



**Mary Taylor, CPA**  
Auditor of State



CITY OF HUBBARD  
TRUMBULL COUNTY

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# Mary Taylor, CPA

Auditor of State

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

City of Hubbard  
Trumbull County  
220 West Liberty Street  
Hubbard, Ohio 44425

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Hubbard, Trumbull County, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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.

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.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated June 30, 2009.

### **Compliance and Other Matters**

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

We intend this report solely for the information and use of the audit committee, management, and City Council. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

June 30, 2009

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

PREPARED BY:

CITY AUDITOR'S OFFICE  
MICHAEL C. VILLANO, CPA, CMA  
*AUDITOR OF CITY*





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

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# Office of the Auditor City of Hubbard, Ohio

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www.cityofhubbard.com

**MICHAEL C. VILLANO, CPA**  
AUDITOR

June 30, 2009

The Honorable Mayor, Members of City Council, and  
The Citizens of the City of Hubbard, Ohio:

As required by State of Ohio law, general purpose local governments presenting a CAFR are required to publish within six months of the close of each year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). Accordingly, this report has been prepared in accordance with GAAP as set forth by the Governmental Accounting Standards Board (GASB). Pursuant to that requirement, the comprehensive annual financial report (CAFR) of the City of Hubbard, Ohio, (the "City") for the year ended December 31, 2008, is hereby presented.

This report consists of management's representations concerning the finances of the City. Responsibility for the accuracy, reliability, completeness and fairness of the presentation, including all disclosures, rests with management of the City, and in particular, the City Auditor's Office. To provide a reasonable basis for making these assertions, management has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to assure adequate reliable financial information is available for the compilation of the City's financial statements in accordance with GAAP. The costs of an internal control framework should not outweigh the benefits. Therefore, the City's internal control structure has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed representations are accurate in all material respects and are presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities and status have been included.

The City's financial statements have been audited by the State of Ohio, Mary Taylor, CPA, Auditor of State. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2008, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures presented in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Hubbard's financial statements for the year ended December 31, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The City is not required to participate in the Federal single audit program.

GAAP require 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). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Hubbard's MD&A can be found immediately following the report of the independent auditor's.

## **PROFILE OF THE GOVERNMENT**

The City of Hubbard, Ohio, incorporated in 1868, is located in the Northeastern part of the State of Ohio. The City currently occupies a land area of 3.50 square miles and serves a population exceeding 8,400 residents with direct proxemic access to Interstate 80, United States Route 62, and Ohio State Routes 7, 616, and 304. The City's location provides direct exposure to four urban market areas—each with a population in excess of 15,000 people—Warren, Youngstown, Niles, and Hermitage, Pennsylvania. The City's location in southeast Trumbull County places it adjacent to the City of Youngstown and Mahoning County to the south, and the State of Pennsylvania to the east. As a result, these neighboring communities have provided social and economic influences affecting the development patterns within the City.

The City is empowered to levy a property tax on real, personal, and public utility properties located within its boundaries. It is also empowered by State Statute to extend its corporate limits by annexation, which occurs periodically when petitioned by the landowner and deemed appropriate by City Council.

The City has operated under the council-mayor form of government since June 20, 1868. Policymaking and legislative authority are vested in the Mayor and City Council, respectively. The City Council is responsible, among other things, for all legislative activities including passing ordinances and resolutions, adopting the annual appropriation ordinance (budget), and appointing legislative committees. The Mayor is elected at-large to serve a four-year term. The Mayor is responsible for administering the policies and ordinances adopted by the City Council, for overseeing the day-to-day operations of the City, and for appointing the superintendents of various departments. The eight members of City Council are elected every two years with one serving as the President of Council, four serving as ward councilpersons, and three serving at-large.

Aside from the Mayor and Council, citizens elect three other at-large City administrative officials, each of whom is independent within the limits of Ohio law affecting the particular office. These officials, elected to four-year terms, are the Auditor, Treasurer, and Law Director.

The Auditor serves as the chief financial officer of the City. As chief financial officer, no contract or obligation involving the City can be made without the Auditor's certification that appropriations are sufficient and that funds are available, or are in the process of collection, to satisfy the contract or obligation. The Auditor is the central disbursing agent for the City who, by the issuance of warrants, distributes funds to creditors in payment of liabilities incurred by the City and its departments. In addition, the Auditor is responsible for the preparation of the City payroll, maintaining a permanent accounting system and records, and conducting internal audits.

The Treasurer is the custodian of all City funds. The Treasurer is responsible for the investment of active, inactive, and interim funds as specified by Ohio law. In addition, the Treasurer serves as an internal control function for the Auditor's office as the Treasurer co-signs all budgetary and payroll warrants, as well as performs bank reconciliations monthly.

The Law Director serves as the prosecuting attorney for all cases arising in the mayor's court as well as cases transferred to municipal court. The Law Director is also responsible for the preparation of all contracts, bonds, legislation, and other instruments in writing. As designated by Ohio law, the Law Director serves as chief legal counsel for all City officials, directors, departments, and boards.

In addition to general government activities, the City provides a full range of municipal services, including police and fire protection; the construction and maintenance of streets, state highways, and sidewalks; parks and recreational facilities including the senior citizen center; cemetery; planning and zoning; and electric, water, and sewer utility services. For financial reporting purposes, the City includes all funds, account groups, agencies, boards, commissions, and departments for which the City is financially accountable. The City is the only governmental unit in the reporting entity; it has no component units.

In determining what constitutes the City's reporting entity, criteria established by GASB Statement No. 14, "The Financial Reporting Entity", were used. The City is comprised of all entities not legally separate from the City. Trumbull County, Hubbard Township, Eagle Joint Fire District, and the Hubbard Exempted Village School District are separate governmental jurisdictions that overlap the City's boundaries. However, these entities are not included in the City's financial report.

The City participates in the Municipal Energy Services Agency which is an Intergovernmental Joint Venture Agreement. The City maintains an equity interest participation in the Ohio Municipal Electric Generation Agency Joint Ventures One and Five (OMEGA JV1 and OMEGA JV5). The City's electric enterprise fund participates in OMEGA JV1 with 21 other municipal electric systems for the purpose of providing electric power and energy to its participants on a cooperative basis. The City electric enterprise fund also participates in OMEGA JV5 with 41 other municipal electric systems for the purpose of acquiring, constructing, and installing a 42 megawatt hydroelectric power generation facility along with related transmission and fossil-fired backup electric generation facilities.

The Eagle Joint Fire District assumes all responsibility for fire protection services within the City and Township jurisdictions and remains as a separate governmental entity.

The City also participates in a contractual agreement with Hubbard Township establishing the Hubbard Township-City of Hubbard Joint Economic Development District (J.E.D.D.). The J.E.D.D. serves as a means to facilitate economic growth, create jobs, and expand overall employment opportunities within the City and Township without the need for land annexation.

The City's participation is classified as a joint venture with equity interest. Additional information concerning all of these agreements and contractual relationships of the City can be found in Note 2A in the notes to the financial statements.

The annual appropriation ordinance, or budget, serves as the foundation for the City's financial planning and control. In June of each year, the City Auditor provides each department an estimate of revenue receipts for the following year. All departments of the City are then required to submit requests for appropriation to the City Auditor by the first week of August. The City Auditor uses these requests as a starting point for developing a proposed budget. A complete budget proposal and revenue forecast is presented to City Council for their review prior to September 30<sup>th</sup>. The Council holds public hearings with regard to each department's proposed budget and the final budget is adopted by December 31<sup>st</sup>—the close of the City's year. Periodically, Council operates for the first three months of the budgetary year on a temporary budget, passing the final budget by the March 30<sup>th</sup> statutory deadline. However, this practice is limited for use during periods of uncertain and adverse budgetary conditions. Generally, the City adopts its final budget prior to December 31<sup>st</sup> of the preceding budgetary year. The appropriated budget is prepared by fund, function (i.e. security of persons and property), department (i.e. police), and line item (i.e. salaries). This is known as the legal level of budgetary control. Any changes in appropriations outside of the legal level of budgetary control require the approval of Council by an appropriation amendment ordinance. Budget-to-actual comparisons are provided in this report for all funds for which an appropriated annual budget has been adopted by City Council.

The City uses a fully automated accounting system. In order to maintain proper budgetary control, all expenditures are subjected to the controls afforded by the purchasing procedure. Purchase requisitions are submitted to the City Auditor's Office by department heads following approval by the Service or Safety Director; the purchase order is generated encumbering the necessary funds; revenue resources are certified as available and properly appropriated for expense by the City Auditor; the purchase order is released to the vendor. Those purchase requisitions which, if issued as a purchase order, exceed the available line item appropriations authorized are rejected until additional resources are secured. A computerized appropriation system enables the City Auditor's office to ascertain the status of a department's appropriations prior to authorizing additional purchases from a particular line item. Encumbrances do not lapse at year-end and are included as expenditures in the current budget year (non-GAAP budgetary basis).

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page F24 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page F80.

## **ECONOMIC CONDITION AND OUTLOOK**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City benefits from its highly accessible location with regard to the number of substantial arterials and highways intersecting the City and immediate surrounding area. The City is a component of the large regional Cleveland-Pittsburgh American manufacturing belt. Within 75 miles of the City, there are approximately 11,000 manufacturing plants, 12,000 wholesale distribution centers, and 46 Fortune 500 industrial, service, and corporate world headquarters. The residents benefit from and have access to employment, educational, recreational, medical, and cultural facilities afforded by the greater Youngstown-Warren metropolitan area. Employment in the City and surrounding area is primarily in the manufacturing sector and within that sector largely in the automobile and steel industries. Since 1983, there have been overall decreases in manufacturing sector employment and increased employment in the non-manufacturing sector. However, the City continues to maintain economic stability despite the transition of workforce demographics.

In an effort to encourage business ventures to enter into long-term commitments in the region, the City entered into a Joint Economic Development District (J.E.D.D.) agreement with Hubbard Township in December 2001. The J.E.D.D. agreement allows the City and Township to jointly pursue economic development projects. As part of the agreement, the City provides utility services to the site of commercial or industrial development, and the Township retains possession of the land. The tax-sharing component of the agreement allows for the City to collect its enacted one and one half percent income tax within the J.E.D.D. property boundary, while the Township retains all property taxes paid on the site. The Hubbard Township-City of Hubbard Joint Economic Development District is the tenth agreement of its kind to be enacted between local government agencies in the State of Ohio.

During 2008, the J.E.D.D. continued to thrive with the existing J.E.D.D. businesses which include the Flying J Travel Center, Greenwood's Hubbard Chevrolet, Bi-State Truck Sales, Tri-State Trailer, Waffle House, Joe's Radiator Service, Best Western Penn-Ohio Suites, Love's Travel Stop and Country Store and the Homestead RV Dealership.

## **MAJOR INITIATIVES – CURRENT AND FUTURE PROJECTS**

Throughout 2008, a number of projects were initiated enabling the City to operate with increased efficiency as well as compete for commercial and industrial development promoting an atmosphere conducive for job retention and growth.

### ***Public Safety***

Underscoring the administration's commitment to public safety, the City's Department of Public Safety continued its effort to improve the quality of facilities and equipment for its safety forces. The Eagle Joint Fire District began operations in 2008 and successfully passed a 1.25 mill property tax levy for operations in the November General Election. The Fire District provides all fire protection services for the City and Township and operates as an independent autonomous governmental agency.

### ***Public Works***

Final engineering and construction began in 2008 for the replacement and upgrade of the City's traffic control system. The project is funded through a Federal Highway Administration Congestion Mitigation and Air Quality grant. The new signalization includes advanced technologies including a fiber optic interconnect and emergency vehicle preemption.

### ***Utility Service***

The goals of the City Utility Service departments are improving service and increasing quality while controlling costs. During 2008, various programs were undertaken to achieve these objectives.

The City Light Department continued engineering and construction of services of various overhead rebuilds throughout the community to accommodate increased load capacities. The Department also continued its ongoing maintenance and testing procedures to ensure continued system reliability and sufficient capacity for future system expansion. The 5.1 megawatt backup diesel generation facility was placed online with AMP-Ohio in 2008 and is currently generating revenue for the Light Department.

The City Water Department engaged in a variety of repair, maintenance, and rehabilitation projects during 2008 to improve quality and efficiency of water service throughout the City. Particularly important is the continued installation of several replacement valves in order to isolate portions of the system in times of emergency as well as replacement of aged sections of waterline.

The City of Hubbard Sewer Department continued upgrading sanitary sewer service throughout the City. By the end of 2008, construction was completed on the South Main Street Lift Station Replacement project. The \$350,000 project was funded with State of Ohio Issue II dollars and local match.

In order to improve waste water treatment plant efficiency and capacity, the various system motors were rebuilt and operational maintenance was completed. The City continued its implementation of the inflow and infiltration study action steps through the repair of various damaged and deteriorated catch basins and sealing of manhole covers. During 2008 the City completed construction of a storm water upgrade in the Meadowlands neighborhood. These preventative investigations will aid in the continued operation of the plant while meeting or exceeding the standards as required by the Ohio Environmental Protection Agency for the processing and treatment of waste water.

### ***General Government***

The City refurbished City Council Chambers in 2008. The Chambers were painted and re-carpeted providing a clean new look for the facility.

### ***Cash Management***

The City pools all idle cash to achieve maximum investment efficiency and to enhance accountability. The City Treasurer, as custodian of all City monies, is responsible for investing idle funds and directing the investments of the City.

The City strives to minimize credit and market risks while maintaining a competitive yield on its portfolio. During 2007, the City's cash resources were limited to bank deposits, repurchase agreements, certificates of deposit, United States Government money market mutual funds, and the State Treasury Asset Reserve of Ohio (STAR Ohio).



Approximately 99% of all available monies are continuously maintained in interest-bearing activities. At December 31, 2008, the City maintained \$51,861 in STAR Ohio, \$386,360 in demand deposit accounts, \$145,994 in segregated savings accounts, and \$6,089,126 in certificates of deposit. Investment income from primary investment activities amounted to \$346,522 for 2008 compared to \$356,947 for 2007.

The City's demand deposit account average monthly balance in 2008 was \$961,292, as compared with \$1,099,847 in 2007. The City's five certificate of deposit investments ended 2007 with balances of \$1,309,350, \$1,309,445, \$1,309,350, \$1,506,259 and \$654,722. Four certificates totaling \$4,582,867 are earning quarterly compounded interest of 3.75%, with annual percentage yields of 3.80%. The fifth certificate totaling \$1,506,259 is earning quarterly compounded interest of 3.455%, with annual percentage yield of 3.50%. In accordance with State of Ohio constitutional and statutory requirements, interest receipts are deposited primarily in the general fund.

### ***Risk Management***

The City maintains comprehensive insurance coverage with Argonaut Insurance Company carried through the Victor Buck Insurance Agency. The plan insures against losses related to property, general liability, wrongful acts, law enforcement professional liability, automobile, bond, crime, inland marine, and EDP liability. Automobile policies include \$5,000,000 of liability coverage for bodily injury and property damage. Real property and contents are insured by blanket coverage in the amount of \$29,393,000. General liability, public officials, and law enforcement professional liability insurances provide for \$6,000,000 per occurrence with \$7,000,000 aggregate coverage. There is no per occurrence deductible for general liability coverage, a \$10,000 deductible for law enforcement professional liability coverage, and a \$10,000 deductible for both public official liability and employment practices liability coverage.

The City operates and manages an employee hospitalization and health benefit plan on a self-insured basis. The City maintains an internal service fund to account for and finance its hospitalization claims liabilities as well as financing any uninsured risks of loss in the program. In order to mitigate the City's maximum health insurance liabilities, specific stop-loss insurance is carried through Standard Security Life Insurance Company of New York with coverage of \$45,000 per individual. The City also carried aggregate stop loss insurance in 2008 with an attachment point of \$762,554. The City's risk management programs are further discussed in Note 13 of the notes to the financial statements.

### ***Pension and Other Post Employment Benefits***

Full-time uniformed employees of the City participate in the Ohio Police and Firemen's Disability Pension Fund (OP&F), a cost sharing multiple employer defined benefit pension plan. The City's required contributions for pension obligations to the OP&F for the years ended December 31, 2008, 2007, and 2006 were \$151,270, \$152,275, and \$114,661 respectively.

All other full-time and part-time employees of the City participate in the Ohio Public Employees Retirement System (OPERS), a cost sharing multiple employer public employee retirement system created by the State of Ohio. The City's required contributions for pension obligations to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$298,133, \$272,881 and \$256,030, respectively. Additional information on the City's pension arrangements and other post-employment benefits can be found in Note 14 in the notes to the financial statements.

## **AWARDS & ACKNOWLEDGEMENTS**

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 Hubbard for its comprehensive annual financial report for the year ended December 31, 2007. This was the eighth consecutive year for the City to receive this prestigious award. In order to be awarded a Certificate of Achievement, the City published 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 report continues to meet the Certificate of Achievement Program's requirements and this report will be submitted to the GFOA to determine its eligibility for another certificate.

The presentation of this Comprehensive Annual Financial Report would not have been possible without the continued commitment of City Council, City officials, and departments. The expertise of Steven Julian, CPA, Meghan Needham, CPA, and Brandi Smart of Julian & Grube, Inc. continue to insure the successful preparation of this report. Also, sincere appreciation is extended to Adrian S. Biviano, CPA, CGFM, *Trumbull County Auditor*, and his staff, particularly Mark DelFrate, CPA, *Chief Deputy Auditor*, Marie Woloszyn and Debbie Santangelo.

Lastly, and certainly most importantly, the accomplishment of this report would not have been possible without the commitment and dedicated service of the Auditor's Office staff—Jo Ann Oaks and Joyce Schiraldi—your professionalism in the management of the financial operations of the City serves as continued inspiration and is always greatly appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read 'M. Villano', written in a cursive style.

Michael C. Villano, CPA, CMA  
*Auditor of City*

**CITY OF HUBBARD, OHIO**  
ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2008

**ELECTED OFFICIALS**

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Executive Branch

Mayor	Arthur U. Magee
Auditor	Michael C. Villano
Treasurer	Marsha A. Ruha
Law Director	Jeffrey D. Adler

Legislative Branch

Council Member – Council President	John D. Darko
Council Member – 1 <sup>st</sup> Ward	Bonita L. Viele
Council Member – 2 <sup>nd</sup> Ward	Richard Perry
Council Member – 3 <sup>rd</sup> Ward	Lisha A. Pompili-Baumiller
Council Member – 4 <sup>th</sup> Ward	Edward F. Palestro, Sr.
Council Member – At-Large	Patton M. Gilliland
Council Member – At-Large	Douglas L. Rohrer
Council Member – At-Large	William J. Williams

**APPOINTED OFFICIALS**

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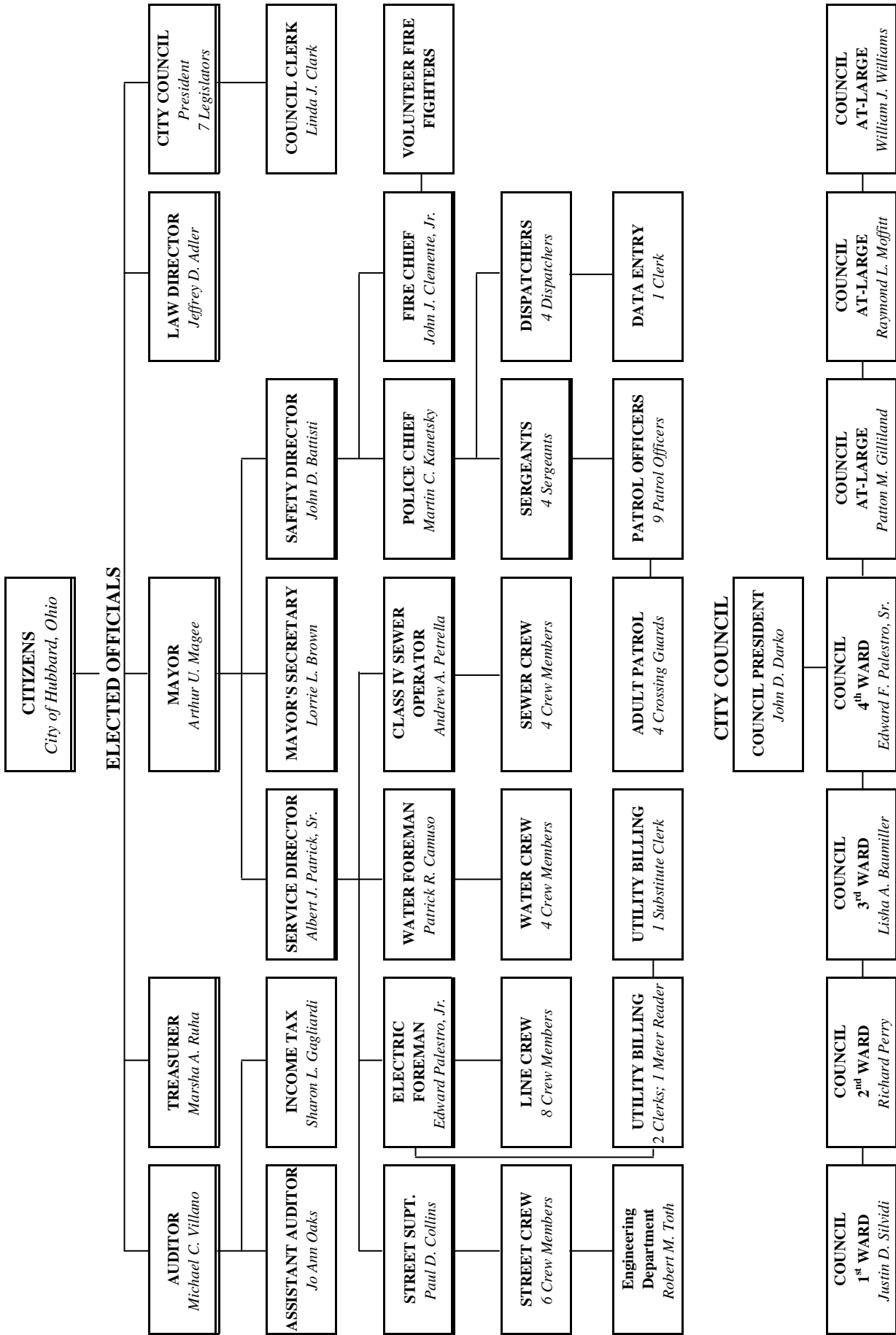
Department of Public Service

Director of Public Service	Lanier M. Epperson
Street Superintendent	Paul D. Collins
Waste Water Class IV Operator	Andrew A. Petrella
Water Foreman	Patrick R. Camuso
Electric Foreman	Edward F. Palestro, Jr.

Department of Public Safety

Director of Public Safety	Janice L. Bolchalk
Police Chief	Martin C. Kanetsky
Fire Chief	John J. Clemente, Jr.

**CITY OF HUBBARD, OHIO**  
**ORGANIZATIONAL CHART**  
 December 31, 2008



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hubbard  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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.



President

Executive Director

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# **FINANCIAL SECTION**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

City of Hubbard  
Trumbull County  
220 West Liberty Street  
Hubbard, Ohio 44425

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hubbard, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hubbard, Trumbull County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and the Street Construction and Maintenance 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 30, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 nonmajor fund 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.

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

**Mary Taylor, CPA**  
Auditor of State

June 30, 2009

## CITY OF HUBBARD, OHIO

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

The management's discussion and analysis of the City of Hubbard's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

#### **Financial Highlights**

Key financial highlights for 2008 are as follows:

- The total net assets of the City increased \$696,227. Net assets of governmental activities decreased \$204,796 or 7.26% under 2007 and net assets of business-type activities increased \$901,023 or 7.04% over 2007.
- General revenues accounted for \$2,987,593 or 80.74% of total governmental activities revenue. Program specific revenues accounted for \$712,448 or 19.26% of total governmental activities revenue.
- The City had \$3,646,677 in expenses related to governmental activities; \$712,448 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$2,934,229 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$2,987,593.
- The general fund had revenues and other financing sources of \$2,964,574 in 2008. This represents a decrease of \$119,200 from 2007 revenues. The expenditures and other financing uses of the general fund, which totaled \$3,067,598 in 2008, increased \$73,012 from 2007. The net decrease in fund balance for the general fund was \$103,024 or 16.48%.
- The street construction and maintenance fund had revenues and other financing sources of \$616,647 in 2008. The expenditures of the street construction and maintenance fund, totaled \$739,499 in 2008. The net decrease in fund balance for the street construction and maintenance fund was \$122,852 or 71.36%.
- Net assets for the business-type activities, which are made up of the water, sewer, electric, guarantee trust (utility connection deposits) and stormwater enterprise funds, increased in 2008 by \$901,023. This increase in net assets was due primarily to charges for services adequately covering expenses in the major enterprise funds.
- In the general fund, the actual revenues came in \$9,407 higher than they were in the final budget and actual expenditures and other financing uses were \$1,375 less than the amount in the final budget. This positive variance is the result of the City's conservative budgeting. Budgeted revenues increased \$2,542 from the original to the final budget. Budgeted expenditures and other financing uses increased \$74,919 from the original to the final budget.

#### **Using this Comprehensive 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 as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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 finances. 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 remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

## CITY OF HUBBARD, OHIO

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

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

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

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting reflects all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net *assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors-some financial, others not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

**Governmental activities** - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, cemetery, capital improvements, and general administration. These services are funded primarily by property taxes, income taxes, and intergovernmental revenues including federal and State grants and other shared revenues.

**Business-type activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, electric, guarantee trust and stormwater operations are reported here.

The City's statement of net assets and statement of activities can be found on pages F17-F19 of this report.

#### **Reporting the City's Most Significant Funds**

##### *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page F11.

##### *Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

## **CITY OF HUBBARD, OHIO**

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and the street construction and maintenance fund. Information for major funds are presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages F20-F25 of this report.

#### ***Proprietary Funds***

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, electric, guarantee trust and stormwater operations. The sewer, water, and electric enterprise funds are considered major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages F26-F33 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency and private-purpose trust funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages F34-F35 of this report.

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F36-F68 of this report.

