>2,950</u>	<u>2,950</u>	<u>2,765</u>	<u>185</u>
<i>Net Change in Fund Balance</i>	152	152	349	197
<i>Fund Balance Beginning of Year</i>	<u>850</u>	<u>850</u>	<u>850</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,002</u></u>	<u><u>\$1,002</u></u>	<u><u>\$1,199</u></u>	<u><u>\$197</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines, Licenses and Permits	\$10,454	\$10,454	\$10,545	\$91
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Mayor's Court Clerk:				
Materials and Supplies	<u>10,635</u>	<u>10,635</u>	<u>10,000</u>	<u>635</u>
<i>Net Change in Fund Balance</i>	(181)	(181)	545	726
<i>Fund Balance Beginning of Year</i>	3,877	3,877	3,877	0
Prior Year Encumbrances Appropriated	<u>635</u>	<u>635</u>	<u>635</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,331</u></u>	<u><u>\$4,331</u></u>	<u><u>\$5,057</u></u>	<u><u>\$726</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, 2007*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Over (Under)
<b>Revenues</b>				
Charges for Services	\$3,300	\$3,300	\$3,850	\$550
Donations	7,750	7,750	5,377	(2,373)
Other	475	475	147	(328)
<i>Total Revenues</i>	<u>11,525</u>	<u>11,525</u>	<u>9,374</u>	<u>(2,151)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Parks:				
Salaries and Wages	20,320	29,175	20,991	8,184
Fringe Benefits	3,195	4,340	4,272	68
Materials and Supplies	35,529	35,529	34,357	1,172
<i>Total Expenditures</i>	<u>59,044</u>	<u>69,044</u>	<u>59,620</u>	<u>9,424</u>
<i>Excess of Revenues Under Expenditures</i>	(47,519)	(57,519)	(50,246)	7,273
<b>Other Financing Sources</b>				
Transfers In	49,000	49,000	49,000	0
<i>Net Change in Fund Balance</i>	1,481	(8,519)	(1,246)	7,273
<i>Fund Balance Beginning of Year</i>	20,222	20,222	20,222	0
Prior Year Encumbrances Appropriated	649	649	649	0
<i>Fund Balance End of Year</i>	<u>\$22,352</u>	<u>\$12,352</u>	<u>\$19,625</u>	<u>\$7,273</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over (Under)
<b>Revenues</b>				
Charges for Services	\$0	\$98,018	\$77,210	(\$20,808)
Donations	0	2,000	6,148	4,148
<i>Total Revenues</i>	0	100,018	83,358	(16,660)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Pool:				
Materials and Supplies	750	100,024	76,939	23,085
<i>Net Change in Fund Balance</i>	(750)	(6)	6,419	6,425
<i>Fund Balance Beginning of Year</i>	2,406	2,406	2,406	0
<i>Fund Balance End of Year</i>	<u>\$1,656</u>	<u>\$2,400</u>	<u>\$8,825</u>	<u>\$6,425</u>

**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Issue II Paving Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$220,779	\$220,779	\$0	(\$220,779)
<b>Expenditures</b>				
Capital Outlay:				
Capital Outlay	220,779	220,779	0	220,779
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	4,205	4,205	4,205	0
<i>Fund Balance End of Year</i>	<u>\$4,205</u>	<u>\$4,205</u>	<u>\$4,205</u>	<u>\$0</u>



**City of Belpre, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Pool Construction Fund  
For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$175,000	\$200,000	\$275,000	\$75,000
Donations	25,000	30,000	11,614	(18,386)
<i>Total Revenues</i>	200,000	230,000	286,614	56,614
<b>Expenditures</b>				
Capital Outlay:				
Capital Outlay	250,000	275,000	68,101	206,899
<i>Net Change in Fund Balance</i>	(50,000)	(45,000)	218,513	263,513
<i>Fund Balance Beginning of Year</i>	126,146	126,146	126,146	0
<i>Fund Balance End of Year</i>	<u>\$76,146</u>	<u>\$81,146</u>	<u>\$344,659</u>	<u>\$263,513</u>

## **Combining Statement - Agency Funds**

### *Agency Funds*

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

*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, 2007*

	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/07</u>
<b>Payroll:</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$55,670</u>	<u>\$1,768,644</u>	<u>\$1,791,374</u>	<u>\$32,940</u>
<b>Liabilities</b>				
Due to Other Governments	<u>\$55,670</u>	<u>\$1,768,644</u>	<u>\$1,791,374</u>	<u>\$32,940</u>
<b>Mayor's Court:</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	<u>\$2,408</u>	<u>\$2,269</u>	<u>\$2,408</u>	<u>\$2,269</u>
<b>Liabilities</b>				
Due to Other Governments	\$1,758	\$1,609	\$1,758	\$1,609
Due to Others	<u>650</u>	<u>660</u>	<u>650</u>	<u>660</u>
<i>Total Liabilities</i>	<u>\$2,408</u>	<u>\$2,269</u>	<u>\$2,408</u>	<u>\$2,269</u>
<b>Total All Agency Funds:</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$55,670	\$1,768,644	\$1,791,374	\$32,940
Cash and Cash Equivalents in Segregated Accounts	<u>2,408</u>	<u>2,269</u>	<u>2,408</u>	<u>2,269</u>
<i>Total Assets</i>	<u>\$58,078</u>	<u>\$1,770,913</u>	<u>\$1,793,782</u>	<u>\$35,209</u>
<b>Liabilities</b>				
Due to Other Governments	\$57,428	\$1,770,253	\$1,793,132	\$34,549
Due to Others	<u>650</u>	<u>660</u>	<u>650</u>	<u>660</u>
<i>Total Liabilities</i>	<u>\$58,078</u>	<u>\$1,770,913</u>	<u>\$1,793,782</u>	<u>\$35,209</u>

