



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
P.O. Box 307
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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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, 2008.

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

Mary Taylor, CPA
Auditor of State

June 30, 2008

CITY OF HUBBARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007

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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, 2008

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 fiscal 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 fiscal year ended December 31, 2007, 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, 2007, 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, 2007, 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, 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 City has entered into a contractual agreement with Hubbard Township (the "Township") and the Hubbard Volunteer Fire Department, Inc. (HVFD) to provide fire protection services to the citizens of the City and the Township. The City and the Township share equally (fifty percent) in the cost of operating the HVFD. The City's share of costs is reported as a separate special revenue fund. Effective January 1, 2008, the City and Township mutually agreed to create the Eagle Joint Fire District. The Fire District will assume all responsibility for fire protection services within the City and Township jurisdictions and remain 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 fiscal 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 30th. The Council holds public hearings with regard to each department's proposed budget and the final budget is adopted by December 31st—the close of the City's fiscal year. Periodically, Council operates for the first three months of the budgetary year on a temporary budget, passing the final budget by the March 30th 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 31st 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 2007, 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, and Best Western Penn-Ohio Suites. Additional parcels were included within the district in 2006. These locations will include a Love's Travel Stop and Country Store and the Homestead RV Dealership. Construction of the \$10 million Love's Travel Stop and Country Store began in 2007 and the facility is scheduled to open in May 2008.

In October 2007, the City completed its Comprehensive Downtown Revitalization Program. Over thirty business owners in the downtown target area completed site and facility improvements to their properties. The program was funded with a \$400,000 U.S. Department of Housing and Urban Development grant as well as one-to-one local dollar match.

MAJOR INITIATIVES – CURRENT AND FUTURE PROJECTS

Throughout 2007, 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. In the fourth quarter of 2007, the City concluded discussions with the Hubbard Volunteer Fire Association, Inc. and Hubbard Township and introduced legislation to create the Eagle Joint Fire District. This new entity will provide all fire protection services for the City and Township and operate as an independent autonomous governmental agency.

Public Works

The City finalized preliminary planning and design for a \$2 million traffic signal upgrade project. The replacement and upgrade of the City's traffic control system will be funded entirely through a Federal Highway Administration Congestion Mitigation and Air Quality grant. Construction is anticipated to begin in the Summer of 2008. The new signalization will include 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 2007, 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 project was completed in 2007 and went online in the fourth quarter as an operational source of backup electric generation.

The City Water Department engaged in a variety of repair, maintenance, and rehabilitation projects during 2007 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 2007, the City completed easement negotiations for its South Main Street Lift Station Replacement project. Construction is anticipated to commence in early 2008.

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. In particular, the City completed engineering for a storm water upgrade in the Meadowlands neighborhood which will eliminate clean water infiltration into the sanitary sewer system. 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 purchased and began implementation of a new financial management and utility billing software package in 2007. Staff were trained in Madison, Wisconsin, at the offices of Civic Systems, LLC on the use and operation of the Caselle Utility Billing, General Ledger, Accounts Payable, and Payroll software packages. The project also includes a new Mayor's Court module planned for implementation by the Summer of 2008.

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, 2007, the City maintained \$10,947 in U.S. Government money market mutual funds, \$50,566 in STAR Ohio, \$678,449 in demand deposit accounts, \$388,490 in segregated savings accounts, and \$5,862,132 in certificates of deposit. Investment income from primary investment activities amounted to \$356,947 for 2007 compared to \$346,692 for 2006.

The City's demand deposit account average monthly balance in 2007 was \$1,099,847, as compared with \$953,491 in 2006. The City's five certificate of deposit investments ended 2007 with balances of \$1,246,323, \$1,246,323, \$1,246,323, \$1,500,000 and \$623,162. Four certificates totaling \$4,362,131 are earning quarterly compounded interest of 5.11%, with annual percentage yields of 5.21%. The fifth certificate totaling \$1,500,000 is earning quarterly compounded interest of 5.05%, with annual percentage yield of 5.15%. 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 \$26,219,188. 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 2007 with an attachment point of \$672,888. 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, 2007, 2006, and 2005 were \$152,275, \$155,486, and \$135,599, 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, 2007, 2006, and 2005 were \$272,880, \$256,030, and \$227,475, 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, 2006. This was the seventh 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 and Meghan Needham, CPA 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 DeFrate, 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. C. Villano', written in a cursive style.