**CITY OF HUBBARD, OHIO**

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

**Government-Wide Financial Analysis**

The table below provides a summary of the City's net assets for 2008 compared to 2007:

	Net Assets					
	Governmental	Business-type	Governmental	Business-type	2008	2007
	Activities	Activities	Activities	Activities	Total	Total
	2008	2008	2007	2007		
<u>Assets</u>						
Current and other assets	\$ 2,556,064	\$ 6,897,130	\$ 2,979,554	\$ 6,854,556	\$ 9,453,194	\$ 9,834,110
Capital assets	<u>5,121,308</u>	<u>14,280,170</u>	<u>5,147,825</u>	<u>13,892,856</u>	<u>19,401,478</u>	<u>19,040,681</u>
Total assets	<u>7,677,372</u>	<u>21,177,300</u>	<u>8,127,379</u>	<u>20,747,412</u>	<u>28,854,672</u>	<u>28,874,791</u>
<u>Liabilities</u>						
Current liabilities	752,463	2,599,153	706,882	2,635,681	3,351,616	3,342,563
Long-term liabilities	<u>4,309,467</u>	<u>4,873,544</u>	<u>4,600,259</u>	<u>5,308,151</u>	<u>9,183,011</u>	<u>9,908,410</u>
Total liabilities	<u>5,061,930</u>	<u>7,472,697</u>	<u>5,307,141</u>	<u>7,943,832</u>	<u>12,534,627</u>	<u>13,250,973</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	1,037,416	7,598,587	877,729	6,769,792	8,636,003	7,647,521
Restricted	752,819	-	996,182	-	752,819	996,182
Unrestricted	<u>825,207</u>	<u>6,106,016</u>	<u>946,327</u>	<u>6,033,788</u>	<u>6,931,223</u>	<u>6,980,115</u>
Total net assets	<u>\$ 2,615,442</u>	<u>\$ 13,704,603</u>	<u>\$ 2,820,238</u>	<u>\$ 12,803,580</u>	<u>\$ 16,320,045</u>	<u>\$ 15,623,818</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2008, the City's assets exceeded liabilities by \$16,320,045. At year-end, net assets were \$2,615,442 and \$13,704,603 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 66.86% of total assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2008, were \$1,037,416 and \$7,598,587 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2008, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$752,819, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$825,207 may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF HUBBARD, OHIO**

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

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

	<b>Change in Net Assets</b>					
	Governmental	Business-type	Governmental	Business-type	2008	2007
	Activities	Activities	Activities	Activities	Total	Total
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>		
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 58,240	\$ 8,325,725	\$ 56,129	\$ 7,862,278	\$ 8,383,965	\$ 7,918,407
Operating grants and contributions	395,366	333,896	341,274	141,027	729,262	482,301
Capital grants and contributions	<u>258,842</u>	<u>-</u>	<u>266,508</u>	<u>-</u>	<u>258,842</u>	<u>266,508</u>
Total program revenues	<u>712,448</u>	<u>8,659,621</u>	<u>663,911</u>	<u>8,003,305</u>	<u>9,372,069</u>	<u>8,667,216</u>
General revenues:						
Property taxes	364,352	-	380,488	-	364,352	380,488
Income taxes	1,919,527	-	2,065,938	-	1,919,527	2,065,938
Other local taxes	-	31,692	-	30,818	31,692	30,818
Unrestricted grants and entitlements	259,335	-	297,586	-	259,335	297,586
Investment earnings	322,216	24	343,869	151,766	322,240	495,635
Miscellaneous	<u>122,163</u>	<u>22,864</u>	<u>116,038</u>	<u>50,940</u>	<u>145,027</u>	<u>166,978</u>
Total general revenues	<u>2,987,593</u>	<u>54,580</u>	<u>3,203,919</u>	<u>233,524</u>	<u>3,042,173</u>	<u>3,437,443</u>
Total revenues	<u>3,700,041</u>	<u>8,714,201</u>	<u>3,867,830</u>	<u>8,236,829</u>	<u>12,414,242</u>	<u>12,104,659</u>
Expenses:						
General government	449,327	-	390,097	-	449,327	390,097
Security of persons and property	1,984,690	-	1,910,720	-	1,984,690	1,910,720
Public health and welfare	26,921	-	29,075	-	26,921	29,075
Transportation	988,755	-	1,158,612	-	988,755	1,158,612
Community environment	491	-	320	-	491	320
Leisure time activity	40,509	-	43,205	-	40,509	43,205
Other	1,064	-	13,112	-	1,064	13,112
Interest and fiscal charges	154,920	-	164,929	-	154,920	164,929
Sewer	-	1,237,180	-	1,357,918	1,237,180	1,357,918
Water	-	1,441,479	-	1,504,407	1,441,479	1,504,407
Electric	-	5,376,280	-	6,024,667	5,376,280	6,024,667
Guarantee trust	-	9,826	-	15,470	9,826	15,470
Stormwater	<u>-</u>	<u>6,573</u>	<u>-</u>	<u>-</u>	<u>6,573</u>	<u>-</u>
Total expenses	<u>3,646,677</u>	<u>8,071,338</u>	<u>3,710,070</u>	<u>8,902,462</u>	<u>11,718,015</u>	<u>12,612,532</u>
Transfers	<u>(258,160)</u>	<u>258,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(204,796)	901,023	157,760	(665,633)	696,227	(507,873)
Net assets at beginning of year	<u>2,820,238</u>	<u>12,803,580</u>	<u>2,662,478</u>	<u>13,469,213</u>	<u>15,623,818</u>	<u>16,131,691</u>
Net assets at end of year	<u>\$ 2,615,442</u>	<u>\$ 13,704,603</u>	<u>\$ 2,820,238</u>	<u>\$ 12,803,580</u>	<u>\$ 16,320,045</u>	<u>\$ 15,623,818</u>

## CITY OF HUBBARD, OHIO

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

#### Governmental Activities

Governmental activities net assets decreased \$204,796 in 2008. This decrease is a result of overall economic decline of the automotive and manufacturing sectors of the economy. The City operates in a highly manufacturing-based region of Ohio and the recession has significantly impacted the income tax collections of the City. Further, the sub-prime mortgage crisis has also impacted the City with an increase in real property foreclosures.

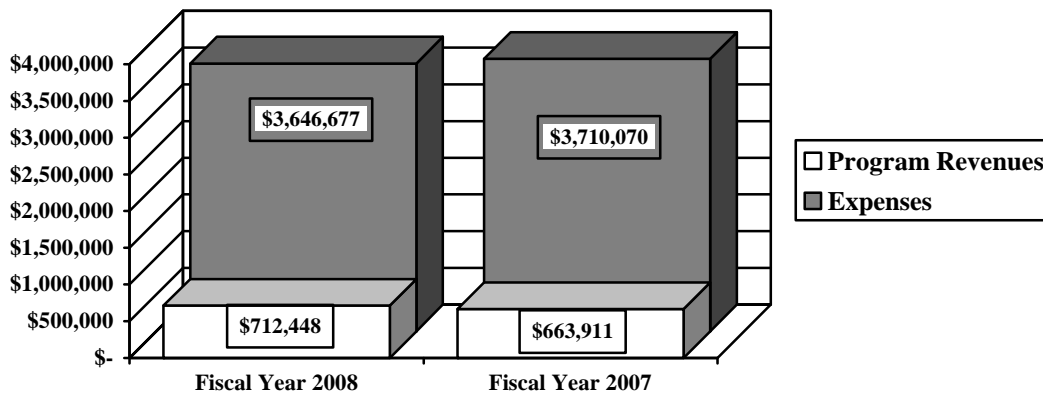
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$1,984,690 of the total expenses of the City. These expenses were partially funded by \$44,886 in direct charges to users of the services and \$2,361 in operating grants and contributions. Transportation expenses totaled \$988,755. Transportation expenses were partially funded by \$391,905 in operating grants and contributions and \$258,842 in capital grants and contributions.

The State and federal government contributed to the City a total of \$395,366 in operating grants and contributions and \$258,842 capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$258,842 subsidized transportation programs.

General revenues totaled \$2,987,593, and amounted to 80.74% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,283,879. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$259,335.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

**Governmental Activities – Program Revenues vs. Total Expenses**





**CITY OF HUBBARD, OHIO**

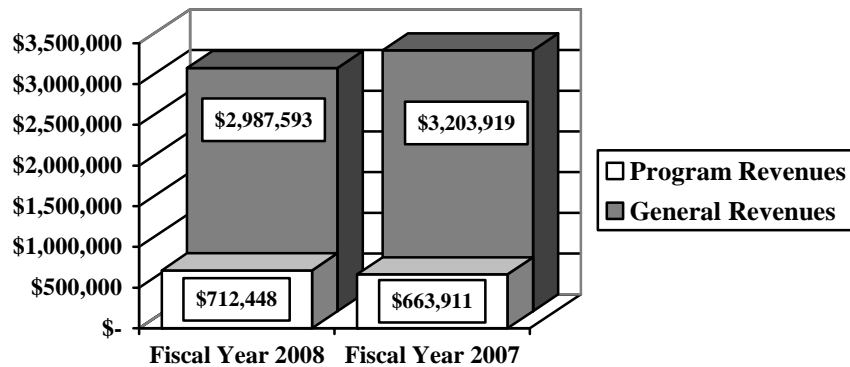
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
Program Expenses:				
General government	\$ 449,327	\$ 442,228	\$ 390,097	\$ 381,195
Security of persons and property	1,984,690	1,937,443	1,910,720	1,866,593
Public health and welfare	26,921	20,666	29,075	25,975
Transportation	988,755	338,008	1,158,612	550,830
Community environment	491	491	320	320
Leisure time activity	40,509	39,409	43,205	43,205
Other	1,064	1,064	13,112	13,112
Interest and fiscal charges	<u>154,920</u>	<u>154,920</u>	<u>164,929</u>	<u>164,929</u>
<b>Total</b>	<b><u>\$ 3,646,677</u></b>	<b><u>\$ 2,934,229</u></b>	<b><u>\$ 3,710,070</u></b>	<b><u>\$ 3,046,159</u></b>

The dependence upon general revenues for governmental activities is apparent, with 81.93% of expenses supported through taxes and other general revenues.

**Governmental Activities – General and Program Revenues**



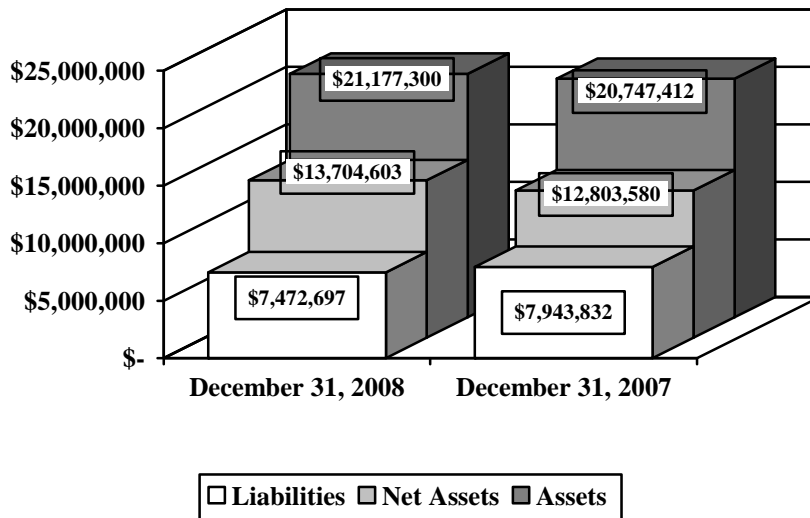
**CITY OF HUBBARD, OHIO**

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

**Business-type Activities**

Business-type activities include the water, sewer, electric, guarantee trust and stormwater enterprise funds. These programs had program revenues of \$8,659,621, general revenues of \$54,580, expenses of \$8,071,338 and transfer in of \$258,160 for 2008. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

**Net Assets in Business – Type Activities**



Business - type activities net assets increased \$901,023 in 2008. This increase is a result of a revision in the City power cost adjustment calculation to collect all debt service related to the electric department. Debt service traditionally was funded through the electric base rate. However, as costs of delivering electricity increase the rate also must be increased. The new calculation considers all aspects of both operating the electric department as full as maintaining adequate funding for the capital projects of the department.

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

**CITY OF HUBBARD, OHIO**

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

The City's governmental funds (as presented on the balance sheet on page F20) reported a combined fund balance of \$1,125,889 which is \$417,716 below last year's total of \$1,543,605. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2008 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/08</u>	<u>Fund Balances</u> <u>12/31/07</u>	<u>(Decrease)</u>
Major funds:			
General	\$ 522,271	\$ 625,295	\$ (103,024)
Street construction and maintenance	49,315	172,167	(122,852)
Other nonmajor governmental funds	<u>554,303</u>	<u>746,143</u>	<u>(191,840)</u>
 Total	 <u>\$ 1,125,889</u>	 <u>\$ 1,543,605</u>	 <u>\$ (417,716)</u>

***General Fund***

The City's general fund balance decreased \$103,024, primarily due to a decrease in income taxes in the amount of \$163,016. The table that follows assists in illustrating the revenues of the general fund.

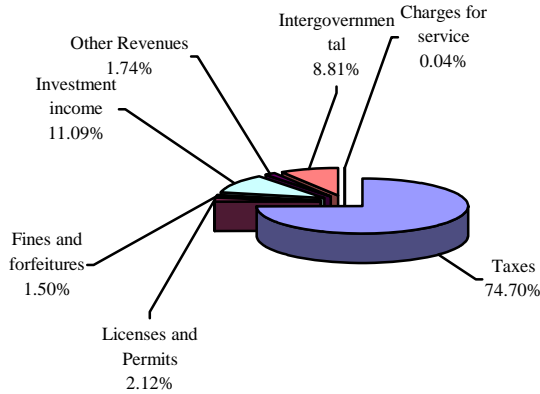
	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 2,169,895	\$ 2,342,118	(7.35) %
Charges for services	1,088	1,014	7.30 %
Licenses and permits	61,469	59,310	3.64 %
Fines and forfeitures	43,486	50,886	(14.54) %
Intergovernmental	255,934	277,456	(7.76) %
Investment income	322,210	339,695	(5.15) %
Other	<u>50,399</u>	<u>13,295</u>	279.08 %
 Total	 <u>\$ 2,904,481</u>	 <u>\$ 3,083,774</u>	 (5.81) %

Tax revenue represents 74.70% of all general fund revenue, and remained comparable to 2007. Licenses and permits revenues experienced a moderate increase due to limited construction activity within the City. Fines and forfeitures declined as a result of an increasing number of traffic cases being transferred from the City's Mayor's Court to the Girard Municipal Court. Intergovernmental revenues declined due to a loss of sales tax revenue throughout the State of Ohio resulting in a reduction in the City's Local Government Fund allocation from the State. Investment revenues declined due to maturing investments being reinvested at lower interest rates. Other revenues increased due to police officer training reimbursements from the State of Ohio as well as property insurance reimbursements for a lightening strike at the City's Safety Center.

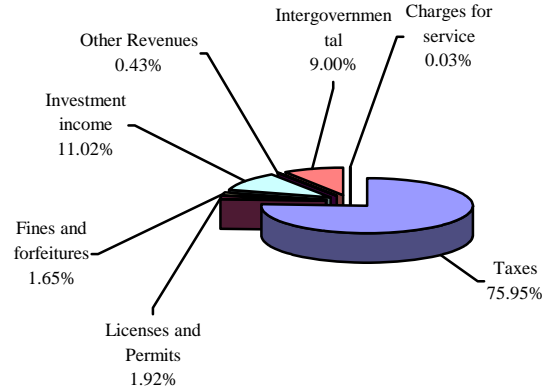
**CITY OF HUBBARD, OHIO**

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

**Revenues – 2008**



**Revenues – 2007**



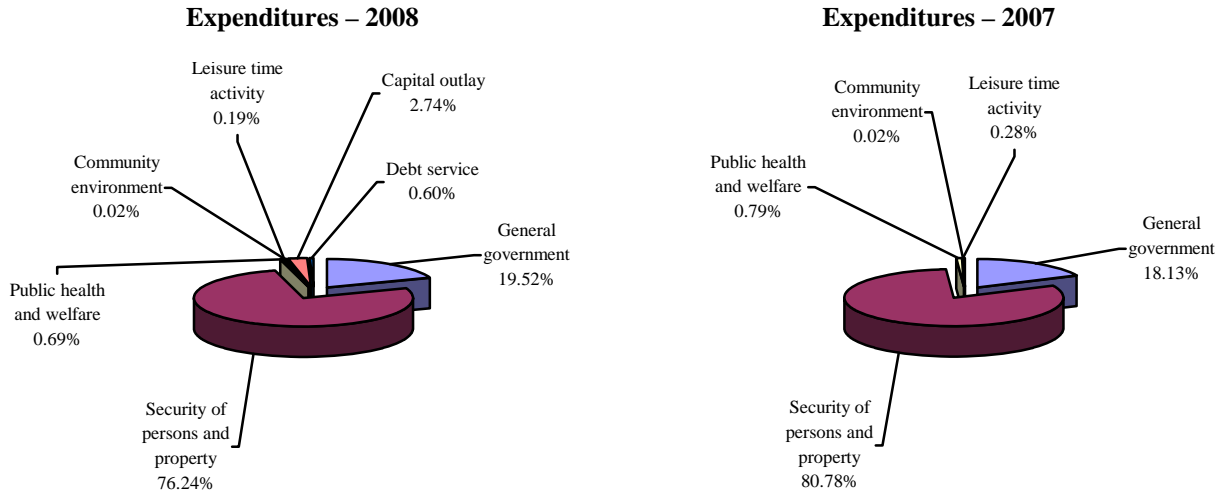
The table that follows assists in illustrating the expenditures of the general fund.

	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Percentage Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 427,787	\$ 358,967	19.17 %
Security of persons and property	1,670,624	1,599,514	4.45 %
Public health and welfare	15,032	15,594	(3.60) %
Community environment	491	320	53.44 %
Leisure time activity	4,094	5,460	(25.02) %
Capital outlay	60,093	-	100.00 %
Debt service	13,147	-	100.00 %
<b>Total</b>	<u>\$ 2,191,268</u>	<u>\$ 1,979,855</u>	10.68 %

The most significant change was in the area of security of persons and property. Security of persons and property expenditures increased due to a 3.50% wage increase as well as increased overtime due to personnel being off work for illness for an extended period. Leisure time activity expenditures decreased due to a smaller County awarded reimbursement grant which subsidized improvements in the City's senior citizen center. Capital outlay and debt service expenditures increased due to the City entering into a capital lease during 2008. Other expenditures decreased due to changes in classifications at year end. All other expenditures remained comparable to 2007.

## CITY OF HUBBARD, OHIO

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



#### ***Budgeting Highlights***

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund and for the street construction and maintenance fund. In the general fund, the actual revenues came in \$9,407 higher than they were in the final budget and actual expenditures and other financing uses were \$1,375 less than the amount in the final budget. Budgeted revenues were increased \$2,542 from the original to the final budget. Budgeted expenditures and other financing uses were increased \$74,919 from the original to the final budget.

#### ***Street Construction and Maintenance Fund***

The street construction and maintenance fund had revenues and other financing sources of \$616,647 in 2008. The expenditures of the street construction and maintenance fund, totaled \$739,499 in 2008. The net decrease in fund balance for the street construction and maintenance fund was \$122,852 or 71.36%.

#### ***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

**CITY OF HUBBARD, OHIO**

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

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of 2008, the City had \$19,401,478 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Of this total, \$5,121,308 was reported in governmental activities and \$14,280,170 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows 2008 balances compared to 2007:

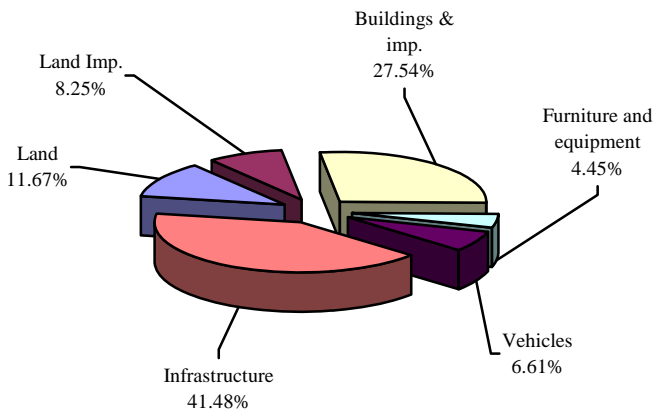
**Capital Assets at December 31  
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 597,871	\$ 597,871	\$ 180,423	\$ 180,423	\$ 778,294	\$ 778,294
Construction in progress	-	98,350	769,922	-	769,922	98,350
Land improvements	422,361	352,181	154,284	168,163	576,645	520,344
Buildings and improvements	1,410,245	1,450,741	2,238,198	2,341,855	3,648,443	3,792,596
Furniture and equipment	227,855	279,884	1,686,131	1,879,576	1,913,986	2,159,460
Vehicles	338,293	260,126	336,888	79,914	675,181	340,040
Infrastructure	2,124,683	2,108,672	8,914,324	9,242,925	11,039,007	11,351,597
<b>Totals</b>	<b>\$ 5,121,308</b>	<b>\$ 5,147,825</b>	<b>\$ 14,280,170</b>	<b>\$ 13,892,856</b>	<b>\$ 19,401,478</b>	<b>\$ 19,040,681</b>

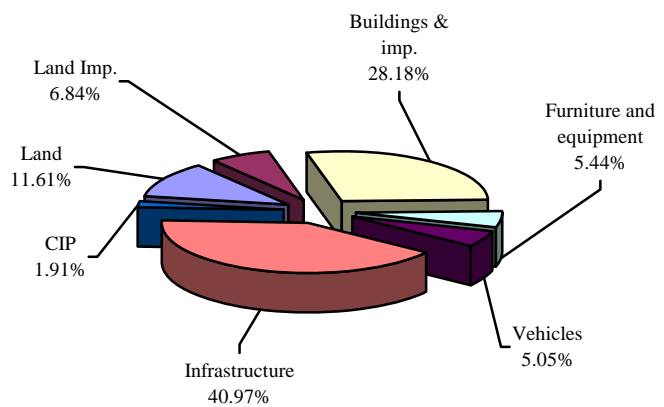
The overall decrease in governmental capital assets of \$26,517 is primarily due to depreciation expense of \$486,405 exceeding capital outlays of \$459,888 for 2008. The overall increase in business-type capital assets of \$53,418 is primarily due to capital outlays of \$779,541 exceeding depreciation expense of \$726,123 in 2008.

The following graphs show the breakdown of business-type capital assets by category for 2008 and 2007.

**Capital Assets - Governmental Activities 2008**



**Capital Assets - Governmental Activities 2007**



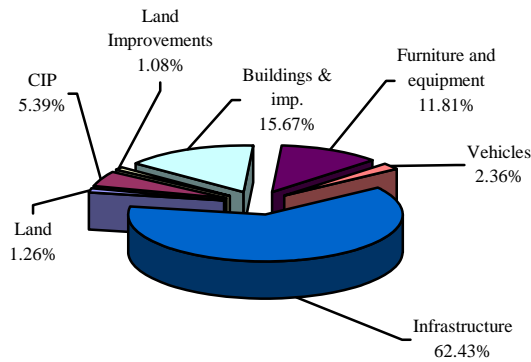
**CITY OF HUBBARD, OHIO**

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

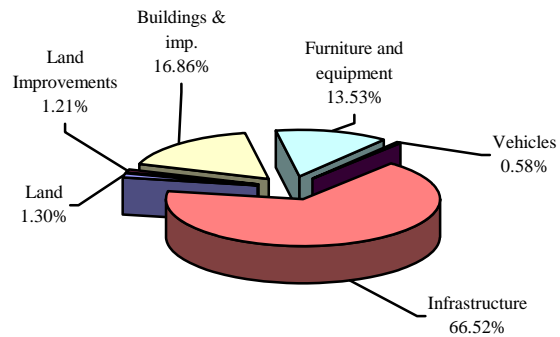
The City's largest capital asset category is infrastructure which includes roads, sidewalks, traffic lights and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 41.48% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2008 and 2007.

**Capital Assets - Business-Type Activities 2008**



**Capital Assets - Business-Type Activities 2007**



The City's largest business-type capital asset category is infrastructure that primarily includes water, sewer, and electrical lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 62.43% of the City's total business-type capital assets.

**Debt Administration**

The City had the following long-term obligations outstanding at December 31, 2008 and 2007 (See Note 12 to the basic financial statements for detail):

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 3,990,000	\$ 4,370,000
Capital lease obligation	93,892	-
Compensated absences	<u>225,575</u>	<u>230,259</u>
Total long-term obligations	<u>\$ 4,309,467</u>	<u>\$ 4,600,259</u>
	<u>Business-type Activities</u>	
	<u>2008</u>	<u>2007</u>
Refunding BAN	\$ 2,195,000	\$ 2,580,000
OPWC loans	730,802	786,765
OWDA loan	1,718,032	1,816,246
Capital lease obligation	93,892	-
Compensated absences	<u>203,461</u>	<u>206,540</u>
Total long-term obligations	<u>\$ 4,941,187</u>	<u>\$ 5,389,551</u>

## **CITY OF HUBBARD, OHIO**

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

#### **Economic Conditions and Next Year's General Fund Budget Outlook**

The City's Administration considers the impact of various economic factors when establishing the 2009 budget. The continued challenges resulting from regional loss of employment, stagnant economic development, and the general national recession, have continued to influence the objectives established in the 2009 budget. Despite the continued economic uncertainty, the City continues to operate its financial decision making conservatively.

The City continues to carefully monitor two primary sources of revenue—local income taxes and shared intergovernmental (state) revenue. In order to stabilize the impact of the fluctuations in these revenue sources, City Council continues make effort to maintain its employment base; maintain the community's reputation for high public safety standards; and adoption of a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2009 budget, the City emphasized various efforts to continue to contain costs.

Budgeted revenues and other financing sources in the general fund for 2008 are \$2,931,464, a decrease of \$207,596 or 6.6% from final 2007 budgeted revenues and other financing sources of \$3,139,060. The 2008 general fund budget is \$3,000,466 as compared with the 2007 general fund budget of \$3,058,083. For financial reporting purposes, the general fund is comprised of the following funds: the general fund, income tax fund, and unclaimed monies fund.

The average unemployment rate for Trumbull County in 2008 was 7.5%--comparable with the 2007 rate of 6.3%. The county unemployment rate compared slightly higher than the 6.5% State of Ohio average and 5.8% national average. The City Auditor anticipates the 2008 rate to continue to increase in 2009 due to reductions in force at both the General Motors Lordstown Complex and Delphi Automotive Systems facilities in the area. The combination of the City's increased local income tax and conservative budgeting practices should result in a stable financial future for the City.

#### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens', taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the City Auditor's Office, Mr. Michael C. Villano, CPA, CMA, Auditor, City of Hubbard, Ohio, 220 West Liberty Street, Hubbard, Ohio 44425 or visit our website at [www.cityofhubbard.com](http://www.cityofhubbard.com).