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# **STATISTICAL SECTION**

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## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> .....	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	S12 - S13
These schedules contain information to help the reader assess the City’s most significant local revenue sources - income taxes.	
<b>Debt Capacity</b> .....	S14 – S16
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b> .....	S17 – S18
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b>Operating Information</b> .....	S19 - S23
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt	\$13,248,872	\$13,893,386	\$13,965,236
Restricted:			
Transportation (1)	327,884	390,640	337,814
Capital Projects	325,982	0	129,311
Unclaimed Monies	6,598	6,598	6,442
Other Purposes	44,784	36,968	35,597
Unrestricted	<u>1,769,663</u>	<u>984,258</u>	<u>1,180,915</u>
Total Governmental Activities Net Assets	<u>15,723,783</u>	<u>15,311,850</u>	<u>15,655,315</u>
Business-Type Activities:			
Invested in Capital Assets, Net of Related Debt	7,255,301	6,864,118	5,964,233
Unrestricted	<u>980,904</u>	<u>831,417</u>	<u>1,402,271</u>
Total Business-Type Activities Net Assets	<u>8,236,205</u>	<u>7,695,535</u>	<u>7,366,504</u>
Primary Government:			
Invested in Capital Assets, Net of Related Debt	20,504,173	20,757,504	19,929,469
Restricted	705,248	434,206	509,164
Unrestricted	<u>2,750,567</u>	<u>1,815,675</u>	<u>2,583,186</u>
Total Primary Government Net Assets	<u>\$23,959,988</u>	<u>\$23,007,385</u>	<u>\$23,021,819</u>

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



<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$14,172,470	\$14,466,941	\$14,914,188	\$6,931,807	\$7,994,300
335,200	0	0	0	0
6,302	179,218	188,860	200,981	82,755
3,997	3,957	0	0	0
29,575	262,767	254,831	247,144	283,089
631,249	384,889	506,794	536,125	620,665
<u>15,178,793</u>	<u>15,297,772</u>	<u>15,864,673</u>	<u>7,916,057</u>	<u>8,980,809</u>
5,811,646	5,643,804	5,274,909	4,860,591	4,544,399
1,383,843	1,185,387	990,604	966,757	857,137
<u>7,195,489</u>	<u>6,829,191</u>	<u>6,265,513</u>	<u>5,827,348</u>	<u>5,401,536</u>
19,984,116	20,110,745	20,189,097	11,792,398	12,538,699
375,074	445,942	443,691	448,125	365,844
2,015,092	1,570,276	1,497,398	1,502,882	1,477,802
<u>\$22,374,282</u>	<u>\$22,126,963</u>	<u>\$22,130,186</u>	<u>\$13,743,405</u>	<u>\$14,382,345</u>

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

	2007	2006	2005	2004
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$199,045	\$175,612	\$175,461	\$128,186
Security of Persons and Property - Police	139,118	151,574	149,050	154,370
Public Health Services	16,751	15,748	14,424	12,631
Transportation	62,089	40,540	58,952	41,662
Leisure Time Activities:				
Parks	3,850	3,475	3,275	3,575
Pool	77,210	0	0	0
Subtotal - Charges for Services	<u>498,063</u>	<u>386,949</u>	<u>401,162</u>	<u>340,424</u>
Operating Grants, Contributions and Interest:				
General Government	347	0	500	0
Security of Persons and Property:				
Police	2,698	4,600	0	0
Fire	6,871	217	4,115	0
Public Health Services	3,683	6,171	11,299	1,927
Transportation	340,698	321,947	333,248	359,331
Leisure Time Activities:				
Senior Center	3,509	4,894	4,000	5,078
Parks	6,096	6,357	7,823	7,250
Pool	6,148	0	0	0
Subtotal - Operating Grants, Contributions and Interest	<u>370,050</u>	<u>344,186</u>	<u>360,985</u>	<u>373,586</u>
Capital Grants and Contributions:				
General Government	10,000	3,396	0	0
Security of Persons and Property:				
Police	6,271	0	0	0
Fire	0	63,375	340,000	12,000
Transportation	0	11,301	276,412	314,484
Leisure Time Activities:	327,256			
Senior Center	2,300	0	0	11,593
Parks	0	45,206	0	143,232
Pool	286,614	247	125,899	0
Subtotal - Capital Grants and Contributions	<u>632,441</u>	<u>123,525</u>	<u>742,311</u>	<u>481,309</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,500,554</u>	<u>854,660</u>	<u>1,504,458</u>	<u>1,195,319</u>
Business-Type Activities:				
Charges for Services:				
Sanitation	732,566	732,366	654,708	583,070
Sewer	1,392,710	1,236,808	1,111,559	1,138,246
Water	804,086	669,415	652,452	690,395
Subtotal - Charges for Services	<u>2,929,362</u>	<u>2,638,589</u>	<u>2,418,719</u>	<u>2,411,711</u>
Capital Grants and Contributions				
Sewer	0	0	0	0
Water	12,450	15,835	11,420	15,385
Subtotal - Capital Grants and Contributions	<u>12,450</u>	<u>15,835</u>	<u>11,420</u>	<u>15,385</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>2,941,812</u>	<u>2,654,424</u>	<u>2,430,139</u>	<u>2,427,096</u>
<i>Total Primary Government Program Revenues</i>	<u>\$4,442,366</u>	<u>\$3,509,084</u>	<u>\$3,934,597</u>	<u>\$3,622,415</u>