Michael C. Villano, CPA, CMA
Auditor of City

CITY OF HUBBARD, OHIO
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2007

ELECTED OFFICIALS

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 st Ward	Justin D. Silvidi
Council Member – 2 nd Ward	Richard Perry
Council Member – 3 rd Ward	Lisha A. Pompili-Baumiller
Council Member – 4 th Ward	Edward F. Palestro, Sr.
Council Member – At-Large	Patton M. Gilliland
Council Member – At-Large	Raymond L. Moffitt
Council Member – At-Large	William J. Williams

APPOINTED OFFICIALS

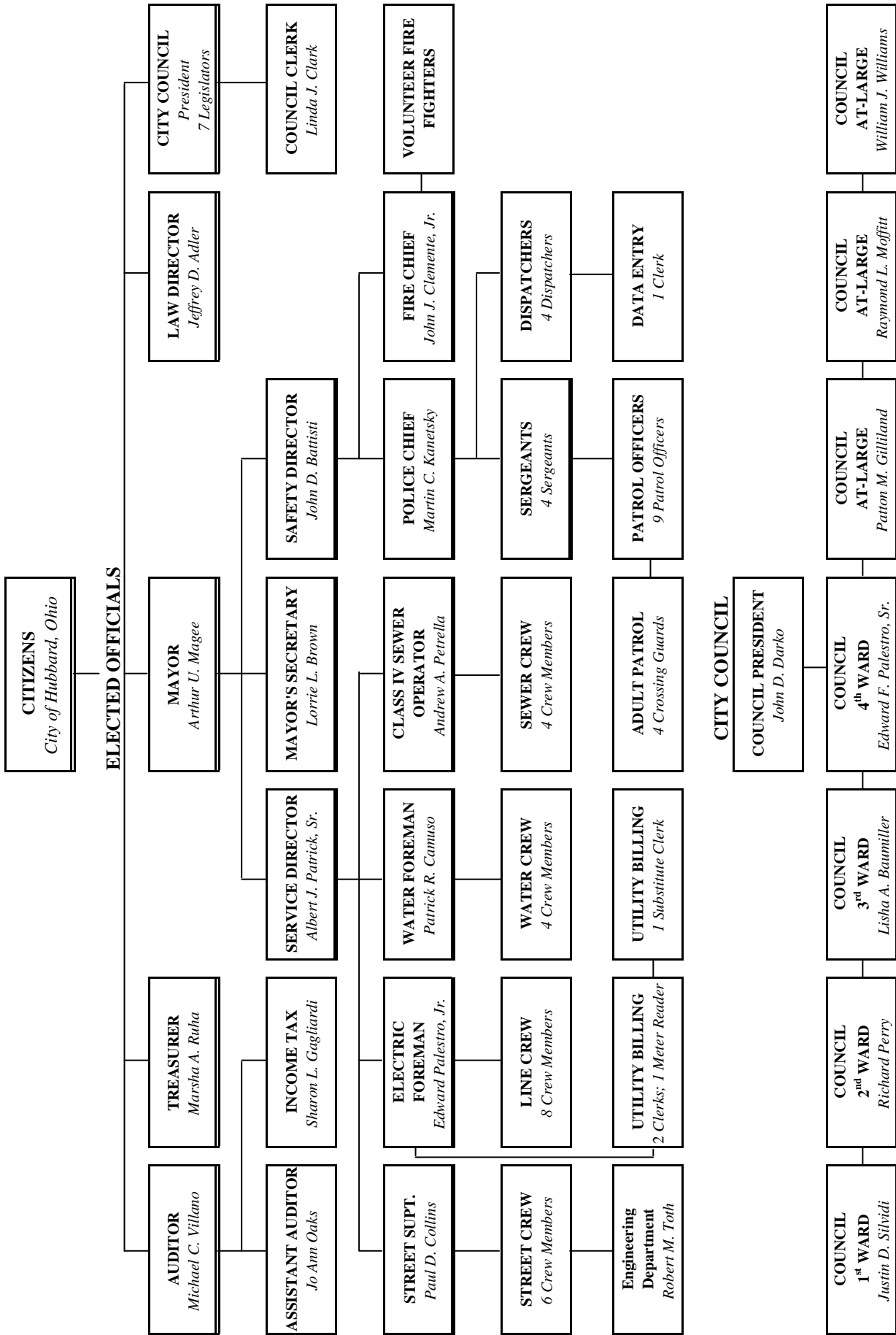
Department of Public Service

Director of Public Service	Albert J. Patrick, Sr.
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	John D. Battisti
Police Chief	Martin C. Kanetsky
Fire Chief	John J. Clemente, Jr.