**BASIC  
FINANCIAL STATEMENTS**

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**CITY OF HUBBARD, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2008

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 1,273,150	\$ 5,486,472	\$ 6,759,622
Cash in segregated accounts . . . . .	501	500	1,001
Receivables (net of allowances for uncollectibles):			
Income taxes . . . . .	468,418	-	468,418
Real and other taxes . . . . .	403,389	2,464	405,853
Accounts . . . . .	3,067	669,887	672,954
Special assessments. . . . .	185	-	185
Internal balance. . . . .	27,777	(27,777)	-
Due from other governments . . . . .	251,377	-	251,377
Prepayments . . . . .	7,908	20,506	28,414
Materials and supplies inventory. . . . .	30,463	446,193	476,656
Deferred charges . . . . .	-	10,747	10,747
Unamortized bond issuance costs . . . . .	89,829	84,592	174,421
Investment in joint ventures . . . . .	-	203,546	203,546
Capital assets:			
Land and construction in progress. . . . .	597,871	950,345	1,548,216
Depreciable capital assets, net. . . . .	4,523,437	13,329,825	17,853,262
Total capital assets. . . . .	<u>5,121,308</u>	<u>14,280,170</u>	<u>19,401,478</u>
Total assets. . . . .	<u>7,677,372</u>	<u>21,177,300</u>	<u>28,854,672</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	77,637	353,411	431,048
Contracts payable. . . . .	79,252	78,574	157,826
Retainage payable . . . . .	-	14,869	14,869
Accrued wages and benefits . . . . .	63,179	58,920	122,099
Due to other governments . . . . .	52,437	51,149	103,586
Unearned revenue . . . . .	347,167	-	347,167
Accrued interest payable. . . . .	8,645	30,730	39,375
Claims payable. . . . .	124,146	-	124,146
Revenue anticipation note . . . . .	-	2,011,500	2,011,500
Long-term liabilities:			
Due within one year. . . . .	513,342	683,148	1,196,490
Due in more than one year . . . . .	3,796,125	4,190,396	7,986,521
Total liabilities . . . . .	<u>5,061,930</u>	<u>7,472,697</u>	<u>12,534,627</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	1,037,416	7,598,587	8,636,003
Restricted for:			
Debt service . . . . .	19,225	-	19,225
Capital projects. . . . .	475,955	-	475,955
Street construction and maintenance . . . . .	120,166	-	120,166
State highway. . . . .	19,123	-	19,123
Law enforcement . . . . .	31,017	-	31,017
Police pension . . . . .	18,238	-	18,238
Maple Grove cemetery . . . . .	17,218	-	17,218
Recreation . . . . .	49,770	-	49,770
Other purposes . . . . .	395	-	395
Perpetual care:			
Expendable . . . . .	872	-	872
Nonexpendable . . . . .	840	-	840
Unrestricted. . . . .	825,207	6,106,016	6,931,223
Total net assets . . . . .	<u>\$ 2,615,442</u>	<u>\$ 13,704,603</u>	<u>\$ 16,320,045</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HUBBARD, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General government . . . . .	\$ 449,327	\$ 7,099	\$ -	\$ -
Security of persons and property . . . . .	1,984,690	44,886	2,361	-
Public health and welfare . . . . .	26,921	6,255	-	-
Transportation . . . . .	988,755	-	391,905	258,842
Community environment . . . . .	491	-	-	-
Leisure time activity . . . . .	40,509	-	1,100	-
Other . . . . .	1,064	-	-	-
Interest and fiscal charges . . . . .	154,920	-	-	-
Total governmental activities . . . . .	<u>3,646,677</u>	<u>58,240</u>	<u>395,366</u>	<u>258,842</u>
<b>Business-type Activities:</b>				
Sewer . . . . .	1,237,180	1,208,214	-	-
Water . . . . .	1,441,479	1,399,952	-	-
Electric . . . . .	5,376,280	5,630,963	333,896	-
Other business-type activities:				
Guarantee Trust . . . . .	9,826	-	-	-
Stormwater . . . . .	6,573	86,596	-	-
Total business-type activities . . . . .	<u>8,071,338</u>	<u>8,325,725</u>	<u>333,896</u>	<u>-</u>
Total primary government . . . . .	<u>\$ 11,718,015</u>	<u>\$ 8,383,965</u>	<u>\$ 729,262</u>	<u>\$ 258,842</u>

**General Revenues:**

Property taxes levied for:	
General purposes . . . . .	
Fire district . . . . .	
Police pension . . . . .	
Income taxes levied for:	
General purposes . . . . .	
Other local taxes . . . . .	
Grants and entitlements not restricted to specific programs . . . . .	
Investment earnings . . . . .	
Miscellaneous . . . . .	
Total general revenues . . . . .	
Transfers . . . . .	
Change in net assets . . . . .	
Net assets at beginning of year . . . . .	
Net assets at end of year . . . . .	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue and Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (442,228)	\$ -	\$ (442,228)
(1,937,443)	-	(1,937,443)
(20,666)	-	(20,666)
(338,008)	-	(338,008)
(491)	-	(491)
(39,409)	-	(39,409)
(1,064)	-	(1,064)
(154,920)	-	(154,920)
<u>(2,934,229)</u>	<u>-</u>	<u>(2,934,229)</u>
-	(28,966)	(28,966)
-	(41,527)	(41,527)
-	588,579	588,579
-	(9,826)	(9,826)
-	80,023	80,023
<u>-</u>	<u>588,283</u>	<u>588,283</u>
<u>(2,934,229)</u>	<u>588,283</u>	<u>(2,345,946)</u>
277,464	-	277,464
54,873	-	54,873
32,015	-	32,015
1,919,527	-	1,919,527
-	31,692	31,692
259,335	-	259,335
322,216	24	322,240
122,163	22,864	145,027
<u>2,987,593</u>	<u>54,580</u>	<u>3,042,173</u>
<u>(258,160)</u>	<u>258,160</u>	<u>-</u>
(204,796)	901,023	696,227
<u>2,820,238</u>	<u>12,803,580</u>	<u>15,623,818</u>
<u>\$ 2,615,442</u>	<u>\$ 13,704,603</u>	<u>\$ 16,320,045</u>

**CITY OF HUBBARD, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	<u>General</u>	<u>Street Construction and Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 277,674	\$ 30,452	\$ 687,019	\$ 995,145
Cash in segregated accounts . . . . .	151	350	-	501
Receivables (net of allowance for uncollectibles):				
Income taxes . . . . .	468,418	-	-	468,418
Real and other taxes . . . . .	361,661	-	41,728	403,389
Accounts . . . . .	2,567	364	100	3,031
Special assessments . . . . .	185	-	-	185
Due from other governments . . . . .	93,905	143,381	14,091	251,377
Prepayments . . . . .	6,466	1,442	-	7,908
Materials and supplies inventory . . . . .	8,310	22,118	35	30,463
<b>Total assets . . . . .</b>	<u>\$ 1,219,337</u>	<u>\$ 198,107</u>	<u>\$ 742,973</u>	<u>\$ 2,160,417</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 19,960	\$ 916	\$ 56,761	\$ 77,637
Contracts payable . . . . .	-	-	79,252	79,252
Accrued wages and benefits . . . . .	44,431	18,748	-	63,179
Due to other governments . . . . .	38,414	14,023	-	52,437
Deferred revenue . . . . .	283,008	115,105	16,743	414,856
Unearned revenue . . . . .	311,253	-	35,914	347,167
<b>Total liabilities . . . . .</b>	<u>697,066</u>	<u>148,792</u>	<u>188,670</u>	<u>1,034,528</u>
<b>Fund Balances:</b>				
Reserved for prepaids . . . . .	6,466	1,442	-	7,908
Reserved for materials and supplies inventory . . . . .	8,310	22,118	35	30,463
Reserved for unclaimed monies . . . . .	2,309	-	-	2,309
Reserved for perpetual care . . . . .	-	-	840	840
Unreserved, undesignated, reported in:				
General fund . . . . .	505,186	-	-	505,186
Special revenue funds . . . . .	-	25,755	118,983	144,738
Debt service fund . . . . .	-	-	19,225	19,225
Capital projects funds . . . . .	-	-	414,348	414,348
Permanent fund . . . . .	-	-	872	872
<b>Total fund balances . . . . .</b>	<u>522,271</u>	<u>49,315</u>	<u>554,303</u>	<u>1,125,889</u>
<b>Total liabilities and fund balances . . . . .</b>	<u>\$ 1,219,337</u>	<u>\$ 198,107</u>	<u>\$ 742,973</u>	<u>\$ 2,160,417</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HUBBARD, OHIO**

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

<b>Total governmental fund balances</b>		\$ 1,125,889
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		5,121,308
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes receivable	\$ 164,494	
Property taxes receivable	48,765	
Special assessments receivable	185	
Intergovernmental revenues receivable	201,412	
Total		414,856
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(8,645)
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of assets.		153,895
Unamortized bond issuance costs are not recognized in the funds.		89,829
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.		27,777
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(3,990,000)	
Compensated absences	(225,575)	
Capital lease payable	(93,892)	
		(4,309,467)
<b>Net assets of governmental activities</b>		<b>\$ 2,615,442</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HUBBARD, OHIO**

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

	<u>General</u>	<u>Street Construction and Maintenance</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Income taxes . . . . .	\$ 1,903,813	\$ -	\$ -	\$ 1,903,813
Property and other taxes . . . . .	266,082	-	93,293	359,375
Charges for services . . . . .	1,088	-	5,750	6,838
Licenses and permits . . . . .	61,469	-	-	61,469
Fines and forfeitures . . . . .	43,486	-	2,480	45,966
Intergovernmental . . . . .	255,934	349,917	296,278	902,129
Investment income . . . . .	322,210	4,410	10,832	337,452
Other . . . . .	50,399	2,235	12,817	65,451
Total revenues . . . . .	<u>2,904,481</u>	<u>356,562</u>	<u>421,450</u>	<u>3,682,493</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	427,787	-	-	427,787
Security of persons and property . . . . .	1,670,624	-	199,028	1,869,652
Public health and welfare . . . . .	15,032	-	11,889	26,921
Transportation . . . . .	-	666,259	42,854	709,113
Community environment . . . . .	491	-	-	491
Leisure time activity . . . . .	4,094	-	48,406	52,500
Other . . . . .	-	-	1,064	1,064
Capital outlay . . . . .	60,093	60,093	460,719	580,905
Debt service:				
Principal retirement . . . . .	13,147	13,147	380,000	406,294
Interest and fiscal charges . . . . .	-	-	145,668	145,668
Total expenditures . . . . .	<u>2,191,268</u>	<u>739,499</u>	<u>1,289,628</u>	<u>4,220,395</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>713,213</u>	<u>(382,937)</u>	<u>(868,178)</u>	<u>(537,902)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	199,992	676,338	876,330
Transfers out . . . . .	(876,330)	-	-	(876,330)
Capital lease transaction . . . . .	60,093	60,093	-	120,186
Total other financing sources (uses) . . . . .	<u>(816,237)</u>	<u>260,085</u>	<u>676,338</u>	<u>120,186</u>
Net change in fund balances . . . . .	(103,024)	(122,852)	(191,840)	(417,716)
<b>Fund balances at beginning of year . . . . .</b>	<u>625,295</u>	<u>172,167</u>	<u>746,143</u>	<u>1,543,605</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 522,271</u>	<u>\$ 49,315</u>	<u>\$ 554,303</u>	<u>\$ 1,125,889</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF HUBBARD, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

<b>Net change in fund balances - total governmental funds</b>	\$	(417,716)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
<p>Government funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>		
Capital asset additions	\$ 459,888	
Current year depreciation	<u>(486,405)</u>	
Total		(26,517)
<p>Proceeds of capital leases are recognized as other financing sources in the governmental funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.</p>		
		(120,186)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	4,977	
Income taxes	15,714	
Special assessments	14	
Intergovernmental revenues	<u>(3,157)</u>	
Total		17,548
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		823
<p>Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.</p>		
		406,294
<p>Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance on the statement of activities.</p>		
		(10,075)
<p>Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		4,684
<p>An internal service fund is used by management to charge the costs of health insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated.</p>		
		<u>(59,651)</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>(204,796)</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HUBBARD, OHIO**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 1,900,000	\$ 1,926,484	\$ 1,932,667	\$ 6,183
Property and other taxes. . . . .	313,662	264,180	265,028	848
Charges for services. . . . .	1,200	1,086	1,089	3
Licenses and permits . . . . .	62,000	61,077	61,273	196
Fines and forfeitures . . . . .	48,005	43,347	43,486	139
Intergovernmental. . . . .	282,955	256,567	257,390	823
Investment income . . . . .	315,000	330,828	331,890	1,062
Other . . . . .	6,100	47,895	48,048	153
Total revenues. . . . .	2,928,922	2,931,464	2,940,871	9,407
<b>Expenditures:</b>				
Current:				
General government . . . . .	460,750	420,402	420,442	(40)
Security of persons and property. . . . .	1,618,200	1,669,966	1,669,555	411
Public health and welfare . . . . .	18,000	15,035	15,032	3
Community environment. . . . .	2,700	495	491	4
Leisure time activity . . . . .	5,800	4,095	4,094	1
Debt service:				
Principal retirement . . . . .	13,147	13,150	13,147	3
Total expenditures . . . . .	2,118,597	2,123,143	2,122,761	382
Excess (deficiency) of revenues over (under) expenditures . . . . .	810,325	808,321	818,110	9,789
<b>Other financing sources (uses):</b>				
Transfers out . . . . .	(806,950)	(877,323)	(876,330)	993
Total other financing sources (uses) . . . . .	(806,950)	(877,323)	(876,330)	993
Net change in fund balance . . . . .	3,375	(69,002)	(58,220)	10,782
<b>Fund balance at beginning of year . . . . .</b>	297,810	297,810	297,810	-
<b>Prior year encumbrances appropriated. . . . .</b>	38,084	38,084	38,084	-
<b>Fund balance at end of year . . . . .</b>	\$ 339,269	\$ 266,892	\$ 277,674	\$ 10,782

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 488,000	\$ 350,605	\$ 350,605	\$ -
Investment income . . . . .	6,000	4,656	4,656	-
Other . . . . .	500	3,131	3,131	-
Total revenues . . . . .	<u>494,500</u>	<u>358,392</u>	<u>358,392</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	653,600	681,456	681,350	106
Debt service:				
Principal retirement . . . . .	<u>13,147</u>	<u>13,150</u>	<u>13,147</u>	<u>3</u>
Total expenditures . . . . .	<u>666,747</u>	<u>694,606</u>	<u>694,497</u>	<u>109</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(172,247)</u>	<u>(336,214)</u>	<u>(336,105)</u>	<u>109</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	200,000	199,992	199,992	-
Sale of capital assets . . . . .	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) . . . . .	<u>200,500</u>	<u>199,992</u>	<u>199,992</u>	<u>-</u>
Net change in fund balance . . . . .	28,253	(136,222)	(136,113)	109
<b>Fund balance at beginning of year . . . . .</b>	153,418	153,418	153,418	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>13,147</u>	<u>13,147</u>	<u>13,147</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 194,818</u>	<u>\$ 30,343</u>	<u>\$ 30,452</u>	<u>\$ 109</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HUBBARD, OHIO

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2008

	<b>Business-type Activities -Enterprise Funds</b>			
	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents . . . . .	\$ 866,022	\$ 905,670	\$ 3,505,253	\$ 209,527
Cash in segregated accounts . . . . .	-	300	200	-
Receivables (net of allowance for uncollectibles):				
Real and other taxes . . . . .	-	-	2,464	-
Accounts . . . . .	95,727	107,587	454,744	11,829
Unamortized bond issue costs . . . . .	84,592	-	-	-
Prepayments . . . . .	8,186	8,863	3,121	336
Materials and supplies inventory . . . . .	5,001	63,764	377,428	-
Deferred charges . . . . .	-	-	10,747	-
Total current assets . . . . .	<u>1,059,528</u>	<u>1,086,184</u>	<u>4,353,957</u>	<u>221,692</u>
Noncurrent assets:				
Investment in joint ventures . . . . .	-	-	203,546	-
Capital assets:				
Land and construction in progress . . . . .	531,104	85,345	333,896	-
Depreciable capital assets, net . . . . .	<u>5,693,098</u>	<u>4,911,842</u>	<u>2,724,885</u>	<u>-</u>
Total capital assets . . . . .	<u>6,224,202</u>	<u>4,997,187</u>	<u>3,058,781</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>6,224,202</u>	<u>4,997,187</u>	<u>3,262,327</u>	<u>-</u>
Total assets . . . . .	<u>7,283,730</u>	<u>6,083,371</u>	<u>7,616,284</u>	<u>221,692</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable . . . . .	7,197	40,638	300,784	4,792
Contracts payable . . . . .	78,574	-	-	-
Retainage payable . . . . .	14,869	-	-	-
Accrued wages and benefits . . . . .	12,268	16,114	30,538	-
Compensated absences . . . . .	24,732	36,356	34,539	-
Due to other governments . . . . .	9,310	11,929	29,910	-
Capital lease obligation . . . . .	21,881	-	-	-
Claims payable . . . . .	-	-	-	-
Revenue anticipation note . . . . .	-	-	2,011,500	-
Current portion of revenue bonds . . . . .	405,000	-	-	-
Current portion of OWDA loans . . . . .	-	104,677	-	-
Current portion of OPWC loans . . . . .	11,746	44,217	-	-
Accrued interest payable . . . . .	10,825	-	19,905	-
Total current liabilities . . . . .	<u>596,402</u>	<u>253,931</u>	<u>2,427,176</u>	<u>4,792</u>
Long-term liabilities:				
Capital lease obligation . . . . .	72,011	-	-	-
Revenue bonds . . . . .	1,722,357	-	-	-
OWDA loans . . . . .	-	1,613,355	-	-
OPWC loans . . . . .	111,586	563,253	-	-
Compensated absences . . . . .	62,966	20,362	24,506	-
Total long-term liabilities . . . . .	<u>1,968,920</u>	<u>2,196,970</u>	<u>24,506</u>	<u>-</u>
Total liabilities . . . . .	<u>2,565,322</u>	<u>2,450,901</u>	<u>2,451,682</u>	<u>4,792</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt . . . . .	3,879,621	2,671,685	1,047,281	-
Unrestricted . . . . .	<u>838,787</u>	<u>960,785</u>	<u>4,117,321</u>	<u>216,900</u>
Total net assets . . . . .	<u>\$ 4,718,408</u>	<u>\$ 3,632,470</u>	<u>\$ 5,164,602</u>	<u>\$ 216,900</u>

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 5,486,472	\$ 278,005
500	-
2,464	-
669,887	36
84,592	-
20,506	-
446,193	-
10,747	-
<u>6,721,361</u>	<u>278,041</u>
203,546	-
950,345	-
<u>13,329,825</u>	<u>-</u>
<u>14,280,170</u>	<u>-</u>
<u>14,483,716</u>	<u>-</u>
<u>21,205,077</u>	<u>278,041</u>
353,411	-
78,574	-
14,869	-
58,920	-
95,627	-
51,149	-
21,881	-
-	124,146
2,011,500	-
405,000	-
104,677	-
55,963	-
30,730	-
<u>3,282,301</u>	<u>124,146</u>
72,011	-
1,722,357	-
1,613,355	-
674,839	-
107,834	-
<u>4,190,396</u>	<u>-</u>
<u>7,472,697</u>	<u>124,146</u>
7,598,587	-
<u>6,133,793</u>	<u>153,895</u>
<u>13,732,380</u>	<u>\$ 153,895</u>
(27,777)	
<u>\$ 13,704,603</u>	

**CITY OF HUBBARD, OHIO**

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

**Business-type Activities - Enterprise Funds**

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,202,614	\$ 1,399,952	\$ 5,630,963	\$ 86,596
Tap-in fees . . . . .	5,600	-	-	-
Other . . . . .	-	10,231	-	12,633
Total operating revenues . . . . .	<u>1,208,214</u>	<u>1,410,183</u>	<u>5,630,963</u>	<u>99,229</u>
<b>Operating expenses:</b>				
Personal services . . . . .	474,549	532,581	923,464	-
Contract services . . . . .	238,587	552,045	3,593,975	6,573
Materials and supplies . . . . .	130,486	77,611	223,460	-
Other . . . . .	-	-	22,207	9,826
Depreciation . . . . .	260,856	159,917	305,350	-
Total operating expenses . . . . .	<u>1,104,478</u>	<u>1,322,154</u>	<u>5,068,456</u>	<u>16,399</u>
Operating income (loss) . . . . .	<u>103,736</u>	<u>88,029</u>	<u>562,507</u>	<u>82,830</u>
<b>Nonoperating revenues (expenses):</b>				
Interest revenue . . . . .	24	-	-	-
Property and other taxes . . . . .	-	-	31,692	-
Intergovernmental . . . . .	-	-	333,896	-
Interest expense and fiscal charges . . . . .	(132,858)	(119,509)	(84,933)	-
Investment in joint ventures . . . . .	-	-	(4,374)	-
Nonoperating expenses . . . . .	-	-	(218,861)	-
Total nonoperating revenues (expenses) . . . . .	<u>(132,834)</u>	<u>(119,509)</u>	<u>57,420</u>	<u>-</u>
Income (loss) before contributions . . . . .	(29,098)	(31,480)	619,927	82,830
Capital contributions . . . . .	258,160	-	-	-
Changes in net assets . . . . .	229,062	(31,480)	619,927	82,830
<b>Net assets at beginning of year . . . . .</b>	<u>4,489,346</u>	<u>3,663,950</u>	<u>4,544,675</u>	<u>134,070</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 4,718,408</u>	<u>\$ 3,632,470</u>	<u>\$ 5,164,602</u>	<u>\$ 216,900</u>

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Changes in net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 8,320,125	\$ 712,161
5,600	-
22,864	36
<u>8,348,589</u>	<u>712,197</u>
1,930,594	-
4,391,180	771,164
431,557	-
32,033	-
726,123	-
<u>7,511,487</u>	<u>771,164</u>
<u>837,102</u>	<u>(58,967)</u>
24	-
31,692	-
333,896	-
(337,300)	-
(4,374)	-
(218,861)	-
<u>(194,923)</u>	<u>-</u>
642,179	(58,967)
<u>258,160</u>	<u>-</u>
900,339	(58,967)
	<u>212,862</u>
	<u>\$ 153,895</u>
<u>684</u>	
<u>\$ 901,023</u>	

CITY OF HUBBARD, OHIO

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

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Electric</b>	<b>Nonmajor</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 1,205,482	\$ 1,408,600	\$ 5,598,699	\$ 74,767
Cash received from tap in fees . . . . .	5,600	10,231	-	-
Cash received from other operations . . . . .	9,112	-	-	12,633
Cash payments for personal services . . . . .	(469,214)	(536,407)	(927,608)	-
Cash payments for contract services . . . . .	(229,379)	(552,683)	(3,608,866)	(11,943)
Cash payments for materials and supplies . . . . .	(128,316)	(91,468)	(159,476)	-
Cash payments for other expenses . . . . .	-	-	(3,969)	-
Net cash provided by (used in) operating activities.	<u>393,285</u>	<u>238,273</u>	<u>898,780</u>	<u>75,457</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from operating grants . . . . .	-	-	337,587	-
Cash received from property and other taxes . . . . .	-	-	31,651	-
Cash payments for joint venture expenses . . . . .	-	-	(218,861)	-
Net cash provided by (used in) noncapital financing activities . . . . .	<u>-</u>	<u>-</u>	<u>150,377</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(108,382)	(12,300)	(543,510)	-
Principal retirement on bonds . . . . .	(385,000)	-	-	-
Principal retirement on loans . . . . .	(11,746)	(142,431)	-	-
Principal retirement on notes . . . . .	-	-	(2,123,250)	-
Principal retirement on capital leases . . . . .	(26,294)	-	-	-
Sale of notes . . . . .	-	-	2,011,500	-
Note issuance costs . . . . .	-	-	(14,711)	-
Interest and fiscal charges . . . . .	(103,794)	(119,509)	(88,612)	-
Net cash used in capital and related financing activities . . . . .	<u>(635,216)</u>	<u>(274,240)</u>	<u>(758,583)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest received . . . . .	24	-	988	-
Net cash provided by investing activities . . . . .	<u>24</u>	<u>-</u>	<u>988</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	(241,907)	(35,967)	291,562	75,457
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>1,107,929</u>	<u>941,937</u>	<u>3,213,891</u>	<u>134,070</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 866,022</u>	<u>\$ 905,970</u>	<u>\$ 3,505,453</u>	<u>\$ 209,527</u>



	<b>Governmental Activities - Internal</b>
<b>Total</b>	<b>Service Fund</b>
\$ 8,287,548	\$ 750,777
15,831	-
21,745	-
(1,933,229)	-
(4,402,871)	(768,321)
(379,260)	-
(3,969)	-
<u>1,605,795</u>	<u>(17,544)</u>
337,587	-
31,651	-
<u>(218,861)</u>	<u>-</u>
<u>150,377</u>	<u>-</u>
(664,192)	-
(385,000)	-
(154,177)	-
(2,123,250)	-
(26,294)	-
2,011,500	-
(14,711)	-
<u>(311,915)</u>	<u>-</u>
<u>(1,668,039)</u>	<u>-</u>
<u>1,012</u>	<u>-</u>
<u>1,012</u>	<u>-</u>
89,145	(17,544)
<u>5,397,827</u>	<u>295,549</u>
<u>\$ 5,486,972</u>	<u>\$ 278,005</u>

--Continued

**CITY OF HUBBARD, OHIO**

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

(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Business-type Activities - Enterprise Funds</b>			
	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 103,736	\$ 88,029	\$ 562,507	\$ 82,830
Adjustments:				
Depreciation . . . . .	260,856	159,917	305,350	-
Changes in assets and liabilities:				
Decrease (increase) in materials and supplies inventory . . . . .	4,510	(13,252)	64,421	-
Decrease (increase) in accounts receivable. . . . .	11,980	8,648	(32,264)	(11,829)
Decrease (increase) in prepayments . . . . .	(5,909)	(6,835)	(282)	(336)
Increase (decrease) in accounts payable . . . . .	(2,090)	5,592	3,317	4,792
Increase in accrued wages and benefits. . . . .	1,767	3,277	5,471	-
Decrease in due to other governments. . . . .	(2,207)	(2,560)	(5,431)	-
Increase in retainage payable. . . . .	14,869	-	-	-
Increase (decrease) in compensated absences payable . . . . .	5,773	(4,543)	(4,309)	-
Increase in claims payable . . . . .	-	-	-	-
Net cash provided by (used in) operating activities . . . . .	<u>\$ 393,285</u>	<u>\$ 238,273</u>	<u>\$ 898,780</u>	<u>\$ 75,457</u>

**Non-cash transactions:**

During 2008, the Sewer fund received \$258,160 in capital contributions.  
 During 2008, the Sewer fund purchased capital assets on account of \$78,574.  
 Equipment obtained via capital lease during 2008 amounted to \$120,186 in the Sewer fund.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 837,102	\$ (58,967)
726,123	-
55,679	-
(23,465)	38,580
(13,362)	1,200
11,611	(600)
10,515	-
(10,198)	-
14,869	-
(3,079)	-
-	2,243
\$ 1,605,795	\$ (17,544)

**CITY OF HUBBARD, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2008

	<u>Private Purpose Trust</u>	<u>Agency</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 7,517	\$ 2,215
Receivables:		
Real and other taxes. . . . .	-	27,819
Due from other governments . . . . .	-	1,577
	<u>7,517</u>	<u>31,611</u>
Total assets. . . . .	<u>7,517</u>	<u>\$ 31,611</u>
<b>Liabilities:</b>		
Due to other governments . . . . .	-	\$ 29,396
Deposits held and due to others. . . . .	-	2,215
	<u>-</u>	<u>31,611</u>
Total liabilities . . . . .	<u>-</u>	<u>\$ 31,611</u>
<b>Net assets:</b>		
Held in trust for other purposes . . . . .	<u>7,517</u>	
Total net assets . . . . .	<u>\$ 7,517</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF HUBBARD, OHIO**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Interest . . . . .	\$ 30
Total additions . . . . .	<u>30</u>
Changes in net assets . . . . .	30
Net assets at beginning of year . . . . .	<u>7,487</u>
Net assets at end of year . . . . .	<u><u>\$ 7,517</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF HUBBARD, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE CITY**

The City of Hubbard, Ohio (the "City") was created in 1868. It is located in Trumbull County and is a politic and corporate body established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services to its residents: public safety (police), Mayor's court, highways and streets, public improvements, community development (planning and zoning), water, sewer, electric, parks and recreation and general administrative services.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. The City's significant accounting policies are described below.

**A. Reporting Entity**

For financial reporting purposes, the City's BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's BFS to be misleading or incomplete. Based upon the foregoing criteria, the City has no component units.

The following organizations are described due to their relationship to the City:

*JOINTLY GOVERNED ORGANIZATIONS*

Municipal Energy Services Agency (MESA) - The City has signed an Intergovernmental Joint Venture Agreement with MESA to access a pool of personnel experienced in the planning, management, engineering, construction, safety training and other technical aspects of the operation and maintenance of municipal electric and other utility systems; to provide those services on call, as needed and as available for the benefit of the City. The City will incur no financial obligation to the jointly governed organization unless and until it avails itself of the services of the jointly governed organization.