2003	2002	2001	2000
\$99,130	\$121,434	\$107,334	\$107,009
154,428	135,397	106,557	107,230
13,670	15,985	14,497	9,593
42,704	41,594	43,751	44,932
2,800	3,175	5,452	5,700
0	0	35,679	25,752
<u>312,732</u>	<u>317,585</u>	<u>313,270</u>	<u>300,216</u>
0	0	0	0
4,927	0	23,313	7,298
8,985	2,830	2,150	3,705
805	8,621	2,357	2,039
263,970	212,681	499,039	219,565
5,573	2,928	4,045	3,799
210,011	5,904	8,696	149,046
0	0	0	0
<u>494,271</u>	<u>232,964</u>	<u>539,600</u>	<u>385,452</u>
0	0	1,400	1,500
0	0	2,795	821
0	0	440	0
244,918	32,420	20,000	0
0	2,000	0	0
7,350	18,853	0	400
0	0	0	0
<u>252,268</u>	<u>53,273</u>	<u>24,635</u>	<u>2,721</u>
<u>1,059,271</u>	<u>603,822</u>	<u>877,505</u>	<u>688,389</u>
588,519	568,205	563,366	552,979
1,307,259	1,229,376	1,067,677	1,045,206
625,639	669,838	679,977	669,365
<u>2,521,417</u>	<u>2,467,419</u>	<u>2,311,020</u>	<u>2,267,550</u>
0	0	0	221,873
14,946	57,588	22,621	83,926
14,946	57,588	22,621	305,799
<u>2,536,363</u>	<u>2,525,007</u>	<u>2,333,641</u>	<u>2,573,349</u>
<u>\$3,595,634</u>	<u>\$3,128,829</u>	<u>\$3,211,146</u>	<u>\$3,261,738</u>

(continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$583,137	\$593,808	\$563,229	\$524,456
Security of Persons and Property:				
Police	956,689	923,982	875,278	874,426
Fire	207,670	206,319	202,391	174,653
Public Health Services	34,810	34,545	35,172	34,853
Transportation - Restated at 1/1/2003	1,127,879	1,126,410	1,185,433	1,096,513
Leisure Time Activities:				
Senior Center	29,659	28,633	26,972	31,218
Parks	119,315	112,494	87,880	102,305
Pool	100,847	9,381	9,448	9,572
Intergovernmental	0	92,502	0	7,906
Interest and Fiscal Charges	44,233	16,705	4,324	5,895
<i>Total Governmental Activities Expenses</i>	<u>3,204,239</u>	<u>3,144,779</u>	<u>2,990,127</u>	<u>2,861,797</u>
Business-Type Activities:				
Sanitation	645,672	652,033	578,630	476,181
Sewer	1,117,188	1,076,686	1,043,770	966,648
Water	676,394	585,014	584,123	550,071
<i>Total Business-Type Activities Expenses</i>	<u>2,439,254</u>	<u>2,313,733</u>	<u>2,206,523</u>	<u>1,992,900</u>
<i>Total Primary Government Program Expenses</i>	<u>5,643,493</u>	<u>5,458,512</u>	<u>5,196,650</u>	<u>4,854,697</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(1,703,685)	(2,290,119)	(1,485,669)	(1,666,478)
Business-Type Activities	502,558	340,691	223,616	434,196
<i>Total Primary Government Net Expense</i>	<u>(\$1,201,127)</u>	<u>(\$1,949,428)</u>	<u>(\$1,262,053)</u>	<u>(\$1,232,282)</u>

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$525,298	\$483,156	\$456,662	\$443,082
908,510	849,745	851,506	840,810
209,677	198,077	187,481	203,981
33,494	33,077	21,978	31,433
1,123,332	(7,503,024)	1,724,203	1,701,589
33,288	25,688	23,814	21,584
304,306	96,444	126,524	226,731
9,328	10,051	71,370	65,380
0	0	20,466	0
8,921	16,621	20,534	34,698
<u>3,156,154</u>	<u>(5,790,165)</u>	<u>3,504,538</u>	<u>3,569,288</u>
482,248	529,784	439,430	438,346
928,093	967,769	884,971	828,501
537,433	511,565	507,929	529,920
<u>1,947,774</u>	<u>2,009,118</u>	<u>1,832,330</u>	<u>1,796,767</u>
<u>5,103,928</u>	<u>(3,781,047)</u>	<u>5,336,868</u>	<u>5,366,055</u>
(2,096,883)	6,393,987	(2,627,033)	(2,880,899)
588,589	515,889	501,311	776,582
<u>(\$1,508,294)</u>	<u>\$6,909,876</u>	<u>(\$2,125,722)</u>	<u>(\$2,104,317)</u>

(continued)

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

	2007	2006	2005	2004
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes:				
Property Taxes Levied for General Purposes	\$312,334	\$312,124	\$311,072	\$272,572
Income Taxes levied for:				
General Purposes	1,088,695	1,127,411	1,255,847	972,487
Capital Outlay	0	0	0	0
Hotel Tax	664	906	903	791
Franchise Tax	107,427	43,455	17,509	16,583
Grants and Entitlements not Restricted to Specific Programs	428,104	281,403	198,275	183,930
Investment Earnings	122,467	103,922	50,955	19,956
Gain on Disposal of Capital Assets	0	0	0	0
Donations	0	175	0	0
Other	5,927	7,258	57,630	6,180
Transfers	50,000	70,000	70,000	75,000
<i>Total Governmental Activities</i>	<u>2,115,618</u>	<u>1,946,654</u>	<u>1,962,191</u>	<u>1,547,499</u>
Business-Type Activities:				
Gain on Disposal of Capital Assets	90	0	0	200
Investment Earnings	87,508	57,805	0	0
Other	514	535	17,399	6,902
Transfers	(50,000)	(70,000)	(70,000)	(75,000)
<i>Total Business-Type Activities</i>	<u>38,112</u>	<u>(11,660)</u>	<u>(52,601)</u>	<u>(67,898)</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>2,153,730</u>	<u>1,934,994</u>	<u>1,909,590</u>	<u>1,479,601</u>
<b>Change in Net Assets</b>				
Governmental Activities	411,933	(343,465)	476,522	(118,979)
Business-Type Activities	540,670	329,031	171,015	366,298
<i>Total Primary Government Change in Net Assets</i>	<u>\$952,603</u>	<u>(\$14,434)</u>	<u>\$647,537</u>	<u>\$247,319</u>