CITY OF HUBBARD, OHIO
ORGANIZATIONAL CHART
 December 31, 2007



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, 2006

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



Charles S. Cox

President

Jeffrey R. Emswiler

Executive Director

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Hubbard
Trumbull County
P.O. Box 307
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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293
Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949

www.auditor.state.oh.us

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, 2008

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- The total net assets of the City decreased \$507,873. Net assets of governmental activities increased \$157,760 or 5.96% over 2006 and net assets of business-type activities decreased \$665,633 or 4.94% under 2006.
- General revenues accounted for \$3,203,919 or 82.84% of total governmental activities revenue. Program specific revenues accounted for \$663,911 or 17.16% of total governmental activities revenue.
- The City had \$3,710,070 in expenses related to governmental activities; \$663,911 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$3,046,159 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$3,203,919.
- The general fund had revenues of \$3,083,774 in 2007. This represents an increase of \$112,172 from 2006 revenues. The expenditures and other financing uses of the general fund, which totaled \$2,994,586 in 2007, increased \$135,076 from 2006. The net increase in fund balance for the general fund was \$89,188 or 16.64%.
- Net assets for the business-type activities, which are made up of the Water, Sewer, Electric, and Guarantee Trust (utility connection deposits) enterprise funds, decreased in 2007 by \$665,633. This decrease in net assets was due primarily to charges for services not adequately covering expenditures in the water fund and the electric fund.
- In the general fund, the actual revenues and other financing sources were the same as the final budgeted revenues and actual expenditures and other financing uses were \$29,407 less than the amount in the final budget. This positive variance is the result of the City's conservative budgeting. Budgeted revenues increased \$337,513 from the original to the final budget. Budgeted expenditures and other financing uses increased \$243,313 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, 2007

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 2007?" 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, and guarantee trust 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 fiscal 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, 2007

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 only major governmental fund is the general 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-F24 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 sewer, water, electric, and guarantee trust 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 F25-F32 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 F33-F34 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 F35-F66 of this report.

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2007 compared to 2006:

	Net Assets					
	Governmental	Business-type	Governmental	Business-type		
	Activities	Activities	Activities	Activities	2007	2006
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 2,979,554	\$ 6,854,556	\$ 3,176,366	\$ 7,719,286	\$ 9,834,110	\$ 10,895,652
Capital assets	<u>5,147,825</u>	<u>13,892,856</u>	<u>5,398,334</u>	<u>14,600,194</u>	<u>19,040,681</u>	<u>19,998,528</u>
Total assets	<u>8,127,379</u>	<u>20,747,412</u>	<u>8,574,700</u>	<u>22,319,480</u>	<u>28,874,791</u>	<u>30,894,180</u>
<u>Liabilities</u>						
Current liabilities	706,882	2,635,681	945,280	2,469,118	3,342,563	3,414,398
Long-term liabilities	<u>4,600,259</u>	<u>5,308,151</u>	<u>4,966,942</u>	<u>6,381,149</u>	<u>9,908,410</u>	<u>11,348,091</u>
Total liabilities	<u>5,307,141</u>	<u>7,943,832</u>	<u>5,912,222</u>	<u>8,850,267</u>	<u>13,250,973</u>	<u>14,762,489</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	877,729	6,769,792	768,312	6,139,069	7,647,521	6,907,381
Restricted	996,182	-	1,046,224	-	996,182	1,046,224
Unrestricted	<u>946,327</u>	<u>6,033,788</u>	<u>847,942</u>	<u>7,330,144</u>	<u>6,980,115</u>	<u>8,178,086</u>
Total net assets	<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>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2007, the City's assets exceeded liabilities by \$15,623,818. At year-end, net assets were \$2,820,238 and \$12,803,580 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 65.94% 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, 2007, were \$877,729 and \$6,769,792 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, 2007, 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, \$996,182, 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 \$946,327 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, 2007**

The table below shows the changes in net assets for fiscal year 2007 and 2006.