## CITY OF HUBBARD, OHIO

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

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

Hubbard Township-City of Hubbard Joint Economic Development District (District) - The City has entered into a contractual agreement with the Township to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State, Trumbull County, the Township and the City. The District is administered by a five member Board of Directors consisting of a Trustee representative of the Township, a representative of the City, a representative of business owners within the District, a representative of persons working within the District, and an additional member selected by the previously mentioned members who shall serve as Board Chairman. The City and the Township are to make a minimum annual contribution of \$500 each to the District's operation reserve fund to provide for administrative costs and expenses of the Board. In 2008, the Board waived the \$500 annual contribution. The City has an ongoing financial responsibility to fund the District. Upon termination of the contractual agreement, any property, assets and obligations of the District shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party.

Eagle Joint Fire District (District) - The Eagle Joint Fire District is a jointly governed organization pursuant to the Ohio Revised Code 505.371. The District was formed in 2008 and consists of the City of Hubbard and Hubbard Township. The District Board consists of a Trustee from the City, a Trustee from the Township and three residents of the District. Each year a new resident is appointed by the City in odd numbered years and by the Township in even numbered years. Revenues are generated from fire district levies. During 2008, the City contributed \$96,391 to the District.

#### *JOINT VENTURE WITH EQUITY INTEREST*

Ohio Municipal Electric Generation Agency Joint Ventures (OMEGA JV1-OMEGA JV5) The City's Electric Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. Title to these six diesel-powered generating units was transferred to the 21 municipal electric systems from American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Each member has a contract which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. In accordance with the joint venture agreement, the City remitted \$5,400 to the joint venture for 2008. Complete financial statements for OMEGA JV1 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

The City is a Financing Participant with an ownership percentage of 2.07% and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interest, as tenants in common, without the right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP-Ohio.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.



**CITY OF HUBBARD, OHIO**

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis.

Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2008, the City has met its debt coverage obligation.

The Agreement provides that the failure of any OMEGA JV5 participant to make payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting OMEGA JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting OMEGA JV5's Participant's entitlement to Project Power, which together with the share of the other non-defaulting OMEGA JV5 Participants, is equal to the defaulting OMEGA JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting OMEGA JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting OMEGA JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP-Ohio, which acts as the joint venture's agent. During 1993 and 2001, AMP-Ohio issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates on behalf of the Financing Participants of OMEGA JV5. The 2001 certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004, the 1993 certificates were refunded by issuing 2004 beneficial interest refunding certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric enterprise fund. The City's net investment to date in OMEGA JV5 was \$185,450 at December 31, 2008. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

The following is a summary of audited financial information of OMEGA JV1 and OMEGA JV5 as of the year ended December 31, 2008:

	<u>OMEGA JV1</u>	<u>OMEGA JV5</u>
Total assets	\$ 593,748	\$ 161,773,589
Total liabilities	116,267	152,814,668
Members equity	477,481	8,958,921
Total revenues	151,530	23,858,285
Total expenses	154,545	23,848,853
Special item - distribution to shareholders	(117,550)	-
Change in net assets	(120,565)	9,432

**CITY OF HUBBARD, OHIO**

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

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

The City's undivided ownership of OMEGA JV1 and OMEGA JV5 is 3.79 and 2.07 percent, respectively.

The City reports equity interest equal to their undivided ownership percentage of the joint ventures members' equity. OMEGA JV1 does not have any debt outstanding. Separate financial statements for both joint ventures are available through either the City or AMP-Ohio.

The City will report the equity interest of these joint ventures on the balance sheet as follows:

Equity interest in OMEGA JV1	\$ 18,096
Equity interest in OMEGA JV5	<u>185,450</u>
Total investment in joint ventures	<u><u>\$ 203,546</u></u>

The following tables show the major participants and percentage of ownership for the JV1 and JV5 projects:

OMEGA JV1		OMEGA JV5	
<u>Participants</u>	<u>Percentage of Ownership</u>	<u>Participants</u>	<u>Percentage of Ownership</u>
Cuyahoga Falls	21.05	Cuyahoga Falls	16.67
Niles	17.71	Bowling Green	15.73
Wadsworth	11.24	Niles	10.63
Hudson	10.37	Napoleon	7.35
Galion	6.53	Jackson	7.14
Oberlin	5.52	Hudson	5.69
Amherst	5.42	Wadsworth	5.62
Hubbard	3.79	Oberlin	3.02
Columbiana	3.03	New Bremen	2.38
Wellington	2.95	Bryan	2.19
Other	<u>12.39</u>	Other	<u>23.58</u>
Total	<u><u>100.00</u></u>	Total	<u><u>100.00</u></u>

**B. Basis of Presentation - Fund Accounting**

The City's (BFS) 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 HUBBARD, OHIO

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

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

**Government-wide Financial Statements** - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service fund are eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. On the statement of activities, interfund services provided and used are not eliminated in the process of consolidation.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the City.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operation. The principal operating revenues of the City’s proprietary funds are charges for sales and services. Operating expenses for the enterprise fund include personnel and other expenses related to sewer, water and electric operations and operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The private-purpose trust and agency funds are reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

#### **C. Fund Accounting**

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

**CITY OF HUBBARD, OHIO**

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

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

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

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

*Street construction and maintenance fund* - This fund accounts for all transactions relating to street maintenance and construction.

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

***Proprietary Funds*** - Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

*Enterprise funds* - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

*Sewer fund* - This fund accounts for the operations of providing sewage services to customers and to maintain the local sewer system of the City.

*Water fund* - This fund accounts for the operations of providing water services to its customers and to maintain the local water system of the City.

*Electric fund* - This fund accounts for the operations of providing electric services to customers and to maintain the local electric system of the City.

*Internal service fund* - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on the operations of hospitalization and health insurance.

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are private purpose trust funds which account for the maintenance of the Mizner and Hultz family plots and agency funds which account for the Mayor's Court and Hubbard Union Cemetery.

**CITY OF HUBBARD, OHIO**

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

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

**D. Measurement Focus and Basis of Accounting**

*Government-wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services for water, sewer and electric. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**E. Basis of Accounting**

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

*Revenues - Exchange and Non-exchange Transactions* - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the 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.

**CITY OF HUBBARD, OHIO**

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, State-levied locally shared taxes (including gasoline tax and local government funds), fines and forfeitures and fees.

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

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

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

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

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

**F. Budgetary Data**

The City follows these procedures in establishing the budgetary data reported in the financial statements:

*Tax Budget* - A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except agency funds, are legally required to be budgeted; however, only governmental funds are legally required to be reported.

**CITY OF HUBBARD, OHIO**

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

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

***Estimated Resources*** - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31. Further amendments may be made during the year if money from a new revenue source is received or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificate of estimated resources issued during 2008.

***Appropriations*** - A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, function, department and line item level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

***Budgeted Level of Expenditures*** - Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority of Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For all funds, Council appropriations are made by fund, function (i.e. security of persons and property), department (i.e. police), and line item (i.e. salaries). This is known as the legal level of budgetary control. Any changes in appropriations outside of the legal level of budgetary control require the approval of Council by an appropriation amendment ordinance.

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

**G. Health Care**

The Comprehensive Omnibus Budget Reconciliation Act (COBRA) of 1986 required the City to offer and provide terminated or retired employees continued participation in the City's employee health care benefits program, provided that the employees pay the rate established by the plan administrator. The City incurred no expenditures or revenues in providing these services. The participating former employees make premium payments directly to the City's Insurance Provider and the Provider is responsible for all claims.

**H. Cash and Investments**

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

## CITY OF HUBBARD, OHIO

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

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

During 2008, investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts are reported at cost.

The City has invested funds in STAR Ohio during 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2008.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2008, interest revenue credited to the general fund amounted to \$322,210 which includes \$307,419 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. This interest bearing depository account is presented on the financial statements as "cash in segregated accounts" since it is not required to be deposited into the City treasury.

For purposes of the statement of cash flows and for presentation on the statement of net assets, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

An analysis of the City's investment account at year-end is provided in Note 4.

#### **I. Inventories of Materials and Supplies**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

#### **J. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.



**CITY OF HUBBARD, OHIO**

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of traffic signals, sidewalks, storm sewers, streets, and water, sewer, and electric lines. Infrastructure acquired prior to the implementation of GASB Statement No. 34 has been reported. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Autos and trucks	4	4
Machinery, equipment, furniture and fixtures	5 - 20	5 - 20
Building improvements	15	15
Sewer and water treatment plants and buildings	N/A	20 - 40
Other buildings	40	40
Infrastructure	15 - 30	20 - 50

**K. Compensated Absences**

Compensated absences of the City consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service or any employee with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

**CITY OF HUBBARD, OHIO**

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**L. Prepayments**

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

**M. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss**

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond issuance costs are reported as a separate line item on the statement of net assets.

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt.

On the governmental fund financial statements, issuance costs and bond premiums and discounts are recognized in the period in which they are incurred. The reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 12.

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

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

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

**CITY OF HUBBARD, OHIO**

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

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

**O. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**P. Interfund Activity**

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

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

**Q. Fund Balance Reserves**

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

The City reports a reservation of fund balance for amounts representing prepaid expenditures, materials and supplies inventory, perpetual care and unclaimed monies in the governmental fund financial statements.

**R. Estimates**

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

**S. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements. During 2008, the sewer fund received \$258,160 in capital contributions which consisted of assets purchased by governmental funds.

**CITY OF HUBBARD, OHIO**

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

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

**T. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes consist primarily of capital projects, street construction maintenance and repair, programs to enhance the security of persons and property and the parks and recreation.

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

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City; however, certain disclosures related to postemployment benefits (see Note 16) have been modified to conform to the new reporting requirements.

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

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

**CITY OF HUBBARD, OHIO**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at December 31, 2008 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Issue II Jones stormwater project fund	\$ 42,169
West Liberty sidewalk fund	28,083

These funds complied with Ohio State law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances result from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

**CITY OF HUBBARD, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At year-end, the City had \$1,001 in undeposited cash on hand which is included on the financial statements of the City as part of "cash in segregated accounts."

**B. Deposits with Financial Institutions**

At December 31, 2008, the carrying amount of all City deposits was \$6,717,493. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2008, \$6,330,731 of the City's bank balance of \$6,730,501 was exposed to custodial risk as discussed below, while \$399,770 was covered by the Federal Deposit Insurance Corporation.

**CITY OF HUBBARD, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**C. Investments**

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> 6 months or less
STAR Ohio	\$ 51,861	\$ 51,861
Total	<u>\$ 51,861</u>	<u>\$ 51,861</u>

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

*Credit Risk:* Standard & Poor's has assigned STAR Ohio an AAA money market rating.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Auditor or qualified trustee.

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

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 51,861	100.00
Total	<u>\$ 51,861</u>	<u>100.00</u>

**CITY OF HUBBARD, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,717,493
Investments	51,861
Cash on hand	<u>1,001</u>
Total	<u>\$ 6,770,355</u>
<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 1,273,651
Business type activities	5,486,972
Private-purpose trust funds	7,517
Agency funds	<u>2,215</u>
Total	<u>\$ 6,770,355</u>

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2008, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>
	<u>General</u>
Street construction and maintenance fund	\$ 199,992
Nonmajor debt service	509,070
Nonmajor special revenue	76,362
Nonmajor capital projects	<u>90,906</u>
	<u>\$ 876,330</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.



## CITY OF HUBBARD, OHIO

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

#### NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Hubbard. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue.

**CITY OF HUBBARD, OHIO**

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

The full tax rate for all City operations for the year ended December 31, 2008 was \$3.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real property tax	\$ 112,379,640
Personal property tax	2,183,955
Public utility tax	<u>661,420</u>
Total assessed valuation	<u><u>\$ 115,225,015</u></u>

**NOTE 7 - LOCAL INCOME TAX**

The one and a half percent City income tax, which is not subject to renewal, is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income tax on income they earn outside the City, however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Major employers are required to remit withholdings to the City monthly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City. For governmental funds, income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2008. Income tax revenue for 2008 was \$1,903,813 in the general fund.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2008, consisted of taxes, accounts (billings for user charged services), special assessments and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2008.

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

**Governmental activities:**

Income taxes	\$ 468,418
Real and other taxes	403,389
Accounts	3,067
Special assessments	185
Due from other governments	251,377

**Business-type activities:**

Real and other taxes	2,464
Accounts	669,887

Receivables have been disaggregated on the face of the BFS. The only receivables not expected to be collected within the subsequent year are the special assessments which are collected over the life of the assessment.

**CITY OF HUBBARD, OHIO**

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

**NOTE 9 - CAPITAL ASSETS**

A. Governmental activities capital asset activity for the year ended December 31, 2008 was as follows:

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/08</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 597,871	\$ -	\$ -	\$ 597,871
Construction in progress	<u>98,350</u>	<u>-</u>	<u>(98,350)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>696,221</u>	<u>-</u>	<u>(98,350)</u>	<u>597,871</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	510,247	98,030	-	608,277
Buildings and improvements	1,976,052	-	-	1,976,052
Furniture and equipment	629,564	-	-	629,564
Vehicles	1,313,920	167,120	(19,624)	1,461,416
Infrastructure	<u>5,105,919</u>	<u>293,088</u>	<u>-</u>	<u>5,399,007</u>
Total capital assets, being depreciated	<u>9,535,702</u>	<u>558,238</u>	<u>(19,624)</u>	<u>10,074,316</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(158,066)	(27,850)	-	(185,916)
Buildings and improvements	(525,311)	(40,496)	-	(565,807)
Furniture and equipment	(349,680)	(52,029)	-	(401,709)
Vehicles	(1,053,794)	(88,953)	19,624	(1,123,123)
Infrastructure	<u>(2,997,247)</u>	<u>(277,077)</u>	<u>-</u>	<u>(3,274,324)</u>
Total accumulated depreciation	<u>(5,084,098)</u>	<u>(486,405)</u>	<u>19,624</u>	<u>(5,550,879)</u>
Total capital assets being depreciated, net	<u>4,451,604</u>	<u>71,833</u>	<u>-</u>	<u>4,523,437</u>
Governmental activities capital assets, net	<u>\$ 5,147,825</u>	<u>\$ 71,833</u>	<u>\$ (98,350)</u>	<u>\$ 5,121,308</u>

Depreciation expense was charged to governmental activities as follows:

**Governmental activities:**

General government	\$ 15,636
Security of persons and property	124,554
Transportation	342,797
Leisure time activity	<u>3,418</u>
Total depreciation expense - governmental activities	<u>\$ 486,405</u>

**CITY OF HUBBARD, OHIO**

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

**NOTE 9 - CAPITAL ASSETS - (Continued)**

**B.** Business-type activities capital asset activity for the year ended December 31, 2008 was as follows:

<b><u>Business-type activities:</u></b>	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 180,423	\$ -	\$ -	\$ 180,423
Construction in progress	<u>-</u>	<u>769,922</u>	<u>-</u>	<u>769,922</u>
Total capital assets, not being depreciated	<u>180,423</u>	<u>769,922</u>	<u>-</u>	<u>950,345</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	320,582	-	-	320,582
Buildings and improvements	4,479,174	9,829	-	4,489,003
Furniture and equipment	5,863,979	21,390	-	5,885,369
Vehicles	679,793	312,296	-	992,089
Infrastructure	<u>13,983,288</u>	<u>-</u>	<u>-</u>	<u>13,983,288</u>
Total capital assets, being depreciated	<u>25,326,816</u>	<u>343,515</u>	<u>-</u>	<u>25,670,331</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(152,419)	(13,879)	-	(166,298)
Buildings and improvements	(2,137,319)	(113,486)	-	(2,250,805)
Furniture and equipment	(3,984,403)	(214,835)	-	(4,199,238)
Vehicles	(599,879)	(55,322)	-	(655,201)
Infrastructure	<u>(4,740,363)</u>	<u>(328,601)</u>	<u>-</u>	<u>(5,068,964)</u>
Total accumulated depreciation	<u>(11,614,383)</u>	<u>(726,123)</u>	<u>-</u>	<u>(12,340,506)</u>
Total capital assets, being depreciated, net	<u>13,712,433</u>	<u>(382,608)</u>	<u>-</u>	<u>13,329,825</u>
Business-type activities capital assets, net	<u>\$ 13,892,856</u>	<u>\$ 387,314</u>	<u>\$ -</u>	<u>\$ 14,280,170</u>

Depreciation expense was charged to the enterprise funds as follows:

<b><u>Business-type activities:</u></b>	
Water	\$ 159,917
Sewer	260,856
Electric	<u>305,350</u>
Total depreciation expense - business-type activities	<u>\$ 726,123</u>

**CITY OF HUBBARD, OHIO**

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

**NOTE 10 - VACATION AND SICK LEAVE LIABILITY**

Vacation and sick leave accumulated by governmental fund type employees have been recorded in the statement of net assets to the extent the liability was due at year-end. Vacation and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund.

Upon termination of City service, a fully vested employee is entitled to a percentage of accumulated sick leave based on years of service. At December 31, 2008, vested benefits for vacation leave for governmental fund type employees, totaled \$101,460 and vested benefits for sick leave, totaled \$124,115. For proprietary fund types, vested benefits for vacation leave totaled \$69,893 and vested benefits for sick leave totaled \$107,834 at December 31, 2008. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

**NOTE 11 - CAPITAL LEASES**

During 2008, the City entered into a capital lease agreement for a sewer cleaner. The sewer cleaner has been capitalized on a basis of one-half in the governmental activities and one-half in the sewer fund, because the asset will be used by all of the funds. This lease agreement meets the criteria of a capital lease as defined by FASB Statement No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee.

The amount in governmental activities of \$120,186 represents the present value of the minimum lease payments at the time of acquisition and the amount of \$120,186 represents the present value of the minimum lease payments at the time of acquisition for the sewer fund. As of December 31, 2008, accumulated depreciation was \$7,512 in governmental activities, resulting in a carrying value of \$112,674. A corresponding liability was recorded in the governmental activities long-term obligations. As of December 31, 2008, accumulated depreciation was \$7,512 in the sewer fund, resulting in a carrying value of \$112,674. A corresponding liability was recorded in the sewer fund. Principal payments in 2008 totaled \$26,294 in governmental activities and \$26,294 in the sewer enterprise fund.

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

Year Ending December 31, 2008	<u>Governmental Funds</u>		<u>Enterprise</u>
	<u>General</u>	<u>Street Construction and Maintenance</u>	<u>Sewer</u>
2009	\$ 13,148	\$ 13,147	\$ 26,294
2010	13,147	13,148	26,294
2011	13,147	13,147	26,295
2012	13,147	13,147	26,295
Total	52,589	52,589	105,178
Less: amount representing interest	(5,643)	(5,643)	(11,286)
Present value of net minimum lease payments	<u>\$ 46,946</u>	<u>\$ 46,946</u>	<u>\$ 93,892</u>

**CITY OF HUBBARD, OHIO**

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

**NOTE 12 - LONG-TERM OBLIGATIONS**

A. The City's long term obligations at December 31, 2008 were as follows:

	Interest Rate	Balance at 12/31/07	Additions	Reductions	Balance at 12/31/08	Amounts Due in One Year
<b>Governmental activities:</b>						
Compensated absences		\$ 230,259	\$ 120,808	\$ (125,492)	\$ 225,575	\$ 101,460
Capital lease obligation		-	120,186	(26,294)	93,892	21,882
General obligation bonds	2.6-3.7%	<u>4,370,000</u>	-	<u>(380,000)</u>	<u>3,990,000</u>	<u>390,000</u>
Total long-term obligations, governmental activities		<u>\$ 4,600,259</u>	<u>\$ 240,994</u>	<u>\$ (531,786)</u>	<u>\$ 4,309,467</u>	<u>\$ 513,342</u>
<b><u>Business-type activities:</u></b>						
<b><u>Refunding BAN:</u></b>						
Sewer System - 2007	4.00-4.13%	<u>\$ 2,580,000</u>	\$ -	<u>\$ (385,000)</u>	<u>\$ 2,195,000</u>	<u>\$ 405,000</u>
<b><u>OPWC Loans:</u></b>						
Sewer Issue II Lift Station	0.00%	135,078	-	(11,746)	123,332	11,746
Waterline Looping	0.00%	74,645	-	(6,490)	68,155	6,490
Waterline Replacement	0.00%	112,123	-	(7,732)	104,391	7,732
N. Main Waterline	0.00%	<u>464,919</u>	-	<u>(29,995)</u>	<u>434,924</u>	<u>29,995</u>
Total OPWC Loans		<u>786,765</u>	-	<u>(55,963)</u>	<u>730,802</u>	<u>55,963</u>
<b><u>OWDA Loan:</u></b>						
Transmission Waterlines	6.58%	<u>1,816,246</u>	-	<u>(98,214)</u>	<u>1,718,032</u>	<u>104,677</u>
<b><u>Other Long-Term Obligations</u></b>						
Compensated absences		206,540	98,632	(101,711)	203,461	95,627
Capital lease obligation		-	120,186	(26,294)	93,892	21,881
Total long-term obligations, business-type activities		<u>206,540</u>	<u>218,818</u>	<u>(128,005)</u>	<u>297,353</u>	<u>117,508</u>
Total long-term obligations, business-type activities		<u>\$ 5,389,551</u>	<u>\$ 218,818</u>	<u>\$ (667,182)</u>	4,941,187	<u>\$ 683,148</u>
				Add: Unamortized premium on bond issuance	25,994	
				Less: Unamortized deferred charges on refundings	<u>(93,637)</u>	
				Total reported on the statement of net assets	<u>\$ 4,873,544</u>	

Capital lease obligations are described in Note 11.

Compensated absences will be paid from the fund from which the employee is paid, which, primarily is the general and street funds for governmental and electric, sewer and water for business-type activities.

**CITY OF HUBBARD, OHIO**

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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

- B.** On February 15, 2007, the City issued \$2,980,000 in bond anticipation notes (BANs) to refund outstanding sewer system revenue bonds. This refunded debt is considered defeased (in-substance) and, accordingly, has been removed from the statement of net assets. The balance of the refunded BAN at December 31, 2008 is \$2,195,000. The BANs have an interest rate of 4.00 - 4.13% and will mature in the year 2013.

The reacquisition price exceeded the net carrying amount of the old debt by \$128,552. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 6 years by 3.68% and resulted in an economic gain of \$778,872.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2,980,000 in Series 2007 sewer refunding BANs. Proceeds of the sewer refunding BANs were used to refund the outstanding balance of previously issued Series 1997 sewer revenue bonds. The Series 2007 sewer refunding BANs are payable solely from sewer customer net revenues and are payable through 2013. Annual principal and interest payments on the bonds are expected to require less than 99.99 percent of net revenues. The total principal and interest remaining to be paid on the Series 2007 sewer refunding BANs is \$2,957,364. Principal and interest paid for the current year and total customer net revenues were \$488,794 and \$364,616, respectively.

The City has entered into four debt financing arrangements through the Ohio Public Works Commission (OPWC) to fund a lift station replacement, waterline looping project and waterline replacements. The amounts due to the OPWC are payable solely from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2008, the City has outstanding borrowings of \$123,332, \$68,155, \$104,391 and \$434,924 in the water and sewer funds. The loan agreements require semi-annual payments based on the actual amount loaned. The OPWC loans are interest free.

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund construction projects. The amounts due to the OWDA are payable solely from water revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2008, the City has outstanding borrowings of \$1,718,032. The loan agreement requires semi-annual payments based on the actual amount loaned.

On July 7, 2005 the City issued \$5,100,000 in general obligation capital improvement bonds for various construction projects and improvements. The issue is comprised of general obligation bonds with an annual interest rate ranging from 2.60% - 3.70% and mature in 2017. The general obligation bonds are secured by the full faith and credit of the City. The general obligation bonds will be paid from the general obligation bond retirement fund (a nonmajor governmental fund). The principal balance of the general obligation capital improvement bonds at December 31, 2008 was \$3,990,000.

**CITY OF HUBBARD, OHIO**

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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

The following is the summary of the City's future annual debt service and interest requirements for long-term obligations:

Year Ending <u>December 31,</u>	General Obligation Capital Acquisition Bonds			OPWC Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 390,000	\$ 135,027	\$ 525,027	\$ 55,963	\$ -	\$ 55,963
2010	400,000	123,523	523,523	55,964	-	55,964
2011	415,000	111,323	526,323	55,964	-	55,964
2012	425,000	98,042	523,042	55,964	-	55,964
2013	440,000	84,017	524,017	55,963	-	55,963
2014 - 2018	1,920,000	177,323	2,097,323	279,819	-	279,819
2019 - 2023	-	-	-	<u>171,158</u>	-	<u>171,158</u>
	<u>\$ 3,990,000</u>	<u>\$ 729,255</u>	<u>\$ 4,719,255</u>	<u>\$ 730,795</u>	<u>\$ -</u>	<u>\$ 730,795</u>

Year Ending <u>December 31,</u>	Sewer System Refunding BAN			OWDA Loan		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 405,000	\$ 88,394	\$ 493,394	\$ 104,677	\$ 113,047	\$ 217,724
2010	420,000	72,194	492,194	111,564	106,159	217,723
2011	435,000	55,394	490,394	118,905	98,818	217,723
2012	460,000	37,994	497,994	126,729	90,994	217,723
2013	475,000	19,594	494,594	135,068	82,655	217,723
2014 - 2018	-	-	-	820,941	267,675	1,088,616
2019 - 2021	-	-	-	<u>300,148</u>	<u>26,437</u>	<u>326,585</u>
Total	<u>\$ 2,195,000</u>	<u>\$ 273,570</u>	<u>\$ 2,468,570</u>	<u>\$ 1,718,032</u>	<u>\$ 785,785</u>	<u>\$ 2,503,817</u>

**NOTE 13 - SHORT-TERM OBLIGATIONS**

On September 27, 2007, the City issued a \$2,123,250 electric system improvements note through American Municipal Power of Ohio. The note was used to provide interim financing for the acquisition and installation of diesel generators for use in the City's electric system. The note was retired on September 25, 2008. On September 25, 2008, the City issued an additional \$2,011,500 electric system improvements note through American Municipal Power of Ohio. The note, which is a liability of the electric fund, is due within one year. The following is a summary of the note activity for 2008:

	<u>Interest Rate</u>	<u>Balance at 12/31/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/08</u>
<u>Revenue Anticipation Notes</u>					
Electric System Improvements	3.75%	\$ -	\$ 2,011,500	\$ -	\$ 2,011,500
Electric System Improvements	3.70%	<u>2,123,250</u>	<u>-</u>	<u>(2,123,250)</u>	<u>-</u>
Total		<u>\$ 2,123,250</u>	<u>\$ 2,011,500</u>	<u>\$ (2,123,250)</u>	<u>\$ 2,011,500</u>



**CITY OF HUBBARD, OHIO**

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

**NOTE 14 - RISK MANAGEMENT**

**A. Comprehensive**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008, the City was insured through the Argonaut Insurance Group for all property and equipment, general liability, wrongful acts, law enforcement, public official, employment practices, automobile, employee dishonesty, money and securities, inland marine, EDP and umbrella liability. The insurance plan was purchased through Victor Buck Insurance Agency. The City has transferred risk of loss to the insurance carrier to the extent of the limits below.

<u>Type of Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
Property and Equipment Breakdown	\$29,393,000	\$1,000
General liability:		
Per occurrence	1,000,000	0
Aggregate	3,000,000	0
Law enforcement liability/wrongful acts:		
Per occurrence	1,000,000	10,000
Aggregate	2,000,000	0
Public official liability/wrongful acts:		
Per occurrence	1,000,000	10,000
Aggregate	2,000,000	0
Employment Practices Liability	1,000,000	10,000
Automobile:		
Liability	1,000,000	0
Comprehensive	0	500
Collision	0	500
Employee Dishonesty	250,000	500
Money and Securities	5,000	500
Inland Marine	914,000	500
EDP	409,000	1,000
Umbrella Liability	5,000,000	10,000

**B. Employee Health Insurance**

The City maintains an Employees Health Self-Insurance Fund which has been classified as an Internal Service Fund in the accompanying BFS. The purpose of this fund is to pay the cost of medical benefits provided to City employees and their covered dependents for which the City is self-insured. The City is self-insured for the first \$45,000 per participant; annual claims above such amount are paid for by specific stop-loss insurance which the City maintains.