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$276,448	\$265,283	\$242,061	\$246,802
673,969	700,564	714,327	671,575
237,687	271,816	239,288	267,926
802	770	703	716
15,936	0	0	0
253,584	197,008	223,043	289,198
26,815	31,556	47,657	68,561
0	0	880	0
0	0	0	0
18,366	7,632	9,322	26,497
<u>26,375</u>	<u>80,000</u>	<u>85,000</u>	<u>76,774</u>
<u>1,529,982</u>	<u>1,554,629</u>	<u>1,562,281</u>	<u>1,648,049</u>
0	0	6,810	0
0	0	0	0
1,464	2,276	2,691	6,859
<u>(26,375)</u>	<u>(80,000)</u>	<u>(85,000)</u>	<u>(76,774)</u>
<u>(24,911)</u>	<u>(77,724)</u>	<u>(75,499)</u>	<u>(69,915)</u>
<u>1,505,071</u>	<u>1,476,905</u>	<u>1,486,782</u>	<u>1,578,134</u>
(566,901)	7,948,616	(1,064,752)	(1,232,850)
<u>563,678</u>	<u>438,165</u>	<u>425,812</u>	<u>706,667</u>
<u>(\$3,223)</u>	<u>\$8,386,781</u>	<u>(\$638,940)</u>	<u>(\$526,183)</u>

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>General Fund</b>										
Reserved	\$19,713	\$29,927	\$191,692	\$12,731	\$10,481	\$11,957	\$21,478	\$15,607	\$6,821	\$12,441
Unreserved	1,474,152	926,069	749,680	586,166	341,922	454,490	480,460	550,406	431,486	264,493
Total General Fund	<u>1,493,865</u>	<u>955,996</u>	<u>941,372</u>	<u>598,897</u>	<u>352,403</u>	<u>466,447</u>	<u>501,938</u>	<u>566,013</u>	<u>438,307</u>	<u>276,934</u>
<b>All Other Governmental Funds</b>										
Reserved	12,509	10,956	29,063	14,614	17,333	7,588	12,768	16,183	22,703	16,536
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	259,498	331,044	246,468	259,813	162,242	181,478	164,395	205,717	131,355	156,731
Capital Projects Funds	327,949	708,374	129,311	0	158,241	163,328	184,500	62,111	384,561	101,424
Total All Other Governmental Funds	<u>599,956</u>	<u>1,050,374</u>	<u>404,842</u>	<u>274,427</u>	<u>337,816</u>	<u>352,394</u>	<u>361,663</u>	<u>284,011</u>	<u>538,619</u>	<u>274,691</u>
<b>Total Governmental Funds</b>	<u><u>\$2,093,821</u></u>	<u><u>\$2,006,370</u></u>	<u><u>\$1,346,214</u></u>	<u><u>\$873,324</u></u>	<u><u>\$690,219</u></u>	<u><u>\$818,841</u></u>	<u><u>\$863,601</u></u>	<u><u>\$850,024</u></u>	<u><u>\$976,926</u></u>	<u><u>\$551,625</u></u>