	Change in Net Assets					
	Governmental	Business-type	Governmental	Business-type	2007	2006
	Activities	Activities	Activities	Activities	Total	Total
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 56,129	\$ 7,862,278	\$ 47,302	\$ 7,955,408	\$ 7,918,407	\$ 8,002,710
Operating grants and contributions	341,274	141,027	385,966	131,348	482,301	517,314
Capital grants and contributions	<u>266,508</u>	<u>-</u>	<u>634,506</u>	<u>-</u>	<u>266,508</u>	<u>634,506</u>
Total program revenues	<u>663,911</u>	<u>8,003,305</u>	<u>1,067,774</u>	<u>8,086,756</u>	<u>8,667,216</u>	<u>9,154,530</u>
General revenues:						
Property taxes	380,488	-	385,886	-	380,488	385,886
Income taxes	2,065,938	-	2,003,345	-	2,065,938	2,003,345
Other local taxes	-	30,818	-	30,835	30,818	30,835
Unrestricted grants and entitlements	297,586	-	269,572	-	297,586	269,572
Investment earnings	343,869	151,766	374,067	-	495,635	374,067
Miscellaneous	<u>116,038</u>	<u>50,940</u>	<u>159,726</u>	<u>40,085</u>	<u>166,978</u>	<u>199,811</u>
Total general revenues	<u>3,203,919</u>	<u>233,524</u>	<u>3,192,596</u>	<u>70,920</u>	<u>3,437,443</u>	<u>3,263,516</u>
Total revenues	<u>3,867,830</u>	<u>8,236,829</u>	<u>4,260,370</u>	<u>8,157,676</u>	<u>12,104,659</u>	<u>12,418,046</u>
Expenses:						
General government	390,097	-	436,931	-	390,097	436,931
Security of persons and property	1,910,720	-	2,009,360	-	1,910,720	2,009,360
Public health and welfare	29,075	-	32,313	-	29,075	32,313
Transportation	1,158,612	-	2,257,686	-	1,158,612	2,257,686
Community environment	320	-	485	-	320	485
Leisure time activity	43,205	-	75,190	-	43,205	75,190
Other	13,112	-	34,549	-	13,112	34,549
Interest and fiscal charges	164,929	-	174,312	-	164,929	174,312
Sewer	-	1,357,918	-	1,275,270	1,357,918	1,275,270
Water	-	1,504,407	-	1,422,711	1,504,407	1,422,711
Electric	-	6,024,667	-	5,895,874	6,024,667	5,895,874
Guarantee trust	<u>-</u>	<u>15,470</u>	<u>-</u>	<u>33,914</u>	<u>15,470</u>	<u>33,914</u>
Total expenses	<u>3,710,070</u>	<u>8,902,462</u>	<u>5,020,826</u>	<u>8,627,769</u>	<u>12,612,532</u>	<u>13,648,595</u>
Decrease in net assets before						
transfers and capital contributions	157,760	(665,633)	(760,456)	(470,093)	(507,873)	(1,230,549)
Transfers	<u>-</u>	<u>-</u>	<u>(16,715)</u>	<u>16,715</u>	<u>-</u>	<u>-</u>
Change in net assets	157,760	(665,633)	(777,171)	(453,378)	(507,873)	(1,230,549)
Net assets at beginning of year	<u>2,662,478</u>	<u>13,469,213</u>	<u>3,439,649</u>	<u>13,922,591</u>	<u>16,131,691</u>	<u>17,362,240</u>
Net assets at end 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>

CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Governmental Activities

Governmental activities net assets increased \$157,760 in 2007. This increase is a result of slightly increasing revenues resulting from income tax collections of employment buy-outs of General Motors and Delphi employees who reside in the City of Hubbard, as well as a decrease in expenses in all major expenditure categories as the result of fewer capital asset and capital project acquisitions and the completion of the federally funded CDBG Comprehensive Downtown Revitalization Grant project in mid-2007.