The City had one occurrence in which settled claims exceeded the self-insurance amount. The liability for unpaid claims of \$124,146 reported in the Internal Service Fund at December 31, 2008, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by FASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The entire claims liability is expected to be paid within the current year.

**CITY OF HUBBARD, OHIO**

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

**NOTE 14 - RISK MANAGEMENT - (Continued)**

Changes in the fund's liability during 2008 are as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2008	\$ 121,903	\$ 770,564	\$ (768,321)	\$ 124,146
2007	109,104	767,988	(755,189)	121,903

**C. Workers' Compensation**

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate of \$100 of payroll plus administrative costs. The rate is determined based on accident history of the City. The City also pays unemployment claims to the State of Ohio as incurred.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**NOTE 15 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

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

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

**CITY OF HUBBARD, OHIO**

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

**NOTE 15 - PENSION PLANS - (Continued)**

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

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

The City's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 10.40% of covered payroll. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$143,530, \$164,541 and \$171,933, respectively; 92.64% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

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

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers was \$98,907 for the year ended December 31, 2008, \$99,588 for the year ended December 31, 2007 and \$69,141 for the year ended December 31, 2006. The full amount has been contributed for 2008, 2007 and 2006.

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

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

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

**CITY OF HUBBARD, OHIO**

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

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$143,530, \$108,340 and \$84,097, respectively; 92.64% has been contributed for 2008 and 100% has been contributed for 2007 and 2006.

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

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

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

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

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

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

**CITY OF HUBBARD, OHIO**

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

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

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

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

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers was \$52,363 for the year ended December 31, 2008, \$52,687 for the year ended December 31, 2007 and \$45,520 for the year ended December 31, 2006. The full amount was contributed for 2008, 2007 and 2006.

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and 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 and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP); and,
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

**CITY OF HUBBARD, OHIO**

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

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

	<b>Net Change in Fund Balance</b>	
	<u>General</u>	<u>Street Construction and Maintenance</u>
Budget basis	\$ (58,220)	\$ (136,113)
Net adjustment for revenue accruals	(36,390)	(1,830)
Net adjustment for expenditure accruals	(68,507)	(45,002)
Net adjustment for other financing sources/(uses)	<u>60,093</u>	<u>60,093</u>
GAAP basis	<u>\$ (103,024)</u>	<u>\$ (122,852)</u>

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2008.

**B. Litigation**

The City is not currently a party to any legal proceedings.

**NOTE 19 – OPERATING LEASE**

The City passed Ordinance No. 15-08 on September 2, 2008, to enter into a 60-month lease and maintenance agreement with IKON Office Solutions (IOS), Inc., for the lease of five (5) photocopy machines, at a monthly rate of \$515 for 13,500 black and white copies, commencing on September 11, 2008 and concluding on September 10, 2013.

The following is a schedule of future minimum lease payments:

<u>Year Ending December 31,</u>	<u>Amount</u>
2009	\$ 6,180
2010	6,180
2011	6,180
2012	6,180
2013	<u>4,292</u>
Total - Present value of minimum lease payments	<u>\$ 29,012</u>

**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

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**CITY OF HUBBARD, OHIO**  
INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

**General Fund**

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

**Special Revenue Funds**

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

**Nonmajor Special Revenue Fund**

***Indigent Drivers Fund***

To account for revenues generated from fines imposed by the Mayor's Court for DUI arrests to be used for DUI enforcement training for police officers and other traffic safety programs.

***Enforcement and Education***

To account for grant monies received from DUI arrests to be used for enforcement and education and for DUI housing reimbursements pursuant to Ohio Revised Code Section 4511.191.

***Fire District***

To account for voted property tax levies and contracts that relate to the operations of the Fire Department.

***State Highway***

To account for revenues generated from license and gasoline taxes to be used on State highways located within the City.

***Maple Grove Cemetery***

To account for revenue generated from the sale of grave lots and fees for grave openings to provide maintenance and long-term care of the City's public cemetery.

***Recreation***

To account for shared intergovernmental revenues and allocations of local income tax monies for the maintenance of public parks located within the City as well as community recreation/activity programs for area children during the summer months.

***Drug and Law Enforcement***

To account for revenues received from seizures of State drug cases.

***Range Fund***

To account for revenues generated from police firing range rental fees and the related expenditures for the maintenance and improvement of the outdoor firing range facility.

***Escrow Account***

To account for monies being held by the City for cash deposit in lieu of construction surety bonds.

**CITY OF HUBBARD, OHIO**

INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

**Nonmajor Special Revenue Funds (Continued)**

***Police Pension***

To account for property taxes levied for the payment of the current police disability and pension benefits.

**Nonmajor Debt Service Fund**

***General Obligation Bond Retirement***

To account for the retirement of the \$5,100,000, G.O. Capital Improvement Bonds.

**Nonmajor Capital Projects Funds**

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by

***General Obligation Bond Construction***

To account for the construction of the \$5,100,000 capital improvement projects.

***Capital Improvement***

To account for property and municipal income tax transfers for various capital improvement expenditures within the City.

***Issue II Jones Stormwater Project Fund***

To account for stormwater capital improvements.

***West Liberty Sidewalk Project***

To account for grant monies received and expended for the West Liberty sidewalk project.

***CDBG Sidewalk Project***

To account for on-behalf grant monies received and expended for City sidewalk projects from the Small Cities Community Development Block Grant (CDBG) Formula Allocation program.

***FEMA Flood Grant***

To account for the federal portion of grant monies received from the Federal Emergency Management Agency through the State of Ohio Emergency Management Agency Public Assistance Disaster Recovery Grant Program. The program and funding resulted from President George W. Bush's Presidential Declaration of Trumbull County as a federal disaster area resulting from the heavy rainfall flooding on July 27, 2003.

**Nonmajor Permanent Fund**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs. The following is the City's permanent fund.

***Sugar Grove Trust Fund***

To account for \$837 received in trust on October 26, 1937 for the creation of a nonexpendable endowment for the Sugar Grove Cemetery (now known as Maple Grove Cemetery).

**CITY OF HUBBARD, OHIO**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 1,900,000	\$ 1,926,484	\$ 1,932,667	\$ 6,183
Property and other taxes . . . . .	313,662	264,180	265,028	848
Charges for services . . . . .	1,200	1,086	1,089	3
Licenses and permits . . . . .	62,000	61,077	61,273	196
Fines and forfeitures . . . . .	48,005	43,347	43,486	139
Intergovernmental . . . . .	282,955	256,567	257,390	823
Investment income . . . . .	315,000	330,828	331,890	1,062
Other . . . . .	6,100	47,895	48,048	153
Total revenues . . . . .	<u>2,928,922</u>	<u>2,931,464</u>	<u>2,940,871</u>	<u>9,407</u>
<b>Expenditures:</b>				
Current:				
General government:				
Postage				
Contractual services . . . . .	2,000	-	-	-
Total postage . . . . .	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income tax				
Personal services . . . . .	66,600	57,728	58,723	(995)
Contractual services . . . . .	11,700	5,404	5,406	(2)
Materials and supplies. . . . .	6,450	2,597	2,597	-
Capital outlay . . . . .	8,300	1,618	1,618	-
Other . . . . .	20,200	46,217	46,217	-
Total income tax . . . . .	<u>113,250</u>	<u>113,564</u>	<u>114,561</u>	<u>(997)</u>
Mayor				
Personal services . . . . .	30,350	26,666	26,655	11
Contractual services . . . . .	8,700	8,883	8,878	5
Materials and supplies. . . . .	4,100	2,698	2,690	8
Capital outlay . . . . .	5,600	1,930	1,925	5
Total mayor. . . . .	<u>48,750</u>	<u>40,177</u>	<u>40,148</u>	<u>29</u>
Council				
Personal services . . . . .	18,125	14,850	14,843	7
Contractual services . . . . .	10,375	7,130	7,128	2
Materials and supplies. . . . .	1,150	815	815	-
Capital outlay . . . . .	400	400	400	-
Total council . . . . .	<u>30,050</u>	<u>23,195</u>	<u>23,186</u>	<u>9</u>
Council Clerk				
Personal services . . . . .	3,780	3,172	3,167	5
Contractual services . . . . .	350	25	25	-
Materials and supplies. . . . .	4,150	3,550	3,550	-
Capital outlay . . . . .	700	575	572	3
Total council clerk . . . . .	<u>8,980</u>	<u>7,322</u>	<u>7,314</u>	<u>8</u>
Auditor				
Personal services . . . . .	41,300	36,886	36,865	21
Contractual services . . . . .	7,700	10,705	10,662	43
Materials and supplies. . . . .	8,100	5,660	5,654	6
Capital outlay . . . . .	16,250	10,660	10,647	13
Total auditor . . . . .	<u>73,350</u>	<u>63,911</u>	<u>63,828</u>	<u>83</u>

Continued

**CITY OF HUBBARD, OHIO**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Treasurer</b>				
Personal services . . . . .	\$ 5,150	\$ 3,942	\$ 3,940	\$ 2
Contractual services . . . . .	1,500	1,075	1,063	12
Materials and supplies. . . . .	750	125	122	3
Capital outlay . . . . .	450	325	323	2
<b>Total treasurer. . . . .</b>	<b>7,850</b>	<b>5,467</b>	<b>5,448</b>	<b>19</b>
<b>Law director</b>				
Personal services . . . . .	10,800	9,730	9,724	6
Contractual services . . . . .	7,500	10,990	10,976	14
Materials and supplies. . . . .	3,000	1,615	1,613	2
Capital outlay . . . . .	300	175	173	2
<b>Total law director. . . . .</b>	<b>21,600</b>	<b>22,510</b>	<b>22,486</b>	<b>24</b>
<b>Service director</b>				
Personal services . . . . .	19,250	18,192	18,167	25
Contractual services . . . . .	63,000	59,465	59,453	12
Materials and supplies. . . . .	3,500	1,930	1,929	1
<b>Total service director . . . . .</b>	<b>85,750</b>	<b>79,587</b>	<b>79,549</b>	<b>38</b>
<b>Engineer</b>				
Personal services . . . . .	24,100	22,561	22,546	15
Contractual services . . . . .	2,750	2,361	2,361	-
Materials and supplies. . . . .	1,750	1,682	977	705
Capital outlay . . . . .	1,250	1,185	1,181	4
<b>Total engineer . . . . .</b>	<b>29,850</b>	<b>27,789</b>	<b>27,065</b>	<b>724</b>
<b>County auditor fees</b>				
Contractual services . . . . .	9,320	17,870	17,868	2
<b>Total county auditor fees. . . . .</b>	<b>9,320</b>	<b>17,870</b>	<b>17,868</b>	<b>2</b>
<b>State examiners fees</b>				
Contractual services . . . . .	30,000	19,010	18,989	21
<b>Total state examiners fees . . . . .</b>	<b>30,000</b>	<b>19,010</b>	<b>18,989</b>	<b>21</b>
<b>Total general government. . . . .</b>	<b>460,750</b>	<b>420,402</b>	<b>420,442</b>	<b>(40)</b>
<b>Security of persons and property:</b>				
<b>Police</b>				
Personal services . . . . .	1,429,700	1,464,964	1,464,877	87
Contractual services . . . . .	66,500	65,528	65,487	41
Materials and supplies. . . . .	73,000	68,082	67,934	148
Capital outlay . . . . .	47,000	69,468	69,336	132
<b>Total police. . . . .</b>	<b>1,616,200</b>	<b>1,668,042</b>	<b>1,667,634</b>	<b>408</b>
<b>Civil service</b>				
Contractual services . . . . .	1,500	1,510	1,507	3
Materials and supplies. . . . .	500	414	414	-
<b>Total civil service. . . . .</b>	<b>2,000</b>	<b>1,924</b>	<b>1,921</b>	<b>3</b>
<b>Total security of persons and property . . . . .</b>	<b>1,618,200</b>	<b>1,669,966</b>	<b>1,669,555</b>	<b>411</b>

Continued

**CITY OF HUBBARD, OHIO**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public health and welfare:				
County health district				
Contractual services . . . . .	\$ 18,000	\$ 15,035	\$ 15,032	\$ 3
Total county health district. . . . .	18,000	15,035	15,032	3
Total public health and welfare . . . . .	18,000	15,035	15,032	3
Community environment:				
Planning and zoning				
Contractual services . . . . .	2,000	350	347	3
Materials and supplies. . . . .	200	30	30	-
Total planning and zoning . . . . .	2,200	380	377	3
War memorial				
Materials and supplies. . . . .	500	115	114	1
Total war memorial. . . . .	500	115	114	1
Total community environment. . . . .	2,700	495	491	4
Leisure time activity:				
Recreation				
Contractual services . . . . .	2,800	2,190	2,189	1
Materials and supplies . . . . .	3,000	1,905	1,905	-
Total recreation. . . . .	5,800	4,095	4,094	1
Total leisure time activity . . . . .	5,800	4,095	4,094	1
Debt service:				
Principal retirement. . . . .	13,147	13,150	13,147	3
Total debt service . . . . .	13,147	13,150	13,147	3
Total expenditures . . . . .	2,118,597	2,123,143	2,122,761	382
Excess of revenues over expenditures. . . . .	810,325	808,321	818,110	9,789
<b>Other financing uses:</b>				
Transfers out . . . . .	(806,950)	(877,323)	(876,330)	993
Total other financing uses. . . . .	(806,950)	(877,323)	(876,330)	993
Net change in fund balance. . . . .	3,375	(69,002)	(58,220)	10,782
<b>Fund balance at beginning of year . . . . .</b>	297,810	297,810	297,810	-
<b>Prior year encumbrances appropriated . . . . .</b>	38,084	38,084	38,084	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 339,269</u>	<u>\$ 266,892</u>	<u>\$ 277,674</u>	<u>\$ 10,782</u>

**CITY OF HUBBARD, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . .	\$ 172,482	\$ 19,225	\$ 493,600	\$ 1,712	\$ 687,019
Receivables (net of allowances of uncollectibles):					
Real and other taxes . . . . .	41,728	-	-	-	41,728
Accounts. . . . .	100	-	-	-	100
Due from other governments . . . . .	14,091	-	-	-	14,091
Materials and supplies inventory. . . . .	35	-	-	-	35
<b>Total assets . . . . .</b>	<b>\$ 228,436</b>	<b>\$ 19,225</b>	<b>\$ 493,600</b>	<b>\$ 1,712</b>	<b>\$ 742,973</b>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 56,761	\$ -	\$ -	\$ -	\$ 56,761
Contracts payable . . . . .	-	-	79,252	-	79,252
Deferred revenue. . . . .	16,743	-	-	-	16,743
Unearned revenue . . . . .	35,914	-	-	-	35,914
<b>Total liabilities . . . . .</b>	<b>109,418</b>	<b>-</b>	<b>79,252</b>	<b>-</b>	<b>188,670</b>
<b>Fund Balances:</b>					
Fund balances:					
Reserved for materials and supplies inventory . .	35	-	-	-	35
Reserved for perpetual care . . . . .	-	-	-	840	840
Unreserved, undesignated, reported in:					
Special revenue funds . . . . .	118,983	-	-	-	118,983
Debt service funds . . . . .	-	19,225	-	-	19,225
Capital projects funds . . . . .	-	-	414,348	-	414,348
Permanent fund. . . . .	-	-	-	872	872
<b>Total fund balances . . . . .</b>	<b>119,018</b>	<b>19,225</b>	<b>414,348</b>	<b>1,712</b>	<b>554,303</b>
<b>Total liabilities and fund balances . . . . .</b>	<b>\$ 228,436</b>	<b>\$ 19,225</b>	<b>\$ 493,600</b>	<b>\$ 1,712</b>	<b>\$ 742,973</b>

**CITY OF HUBBARD, OHIO**

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

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Nonmajor Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>					
Property and other taxes . . . . .	\$ 93,293	\$ -	\$ -	\$ -	\$ 93,293
Charges for services . . . . .	5,750	-	-	-	5,750
Fines and forfeitures . . . . .	2,480	-	-	-	2,480
Intergovernmental . . . . .	41,370	-	254,908	-	296,278
Investment income . . . . .	531	-	10,295	6	10,832
Other . . . . .	8,883	-	3,934	-	12,817
	<u>152,307</u>	<u>-</u>	<u>269,137</u>	<u>6</u>	<u>421,450</u>
Total revenues . . . . .					
<b>Expenditures:</b>					
Current:					
Security of persons and property. . . . .	199,028	-	-	-	199,028
Public health and welfare . . . . .	11,889	-	-	-	11,889
Transportation . . . . .	42,854	-	-	-	42,854
Leisure time activity. . . . .	48,406	-	-	-	48,406
Other . . . . .	1,064	-	-	-	1,064
Capital outlay. . . . .	-	-	460,719	-	460,719
Debt Service:					
Principal retirement . . . . .	-	380,000	-	-	380,000
Interest and fiscal charges . . . . .	-	145,668	-	-	145,668
	<u>303,241</u>	<u>525,668</u>	<u>460,719</u>	<u>-</u>	<u>1,289,628</u>
Total expenditures . . . . .					
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(150,934)</u>	<u>(525,668)</u>	<u>(191,582)</u>	<u>6</u>	<u>(868,178)</u>
<b>Other financing sources:</b>					
Transfers in . . . . .	76,362	509,070	90,906	-	676,338
	<u>76,362</u>	<u>509,070</u>	<u>90,906</u>	<u>-</u>	<u>676,338</u>
Total other financing sources . . . . .					
Net change in fund balances . . . . .	(74,572)	(16,598)	(100,676)	6	(191,840)
<b>Fund balances at beginning of year . . . . .</b>	<u>193,590</u>	<u>35,823</u>	<u>515,024</u>	<u>1,706</u>	<u>746,143</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 119,018</u>	<u>\$ 19,225</u>	<u>\$ 414,348</u>	<u>\$ 1,712</u>	<u>\$ 554,303</u>

**CITY OF HUBBARD, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2008**

	<b>Indigent Drivers Fund</b>	<b>Enforcement and Education</b>	<b>Fire District</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 5,279	\$ 4,928	\$ 56,761
Receivables (net of allowances for uncollectibles):			
Real and other taxes . . . . .	-	-	-
Accounts . . . . .	-	-	-
Due from other governments . . . . .	-	-	-
Materials and supplies inventory . . . . .	-	-	-
Total assets . . . . .	\$ 5,279	\$ 4,928	\$ 56,761
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ -	\$ -	\$ 56,761
Deferred revenue. . . . .	-	-	-
Unearned revenue. . . . .	-	-	-
Total liabilities . . . . .	-	-	56,761
<b>Fund Balances:</b>			
Reserved for materials and supplies inventory . . . . .	-	-	-
Unreserved, undesignated reported in:			
Special revenue funds . . . . .	5,279	4,928	-
Total fund balances . . . . .	5,279	4,928	-
Total liabilities and fund balances. . . . .	\$ 5,279	\$ 4,928	\$ 56,761



<u>State Highway</u>	<u>Maple Grove Cemetery</u>	<u>Recreation</u>	<u>Drug and Law Enforcement</u>	<u>Range Fund</u>
\$ 7,497	\$ 17,218	\$ 49,635	\$ 5,474	\$ 15,236
-	-	-	-	-
-	-	-	100	-
11,626	-	100	-	-
-	-	35	-	-
<u>\$ 19,123</u>	<u>\$ 17,218</u>	<u>\$ 49,770</u>	<u>\$ 5,574</u>	<u>\$ 15,236</u>
\$ -	\$ -	\$ -	\$ -	\$ -
9,333	-	-	-	-
-	-	-	-	-
<u>9,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	35	-	-
<u>9,790</u>	<u>17,218</u>	<u>49,735</u>	<u>5,574</u>	<u>15,236</u>
<u>9,790</u>	<u>17,218</u>	<u>49,770</u>	<u>5,574</u>	<u>15,236</u>
<u>\$ 19,123</u>	<u>\$ 17,218</u>	<u>\$ 49,770</u>	<u>\$ 5,574</u>	<u>\$ 15,236</u>

Continued

**CITY OF HUBBARD, OHIO**

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

	<u>Escrow Account</u>	<u>Police Pension</u>	<u>Totals</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 395	\$ 10,059	\$ 172,482
Receivables (net of allowances for uncollectibles):			
Real and other taxes. . . . .	-	41,728	41,728
Accounts . . . . .	-	-	100
Due from other governments . . . . .	-	2,365	14,091
Materials and supplies inventory . . . . .	-	-	35
	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 395</u>	<u>\$ 54,152</u>	<u>\$ 228,436</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ -	\$ -	\$ 56,761
Deferred revenue. . . . .	-	7,410	16,743
Unearned revenue. . . . .	-	35,914	35,914
	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>-</u>	<u>43,324</u>	<u>109,418</u>
<b>Fund Balances:</b>			
Reserved for materials and supplies inventory . . . . .	-	-	35
Unreserved, undesignated reported in:			
Special revenue funds . . . . .	395	10,828	118,983
	<hr/>	<hr/>	<hr/>
Total fund balances . . . . .	<u>395</u>	<u>10,828</u>	<u>119,018</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances. . . . .	<u>\$ 395</u>	<u>\$ 54,152</u>	<u>\$ 228,436</u>

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**CITY OF HUBBARD, OHIO**

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

	<u>Indigent Drivers Fund</u>	<u>Enforcement and Education</u>	<u>Fire District</u>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ -	\$ -	\$ 62,592
Charges for services . . . . .	-	-	-
Fines and forfeitures . . . . .	1,102	-	-
Intergovernmental . . . . .	-	-	8,233
Investment income. . . . .	-	-	-
Other. . . . .	-	-	2,361
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	1,102	-	73,186
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
Security of persons and property . . . . .	-	-	166,462
Public health and welfare. . . . .	-	-	-
Transportation . . . . .	-	-	-
Leisure time activity . . . . .	-	-	-
Other . . . . .	-	-	1,064
	<hr/>	<hr/>	<hr/>
Total expenditures. . . . .	-	-	167,526
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	1,102	-	(94,340)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>			
Transfers in. . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources. . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	1,102	-	(94,340)
	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	4,177	4,928	94,340
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year. . . . .</b>	\$ 5,279	\$ 4,928	\$ -
	<hr/>	<hr/>	<hr/>

<u>State Highway</u>	<u>Maple Grove Cemetery</u>	<u>Recreation</u>	<u>Drug and Law Enforcement</u>	<u>Range Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	5,750	-	-	-
-	-	-	1,378	-
27,995	-	-	-	-
531	-	-	-	-
-	505	1,100	-	4,917
<u>28,526</u>	<u>6,255</u>	<u>1,100</u>	<u>1,378</u>	<u>4,917</u>
-	-	-	167	2,399
-	11,889	-	-	-
42,854	-	-	-	-
-	-	48,406	-	-
-	-	-	-	-
<u>42,854</u>	<u>11,889</u>	<u>48,406</u>	<u>167</u>	<u>2,399</u>
<u>(14,328)</u>	<u>(5,634)</u>	<u>(47,306)</u>	<u>1,211</u>	<u>2,518</u>
<u>25,000</u>	<u>15,000</u>	<u>36,362</u>	<u>-</u>	<u>-</u>
<u>25,000</u>	<u>15,000</u>	<u>36,362</u>	<u>-</u>	<u>-</u>
10,672	9,366	(10,944)	1,211	2,518
(882)	7,852	60,714	4,363	12,718
<u>\$ 9,790</u>	<u>\$ 17,218</u>	<u>\$ 49,770</u>	<u>\$ 5,574</u>	<u>\$ 15,236</u>

Continued

**CITY OF HUBBARD, OHIO**

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

	<u>Escrow Account</u>	<u>Police Pension</u>	<u>Totals</u>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ -	\$ 30,701	\$ 93,293
Charges for services . . . . .	-	-	5,750
Fines and forfeitures . . . . .	-	-	2,480
Intergovernmental . . . . .	-	5,142	41,370
Investment income. . . . .	-	-	531
Other. . . . .	-	-	8,883
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	-	35,843	152,307
<b>Expenditures:</b>			
Current:			
Security of persons and property . . . . .	-	30,000	199,028
Public health and welfare. . . . .	-	-	11,889
Transportation . . . . .	-	-	42,854
Leisure time activity . . . . .	-	-	48,406
Other . . . . .	-	-	1,064
	<hr/>	<hr/>	<hr/>
Total expenditures. . . . .	-	30,000	303,241
Excess (deficiency) of revenues over (under) expenditures . . . . .	<hr/>	<hr/>	<hr/>
	-	5,843	(150,934)
<b>Other financing sources:</b>			
Transfers in. . . . .	<hr/>	<hr/>	<hr/>
	-	-	76,362
Total other financing sources. . . . .	<hr/>	<hr/>	<hr/>
	-	-	76,362
Net change in fund balances . . . . .	-	5,843	(74,572)
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<hr/>	<hr/>	<hr/>
	395	4,985	193,590
<b>Fund balances at end of year. . . . .</b>	<hr/>	<hr/>	<hr/>
	\$ 395	\$ 10,828	\$ 119,018

**CITY OF HUBBARD, OHIO**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 500	\$ 1,102	\$ 1,102	\$ -
Total revenues . . . . .	<u>500</u>	<u>1,102</u>	<u>1,102</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contractual services . . . . .	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total security of persons and property . .	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures . . . . .	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	-	1,102	1,102	-
<b>Fund balance at beginning of year . . . . .</b>	<u>4,177</u>	<u>4,177</u>	<u>4,177</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 4,177</u></u>	<u><u>\$ 5,279</u></u>	<u><u>\$ 5,279</u></u>	<u><u>\$ -</u></u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 500	\$ -	\$ -	\$ -
Total revenues . . . . .	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance. . . . .	500	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>4,928</u>	<u>4,928</u>	<u>4,928</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,428</u>	<u>\$ 4,928</u>	<u>\$ 4,928</u>	<u>\$ -</u>