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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Revenues</b>										
Property Taxes	\$314,074	\$312,378	\$309,170	\$272,805	\$275,014	\$265,708	\$240,330	\$245,788	\$229,271	\$197,555
Municipal Income Tax	1,065,340	1,100,038	1,050,969	964,238	931,751	947,085	965,857	928,753	937,217	886,784
Hotel Tax	664	906	903	791	802	770	703	716	668	575
Motor Vehicle License Tax	52,161	36,127	36,122	36,625	36,379	36,204	35,421	35,370	35,789	36,368
Charges for Services	284,389	181,758	197,931	126,310	88,125	91,489	119,986	109,371	70,810	71,893
Fines, Licenses, and Permits	268,940	212,519	184,514	201,072	194,819	174,157	150,159	145,858	161,705	108,316
Intergovernmental	1,375,487	673,423	932,448	1,010,927	936,813	478,488	774,975	653,661	874,214	627,138
Investment Earnings	128,733	108,715	54,230	20,010	28,105	34,286	45,130	70,260	68,162	61,429
Donations	37,283	16,490	17,253	32,541	25,969	11,662	13,791	34,271	0	0
Other	5,927	7,258	57,505	6,180	32,218	23,960	17,026	32,614	51,922	80,868
<i>Total Revenues</i>	<u>3,532,998</u>	<u>2,649,612</u>	<u>2,841,045</u>	<u>2,671,499</u>	<u>2,549,995</u>	<u>2,063,809</u>	<u>2,363,378</u>	<u>2,256,662</u>	<u>2,429,758</u>	<u>2,070,926</u>
<b>Expenditures</b>										
Current:										
General Government	562,162	562,391	540,892	501,709	492,811	479,184	449,960	426,545	364,078	465,875
Security of Persons and Property:										
Police	917,278	890,569	832,073	838,562	869,738	816,521	830,278	876,349	798,536	765,645
Fire	148,568	154,321	144,804	134,930	119,844	115,554	113,201	115,238	105,006	100,681
Public Health Services	34,688	34,176	34,803	34,484	33,125	34,675	21,978	21,735	19,910	28,112
Transportation	611,964	396,093	777,334	607,938	713,075	492,337	697,409	406,219	441,047	346,332
Leisure Time Activities:										
Senior Center	27,449	26,442	24,781	36,212	25,430	26,532	22,046	19,816	15,529	8,508
Parks	61,515	58,877	52,236	142,375	278,409	92,054	92,492	193,447	151,601	83,057
Pool	76,758	533	600	724	480	1,203	62,522	56,533	44,304	24,272
Capital Outlay	973,831	1,049,953	17,423	215,320	51,324	0	0	0	2,044,321	205,139
Intergovernmental	0	92,502	0	7,906	0	0	20,466	0	0	0
Debt Service:										
Principal Retirement	26,316	71,897	27,402	37,993	111,522	110,308	107,002	353,084	83,623	2,634
Interest and Fiscal Charges	57,684	3,254	4,324	5,895	8,941	18,475	18,660	34,698	23,996	20,032
<i>Total Expenditures</i>	<u>3,498,213</u>	<u>3,341,008</u>	<u>2,456,672</u>	<u>2,564,048</u>	<u>2,704,699</u>	<u>2,186,843</u>	<u>2,436,014</u>	<u>2,503,664</u>	<u>4,091,951</u>	<u>2,050,287</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>34,785</u>	<u>(691,396)</u>	<u>384,373</u>	<u>107,451</u>	<u>(154,704)</u>	<u>(123,034)</u>	<u>(72,636)</u>	<u>(247,002)</u>	<u>(1,662,193)</u>	<u>20,639</u>
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	400	3,138	0	201	0	0	880	47,563	1,196,173	3,618
Proceeds from Loans	0	0	0	0	0	0	0	0	760,000	449,500
Capital Lease Proceeds	0	1,296,464	0	0	0	0	0	0	0	0
Transfers In	99,000	153,000	95,000	286,722	173,375	212,000	215,000	245,069	261,000	136,000
Transfers Out	(49,000)	(83,000)	(25,000)	(211,722)	(147,000)	(132,000)	(130,000)	(168,295)	(131,000)	(96,000)
<i>Total Other Financing Sources (Uses)</i>	<u>50,400</u>	<u>1,369,602</u>	<u>70,000</u>	<u>75,201</u>	<u>26,375</u>	<u>80,000</u>	<u>85,880</u>	<u>124,337</u>	<u>2,086,173</u>	<u>493,118</u>
<i>Net Change in Fund Balances</i>	<u>85,185</u>	<u>678,206</u>	<u>454,373</u>	<u>182,652</u>	<u>(128,329)</u>	<u>(43,034)</u>	<u>13,244</u>	<u>(122,665)</u>	<u>423,980</u>	<u>513,757</u>
Increase (Decrease) in Reserve for Inventory	<u>2,266</u>	<u>(18,050)</u>	<u>18,517</u>	<u>453</u>	<u>(293)</u>	<u>(1,726)</u>	<u>333</u>	<u>(4,237)</u>	<u>1,321</u>	<u>4,361</u>
<i>Change in Fund Balances</i>	<u>\$87,451</u>	<u>\$660,156</u>	<u>\$472,890</u>	<u>\$183,105</u>	<u>(\$128,622)</u>	<u>(\$44,760)</u>	<u>\$13,577</u>	<u>(\$126,902)</u>	<u>\$425,301</u>	<u>\$518,118</u>
Debt Service as a Percentage of Noncapital Expenditures	3.7%	3.4%	1.3%	1.9%	4.8%	6.3%	5.4%	18.3%	5.5%	1.2%

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

<u>Tax Year (1)</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2007	1.0%	\$1,088,695	\$574,117	52.74%	\$55,896	5.13%	\$458,682	42.13%
2006	1.00	1,127,411	556,343	49.35	63,982	5.67	507,086	44.98
2005	1.00	1,255,847	636,735	50.70	52,963	4.22	566,149	45.08
2004	1.00	972,487	532,062	54.71	33,330	3.43	407,095	41.86
2003	1.00	911,656	(2)	n/a	(2)	n/a	(2)	n/a
2002	1.00	972,380	(2)	n/a	(2)	n/a	(2)	n/a
2001	1.00	879,622	(2)	n/a	(2)	n/a	(2)	n/a
2000	1.00	939,501	(2)	n/a	(2)	n/a	(2)	n/a
1999	1.00	937,217	(2)	n/a	(2)	n/a	(2)	n/a
1998	1.00	886,784	(2)	n/a	(2)	n/a	(2)	n/a

(1) 2000 through 2007 are on an Accrual Basis; 1998 and 1999 are on a Modified Accrual Basis

(2) Information for the breakdown is unavailable. The City converted to a new computer system in 2004 that makes this information available for 2004 through 2007 only.

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

Taxpayer	<i>2007</i>	
	Income Tax Collections	Percentage of Total City Income Tax Collections
Belpre City School District	\$62,567	5.75%
International Converter, Incorporated	28,393	2.61
Kroger Limited Partnership	23,894	2.19
City of Belpre	16,757	1.54
First Settlement Orthopedics	12,576	1.16
APG	9,476	0.87
McDonalds	8,715	0.80
Pioneer Casting	7,436	0.68
Mid-Ohio Valley Medical Group	5,802	0.53
Fruth Pharmacy	4,770	0.44
Total	\$180,386	16.57%

Total City Income Tax Collections

\$1,088,695

Taxpayer	<i>1998</i>	
	Income Tax Collections	Percentage of Total City Income Tax Collections
Belpre City School District	\$50,121	5.65%
Rite Aide	29,432	3.32
International Converter, Incorporated	26,831	3.03
Kroger Limited Partnership	21,089	2.38
City of Belpre	14,024	1.58
McDonalds	7,406	0.84
APG	7,216	0.81
DR. Poole/Griffith	7,110	0.80
First Settlement Orthopedics	6,954	0.78
People's Bank	5,200	0.59
Total	\$175,383	19.78%