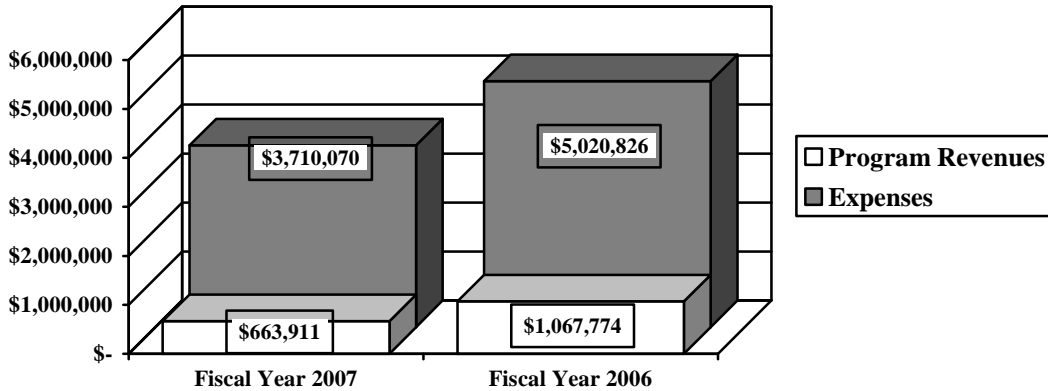
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$1,910,720 of the total expenses of the City. These expenses were partially funded by \$44,127 in direct charges to users of the services. Transportation expenses totaled \$1,158,612. Transportation expenses were partially funded by \$341,274 in operating grants and contributions and \$266,508 in capital grants and contributions.

The state and federal government contributed to the City a total of \$341,274 in operating grants and contributions and \$266,508 capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$266,508 subsidized transportation programs.

General revenues totaled \$3,203,919, and amounted to 82.84% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,446,426. 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 \$297,586. In August 2001, the State of Ohio froze the local government and local government revenue assistance to be distributed to local governments in 2007.

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

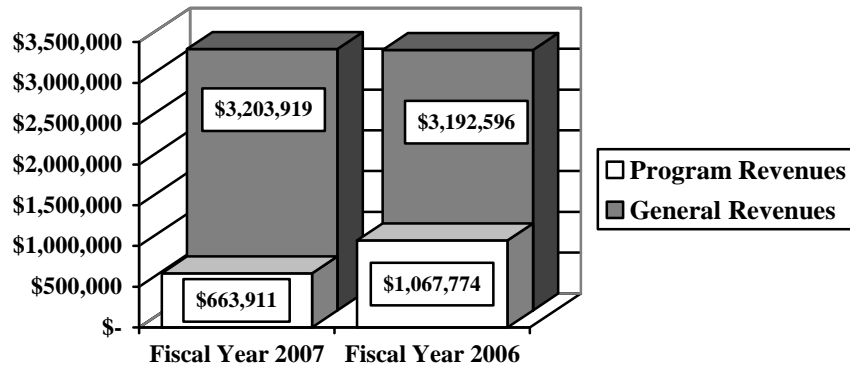
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
Program Expenses:				
General government	\$ 390,097	\$ 381,195	\$ 436,931	\$ 429,391
Security of persons and property	1,910,720	1,866,593	2,009,360	1,969,598
Public health and welfare	29,075	25,975	32,313	32,313
Transportation	1,158,612	550,830	2,257,686	1,237,214
Community environment	320	320	485	485
Leisure time activity	43,205	43,205	75,190	75,190
Other	13,112	13,112	34,549	34,549
Interest and fiscal charges	<u>164,929</u>	<u>164,929</u>	<u>174,312</u>	<u>174,312</u>
Total	<u>\$ 3,710,070</u>	<u>\$ 3,046,159</u>	<u>\$ 5,020,826</u>	<u>\$ 3,953,052</u>

The dependence upon general revenues for governmental activities is apparent, with 82.11% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



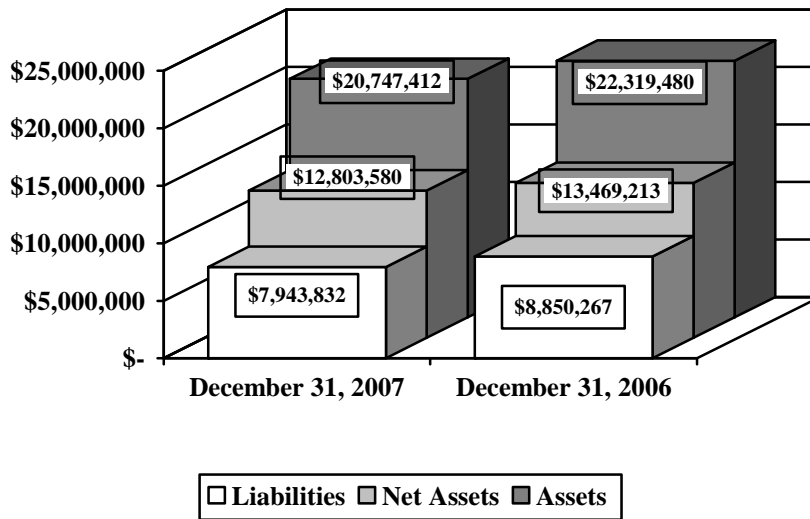
CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Business-type Activities