**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes. . . . .	\$ 77,188	\$ 63,774	\$ 63,932	\$ 158
Intergovernmental . . . . .	4,500	10,568	10,594	26
Other. . . . .	20,000	2,355	2,361	6
Total revenues. . . . .	<u>101,688</u>	<u>76,697</u>	<u>76,887</u>	<u>190</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services . . . . .	24,000	-	-	-
Contractual services. . . . .	69,350	108,332	108,330	2
Materials and supplies . . . . .	27,600	1,340	1,338	2
Capital outlay . . . . .	25,300	-	-	-
Total security of persons and property . .	<u>146,250</u>	<u>109,672</u>	<u>109,668</u>	<u>4</u>
Other				
Contractual services. . . . .	1,300	1,065	1,064	1
Total other . . . . .	<u>1,300</u>	<u>1,065</u>	<u>1,064</u>	<u>1</u>
Total expenditures . . . . .	<u>147,550</u>	<u>110,737</u>	<u>110,732</u>	<u>5</u>
Net change in fund balance. . . . .	(45,862)	(34,040)	(33,845)	195
<b>Fund balance at beginning of year . . . . .</b>	<u>90,606</u>	<u>90,606</u>	<u>90,606</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 44,744</u>	<u>\$ 56,566</u>	<u>\$ 56,761</u>	<u>\$ 195</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 25,500	\$ 28,427	\$ 28,427	\$ -
Investment income. . . . .	175	531	531	-
Total revenues . . . . .	<u>25,675</u>	<u>28,958</u>	<u>28,958</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Materials and supplies. . . . .	<u>25,000</u>	<u>46,680</u>	<u>46,680</u>	<u>-</u>
Total transportation. . . . .	<u>25,000</u>	<u>46,680</u>	<u>46,680</u>	<u>-</u>
Total expenditures . . . . .	<u>25,000</u>	<u>46,680</u>	<u>46,680</u>	<u>-</u>
Excess of revenues over expenditures. . . . .	675	(17,722)	(17,722)	-
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources. . . . .	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance. . . . .	675	7,278	7,278	-
<b>Fund deficit at beginning of year . . . . .</b>	(3,781)	(3,781)	(3,781)	-
<b>Prior year encumbrances appropriated . .</b>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 894</u>	<u>\$ 7,497</u>	<u>\$ 7,497</u>	<u>\$ -</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charge for services . . . . .	\$ 2,700	\$ 5,750	\$ 5,750	\$ -
Other . . . . .	500	505	505	-
Total revenues . . . . .	<u>3,200</u>	<u>6,255</u>	<u>6,255</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Public health and welfare				
Personal services . . . . .	11,650	10,115	10,106	9
Contractual services. . . . .	3,000	160	156	4
Materials and supplies. . . . .	<u>3,000</u>	<u>1,805</u>	<u>1,802</u>	<u>3</u>
Total public health and welfare . . . . .	<u>17,650</u>	<u>12,080</u>	<u>12,064</u>	<u>16</u>
Total expenditures . . . . .	<u>17,650</u>	<u>12,080</u>	<u>12,064</u>	<u>16</u>
Excess of expenditures over revenues. . . . .	<u>(14,450)</u>	<u>(5,825)</u>	<u>(5,809)</u>	<u>16</u>
<b>Other financing sources:</b>				
Transfer in . . . . .	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total other financing sources. . . . .	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance. . . . .	550	9,175	9,191	16
<b>Fund balance at beginning of year . . . . .</b>	<u>8,027</u>	<u>8,027</u>	<u>8,027</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 8,577</u>	<u>\$ 17,202</u>	<u>\$ 17,218</u>	<u>\$ 16</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 1,500	\$ 1,100	\$ 1,100	\$ -
Total revenues . . . . .	<u>1,500</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Leisure time activity				
Personal services . . . . .	20,500	21,136	21,131	5
Contractual services . . . . .	8,500	1,927	1,927	-
Materials and supplies . . . . .	7,200	2,855	2,852	3
Capital outlay . . . . .	21,200	22,500	22,497	3
Total leisure time activity . . . . .	<u>57,400</u>	<u>48,418</u>	<u>48,407</u>	<u>8</u>
Total expenditures . . . . .	<u>57,400</u>	<u>48,418</u>	<u>48,407</u>	<u>8</u>
Excess of expenditures over revenues . . . . .	<u>(55,900)</u>	<u>(47,318)</u>	<u>(47,307)</u>	<u>8</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	37,500	36,362	36,362	-
Total other financing sources . . . . .	<u>37,500</u>	<u>36,362</u>	<u>36,362</u>	<u>-</u>
Net change in fund balance . . . . .	(18,400)	(10,956)	(10,945)	11
<b>Fund balance at beginning of year . . . . .</b>	59,350	59,350	59,350	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,230</u>	<u>1,230</u>	<u>1,230</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 42,180</u>	<u>\$ 49,624</u>	<u>\$ 49,635</u>	<u>\$ 11</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Other . . . . .	\$ 500	\$ 1,278	\$ 1,278	\$ -
Total revenues . . . . .	<u>500</u>	<u>1,278</u>	<u>1,278</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Other . . . . .	500	-	-	-
Total security of persons and property . .	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures . . . . .	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance. . . . .	-	1,278	1,278	-
<b>Fund balance at beginning of year . . . . .</b>	<u>4,196</u>	<u>4,196</u>	<u>4,196</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 4,196</u>	<u>\$ 5,474</u>	<u>\$ 5,474</u>	<u>\$ -</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 1,500	\$ 5,367	\$ 5,367	\$ -
Total revenues . . . . .	<u>1,500</u>	<u>5,367</u>	<u>5,367</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contract services . . . . .	1,500	1,400	1,399	1
Capital outlay . . . . .	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total security of persons and property. . .	<u>2,500</u>	<u>2,400</u>	<u>2,399</u>	<u>1</u>
Total expenditures . . . . .	<u>2,500</u>	<u>2,400</u>	<u>2,399</u>	<u>1</u>
Net change in fund balance. . . . .	(1,000)	2,967	2,968	(1)
<b>Fund balance at beginning of year . . . . .</b>	<u>12,268</u>	<u>12,268</u>	<u>12,268</u>	
<b>Fund balance at end of year. . . . .</b>	<u>\$ 11,268</u>	<u>\$ 15,235</u>	<u>\$ 15,236</u>	<u>\$ (1)</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Investment earnings . . . . .	\$ -	\$ 395	\$ -	\$ (395)
Total operating revenues . . . . .	<u>-</u>	<u>395</u>	<u>-</u>	<u>(395)</u>
Net change in fund balance . . . . .	-	395	-	(395)
<b>Fund balance at beginning of year . . . . .</b>	<u>395</u>	<u>395</u>	<u>395</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 395</u>	<u>\$ 790</u>	<u>\$ 395</u>	<u>\$ (395)</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 30,759	\$ 30,759	\$ 30,580	\$ (179)
Intergovernmental . . . . .	5,172	5,172	5,142	(30)
Total revenues . . . . .	<u>35,931</u>	<u>35,931</u>	<u>35,722</u>	<u>(209)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Contractual services . . . . .	<u>30,000</u>	<u>30,001</u>	<u>30,000</u>	<u>1</u>
Total security of persons and property. . .	<u>30,000</u>	<u>30,001</u>	<u>30,000</u>	<u>1</u>
Total expenditures . . . . .	<u>30,000</u>	<u>30,001</u>	<u>30,000</u>	<u>1</u>
Net change in fund balance. . . . .	5,931	5,930	5,722	(208)
<b>Fund balance at beginning of year . . . . .</b>	<u>4,337</u>	<u>4,337</u>	<u>4,337</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 10,268</u>	<u>\$ 10,267</u>	<u>\$ 10,059</u>	<u>\$ (208)</u>



**CITY OF HUBBARD, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUND  
DECEMBER 31, 2008

	<b>General Obligation Bond Retirement</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 19,225
Total assets. . . . .	<u>19,225</u>
<b>Fund Balances:</b>	
Unreserved, undesignated, reported in:	
Debt Service funds. . . . .	19,225
Total fund balances . . . . .	<u>19,225</u>
Total liabilities and fund equity. . . . .	<u>19,225</u>

**CITY OF HUBBARD, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>General Obligation Bond Retirement</b>
	<u>                    </u>
<b>Expenditures:</b>	
Debt Service:	
Principal retirement. . . . .	\$ 380,000
Interest and fiscal charges. . . . .	<u>145,668</u>
Total expenditures . . . . .	<u>525,668</u>
Excess of expenditures over revenues. . . . .	<u>(525,668)</u>
<b>Other financing sources:</b>	
Transfers in . . . . .	<u>509,070</u>
Total other financing sources . . . . .	<u>509,070</u>
Net change in fund balances . . . . .	(16,598)
<b>Fund balances at beginning of year. . . . .</b>	<u>35,823</u>
<b>Fund balances at end of year . . . . .</b>	<u><u>\$ 19,225</u></u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Debt Service:				
Principal retirement . . . . .	\$ 380,000	\$ 380,000	\$ 380,000	\$ -
Interest and fiscal charges. . . . .	144,668	145,700	145,668	32
Total debt service . . . . .	<u>524,668</u>	<u>525,700</u>	<u>525,668</u>	<u>32</u>
 Total expenditures. . . . .	 <u>524,668</u>	 <u>525,700</u>	 <u>525,668</u>	 <u>32</u>
 Excess of expenditures over revenues. . . . .	 <u>(524,668)</u>	 <u>(525,700)</u>	 <u>(525,668)</u>	 <u>32</u>
 <b>Other financing sources:</b>				
Transfers in. . . . .	525,000	509,070	509,070	-
Total other financing sources. . . . .	<u>525,000</u>	<u>509,070</u>	<u>509,070</u>	<u>-</u>
 Net change in fund balance. . . . .	 332	 (16,630)	 (16,598)	 32
 <b>Fund balance at beginning of year . . . . .</b>	 <u>35,823</u>	 <u>35,823</u>	 <u>35,823</u>	 <u>-</u>
 <b>Fund balance at end of year. . . . .</b>	 <u>\$ 36,155</u>	 <u>\$ 19,193</u>	 <u>\$ 19,225</u>	 <u>\$ 32</u>

**CITY OF HUBBARD, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2008

	<u>General Obligation Bond Construction</u>	<u>Capital Improvement</u>	<u>Issue II Jones Stormwater Project Fund</u>	<u>West Liberty Sidewalk Project</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 354,839	\$ 138,379	\$ -	\$ -
Total assets. . . . .	<u>354,839</u>	<u>138,379</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>				
Contracts payable. . . . .	<u>-</u>	<u>9,000</u>	<u>42,169</u>	<u>28,083</u>
Total liabilities . . . . .	<u>-</u>	<u>9,000</u>	<u>42,169</u>	<u>28,083</u>
<b>Fund Balances:</b>				
Unreserved, undesignated, reported in:				
Capital projects funds . . . . .	<u>354,839</u>	<u>129,379</u>	<u>(42,169)</u>	<u>(28,083)</u>
Total fund balances . . . . .	<u>354,839</u>	<u>129,379</u>	<u>(42,169)</u>	<u>(28,083)</u>
Total liabilities and fund balances. . . . .	<u>354,839</u>	<u>138,379</u>	<u>-</u>	<u>-</u>

<u>FEMA Flood Grant</u>	<u>Total</u>
\$ 382	\$ 493,600
<u>382</u>	<u>493,600</u>
<u>-</u>	<u>79,252</u>
<u>-</u>	<u>79,252</u>
<u>382</u>	<u>414,348</u>
<u>382</u>	<u>414,348</u>
<u>382</u>	<u>493,600</u>

**CITY OF HUBBARD, OHIO**

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

	<b>General Obligation Bond Construction</b>	<b>Capital Improvement</b>	<b>Issue II Jones Stormwater Project Fund</b>	<b>West Liberty Sidewalk Project</b>
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ -	\$ -	\$ 187,908
Investment income. . . . .	10,295	-	-	-
Other. . . . .	3,934	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	14,229	-	-	187,908
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Capital outlay . . . . .	3,614	131,945	42,169	215,991
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	3,614	131,945	42,169	215,991
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures. . . . .	10,615	(131,945)	(42,169)	(28,083)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	90,906	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources. . . . .	-	90,906	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	10,615	(41,039)	(42,169)	(28,083)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year. . . . .</b>	344,224	170,418	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 354,839</u>	<u>\$ 129,379</u>	<u>\$ (42,169)</u>	<u>\$ (28,083)</u>

<b>CDBG Sidewalk Project</b>	<b>FEMA Flood Grant</b>	<b>Total</b>
\$ 67,000	\$ -	\$ 254,908
-	-	10,295
-	-	3,934
<u>67,000</u>	<u>-</u>	<u>269,137</u>
<u>67,000</u>	<u>-</u>	<u>460,719</u>
<u>67,000</u>	<u>-</u>	<u>460,719</u>
<u>-</u>	<u>-</u>	<u>(191,582)</u>
<u>-</u>	<u>-</u>	<u>90,906</u>
<u>-</u>	<u>-</u>	<u>90,906</u>
<u>-</u>	<u>-</u>	<u>(100,676)</u>
<u>-</u>	<u>382</u>	<u>515,024</u>
<u>\$ -</u>	<u>\$ 382</u>	<u>414,348</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment income . . . . .	\$ 8,000	\$ 10,595	\$ 10,295	\$ (300)
Total revenues. . . . .	<u>8,000</u>	<u>10,595</u>	<u>10,295</u>	<u>(300)</u>
<b>Expenditures:</b>				
Capital outlay				
Capital outlay . . . . .	300,000	3,614	3,614	-
Total capital outlay . . . . .	<u>300,000</u>	<u>3,614</u>	<u>3,614</u>	<u>-</u>
Total expenditures. . . . .	<u>300,000</u>	<u>3,614</u>	<u>3,614</u>	<u>-</u>
Net change in fund balance. . . . .	(292,000)	6,981	6,681	(300)
<b>Fund balance at beginning of year . . . . .</b>	344,224	344,224	344,224	
<b>Prior year encumbrances appropriated . .</b>	<u>3,934</u>	<u>3,934</u>	<u>3,934</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 56,158</u>	<u>\$ 355,139</u>	<u>\$ 354,839</u>	<u>\$ (300)</u>



**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Capital outlay				
Capital outlay . . . . .	125,000	122,950	122,944	6
Total capital outlay . . . . .	<u>125,000</u>	<u>122,950</u>	<u>122,944</u>	<u>6</u>
 Total expenditures. . . . .	 <u>125,000</u>	 <u>122,950</u>	 <u>122,944</u>	 <u>6</u>
 Excess of expenditures over revenues. . . . .	 <u>(125,000)</u>	 <u>(122,950)</u>	 <u>(122,944)</u>	 <u>6</u>
 <b>Other financing sources:</b>				
Transfers in. . . . .	89,500	90,905	90,905	-
Total other financing sources. . . . .	<u>89,500</u>	<u>90,905</u>	<u>90,905</u>	<u>-</u>
 Net change in fund balance. . . . .	 (35,500)	 (32,045)	 (32,039)	 6
 <b>Fund balance at beginning of year . . . . .</b>	 <u>170,418</u>	 <u>170,418</u>	 <u>170,418</u>	 <u>-</u>
 <b>Fund balance at end of year. . . . .</b>	 <u>\$ 134,918</u>	 <u>\$ 138,373</u>	 <u>\$ 138,379</u>	 <u>\$ 6</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 263,850	\$ 187,908	\$ 187,908	\$ -
Total revenues. . . . .	<u>263,850</u>	<u>187,908</u>	<u>187,908</u>	<u>-</u>
<b>Expenditures:</b>				
Capital outlay				
Capital outlay . . . . .	<u>263,580</u>	<u>187,908</u>	<u>187,908</u>	<u>-</u>
Total capital outlay . . . . .	<u>263,580</u>	<u>187,908</u>	<u>187,908</u>	<u>-</u>
Total expenditures. . . . .	<u>263,580</u>	<u>187,908</u>	<u>187,908</u>	<u>-</u>
Net change in fund balance. . . . .	270	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 35,000	\$ 67,000	\$ 67,000	\$ -
Total revenues. . . . .	<u>35,000</u>	<u>67,000</u>	<u>67,000</u>	<u>-</u>
<b>Expenditures:</b>				
Capital outlay				
Capital outlay . . . . .	<u>35,000</u>	<u>67,000</u>	<u>67,000</u>	<u>-</u>
Total capital outlay . . . . .	<u>35,000</u>	<u>67,000</u>	<u>67,000</u>	<u>-</u>
Total expenditures. . . . .	<u>35,000</u>	<u>67,000</u>	<u>67,000</u>	<u>-</u>
Net change in fund balance. . . . .	-	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Fund balance at beginning of year . . . . .</b>	<u>382</u>	<u>382</u>	<u>382</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 382</u>	<u>\$ 382</u>	<u>\$ 382</u>	<u>\$ -</u>

**CITY OF HUBBARD, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment earnings . . . . .	\$ 10	\$ 6	\$ 6	\$ -
Total revenues . . . . .	<u>10</u>	<u>6</u>	<u>6</u>	<u>-</u>
Net change in fund balance. . . . .	10	6	6	-
<b>Fund balance at beginning of year . . . . .</b>	<u>1,706</u>	<u>1,706</u>	<u>1,706</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 1,716</u>	<u>\$ 1,712</u>	<u>\$ 1,712</u>	<u>\$ -</u>

## **CITY OF HUBBARD, OHIO**

### **INDIVIDUAL FUND SCHEDULES FUND DESCRIPTIONS - PROPRIETARY FUNDS**

#### **Enterprise Funds**

The enterprise funds are used to account for the City's sewer, water and electric operations. These operations are financed and operated in a manner similar to that of a private business enterprise. The intent of the City is that the costs (expenses including depreciation) of providing goods or services on a continuing basis be recovered primarily through user charges. Following is a description of the City's enterprise funds:

#### **Major Enterprise Funds**

##### ***Sewer Fund***

To account for the operations of providing sewage services to customers and to maintain the local sewer system of the City.

##### ***Water Fund***

To account for the operations of providing water services to customers and to maintain the local water system of the City.

##### ***Electric Fund***

To account for the operations of providing electric services to customers and to maintain the local electric system of the City.

#### **Nonmajor Enterprise Fund**

##### ***Guarantee Trust Fund***

To account for deposits from utility services which the City applies and /or refunds upon termination of services.

##### ***Stormwater Fund***

To account for the provision of storm sewers to the residents of the City. Charges for service are used to maintain the storm sewers throughout the City.

#### **Nonmajor Internal Service Fund**

The internal service fund is used to account for financing of goods or services provided by one department or agency to departments or agencies of the City, to other governmental units, on a cost-reimbursement basis. The following is a description of the City's internal service fund.

##### ***Employees Health***

To account for the employer and employee charges and the payment of claims for the health care benefits provided to the employees of the City.

**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

**SEWER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,190,000	\$ 1,205,482	\$ 1,205,482	\$ -
Tap-in fees. . . . .	10,000	5,600	5,600	-
Other operating revenues . . . . .	4,000	11,257	11,257	-
Total operating revenues . . . . .	<u>1,204,000</u>	<u>1,222,339</u>	<u>1,222,339</u>	<u>-</u>
<b>Operating expenses:</b>				
Personal services. . . . .	473,500	460,425	460,388	37
Contractual services . . . . .	168,600	192,949	192,733	216
Materials and supplies . . . . .	133,200	128,455	128,316	139
Capital outlay . . . . .	189,000	145,135	145,028	107
Total operating expenses . . . . .	<u>964,300</u>	<u>926,964</u>	<u>926,465</u>	<u>499</u>
Operating income. . . . .	<u>239,700</u>	<u>295,375</u>	<u>295,874</u>	<u>499</u>
<b>Nonoperating revenues (expenses):</b>				
Debt service:				
Principal retirement . . . . .	(426,047)	(423,040)	(423,040)	-
Interest and fiscal charges . . . . .	(120,000)	(103,806)	(103,794)	12
Sale of capital assets. . . . .	100	-	-	-
Total nonoperating revenues (expenses) . . . .	<u>(545,947)</u>	<u>(526,846)</u>	<u>(526,834)</u>	<u>12</u>
Net change in fund equity. . . . .	(306,247)	(231,471)	(230,960)	511
<b>Fund equity at beginning of year. . . . .</b>	1,070,043	1,070,043	1,070,043	-
<b>Prior year encumbrances appropriated . . . .</b>	<u>26,939</u>	<u>26,939</u>	<u>26,939</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 790,735</u>	<u>\$ 865,511</u>	<u>\$ 866,022</u>	<u>\$ 511</u>

**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

**WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,450,000	\$ 1,408,600	\$ 1,408,600	\$ -
Other operating revenues . . . . .	2,500	10,231	10,231	-
Total operating revenues . . . . .	<u>1,452,500</u>	<u>1,418,831</u>	<u>1,418,831</u>	<u>-</u>
<b>Operating expenses:</b>				
Personal services. . . . .	517,000	536,610	536,407	203
Contractual services . . . . .	654,500	552,758	552,683	75
Materials and supplies. . . . .	129,700	73,295	73,202	93
Capital outlay . . . . .	49,800	30,580	30,566	14
Other operating expenses . . . . .	44,500	-	-	-
Total operating expenses . . . . .	<u>1,395,500</u>	<u>1,193,243</u>	<u>1,192,858</u>	<u>385</u>
Operating income . . . . .	<u>57,000</u>	<u>225,588</u>	<u>225,973</u>	<u>385</u>
<b>Nonoperating revenues (expenses):</b>				
Debt service:				
Principal retirement. . . . .	(113,211)	(142,431)	(142,431)	-
Interest and fiscal charges . . . . .	(119,511)	(119,509)	(119,509)	-
Sale of capital assets. . . . .	500	-	-	-
Total nonoperating revenues (expenses) . . . .	<u>(232,222)</u>	<u>(261,940)</u>	<u>(261,940)</u>	<u>-</u>
Net change in fund equity. . . . .	(175,222)	(36,352)	(35,967)	385
<b>Fund equity at beginning of year. . . . .</b>	940,852	940,852	940,852	-
<b>Prior year encumbrances appropriated . . . .</b>	785	785	785	-
<b>Fund equity at end of year . . . . .</b>	<u>\$ 766,415</u>	<u>\$ 905,285</u>	<u>\$ 905,670</u>	<u>\$ 385</u>



**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

**ELECTRIC FUND**

FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 5,474,100	\$ 5,598,699	\$ 5,598,699	\$ -
Total operating revenues . . . . .	5,474,100	5,598,699	5,598,699	-
<b>Operating expenses:</b>				
Personal services . . . . .	949,500	927,658	927,608	50
Contractual services . . . . .	3,867,000	3,513,450	3,513,273	177
Materials and supplies . . . . .	250,000	159,510	159,476	34
Capital outlay . . . . .	436,000	639,128	639,103	25
Total operating expenses . . . . .	5,502,500	5,239,746	5,239,460	286
Operating income (loss) . . . . .	(28,400)	358,953	359,239	286
<b>Nonoperating revenues (expenses):</b>				
Intergovernmental revenues . . . . .	-	333,896	333,896	-
Other nonoperating expenses . . . . .	(183,865)	(218,151)	(218,151)	-
Note issuance . . . . .	2,029,500	2,011,500	2,011,500	-
Note issuance costs . . . . .	(15,000)	(14,715)	(14,711)	4
Debt service:				
Principal retirement . . . . .	(2,132,250)	(2,123,250)	(2,123,250)	-
Interest and fiscal charges . . . . .	(80,000)	(88,612)	(88,612)	-
Property and other taxes . . . . .	25,000	31,651	31,651	-
Total nonoperating revenues (expenses) . . . . .	(356,615)	(67,681)	(67,677)	4
Net change in fund equity . . . . .	(385,015)	291,272	291,562	290
<b>Fund equity at beginning of year . . . . .</b>	3,196,692	3,196,692	3,196,692	-
<b>Prior year encumbrances appropriated . . . . .</b>	16,999	16,999	16,999	-
<b>Fund equity at end of year . . . . .</b>	\$ 2,828,676	\$ 3,504,963	\$ 3,505,253	\$ 290

**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GUARANTEE TRUST FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Other operating revenues . . . . .	\$ 30,000	\$ 12,633	\$ 12,633	\$ -
Total operating revenues . . . . .	<u>30,000</u>	<u>12,633</u>	<u>12,633</u>	<u>-</u>
Operating income. . . . .	<u>30,000</u>	<u>12,633</u>	<u>12,633</u>	<u>-</u>
<b>Operating expenses:</b>				
Other . . . . .	<u>25,000</u>	<u>9,826</u>	<u>9,826</u>	<u>-</u>
Total operating expenses . . . . .	<u>25,000</u>	<u>9,826</u>	<u>9,826</u>	<u>-</u>
Net change in fund equity. . . . .	5,000	2,807	2,807	-
<b>Fund equity at beginning of year. . . . .</b>	<u>134,070</u>	<u>134,070</u>	<u>134,070</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 139,070</u>	<u>\$ 136,877</u>	<u>\$ 136,877</u>	<u>\$ -</u>

**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STORMWATER FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ -	\$ 74,767	\$ 74,767	\$ -
Total operating revenues . . . . .	<u>-</u>	<u>74,767</u>	<u>74,767</u>	<u>-</u>
<b>Operating expenses:</b>				
Contractual services . . . . .	<u>-</u>	<u>2,120</u>	<u>2,117</u>	<u>3</u>
Total operating expenses . . . . .	<u>-</u>	<u>2,120</u>	<u>2,117</u>	<u>3</u>
Net change in fund equity. . . . .	-	72,647	72,650	3
<b>Fund equity at beginning of year. . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 72,647</u>	<u>\$ 72,650</u>	<u>\$ 3</u>

**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**EMPLOYEES HEALTH**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 442,000	\$ 750,767	\$ 750,777	\$ 10
Total operating revenues . . . . .	<u>442,000</u>	<u>750,767</u>	<u>750,777</u>	<u>10</u>
<b>Operating expenses:</b>				
Contractual services . . . . .	<u>450,000</u>	<u>768,321</u>	<u>768,321</u>	<u>-</u>
Total operating expenses . . . . .	<u>450,000</u>	<u>768,321</u>	<u>768,321</u>	<u>-</u>
Net change in fund equity. . . . .	(8,000)	(17,554)	(17,544)	10
<b>Fund equity at beginning of year. . . . .</b>	<u>295,549</u>	<u>295,549</u>	<u>295,549</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 287,549</u>	<u>\$ 277,995</u>	<u>\$ 278,005</u>	<u>\$ 10</u>

**CITY OF HUBBARD, OHIO**

**INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - FIDUCIARY FUNDS**

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agency for individuals, private organizations, other governments and/or funds. The following are the City's fiduciary fund types:

**Private Purpose Trust Funds**

Private purpose 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. The following are the City's private purpose trust funds:

***Mizner Trust Fund***

To account for \$500 received in trust on December 12, 1950 for the creation of a nonexpendable endowment for Mr. Nelson Mizner with the interest to be used for the maintenance of Mizner family plots.

***Hultz Trust Fund***

To account for \$2,500 received in trust on April 28, 1976 for the creation of a nonexpendable endowment for Ms. Carrie M. Hultz with the interest to be used for the maintenance of Hultz family plots.

**Agency Fund**

Agency funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the City's agency funds:

***Mayor's Court***

To account for assets received and disbursed by the Mayor's Court as an agent or custodian related to various court matters and cases.

***Hubbard Union Cemetery***

To account for property tax revenues received and disbursed by City of behalf of the Hubbard Union Cemetery.