Total City Income Tax Collections

\$886,784

Source: City Records

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

Year	Governmental Activities				Business-Type Activities				Total Debt	Percentage of Personal Income (1)	Per Capita (1)
	Loans	OPWC Loans	Capital Leases	Police Pension	Loans	OPWC Loans	Capital Leases	Contract Payable			
2007	\$0	\$0	\$1,270,148	\$21,012	\$496,869	\$231,238	\$7,064,159	\$0	\$9,083,426	7.48%	\$1,360.61
2006	0	0	1,296,464	21,410	866,365	243,911	7,210,517	2,150	9,640,817	7.94	1,444.10
2005	66,225	5,672	0	21,792	1,391,272	256,334	0	4,300	1,745,595	1.44	261.47
2004	82,450	16,849	0	22,158	1,523,817	268,512	0	8,600	1,922,386	1.58	287.95
2003	109,486	27,806	0	22,509	790,691	280,450	0	8,600	1,239,542	1.02	185.67
2002	210,267	38,547	0	22,845	603,875	123,418	0	0	998,952	0.82	149.63
2001	310,046	49,076	0	23,168	641,416	80,103	0	0	1,103,809	0.91	165.79
2000	406,726	59,398	0	23,477	745,320	80,103	0	0	1,315,024	1.09	197.45
1999	702,129	69,516	2,228	23,774	516,763	13,313	0	0	1,327,723	1.51	189.03
1998	375,000	74,500	5,037	24,059	0	0	0	0	478,596	0.54	68.21

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

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

**City of Belpre, Ohio**  
*Computation of Direct and Overlapping  
 Governmental Activities Debt  
 December 31, 2007*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City of Belpre(1)</u>	<u>Amount Applicable to City of Belpre</u>
<b>Direct - City of Belpre</b>			
Capital Lease	\$1,270,148	100.00%	\$1,270,148
Police Pension	<u>21,012</u>	100.00	<u>21,012</u>
<i>Total Direct Debt</i>	<u>1,291,160</u>		<u>1,291,160</u>
<b>Overlapping</b>			
Belpre City School District			
Energy Conservation Loan	138,000	51.25	70,725
Washington County			
General Obligation Bonds	5,830,000	8.94	521,202
Energy Conservation Loans	405,000	8.94	36,207
General Obligation Notes	<u>709,440</u>	8.94	<u>63,424</u>
<i>Total Overlapping Debt</i>	<u>7,082,440</u>		<u>691,558</u>
Total	<u><u>\$8,373,600</u></u>		<u><u>\$1,982,718</u></u>

Source: Washington County, Ohio; County Auditor  
 Belpre City School District, Ohio

(1) Percentage was determined by dividing the total assessed valuation of the City by the overlapping subdivision's assessed valuation. The valuations used were for the 2007 collection year.

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

**Legal Debt Margin Calculation for 2007**

*Overall Debt Limitation*

10 1/2% of Assessed Valuation \$10,334,631

Loans Payable \$496,869

Issue II Loans Payable 231,238

Gross Indebtedness Outstanding 728,107

Less: Debt Exempt from Limitation

    Issue II Water Loan 59,323

    Water Tank Loan 496,869

    Issue II Sewer Loan 171,915

Total 728,107

Net Debt within 10 1/2% Limitation 0

Legal Debt Margin within 10 1/2% Limitation \$10,334,631

*Unvoted Debt Limitation*

5 1/2% of Assessed Valuation \$5,413,378

Gross Indebtedness Outstanding \$728,107

Less: Debt Exempt from Limitation (728,107)

Net Debt within 5 1/2% Limitation 0

Legal Debt Margin within 5 1/2% Limitation \$5,413,378

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Overall Debt Limit	\$10,334,631	\$10,390,579	\$10,394,003	\$9,425,382	\$9,321,940	\$9,350,393	\$8,563,309	\$8,209,877	\$8,185,446	\$6,909,885
Total Net Debt Applicable to Limit	<u>0</u>	<u>0</u>	<u>204,347</u>	<u>264,205</u>	<u>356,269</u>	<u>519,353</u>	<u>679,216</u>	<u>829,578</u>	<u>1,128,686</u>	<u>375,000</u>
Legal Overall Debt Margin	<u><u>\$10,334,631</u></u>	<u><u>\$10,390,579</u></u>	<u><u>\$10,189,656</u></u>	<u><u>\$9,161,177</u></u>	<u><u>\$8,965,671</u></u>	<u><u>\$8,831,040</u></u>	<u><u>\$7,884,093</u></u>	<u><u>\$7,380,299</u></u>	<u><u>\$7,056,760</u></u>	<u><u>\$6,534,885</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Overall Debt Limit	0.00%	0.00%	2.01%	2.88%	3.97%	5.88%	8.62%	11.24%	15.99%	5.74%
Unvoted Debt Limit	<u><u>\$4,921,889</u></u>	<u><u>\$5,442,684</u></u>	<u><u>\$5,551,517</u></u>	<u><u>\$4,672,900</u></u>	<u><u>\$4,526,652</u></u>	<u><u>\$4,378,472</u></u>	<u><u>\$3,806,327</u></u>	<u><u>\$3,470,834</u></u>	<u><u>\$3,158,929</u></u>	<u><u>\$3,244,464</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Unvoted Debt Limit	0.00%	0.00%	3.68%	5.65%	7.87%	11.86%	17.84%	23.90%	35.73%	11.56%

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

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Washington County Unemployment Rate (3)	Median Value of Residential Property (1)	Total Assessed Property Value (4)
2007	6,676	\$121,469,820	\$18,195	\$29,603	41.2	13.5%	1,220	4.8%	\$78,500	\$98,425,060
2006	6,676	121,469,820	18,195	29,603	41.2	13.5	1,258	5.3	78,500	98,957,890
2005	6,676	121,469,820	18,195	29,603	41.2	13.5	1,298	5.0	78,500	100,936,670
2004	6,676	121,469,820	18,195	29,603	41.2	13.5	1,316	5.7	78,500	89,765,540
2003	6,676	121,469,820	18,195	29,603	41.2	13.5	1,335	5.8	78,500	88,780,380
2002	6,676	121,469,820	18,195	29,603	41.2	13.5	1,327	4.8	78,500	89,051,360
2001	6,658	121,142,310	18,195	29,603	41.2	13.5	1,307	5.0	78,500	81,555,320
2000	6,660	121,178,700	18,195	29,603	41.2	13.5	1,281	5.0	78,500	78,189,300
1999	7,024	88,214,416	12,559	23,002	41.2	12.5	1,406	6.6	52,400	77,956,630
1998	7,016	88,113,944	12,559	23,002	41.2	12.5	1,425	5.5	52,400	65,808,430