Business-type activities include the sewer, water, electric and guarantee trust enterprise funds. These programs had program revenues of \$8,003,305, general revenues of \$233,524 and expenses of \$8,902,462 for 2007. 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 decreased \$665,633 in 2007. This decrease is a result of increased cost of delivering utility services from increasing market prices for wholesale electricity, the cost of fuel, and prices of repair and construction materials. These increasing costs are outpacing the revenue growth for those funds resulting in the subsidization of these costs with residual fund balance.

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.

The City's governmental funds (as presented on the balance sheet on page F20) reported a combined fund balance of \$1,543,605 which is \$44,593 above last year's total of \$1,499,012. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2007 for all major and nonmajor governmental funds.

CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Fund Balances</u> <u>12/31/07</u>	<u>Fund Balances</u> <u>12/31/06</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 625,295	\$ 536,107	\$ 89,188
Other nonmajor governmental funds	<u>918,310</u>	<u>962,905</u>	<u>(44,595)</u>
Total	<u>\$ 1,543,605</u>	<u>\$ 1,499,012</u>	<u>\$ 44,593</u>

General Fund

The City's general fund balance increased \$89,188, primarily due to an increase in income taxes in the amount of \$76,269. The table that follows assists in illustrating the revenues of the general fund.

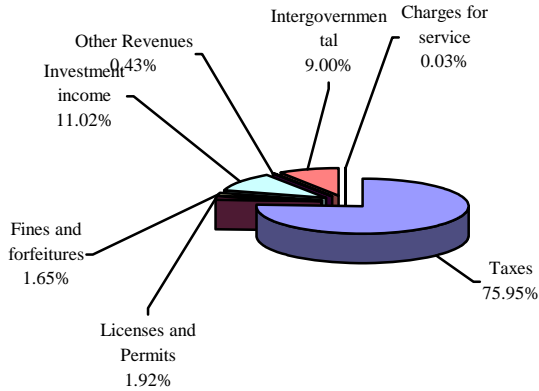
	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,342,118	\$ 2,267,803	3.28 %
Charges for services	1,014	-	100.00 %
Licenses and permits	59,310	74,180	(20.05) %
Fines and forfeitures	50,886	46,599	9.20 %
Intergovernmental	277,456	248,245	11.77 %
Investment income	339,695	303,517	11.92 %
Other	<u>13,295</u>	<u>31,258</u>	(57.47) %
Total	<u>\$ 3,083,774</u>	<u>\$ 2,971,602</u>	3.77 %

Tax revenue represents 75.95% of all general fund revenue, and remained comparable to 2006. Licenses and permits revenues declined due to slowing construction activity. Intergovernmental revenues increased due to a change in how the local government monies from the State are allocated. Investment revenues increased due to a re-negotiation on the City's investments and certificates of deposit. Other revenues decreased due to loss of a BWC reimbursement. All other revenue remained comparable to 2006.

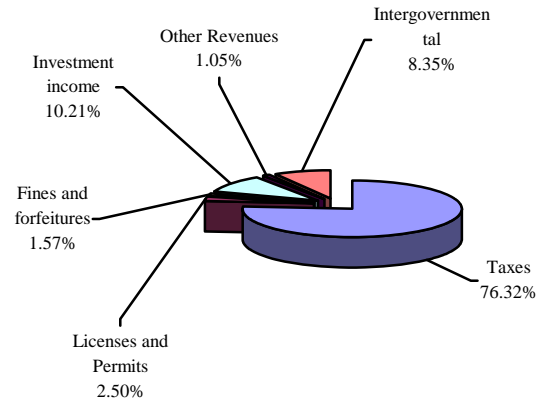
CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Revenues – Fiscal Year 2007