**CITY OF HUBBARD, OHIO**

COMBINING STATEMENT OF NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
DECEMBER 31, 2008

	<b>Mizner Trust</b>	<b>Hultz Trust</b>	<b>Total Private Purpose Trust</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 1,783	\$ 5,734	\$ 7,517
Total assets . . . . .	\$ 1,783	\$ 5,734	\$ 7,517
 <b>Net assets:</b>			
Held in trust for other purposes . . . . .	1,783	5,734	7,517
Total net assets. . . . .	\$ 1,783	\$ 5,734	\$ 7,517

**CITY OF HUBBARD, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Mizner Trust</u>	<u>Hultz Trust</u>	<u>Totals</u>
<b>Additions:</b>			
Investment earnings . . . . .	\$ 6	\$ 24	\$ 30
Total additions . . . . .	<u>6</u>	<u>24</u>	<u>30</u>
Changes in net assets . . . . .	6	24	30
<b>Net assets at beginning of year. . . . .</b>	<u>1,777</u>	<u>5,710</u>	<u>7,487</u>
<b>Net assets at end of year . . . . .</b>	<u><u>\$ 1,783</u></u>	<u><u>\$ 5,734</u></u>	<u><u>\$ 7,517</u></u>

**CITY OF HUBBARD, OHIO**

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

	<u>Balance</u> <u>1/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>
<b>Mayor's Court</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,230	\$ -	\$ 15	\$ 2,215
Total assets. . . . .	<u>\$ 2,230</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 2,215</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 2,230	\$ -	\$ 15	\$ 2,215
Total liabilities . . . . .	<u>\$ 2,230</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 2,215</u>
<b>Hubbard Union Cemetery</b>				
<b>Assets:</b>				
Receivables (net of allowances for uncollectibles):				
Real and other taxes . . . . .	26,873	946	-	27,819
Due from other governments . . . . .	1,549	28	-	1,577
Total assets. . . . .	<u>\$ 28,422</u>	<u>\$ 974</u>	<u>\$ -</u>	<u>\$ 29,396</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 28,422	\$ 974	\$ -	\$ 29,396
Total liabilities . . . . .	<u>\$ 28,422</u>	<u>\$ 974</u>	<u>\$ -</u>	<u>\$ 29,396</u>
<b>Total Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,230	\$ -	\$ 15	\$ 2,215
Receivables (net of allowances for uncollectibles):				
Real and other taxes . . . . .	26,873	946	-	27,819
Due from other governments . . . . .	1,549	28	-	1,577
Total assets. . . . .	<u>\$ 30,652</u>	<u>\$ 974</u>	<u>\$ 15</u>	<u>\$ 31,611</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 28,422	\$ 974	\$ -	\$ 29,396
Deposits held and due to others . . . . .	2,230	-	15	2,215
Total liabilities . . . . .	<u>\$ 30,652</u>	<u>\$ 974</u>	<u>\$ 15</u>	<u>\$ 31,611</u>



**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MIZNER TRUST**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Investment earnings . . . . .	\$ 12	\$ 6	\$ 6	\$ -
Total operating revenues . . . . .	<u>12</u>	<u>6</u>	<u>6</u>	<u>-</u>
Net change in fund equity. . . . .	12	6	6	-
<b>Fund equity at beginning of year. . . . .</b>	<u>1,777</u>	<u>1,777</u>	<u>1,777</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,789</u>	<u>\$ 1,783</u>	<u>\$ 1,783</u>	<u>\$ -</u>

**CITY OF HUBBARD, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**HULTZ TRUST**  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
Investment earnings . . . . .	\$ 35	\$ 24	\$ 24	\$ -
Total operating revenues . . . . .	<u>35</u>	<u>24</u>	<u>24</u>	<u>-</u>
Net change in fund equity. . . . .	35	24	24	-
<b>Fund equity at beginning of year. . . . .</b>	<u>5,710</u>	<u>5,710</u>	<u>5,710</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 5,745</u>	<u>\$ 5,734</u>	<u>\$ 5,734</u>	<u>\$ -</u>

# STATISTICAL SECTION

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**CITY OF HUBBARD, OHIO**  
**STATISTICAL SECTION**

This part of the City of Hubbard's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u><b>Contents</b></u>	<u><b>Page</b></u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>S 2 - S 11</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property	<b>S 12 - S 22</b>
<b>Debt Capacity</b> 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>S 23 - S 27</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>S 28 - S 30</b>
<b>Operating Information</b> 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.	<b>S 31 - S 35</b>

**Sources:** Sources are noted on the individual schedules. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year. The City began reporting on a GAAP-basis in 1999; schedules presenting GAAP-basis financial information include information beginning in that year.

**CITY OF HUBBARD, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 1,127,245	\$ 877,729	\$ 768,312	\$ 2,400,517
Restricted for:				
Debt service	19,225	35,823	-	-
Capital projects	475,955	509,490	512,009	-
Perpetual Care	1,712	1,706	1,697	1,691
Other projects	255,927	449,163	532,518	508,157
Unrestricted	<u>735,378</u>	<u>946,327</u>	<u>847,942</u>	<u>619,911</u>
Total governmental activities net assets	<u>\$ 2,615,442</u>	<u>\$ 2,820,238</u>	<u>\$ 2,662,478</u>	<u>\$ 3,530,276</u>
<b>Business-type Activities</b>				
Invested in capital assets, net of related debt	\$ 7,683,179	\$ 6,769,792	\$ 6,139,069	\$ 5,452,270
Unrestricted	<u>6,021,424</u>	<u>6,033,788</u>	<u>7,330,144</u>	<u>7,453,760</u>
Total business-type activities net assets	<u>\$ 13,704,603</u>	<u>\$ 12,803,580</u>	<u>\$ 13,469,213</u>	<u>\$ 12,906,030</u>
<b>Total Primary Government</b>				
Invested in capital assets, net of related debt	\$ 8,810,424	\$ 7,647,521	\$ 6,907,381	\$ 7,852,787
Restricted for:				
Debt service	19,225	35,823	-	-
Capital projects	475,955	509,490	512,009	-
Perpetual Care	1,712	1,706	1,697	1,691
Other projects	255,927	449,163	532,518	508,157
Unrestricted	<u>6,756,802</u>	<u>6,980,115</u>	<u>8,178,086</u>	<u>8,073,671</u>
Total primary government net assets	<u>\$ 16,320,045</u>	<u>\$ 15,623,818</u>	<u>\$ 16,131,691</u>	<u>\$ 16,436,306</u>

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

<u>2004</u>	<u>2003</u>
\$ 3,401,113	\$ 3,267,003
-	-
49,055	283,437
1,686	-
359,758	296,035
482,053	831,708
<u>\$ 4,293,665</u>	<u>\$ 4,678,183</u>
\$ 5,457,562	\$ 5,448,545
6,922,756	7,317,278
<u>\$ 12,380,318</u>	<u>\$ 12,765,823</u>
\$ 8,858,675	\$ 8,715,548
-	-
49,055	283,437
1,686	-
359,758	296,035
7,404,809	8,148,986
<u>\$ 16,673,983</u>	<u>\$ 17,444,006</u>

**CITY OF HUBBARD, OHIO**  
**CHANGES IN NET ASSETS**  
**LAST SIX YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

<b>Expenses:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Governmental Activities</b>				
General Government	\$ 449,327	\$ 390,097	\$ 436,931	\$ 424,353
Security of Persons and Property	1,984,690	1,910,720	2,009,360	1,676,512
Public Health and Welfare	26,921	29,075	32,313	24,434
Transportation	988,755	1,158,612	2,257,686	1,658,724
Community Environment	491	320	485	7,092
Leisure Time Activity	40,509	43,205	75,190	40,871
Other	1,064	13,112	34,549	11,567
Interest and Fiscal Charges	154,920	164,929	174,312	117,638
<b>Total Governmental Activities Expenses</b>	<b>3,646,677</b>	<b>3,710,070</b>	<b>5,020,826</b>	<b>3,961,191</b>
<b>Business-Type Activities</b>				
Sewer	1,237,180	1,357,918	1,275,270	1,249,276
Water	1,441,479	1,504,407	1,422,711	1,454,211
Electric	5,376,280	6,024,667	5,895,874	5,466,799
Guarantee Trust	9,826	15,470	33,914	26,915
Stormwater	6,573	-	-	-
<b>Total Business-Type Activities Expenses</b>	<b>8,071,338</b>	<b>8,902,462</b>	<b>8,627,769</b>	<b>8,197,201</b>
<b>Total Primary Government Expenses</b>	<b>\$ 11,718,015</b>	<b>\$ 12,612,532</b>	<b>\$ 13,648,595</b>	<b>\$ 12,158,392</b>
<b>Program Revenues:</b>				
<b>Governmental Activities</b>				
<b>Charges for Services:</b>				
General Government	\$ 7,099	\$ 8,902	\$ 7,540	\$ 8,573
Security of Persons and Property	44,886	44,127	39,762	43,328
Public Health and Welfare	6,255	3,100	-	-
Transportation	-	-	-	-
<b>Operating Grants and Contributions:</b>				
Security of Persons and Property	2,361	-	-	-
Transportation	391,905	341,274	385,966	369,284
Leisure Time Activity	1,100	-	-	100
<b>Capital Grants and Contributions:</b>				
General Government	-	-	-	-
Transportation	258,842	266,508	634,506	48,562
<b>Total Governmental Activities Program Revenues</b>	<b>712,448</b>	<b>663,911</b>	<b>1,067,774</b>	<b>469,847</b>
<b>Business-Type Activities</b>				
<b>Charges for Services:</b>				
Sewer	1,208,214	1,216,611	1,185,838	1,213,632
Water	1,399,952	1,341,883	1,470,741	1,490,852
Electric	5,630,963	5,303,784	5,298,829	5,772,406
Stormwater	86,596	-	-	-
<b>Operating Grants and Contributions:</b>				
Sewer	-	22,372	-	-
Water	-	-	-	7,275
Electric	333,896	118,655	131,348	16,459
<b>Capital Grants and Contributions:</b>				
Sewer	-	-	-	-
Water	-	-	-	-
Electric	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>8,659,621</b>	<b>8,003,305</b>	<b>8,086,756</b>	<b>8,500,624</b>
<b>Total Primary Government Program Revenues</b>	<b>9,372,069</b>	<b>8,667,216</b>	<b>9,154,530</b>	<b>8,970,471</b>



<b>2004</b>		<b>2003</b>	
\$	421,107	\$	350,765
	1,695,597		1,572,403
	30,823		35,187
	981,678		971,326
	1,963		4,524
	43,797		36,301
	1,222		1,008
	-		1,408
	<u>3,176,187</u>		<u>2,972,922</u>
	1,309,146		1,386,623
	1,301,547		1,368,214
	5,130,725		4,387,184
	24,290		18,038
	-		-
	<u>7,765,708</u>		<u>7,160,059</u>
\$	<u>10,941,895</u>	\$	<u>10,132,981</u>
\$	12,375	\$	5,977
	60,623		37,417
	-		5,000
	6,233		-
	4,886		3,193
	327,474		291,007
	1,282		1,472
	38,269		250,452
	281,414		47,162
	<u>732,556</u>		<u>641,680</u>
	1,227,361		1,239,766
	1,479,650		1,445,216
	4,457,308		4,221,233
	-		-
	-		-
	-		-
	-		2,388
	-		1,426
	-		6,702
	<u>7,164,319</u>		<u>6,916,731</u>
	<u>7,896,875</u>		<u>7,558,411</u>

**CITY OF HUBBARD, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	(2,934,229)	(3,046,159)	(3,953,052)	(3,491,344)
Business-Type Activities	588,283	(899,157)	(541,013)	303,423
Total Primary Government Net (Expense)/Revenue	\$ (2,345,946)	\$ (3,945,316)	\$ (4,494,065)	\$ (3,187,921)
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property & Other Local Taxes Levied For:				
General Purposes	\$ 277,464	\$ 280,457	\$ 282,386	\$ 250,018
Fire District	54,873	67,728	67,329	64,331
Police Pension	32,015	32,303	36,171	33,096
Income Taxes Levied For:				
General Purposes	1,919,527	2,065,938	2,003,345	1,679,734
Grants and Entitlements not Restricted to Specific Programs	259,335	297,586	269,572	242,416
Investment Earnings	322,216	343,869	374,067	280,567
Miscellaneous	122,163	116,038	159,726	165,862
Transfers	-	-	(16,715)	11,931
Capital Contributions	-	-	-	-
Total Governmental Activities	<u>2,987,593</u>	<u>3,203,919</u>	<u>3,175,881</u>	<u>2,727,955</u>
Business-Type Activities				
Other Local Taxes	31,692	30,818	30,835	49,146
Investment Earnings	24	151,766	-	67,284
Investment in Joint Ventures	-	-	-	-
Miscellaneous	22,864	50,940	40,085	117,790
Transfers	-	-	16,715	(11,931)
Capital Contributions	-	-	-	-
Total Business- Type Activities	<u>54,580</u>	<u>233,524</u>	<u>87,635</u>	<u>222,289</u>
Total Primary Government	<u>3,042,173</u>	<u>3,437,443</u>	<u>3,263,516</u>	<u>2,950,244</u>
<b>Change in Net Assets</b>				
Governmental Activities	53,364	157,760	(777,171)	(763,389)
Business-Type Activities	642,863	(665,633)	(453,378)	525,712
Total Primary Government Change in Net Assets	<u>\$ 696,227</u>	<u>\$ (507,873)</u>	<u>\$ (1,230,549)</u>	<u>\$ (237,677)</u>

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

<u>2004</u>	<u>2003</u>
(2,443,631)	(2,331,242)
(601,389)	(243,328)
<u>\$ (3,045,020)</u>	<u>\$ (2,574,570)</u>

\$ 248,159	\$ 239,943
64,546	62,439
32,065	27,683
1,090,187	1,055,837
349,959	479,298
207,831	207,265
121,405	92,888
(55,039)	(23,180)
-	417,061
<u>2,059,113</u>	<u>2,559,234</u>

70,249	25,049
17,365	7,239
15,983	14,586
57,248	193,896
55,039	23,180
-	515,620
<u>215,884</u>	<u>779,570</u>
<u>2,274,997</u>	<u>3,338,804</u>

(384,518)	227,992
(385,505)	536,242
<u>\$ (770,023)</u>	<u>\$ 764,234</u>

**CITY OF HUBBARD, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Revenues</b>				
Income taxes	\$ 1,903,813	\$ 2,066,829	\$ 1,990,560	\$ 1,644,628
Property and other taxes	359,375	373,245	379,138	344,201
Charges for services	6,838	4,114	-	-
Licenses and permits	61,469	59,310	74,180	64,891
Fines and forfeitures	45,966	51,844	47,249	51,901
Intergovernmental	902,129	901,667	1,263,002	744,611
Investment income	337,452	343,869	374,067	280,567
Other	65,451	56,728	85,599	100,971
Total revenues	<u>3,682,493</u>	<u>3,857,606</u>	<u>4,213,795</u>	<u>3,231,770</u>
<b>Expenditures</b>				
Current:				
General government	427,787	358,967	348,047	418,976
Security of persons and property	1,869,652	1,731,009	1,658,970	1,606,577
Public health and welfare	26,921	29,075	32,313	24,434
Transportation	709,113	642,092	547,210	629,992
Community environment	491	320	485	7,092
Leisure time activity	52,500	36,461	46,400	32,762
Economic development	-	-	-	-
Other	1,064	13,112	34,549	11,567
Capital outlay	580,905	476,320	3,299,634	2,294,467
Debt service:				
Principal retirement	406,294	370,000	360,000	-
Interest and fiscal charges	145,668	155,657	165,018	102,390
Bond issuance cost	-	-	-	124,250
Total expenditures	<u>4,220,395</u>	<u>3,813,013</u>	<u>6,492,626</u>	<u>5,252,507</u>
Excess of revenues over (under) expenditures	(537,902)	44,593	(2,278,831)	(2,020,737)
<b>Other Financing Sources (Uses)</b>				
Transfers in	876,330	1,014,731	963,441	607,083
Transfers (out)	(876,330)	(1,014,731)	(980,156)	(595,152)
Sale of bonds	-	-	-	5,100,000
Sale of capital assets	-	-	-	-
Capital lease transaction	120,186	-	-	-
Total other financing sources (uses)	<u>120,186</u>	<u>-</u>	<u>(16,715)</u>	<u>5,111,931</u>
Net change in fund balances	<u>\$ (417,716)</u>	<u>\$ 44,593</u>	<u>\$ (2,295,546)</u>	<u>\$ 3,091,194</u>
Capital expenditures	459,888	219,793	1,412,328	2,294,467
Debt service as a percentage of noncapital expenditures	14.68%	14.63%	10.33%	7.66%

**Note:** The City implemented GAAP-basis accounting during 1999, information prior to that year is not available.

**Source:** City of Hubbard, Ohio, City Auditor's Office

<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
\$ 1,085,545	\$ 1,046,519	\$ 1,051,085	\$ 952,071	\$ 994,671	\$ 1,003,790
341,910	332,576	319,848	316,350	316,478	267,959
1,402	1,055	701	300	300	380
59,396	62,054	55,068	52,631	36,407	34,563
71,596	42,339	55,478	70,669	51,310	65,779
1,134,403	843,070	557,998	726,369	705,513	861,076
205,371	207,265	236,390	340,155	441,245	295,810
73,495	43,004	44,654	39,220	68,590	45,035
<u>2,973,118</u>	<u>2,577,882</u>	<u>2,321,222</u>	<u>2,497,765</u>	<u>2,614,514</u>	<u>2,574,392</u>
373,980	327,268	345,965	339,749	348,155	286,517
1,441,982	1,407,963	1,370,521	1,374,984	1,324,594	1,208,958
30,823	35,187	27,681	29,314	27,857	24,135
519,369	538,470	491,493	515,212	502,597	474,008
1,963	4,524	3,194	1,600	3,445	650
35,878	30,439	29,900	26,500	29,427	37,891
-	-	-	-	200	1,157
1,222	1,008	988	983	985	10,517
713,540	335,718	71,038	211,397	362,308	244,004
-	-	6,807	6,335	17,646	13,277
-	1,555	5,158	9,697	2,224	4,006
-	-	-	-	-	-
<u>3,118,757</u>	<u>2,682,132</u>	<u>2,352,745</u>	<u>2,515,771</u>	<u>2,619,438</u>	<u>2,305,120</u>
(145,639)	(104,250)	(31,523)	(18,006)	(4,924)	269,272
530,894	823,581	424,204	402,372	538,148	377,150
(585,933)	(846,761)	(424,204)	(402,372)	(538,148)	(377,150)
-	-	-	-	-	-
3,375	-	1,300	635	1,100	-
-	-	-	-	20,456	-
<u>(51,664)</u>	<u>(23,180)</u>	<u>1,300</u>	<u>635</u>	<u>21,556</u>	<u>-</u>
<u>\$ (197,303)</u>	<u>\$ (127,430)</u>	<u>\$ (30,223)</u>	<u>\$ (17,371)</u>	<u>\$ 16,632</u>	<u>\$ 269,272</u>
713,540	335,718	71,038	211,397	362,308	244,004
0.00%	0.07%	0.52%	0.70%	0.88%	0.84%

**CITY OF HUBBARD, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund				
Reserved	\$ 17,085	\$ 60,524	\$ 18,471	\$ 17,883
Unreserved	505,186	564,771	517,636	406,132
Total general fund	<u>\$ 522,271</u>	<u>\$ 625,295</u>	<u>\$ 536,107</u>	<u>\$ 424,015</u>
All Other Governmental Funds				
Reserved	\$ 24,435	\$ 29,357	\$ 160,385	\$ 1,981,344
Unreserved, reported in:				
Special revenue funds	144,738	341,174	425,815	415,755
Debt service funds	19,225	35,823	-	-
Capital projects funds	414,348	511,090	375,848	972,593
Permanent fund	872	866	857	851
Total all other governmental funds	<u>\$ 603,618</u>	<u>\$ 918,310</u>	<u>\$ 962,905</u>	<u>\$ 3,370,543</u>

**Note:** The City implemented GAAP-basis accounting during 1999, information prior to that year is not available.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 59,229	\$ 45,155	\$ 28,192	\$ 31,467	\$ 14,445	\$ 26,840
329,933	441,823	728,236	905,535	839,194	804,693
<u>\$ 389,162</u>	<u>\$ 486,978</u>	<u>\$ 756,428</u>	<u>\$ 937,002</u>	<u>\$ 853,639</u>	<u>\$ 831,533</u>
\$ 49,049	\$ 13,626	\$ 14,814	\$ 16,877	\$ 47,587	\$ 20,125
255,124	222,476	145,394	45,130	26,870	124,711
-	-	-	-	-	-
9,183	176,741	104,707	58,977	92,006	21,716
846	846	-	-	-	-
<u>\$ 314,202</u>	<u>\$ 413,689</u>	<u>\$ 264,915</u>	<u>\$ 120,984</u>	<u>\$ 166,463</u>	<u>\$ 166,552</u>

**CITY OF HUBBARD, OHIO**

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

<b>Collection Year</b>	<b>Real Property</b>		<b>Personal Property (b)</b>		<b>Public Utility (c)</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value (1)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (1)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (1)</b>
2008	\$ 112,379,640	321,084,686	\$ 2,183,955	8,735,820	\$ 661,420	751,614
2007	111,396,820	318,276,629	3,916,830	15,667,320	1,281,270	1,455,989
2006	110,505,450	315,729,857	5,149,762	20,599,048	1,467,660	1,667,795
2005	110,487,880	315,679,657	6,235,795	25,815,880	1,485,230	1,687,761
2004	98,799,000	282,282,857	6,490,903	25,963,612	1,577,660	1,792,795
2003 (a)	97,072,120	277,348,914	7,473,263	29,893,052	1,511,120	1,717,182
2002	90,428,070	258,365,914	7,779,366	31,117,464	2,030,000	2,306,818
2001	88,629,600	253,227,429	7,223,222	28,892,888	2,210,780	2,512,250
2000 (b)	71,969,610	205,627,457	7,148,928	28,595,712	2,448,470	2,782,352
1999	71,038,050	202,965,857	6,566,022	26,264,088	2,514,520	2,857,409

**Source:** Trumbull County Auditor

(1) This amount is calculated based on the following percentages:

Real property is assessed at thirty-five percent of actual value.

Public utility is assessed at eighty-eight percent of actual value.

Tangible personal is assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory included in tangible personal property.

(a) Update year.



<b>Exemptions</b>		<b>Total</b>			
<b>Real Property</b>	<b>Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value (1)</b>	<b>%</b>	
\$ 10,596,670	\$ 115,225,015	3.80%	\$ 330,572,119	34.86%	
10,526,180	116,594,920	3.80%	335,399,937	34.76%	
10,362,940	117,122,872	3.80%	337,996,701	34.65%	
8,312,500	118,208,905	3.80%	343,183,299	34.44%	
8,267,760	106,867,563	3.80%	310,039,265	34.47%	
8,125,200	106,056,503	3.80%	308,959,148	34.33%	
8,116,100	100,237,436	3.80%	291,790,196	34.35%	
8,097,060	98,063,602	3.80%	284,632,567	34.45%	
6,485,120	81,567,008	3.80%	237,005,521	34.42%	
6,581,300	80,118,592	3.80%	232,087,354	34.52%	

**CITY OF HUBBARD, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(RATE PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

<b>Tax Year/ Collection Year</b>	<b>City Direct Rates</b>			
	<b>General Rate</b>	<b>Fire District</b>	<b>Police Pension</b>	<b>Total Direct Rate</b>
2008	2.80	0.70	0.30	3.80
2007	2.80	0.70	0.30	3.80
2006	2.80	0.70	0.30	3.80
2005	2.80	0.70	0.30	3.80
2004	2.80	0.70	0.30	3.80
2003	2.80	0.70	0.30	3.80
2002	2.80	0.70	0.30	3.80
2001	2.80	0.70	0.30	3.80
2000	2.80	0.70	0.30	3.80
1999	2.80	0.70	0.30	3.80

<b>Tax Year/ Collection Year</b>	<b>Overlapping Rates</b>				
	<b>Trumbull County</b>	<b>Hubbard EVSD</b>	<b>Vocational School</b>	<b>Township (1)</b>	<b>Other (1)</b>
2008	11.10	58.45	2.40	14.40	1.20
2007	11.10	58.85	2.40	14.40	1.20
2006	11.10	53.05	2.40	14.40	1.20
2005	10.35	54.20	2.40	14.40	1.20
2004	10.35	54.20	2.40	14.40	1.20
2003	10.35	54.25	2.40	14.40	1.20
2002	10.35	54.35	2.40	14.40	1.20
2001	10.35	49.22	2.40	14.40	1.20
2000	10.35	48.26	2.40	12.65	1.20
1999	10.35	49.60	2.40	12.65	1.20

**Source:** Trumbull County Treasurer

(1) Includes 0.2 mills set aside for Hubbard Union Cemetery

**CITY OF HUBBARD, OHIO**  
**PRINCIPAL TAXPAYERS**  
**REAL PROPERTY TAX**  
**CURRENT YEAR AND EIGHT YEARS AGO**

<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
McConnell Enterprises	\$ 877,420	1	0.78%
Cocca Properties, LLC	653,950	2	0.58%
W.B.S. Company	648,940	3	0.58%
Valley View Properties	610,340	4	0.54%
Simon-Westview Limited Partnership	567,880	5	0.51%
Gary D. Mayle	535,390	6	0.48%
United States Can Company	518,250	7	0.46%
Kala Realty Limited	486,580	8	0.43%
James R. Carsone, Sr.	477,640	9	0.43%
SCP	460,290	10	0.41%
<b>Total, Top Ten Principal Real Property Taxpayers</b>	<b>\$ 5,836,680</b>		<b>5.19%</b>
<b>Total City Real Property Assessed Valuation</b>	<b>\$ 112,379,640</b>		

<b>December 31, 2000</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
McConnell Enterprises	\$ 769,480	1	1.07%
Fleisher Realty	616,500	2	0.86%
Anthony L. Cocca	608,650	3	0.85%
United States Can Company	578,800	4	0.80%
W.B.S. Company	553,850	5	0.77%
Simon-Westview Limited Partnership	523,040	6	0.73%
James P. Marsh	427,720	7	0.59%
Anthony M. Villano	366,450	8	0.51%
James R. Carsone	344,770	9	0.48%
Valley View Properties	343,820	10	0.48%
<b>Total, Top Ten Principal Real Property Taxpayers</b>	<b>\$ 5,133,080</b>		<b>7.13%</b>
<b>Total City Real Property Assessed Valuation</b>	<b>\$ 71,969,610</b>		

**Source:** Trumbull County Auditor

**Note:** Information prior to 2000 was unavailable.

**CITY OF HUBBARD, OHIO**

PRINCIPAL TAXPAYERS  
PERSONAL PROPERTY TAX  
CURRENT YEAR AND EIGHT YEARS AGO

<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Ball Corporation	\$ 563,980	1	25.82%
Greenwood's Hubbard Chevrolet	351,240	2	16.08%
Lighting Products, Inc.	259,210	3	11.87%
Ohio Bell Telephone Company	206,590	4	9.46%
CVS Discount Drug	54,830	5	2.51%
Gasser Chair Company	53,940	6	2.47%
Walgreen Company	62,480	7	2.86%
New Cingular Wireless Services, Inc.	59,420	8	2.72%
Flying J Travel Center	53,010	9	2.43%
Rite Aid of Ohio	48,250	10	2.21%
<b>Total, Top Ten Principal Personal Property Taxpayers</b>	<b>\$ 1,712,950</b>		<b>78.43%</b>
<b>Total City Personal Property Assessed Valuation</b>	<b>\$ 2,183,955</b>		

<b>December 31, 2000</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
United States Can Company	\$ 2,787,710	1	38.99%
Devine Food, Inc.	293,916	2	4.11%
Federal Wholesale, Inc.	223,870	3	3.13%
Patton's IGA Super Center, Inc.	195,610	4	2.74%
CVS Discount Drug	184,010	5	2.57%
Time Warner Company	139,060	6	1.95%
Gasser Chair Company	138,420	7	1.94%
IBM Credit Corporation	93,250	8	1.30%
PBG Capital Partners	85,450	9	1.20%
Advance Stores Company, Inc.	83,390	10	1.17%
<b>Total, Top Ten Principal Personal Property Taxpayers</b>	<b>\$ 4,224,686</b>		<b>59.10%</b>
<b>Total City Personal Property Assessed Valuation</b>	<b>\$ 7,148,928</b>		

**Source:** Trumbull County Auditor

**Note:** Information prior to 2000 was unavailable.

**CITY OF HUBBARD, OHIO**

PRINCIPAL TAXPAYERS  
PUBLIC UTILITY PROPERTY TAX  
CURRENT YEAR AND EIGHT YEARS AGO

**December 31, 2008**

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
First Energy - Ohio Edison	\$ 260,870	1	39.44%
Dominion East Ohio Gas Company	256,850	2	38.83%
Norfolk Southern Combined	128,820	3	19.48%
American Transmission Systems	23,310	4	3.52%
CSX Transportation	13,230	5	2.00%
American Municipal Power	920	6	0.14%
Total, Top Ten Principal Public Utility Taxpayers	<u>\$ 684,000</u>		<u>103.41%</u>
Total City Public Utility Assessed Valuation	<u>\$ 661,420</u>		

**December 31, 2000**

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Ohio Bell Telephone	\$ 873,850	1	35.69%
Dominion East Ohio Gas Company	790,560	2	32.29%
Ohio Edison	304,220	3	12.42%
Norfolk Southern Combined	166,980	4	6.82%
CSX Transportation	22,520	5	0.92%
Americal Municipal Power	4,880	6	0.20%
Intellicall Operator Service	390	7	0.02%
Davel Communications	200	8	0.01%
Total, Top Ten Principal Public Utility Taxpayers	<u>\$ 2,163,600</u>		<u>88.37%</u>
Total City Public Utility Assessed Valuation	<u>\$ 2,448,470</u>		

**Source:** Trumbull County Auditor

**Note:** Information prior to 2000 is unavailable

**CITY OF HUBBARD, OHIO**

**REAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<b>Tax Year/ Collection Year</b>	<b>Total Levy (1)</b>	<b>Current Collection (1)</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection (1)</b>	<b>Total Collection (1)</b>	<b>Total Collection as a Percent of Total Levy</b>
2008	\$ 396,100	\$ 378,326	95.51%	\$ 14,387	\$ 392,713	99.14%
2007	394,680	374,965	95.00%	11,978	386,943	98.04%
2006	390,400	374,828	96.01%	13,695	388,523	99.52%
2005	377,790	357,559	94.64%	8,756	366,315	96.96%
2004	377,032	366,590	97.23%	11,150	377,740	100.19%
2003	350,748	340,268	97.01%	9,398	349,666	99.69%
2002	334,821	324,767	97.00%	7,381	332,148	99.20%
2001	331,420	320,902	96.83%	5,911	326,813	98.61%
2000	325,641	316,050	97.05%	9,147	325,197	99.86%
1999	277,567	270,313	97.39%	6,046	276,359	99.56%

**Source:** Trumbull County Auditor

**Note:** (1) The amount expressed does not include 0.2 mills set aside for financial support of Hubbard Union Cemetery.

**CITY OF HUBBARD, OHIO**

**PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<b>Tax Year/ Collection Year</b>	<b>Total Levy (1)</b>	<b>Current Collection (1)</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection (1)</b>	<b>Total Collection (1)</b>	<b>Total Collection as a Percent of Total Levy</b>
2008	\$ 8,736	\$ 8,662	99.15%	\$ 258	8,920	102.11%
2007	17,261	17,199	99.64%	526	17,725	102.69%
2006	21,558	21,207	98.37%	532	21,739	100.84%
2005	26,694	26,553	99.47%	384	26,937	100.91%
2004	26,690	26,304	98.55%	580	26,884	100.73%
2003	26,243	26,144	99.62%	310	26,454	100.80%
2002	28,398	29,726	104.68%	379	30,105	106.01%
2001	29,562	30,696	103.84%	1,150	31,846	107.73%
2000	27,448	27,231	99.21%	378	27,609	100.59%
1999	27,165	25,879	95.27%	742	26,621	98.00%

**Source:** Trumbull County Auditor

**Note:** (1) The amount expressed does not include 0.2 mills set aside for financial support of Hubbard Union Cemetery.  
The County does not identify delinquent collections by the year for which the tax was levied.