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

a) Years 2000 through 2007 - 2000 Federal Census

b) Years 1998 and 1999 - 1990 Federal Census

(2) Source: Belpre City School District

(3) Source: Ohio Job and Family Services

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

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

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

Employer	<i>2007</i>			
	Employees	Percentage of Total City Employment	Income Tax Collections	Percentage of Total City Income Tax Collections
Belpre City School District	297	10.67%	\$62,567	5.75%
Kroger Limited Partnership	168	6.04	23,894	2.19
McDonalds	138	4.96	8,715	0.80
Pioneer Casting	127	4.56	7,436	0.68
Wal-Bon of Ohio	103	3.70	4,304	0.40
Enlow's	93	3.34	2,439	0.22
Wendy's	88	3.16	3,185	0.29
Hardee's	70	2.52	2,727	0.25
International Converter, Incorporated	69	2.48	28,393	2.61
Lee Middleton Original Dolls, Incorporated	69	2.48	3,925	0.36
<b>Total</b>	<b>1,222</b>	<b>43.91%</b>	<b>\$147,585</b>	<b>13.55%</b>
Total Employment within the City	<u>2,783</u>			
Total City Income Tax Collections			<u>\$1,088,695</u>	

Employer	<i>1998</i>	
	Employees	
Belpre City School District	230	
Kroger Limited Partnership	219	
Enlow's	193	
Lee Middleton Original Dolls, Incorporated	179	
Wal-Bon of Ohio	131	
McDonalds	128	
Pioneer Casting	104	
IGA	99	
Hardee's	80	
International Converter, Incorporated	75	
<b>Total</b>	<b>1,438</b>	
Total Employment within the City	<u>n/a</u>	
Total City Income Tax Collections		<u>\$886,784</u>

Source: City Records

n/a - Information not available



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

Function/Program	2007	2006	2005	2004	2003	2002	2001
General Government:							
Council	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Auditor	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Income Tax	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Civil Service	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Safety/Service Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Security of Persons and Property:							
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Officers	8.00	8.00	8.00	8.00	10.00	10.00	10.00
Police - Dispatchers/Office	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Fire Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Health Services:							
Health Commissioner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Health Department (1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sanitarian (1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation:							
Street Maintenance and Repair	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Leisure Time Activities:							
Senior Center	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Parks	1.50	1.00	1.00	1.00	0.50	0.50	0.50
Pool (2)	0.00	0.00	0.00	0.00	0.00	0.00	15.00
Basic Utility Services:							
Sanitation	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Sewer	8.10	8.10	8.10	8.10	8.10	8.10	8.10
Water	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Totals:	55.50	54.00	54.00	54.00	55.50	55.50	70.50

Source: City of Belpre, Payroll

Method: Using 1.0 for each full-time employee, 0.50 for each part-time and seasonal employee, and percentages for employees paid by more than one fund. Amounts include elected officials. Information prior to 2001 is not meaningful and, therefore, not presented.

- (1) Services are contracted.
- (2) Pool closed from 2002 through 2006.

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

Function/Program	2007	2006	2005	2004	2003
<b>General Government:</b>					
<i><b>Council and Clerk</b></i>					
Number of:					
Ordinances Passed	26	12	13	15	20
Resolutions Passed	47	23	17	18	14
<i><b>Mayor's Court</b></i>					
Number of:					
Traffic Cases	1,008	1,122	1,098	936	1,135
Criminal cases	248	431	552	433	373
<i><b>Auditor</b></i>					
Number of Checks/Vouchers Issued	1,985	1,978	2,143	2,155	2,319
Amount of Checks Written	\$5,723,442	\$6,058,594	\$5,110,890	\$6,310,646	\$5,790,891
Interest Earnings for					
Year (cash basis General Fund)	\$104,349	\$91,295	\$47,175	\$18,402	\$28,827
Number of Receipts Issued	397	371	597	379	411
Number of Budget Adjustments Issued	3	4	4	3	1
General Fund Receipts (cash basis)	\$2,430,400	\$2,159,216	\$1,970,524	\$1,957,813	\$150,602
General Fund Expenditures (cash basis)	\$1,906,319	\$2,116,527	\$1,867,528	\$1,846,422	\$1,602,623
General Fund Cash Balances	\$1,322,680	\$767,363	\$704,485	\$363,817	\$202,645
<i><b>Income Tax Department</b></i>					
Number of:					
Individual Returns	2,313	2,210	2,086	2,063	n/a
Business Returns	166	169	167	165	n/a
Business Withholding Accounts	356	345	415	417	n/a
<i><b>Civil Service</b></i>					
Number of:					
Police Entry Tests Administered	0	17	0	17	0
Police Promotional Tests Administered	0	0	0	0	0
Hires of Police Officers from Certified Lists	0	2	0	0	0
Promotions from Police Certified Lists	0	0	0	0	0
<i><b>Safety/Service</b></i>					
Number of:					
Building Construction Permits Issued	117	97	125	211	356
Plumbing Permits Issued	14	9	8	27	15
Amount of Revenue Generated from Permits	\$6,667	\$4,022	\$4,843	\$11,652	\$11,680
Number of Sewer and					
Water Tap Permits Issued	29	11	9	18	12

(continued)

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

Function/Program	2007	2006	2005	2004	2003
<b>Security of Persons &amp; Property:</b>					
<i>Police</i>					
Total Calls for Services	7,753	8,949	9,244	8,240	7,048
Number of Traffic Citations Issued	1,110	1,122	962	936	1,135
Number of Parking Citations Issued	38	81	26	63	87
Number of Criminal Arrests	397	431	473	433	373
Number of Accident Reports Completed	185	223	217	227	215
Part 1 Offenses (major offenses)	162	136	55	64	61
DUI Arrests	20	22	34	27	24
Prisoners	0	85	96	70	85
Property Damage Accidents	199	166	177	153	173
Fatalities from Motor Vehicle Accidents	1	0	1	0	0
Number of Stations	1	1	1	1	1
<i>Fire</i>					
EMS Calls	1,178	851	890	861	820
Fire Calls	132	140	154	166	147
Fires with Loss	5	12	9	12	9
Fires with Losses exceeding \$10K	2	1	3	1	1
Fire Losses \$	\$432,350	\$58,500	\$111,600	\$35,500	\$111,500
Fire Safety Inspections	18	15	10	12	12
Number of Stations	2	2	2	2	2
Number of Volunteer Firemen	39	39	39	40	44
Number of Fire Hydrants	315	300	250	154	154
<b>Public Health Services:</b>					
Number of Health Inspections	198	175	148	130	110
Number of Immunizations Given	176	283	316	282	365
House Trailer Licenses Issued	\$1,278	\$686	\$644	\$1,103	\$1,250
Food Establishment Licenses Issued	\$14,324	\$13,468	\$11,164	\$10,389	\$7,554
<b>Transportation:</b>					
Street Improvements - Cost of Paving	\$622,142	\$306,483	\$302,016	\$224,862	\$281,921
Paint Striping	\$0	\$11,301	\$0	\$7,642	\$0
Hot and Cold Patch	\$13,128	\$5,961	\$6,942	\$14,610	\$12,564
Tons of Snow Melting Salt Purchased (Nov-Mar)	596	128	404	401	455
Cost of Salt Purchased (includes hauling)	\$30,583	\$6,409	\$17,469	\$15,990	\$15,472
Miles of City Streets	43	43	43	43	43
Number of Street Lights	497	497	497	497	496

(continued)

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

Function/Program	2007	2006	2005	2004	2003
<b>Leisure Time Activities:</b>					
<i>Senior Center</i>					
Number of Meals Served	3,366	2,600	3,000	3,328	3,700
<i>Parks</i>					
Number of Parks Rentals Reserved	166	170	142	156	116
Number of Tennis Courts	1	1	1	1	1
Number of Baseball and Softball Diamonds	6	6	6	6	6
Number of Boat Ramps	2	2	2	2	2
<b>Basic Utility Services:</b>					
<i>Sanitation</i>					
Total Sanitation Revenues Annually	\$732,566	\$732,366	\$654,708	\$583,070	\$588,519
Contracted Sanitation Charge per Year	\$611,750	\$622,194	\$558,032	\$458,211	\$464,121
<i>Sewer</i>					
Wastewater Rates per 1st 3,000 gallons of Water Used	\$14.63	\$13.30	\$12.78	\$12.78	\$12.29
Total Sewer Revenues Annually	\$1,392,710	\$1,236,808	\$1,111,559	\$1,138,246	\$1,307,259
Average Monthly Consumption (per household) - in gallons	7,000	7,000	7,000	7,000	7,000
<i>Water</i>					
Water Rates per 1st 3,000 gallons of Water Used	\$7.47	\$6.78	\$6.51	\$6.51	\$6.27
Total Water Revenues Annually	\$804,086	\$669,415	\$652,452	\$690,395	\$625,639
Average Monthly Consumption (per household) - in gallons	7,000	7,000	7,000	7,000	7,000
Number of Consumers:					
Residential	2,932	2,962	2,969	2,895	2,934
Commercial	342	333	279	218	270

Source: City of Belpre, various departments

(1) Information prior to 2003 is not available

n/a Information not available

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

Function/Program	2007	2006	2005	2004	2003	2002
<b>General Government:</b>						
Square Footage Occupied	6,880	6,880	6,880	6,880	6,880	6,880
<b>Police:</b>						
Stations	1	1	1	1	1	1
Square Footage of Building	3,440	3,440	3,440	3,440	3,440	3,440
Vehicles - Police Cruisers	8	8	9	9	10	9
Vehicles - Other	1	1	1	1	2	1
Police Dogs	1	0	1	1	1	1
<b>Fire:</b>						
Stations	2	2	2	2	2	2
Square Footage of Building #1	7,426	7,426	7,426	7,426	7,426	7,426
Square Footage of Building #2	1,920	1,920	1,920	1,920	1,920	1,920
Vehicles - Pumpers/Fire Trucks	7	7	7	6	6	6
Vehicles - Ambulances	3	3	2	2	2	2
<b>Transportation:</b>						
Streets (miles)	43	43	43	43	43	43
Number of Streetlights (per light bill)	498	498	498	498	497	497
Service Vehicles	7	7	6	6	6	5
<b>Senior Center:</b>						
Square Footage Occupied	3,180	3,180	3,180	3,180	3,180	3,180
Passenger Vehicles	1	1	1	1	1	1
<b>Parks:</b>						
Number of Parks	3	3	3	3	3	3
Number of Tennis Courts	1	1	1	1	1	1
Number of Baseball and Softball Diamonds	6	6	6	6	6	6
Number of Boat Ramps	2	2	2	2	2	2
<b>Pool:</b>						
Number of Pools	1	1	1	1	1	1
<b>Sewer:</b>						
Sanitary Sewers (miles)	28	28	28	28	28	28
Vehicles	6.0	6.5	6.5	6.5	6.5	6.5
<b>Water Department</b>						
Water Lines (miles)	27	27	27	27	27	27
Vehicles	4.0	3.5	3.5	3.5	3.5	3.5

Source: City of Belpre, various departments

(1) Information prior to 2002 is not available

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**Mary Taylor, CPA**  
Auditor of State

**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  
OCTOBER 2, 2008**