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**CITY OF HUBBARD, OHIO**

PRINCIPAL TAXPAYERS  
INCOME TAX WITHHOLDING  
CURRENT YEAR AND EIGHT YEARS AGO

<b>December 31, 2008</b>				
<b>Taxpayer</b>	<b>Number of Employees</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Hubbard Board of Education	330	\$ 169,920	1	8.79%
The Ball Corporation	191	76,209	2	3.94%
City of Hubbard, Ohio	102	43,163	3	2.23%
Delphi Automotive Systems	54	42,455	4	2.20%
Greenwood's Hubbard Chevrolet	63	26,551	5	1.37%
Devine Foods, Inc.	100	17,433	6	0.90%
Flying J Travel Center	228	17,414	7	0.90%
General Motors Corporation	93	14,597	8	0.76%
Braydich Center for Advanced Dentistry	15	10,665	9	0.55%
State of Ohio	28	10,281	10	0.53%
Total, Top Ten Principal Income Tax Withholders		<u>\$ 428,688</u>		<u>22.18%</u>
Total Income Tax Collections, Year 2007		<u>\$ 1,932,541</u>		

<b>December 31, 2000</b>				
<b>Taxpayer</b>		<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Hubbard Board of Education	492	\$ 92,712	1	9.64%
United States Can Company	319	89,417	2	9.30%
Delphi Automotive Systems	136	44,235	3	4.60%
General Motors Corporation	94	27,327	4	2.84%
City of Hubbard, Ohio	88	22,092	5	2.30%
Patton's IGA Super Center, Inc.	110	12,389	6	1.29%
Greenwood's Hubbard Chevrolet	58	10,410	7	1.08%
Devine Foods, Inc.	110	7,283	8	0.76%
Sharon Tube Company	43	6,712	9	0.70%
Gasser Chair Company	25	6,535	10	0.68%
Total, Top Ten Principal Income Tax Withholders		<u>\$ 319,112</u>		<u>33.20%</u>
Total Income Tax Collections, Year 2000		<u>\$ 961,289</u>		

**Source:** City of Hubbard, Ohio, Income Tax Administration Division

**Note:** Information prior to 2000 was not available

**CITY OF HUBBARD, OHIO**

**INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS**

<b>Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>
2008	1.50%	\$ 1,932,541	\$ 1,002,855	51.89%	\$ 114,793	5.94%
2007	1.50%	2,098,094	1,070,522	51.02%	190,717	9.09%
2006	1.50%	1,923,227	1,035,237	53.83%	161,303	8.39%
2005	1.50%	1,556,973	1,040,315	66.82%	111,685	7.17%
2004	1.00%	1,046,380	629,225	60.13%	65,920	6.30%
2003	1.00%	1,042,971	625,597	59.98%	76,278	7.31%
2002	1.00%	1,066,337	602,454	56.50%	92,300	8.66%
2001	1.00%	961,723	609,894	63.42%	58,858	6.12%
2000	1.00%	961,289	568,144	59.10%	82,872	8.62%
1999	1.00%	1,008,313	632,205	62.70%	70,713	7.01%

Source: The Regional Income Tax Agency

Note: Information is not available for 1998.

	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
\$	814,893	42.17%
	836,865	39.89%
	726,687	37.78%
	404,973	26.01%
	351,235	33.57%
	341,097	32.70%
	371,583	34.85%
	292,971	30.46%
	310,273	32.28%
	305,395	30.29%

**CITY OF HUBBARD, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS

Year	Governmental Activities		Business-Type Activities				
	General Obligation Bonds	Capital Lease Obligations	Refunding BAN	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	Capital Lease Obligations
2008	\$ 3,990,000	\$ 93,892	\$ 2,195,000	\$ -	\$ 1,718,032	\$ 730,802	\$ 93,892
2007	4,370,000	-	2,580,000	-	1,816,246	786,765	-
2006	4,740,000	-	-	3,475,000	1,908,397	842,728	-
2005	5,100,000	-	-	3,770,000	1,994,858	898,691	-
2004	-	-	-	4,055,000	2,075,982	954,654	-
2003	-	-	-	4,325,000	2,152,097	1,010,617	-
2002	-	-	-	4,585,000	2,223,513	814,671	-
2001	-	-	-	4,830,000	2,290,520	424,898	-
2000	-	-	-	5,065,000	2,353,390	337,376	-
1999	-	-	-	5,290,000	2,412,379	355,613	-

**Sources:**

(a) See notes to the financial statements regarding the City's outstanding debt information.

(b) See Schedule " Demographic and Economic Statistics - Last Ten Years" for personal income and population.

	<b>(a) Total Primary Government</b>	<b>(b) Total Personal Income</b>	<b>Percentage of Personal Income</b>	<b>(b) Population</b>	<b>Per Capita</b>
\$	8,821,618	-	-	8,400	1,050
	9,553,011	29,314	0.31%	8,420	1,135
	10,966,125	28,859	0.26%	8,415	1,303
	11,763,549	27,720	0.24%	8,400	1,400
	7,085,636	26,859	0.38%	8,380	846
	7,487,714	26,314	0.35%	8,345	897
	7,623,184	25,358	0.33%	8,340	914
	7,545,418	25,326	0.34%	8,329	906
	7,755,766	25,582	0.33%	8,284	936
	8,057,992	25,022	0.31%	7,793	1,034

**CITY OF HUBBARD, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS**

<b>Year</b>	<b>General Obligation Bonds</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2008	\$ 3,990,000	\$ 3,990,000	1.21%	475
2007	4,370,000	4,370,000	1.30%	519
2006	4,740,000	4,740,000	1.40%	563
2005	5,100,000	5,100,000	1.49%	607

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
The City did not have any outstanding governmental fund debt prior to 2005.

**CITY OF HUBBARD, OHIO**

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
City of Hubbard (2)	\$ 3,990,000	100.00%	\$ 3,990,000
<b>Overlapping debt:</b>			
Hubbard Township (3)	-	0.00%	-
Hubbard Exempted Village School District (4)	340,000	53.04%	180,336
Trumbull County (5)	17,752,388	3.28%	582,278
Total direct and overlapping debt	<u>\$ 22,082,388</u>		<u>\$ 4,752,614</u>

(1) Percentages determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed value of the political subdivision.

<u>Overlapping Government</u>	<u>2008 Assessed Valuation</u>
City of Hubbard	115,225,015
Hubbard Township	100,826,728
Hubbard E.V. School District	217,231,843
Trumbull County	3,510,273,047

**Sources:**

- (2) City of Hubbard, Ohio, City Auditor's Office
- (3) Hubbard Township, Ohio, Clerk
- (4) Hubbard Exempted Village School District Treasurer's Office
- (5) Trumbull County Auditor

**CITY OF HUBBARD, OHIO**

LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2008	\$ 12,098,627	3,990,000	\$ 8,108,627	32.98%
2007	12,242,467	4,370,000	7,872,467	35.70%
2006	12,297,902	4,740,000	7,557,902	38.54%
2005	12,411,935	5,100,000	7,311,935	41.09%
2004	11,221,094	-	11,221,094	0.00%
2003	11,135,933	-	11,135,933	0.00%
2002	10,524,931	-	10,524,931	0.00%
2001	10,296,678	-	10,296,678	0.00%
2000	8,564,536	-	8,564,536	0.00%
1999	8,412,452	-	8,412,452	0.00%

**Source:** City of Hubbard, Ohio, City Auditor's Office

**Note:** Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

**Note:** Beginning in 2007 the amount of assessed valuation for railroad and telephone personal property has been excluded from the debt margin calculation.



**CITY OF HUBBARD, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

<u>Year</u>	<u>Estimated Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Ohio Unemployment Rate (4)</u>
2008	8,400	(5)	(5)	2,374	0.0%
2007	8,420	246,823,880	29,314	2,368	6.3%
2006	8,415	242,848,485	28,859	2,384	6.3%
2005	8,400	232,848,000	27,720	2,435	6.8%
2004	8,380	225,078,420	26,859	2,512	6.9%
2003	8,345	219,590,330	26,314	2,306	7.6%
2002	8,340	211,485,720	25,358	2,319	5.8%
2001	8,329	210,940,254	25,326	2,366	6.1%
2000	8,284	211,921,288	25,582	2,438	5.3%
1999	7,793	194,996,446	25,022	2,431	5.4%

**Sources:**

(1) Ohio Department of Development Office of Strategic Research and United States Bureau of Census

(2) United States Department of Commerce Bureau of Economic Analysis

(3) Hubbard Exempted Village School District Treasurer's Office

(4) Ohio Department of Job and Family Services Labor Market Information Division

(5) Per capita income and personal income information unavailable. Bureau of Economic Analysis preliminary data to be released in May 2010 for data year 2008.

**CITY OF HUBBARD, OHIO**

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

<b>Employer</b>	<b>December 31, 2008</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Hubbard Board of Education	330	1	25.21%
Flying J Travel Center	228	2	17.42%
Ball Corporation	191	3	14.59%
City of Hubbard, Ohio	102	4	7.79%
Devine Foods, Inc.	100	5	7.64%
General Motors Corporation	93	6	7.10%
Nemanz IGA Supercenter	73	7	5.58%
Greenwood's Hubbard Chevrolet	63	8	4.81%
Waffle House, Inc.	65	9	4.97%
Belleria Pizza, Inc.	64	10	4.89%
<b>Total</b>	<b>1,309</b>		<b>100.00%</b>

<b>Employer</b>	<b>December 31, 1999</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Hubbard Board of Education	492	1	33.36%
Ball Corporation	319	2	21.63%
Delphi Automotive Group	136	3	9.22%
Patton's IGA Supercenter, Inc.	110	4	7.46%
Devine Foods, Inc.	110	5	7.46%
General Motors Corporation	94	6	6.37%
City of Hubbard, Ohio	88	7	5.97%
Greenwood's Hubbard Chevrolet	58	8	3.93%
Sharon Tube Company	43	9	2.92%
Gasser Chair Company	25	10	1.69%
<b>Total</b>	<b>1,475</b>		<b>100.00%</b>

**Source:** City of Hubbard, Income Tax Administration Division

**CITY OF HUBBARD, OHIO**

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

<b>Function/Program</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
General Government										
Council	8	8	8	8	8	8	8	8	8	8
Mayor	1	1	1	1	1	1	1	1	1	1
Finance	4	4	4	4	4	4	4	4	4	4
Law	1	1	1	1	1	1	1	1	1	1
Civil Service	4	4	4	4	4	4	4	4	4	4
Security of Persons and Property										
Police										
Part-Time	5.0	2.0	2.0	2.0	2.0	2.0	1.0	1.5	1.5	1.5
Full-Time	14	15	15	15	13	13	13	13	13	13
Police Dispatchers										
Part-Time	4.0	1.0	1.0	1.0	0.5	1.5	0.0	1.0	1.0	1.5
Full-Time	4	4	4	4	4	4	4	4	4	4
Fire										
Volunteer officers	5	5	5	5	5	6	6	6	6	6
Volunteer fire fighters	29	28	28	28	26	26	26	28	28	28
Community Environment										
Engineering	1	1	1	1	1	1	1	1	1	1
Leisure Time Activity										
Recreation	5	5	5	4	4	4	4	4	4	4
Sewer										
Waste Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water										
Water	4	5	5	5	4	4	4	4	4	4
Electric										
Electric	12	12	12	12	12	14	14	14	14	14
<b>Total</b>	<u>106.00</u>	<u>101.00</u>	<u>101.00</u>	<u>100.00</u>	<u>94.50</u>	<u>98.50</u>	<u>96.00</u>	<u>99.50</u>	<u>99.50</u>	<u>100.00</u>

**Source:** City of Hubbard records

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

**CITY OF HUBBARD, OHIO**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST NINE YEARS**

<b>Function/Program</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Security of persons and property</b>					
<b>Police</b>					
Physical arrests	203	188	146	361	72
Parking violations	221	264	334	404	377
Traffic citations	576	612	680	657	973
Traffic accidents	233	88	94	119	N/A
Stations	1	1	1	1	1
Marked patrol units	10	10	11	11	7
Unmarked patrol units	4	3	2	2	2
Calls for service answered	9,660	10,163	6,457	6,368	7,069
<b>Fire (1)</b>					
Stations	N/A	1	1	1	1
Fire engines	N/A	4	4	4	4
Calls answered	N/A	143	214	196	141
Calls answered within City	N/A	53	80	74	46
Calls answered within Township	N/A	90	134	122	95
Number of inspections conducted	N/A	N/A	N/A	N/A	N/A
<b>Leisure Time Activity</b>					
<b>Parks and Recreation</b>					
City owned parks	2	2	2	2	2
Park acreage	8.15	8.15	8.15	8.15	8.15
Volleyball courts	1	1	1	1	1
Basketball courts	4	3	3	3	3
Baseball fields	1	1	1	1	1
Restroom facilities	1	1	1	1	2
<b>Transportation</b>					
Center lane miles of streets	29.59	29.59	29.59	29.49	29.39
Miles of state highway within the City	7.50	7.50	7.50	7.50	7.50
Number of bridges	4	4	4	4	4
Miles of bridges	0.03	0.03	0.03	0.03	0.03
Number of street lights	890	887	887	885	885
Number of signalized intersections	8	8	8	8	8
<b>Sewer</b>					
Number of Waste Water Treatment Plants	1	1	1	1	1
Miles of sanitary sewers	30.46	30.46	30.46	30.46	29.66
Miles of storm sewers	16.25	16.25	16.25	16.25	16.25
Number of sanitary sewer lift stations	4	4	4	4	4
Number of service connections	3,348	3,314	3,287	3,285	3,285
Daily average treatment in millions gallons	712,504	678,575	590,731	587,436	595,021
Maximum daily capacity of treatment plant in gallon	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
<b>Water</b>					
Miles of water mains	50.25	50.25	50.25	50.25	50.25
Number of water tanks	1	1	1	1	1
Maximum holding capacity of water tank in gallons	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Number of service connections	3,664	3,670	3,619	3,613	3,613
Number of fire hydrants	388	387	383	382	382
Daily average consumption in gallons	931,492	804,212	716,483	715,572	730,240

2003	2002	2001	2000
275	298	407	340
70	275	223	208
639	741	1,216	864
N/A	N/A	N/A	N/A
1	1	1	1
8	7	9	9
2	3	2	2
5,905	5,776	5,588	4,653
1	1	1	1
4	4	4	4
192	142	143	182
63	57	63	62
129	85	80	120
50	55	26	10
2	2	2	2
8.15	8.15	8.15	8.15
1	1	1	1
3	3	3	3
1	1	1	1
2	2	2	2
29.39	29.39	29.39	28.99
7.50	7.50	7.50	7.25
4	4	4	4
0.03	0.03	0.03	0.03
875	865	865	864
8	8	8	8
1	1	1	1
29.66	29.66	29.51	29.51
16.25	16.25	16.25	16.25
4	4	4	4
3,277	3,266	3,239	3,223
2,160,000	2,150,000	2,000,000	2,000,000
17,000,000	17,000,000	17,000,000	17,000,000
50.25	50.25	50.1	50.1
1	1	1	1
1,000,000	1,000,000	1,000,000	1,000,000
3,607	3,605	3,568	3,559
376	397	394	387
961,087	1,090,734	1,088,168	1,115,371

CITY OF HUBBARD, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST NINE YEARS (CONTINUED)

Function/Program	2008	2007	2006	2005	2004
<b>Electric</b>					
Total miles of electric service	55.15	55.15	55.15	55.15	55.05
<b>Electric 23 KV Transmission System</b>					
Miles of transmission services	4.23	4.23	4.23	4.23	4.23
Number of transmission poles	115	111	111	111	111
Number of sub-stations	3	3	3	3	3
Line feet of overhead transmission conductor	22,326	22,326	22,326	22,326	22,326
Conductor feet of overhead transmission conductor	66,978	66,978	66,978	66,978	66,978
Line feet of underground transmission conductor	2,335	2,335	2,335	2,335	2,335
Conductor feet of underground transmission conductor	7,150	7,055	7,005	7,005	7,005
<b>Electric Distribution System</b>					
Miles of distribution service	45.01	45.01	45.01	45.01	45.01
<b>Overhead Distribution System</b>					
Miles of overhead distribution service	36.00	36.00	36.00	36.00	36.00
Number of distribution poles	1,589	1,585	1,585	1,585	1,578
Number of pole mount transformers	616	614	614	614	613
Total line feet of overhead primary conductor	189,144	189,144	189,144	189,144	189,144
Total conductor feet of overhead primary conductor	366,019	366,019	366,019	366,019	366,019
<b>Single Phase Overhead Distribution System</b>					
Line feet of single-phase conductor	96,834	96,834	96,834	96,834	96,834
Conductor feet of two phase primary conductor	96,834	96,834	96,834	96,834	96,834
<b>Two Phase Overhead Distribution System</b>					
Line feet of single-phase primary conductor	7,745	7,745	7,745	7,745	7,745
Conductor feet of two-phase primary conductor	15,490	15,490	15,490	15,490	15,490
<b>Three Phase Overhead Distribution System</b>					
Line feet of three-phase primary conductor	84,565	84,565	84,565	84,565	84,565
Conductor feet of three phase primary conductor	253,696	253,696	253,696	253,696	253,696
Line/conductor feet of neutral conductor	30,060	30,060	30,060	30,060	30,060
Line feet of secondary conductor	167,421	167,421	167,421	167,421	167,421
Conductor feet of secondary conductor	346,193	346,193	346,193	346,193	346,193
<b>Underground Distribution System</b>					
Miles of underground distribution service	9.04	9.01	9.01	9.01	9.01
Number of pad mount single phase transformers	84	84	84	84	84
Number of pad mount three phase transformers	37	37	37	37	37
Total line feet of underground primary conductor	47,703	47,703	47,703	47,703	47,703
Total conductor feet of underground primary conductor	88,269	88,269	88,269	88,269	88,269
<b>Single Phase Underground Distribution System</b>					
Line feet of single-phase primary conductor	27,420	27,420	27,420	27,420	27,420
Conductor feet of single-phase primary conductor	27,420	27,420	27,420	27,420	27,420
<b>Three Phase Underground Distribution System</b>					
Line feet of three-phase primary conductor	20,283	20,283	20,283	20,283	20,283
Conductor feet of three-phase primary conductor	60,849	60,849	60,849	60,849	60,849
Line feet of secondary conductor	15,528	15,528	15,528	15,528	15,528
Conductor feet of secondary conductor	15,528	15,528	15,528	15,528	15,528
<b>Distribution System Service Connections</b>					
Number of residential service connections	3,423	3,413	3,478	3,471	3,454
Number of demand residential service connections	11	12	11	11	12
Number of general service small (commercial) connections	435	463	357	357	363
Number of general service large (industrial) connections	1	1	1	1	1
Number of security light connections	228	100	159	157	153
<b>Distribution System Service Connections</b>					
Daily average gross consumption in kilowatt hours	172,808	177,642	182,438	182,850	173,423
Daily average consumption in kilowatt hours-billed to consumers	148,154	165,469	162,357	161,907	154,197

Source: City of Hubbard

Note: Information for 10 years prior was not available for all functions/programs since 2000 was the first year the City prepared a CAFR.

(1) During 2008 the City eliminated the fire department.

2003	2002	2001	2000
55.05	55.05	55.05	46.90
4.23	4.23	4.23	4.69
111	111	111	111
3	3	3	3
22,326	22,326	22,326	22,435
66,978	66,978	66,978	67,305
2,335	2,335	2,335	2,335
7,005	7,005	7,005	7,005
45.01	44.76	50.82	42.21
36.00	35.75	35	35
1,578	1,576	1,539	1,514
613	604	591	582
189,144	188,744	183,388	179,710
366,019	365,619	350,489	339,365
96,834	96,434	95,965	96,010
96,834	96,434	95,965	96,010
7,745	7,745	7,745	7,745
15,490	15,490	15,490	15,490
84,565	84,565	79,678	75,955
253,696	253,695	239,034	227,865
30,060	29,660	22,662	36,022
167,421	167,421	166,984	166,243
346,193	346,193	345,753	347,655
9.01	9.01	16.09	8.17
84	84	83	77
37	37	35	34
47,703	47,553	84,926	43
88,269	87,819	15,528	79,900
27,420	27,420	27,185	24,730
27,420	27,420	15,528	24,730
20,283	20,133	57,741	18,390
60,849	60,399	0	55,170
15,528	15,528	15,368	14,693
15,528	15,528	15,368	14,853
3,435	3,381	3,388	3,360
59	59	59	59
366	326	298	300
1	1	1	1
154	217	212	182
168,196	165,968	159,380	156,357
142,966	142,270	138,624	135,991

**CITY OF HUBBARD, OHIO**

**CAPITAL ASSET STATISTICS BY FUNCTION/ASSET CLASS  
FOR GOVERNMENTAL ACTIVITIES  
LAST SIX YEARS**

<b>Function/Program</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b><u>General Government</u></b>						
Land	597,871	597,871	597,871	\$ 597,871	\$ 37,348	\$ 37,348
Land Improvements	82,201	88,612	95,022	10,086	-	-
Building and Improvements	-	-	-	-	36,784	48,480
Equipment	21,048	29,475	40,500	37,109	80,457	79,099
Vehicles	-	798	2,395	5,425	5,590	7,110
Construction in Progress	-	98,350	66,963	713,399	-	-
	<u>701,120</u>	<u>815,106</u>	<u>802,751</u>	<u>1,363,890</u>	<u>160,179</u>	<u>172,037</u>
<b><u>Security of Persons and Property</u></b>						
Land	-	-	-	-	179,819	179,819
Land Improvements	187,133	98,754	105,137	-	-	-
Building and Improvements	1,363,312	1,399,849	1,436,387	20,898	6,970	4,594
Equipment	105,662	131,678	138,475	20,025	88,609	89,632
Vehicles	128,090	133,507	187,045	241,811	169,100	206,188
	<u>1,784,197</u>	<u>1,763,788</u>	<u>1,867,044</u>	<u>282,734</u>	<u>444,498</u>	<u>480,233</u>
<b><u>Transportation</u></b>						
Land	-	-	-	-	427,696	427,696
Land Improvements	145,481	156,318	167,156	-	-	-
Building and Improvements	32,953	36,202	39,451	42,906	35,107	23,139
Equipment	101,145	118,731	136,317	126,924	99,696	95,816
Vehicles	205,812	119,673	150,507	103,969	47,694	59,181
Infrastructure	2,124,683	2,108,672	2,201,409	2,464,828	2,132,056	1,958,617
	<u>2,610,074</u>	<u>2,539,596</u>	<u>2,694,840</u>	<u>2,738,627</u>	<u>2,742,249</u>	<u>2,564,449</u>
<b><u>Leisure Time Activity</u></b>						
Land	-	-	-	-	12,235	12,235
Land Improvements	7,546	8,497	10,394	6,048	22,440	24,901
Building and Improvements	13,980	14,690	15,400	16,110	7,997	3,998
Equipment	-	-	-	-	5,362	5,237
Vehicles	4,391	6,148	7,905	9,662	6,152	3,913
	<u>25,917</u>	<u>29,335</u>	<u>33,699</u>	<u>31,820</u>	<u>54,186</u>	<u>50,284</u>
<b><u>Total Capital Assets, Net</u></b>						
Land	597,871	597,871	597,871	597,871	657,098	657,098
Land Improvements	422,361	352,181	377,709	16,134	22,440	24,901
Building and Improvements	1,410,245	1,450,741	1,491,238	79,914	86,858	80,211
Equipment	227,855	279,884	315,292	184,058	274,124	269,784
Vehicles	338,293	260,126	347,852	360,867	228,536	276,392
Infrastructure	2,124,683	2,108,672	2,201,409	2,464,828	2,132,056	1,958,617
Construction in Progress	-	98,350	66,963	713,399	-	-
	<u>\$ 5,121,308</u>	<u>\$ 5,147,825</u>	<u>\$ 5,398,334</u>	<u>\$ 4,417,071</u>	<u>\$ 3,401,112</u>	<u>\$ 3,267,003</u>

**Note:** The year ended December 31, 2003 was the first year of implementation of GASB Statement No. 34, therefore only five years of information are available.





Mary Taylor, CPA  
Auditor of State

**CITY OF HUBBARD**

**TRUMBULL COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 21, 2009**