Revenues – Fiscal Year 2006



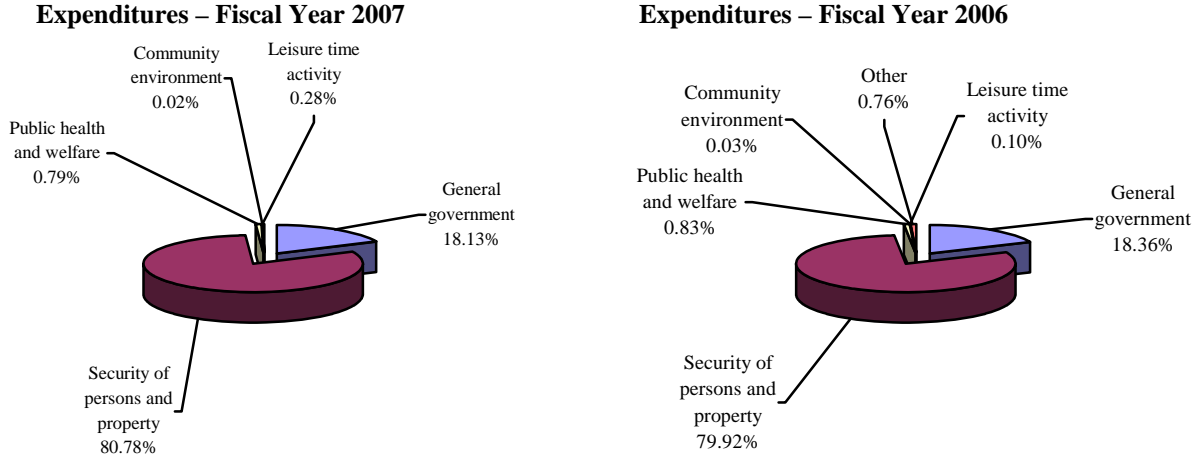
The table that follows assists in illustrating the expenditures of the general fund.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 358,967	\$ 348,047	3.14 %
Security of persons and property	1,599,514	1,515,716	5.53 %
Public health and welfare	15,594	15,650	(0.36) %
Community environment	320	485	(34.02) %
Leisure time activity	5,460	1,835	197.55 %
Other	-	14,336	(100.00) %
Total	<u>\$ 1,979,855</u>	<u>\$ 1,896,069</u>	4.42 %

The most significant change was in the area of security of persons and property. Security of persons and property expenditures increased due to a 3.5% wage increase as well as increased overtime due to personnel being off work for illness for an extended period. Leisure time activity expenditures increased due to a County awarded reimbursement grant which subsidized improvements in the City's senior citizen center. Other expenditures decreased due to changes in classifications at year end. All other expenditures remained comparable to 2006.

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007



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.

In the general fund, one of the most significant changes was between the original and final budgeted amount in the area of expenditures and other financing uses, which increased \$243,313 from \$2,814,770 to \$3,058,083. The original budgeted revenue and other financing sources was \$337,513 less than the final budgeted revenues and other financing sources. The other change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$29,407 lower than the final budgeted amounts. Actual revenues and other financing sources of \$3,138,960 were the same as the final budgeted revenues

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, 2007

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2007, the City had \$19,040,681 (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, \$5,147,825 was reported in governmental activities and \$13,892,856 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows fiscal 2007 balances compared to 2006:

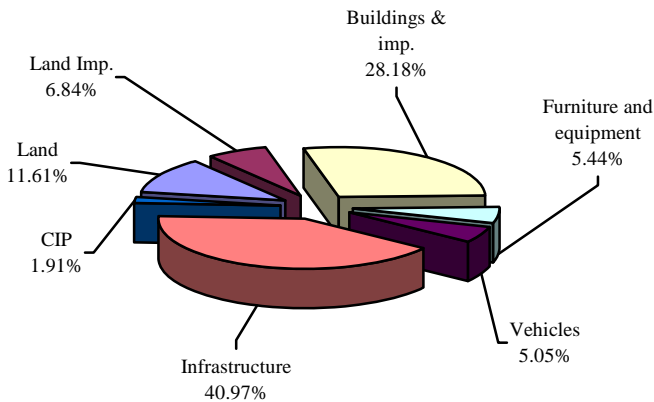
**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 597,871	\$ 597,871	\$ 180,423	\$ 180,423	\$ 778,294	\$ 778,294
Construction in progress	98,350	66,963	-	-	98,350	66,963
Land improvements	352,181	377,709	168,163	184,070	520,344	561,779
Buildings and improvements	1,450,741	1,491,238	2,341,855	2,455,219	3,792,596	3,946,457
Furniture and equipment	279,884	315,292	1,879,576	2,089,752	2,159,460	2,405,044
Vehicles	260,126	347,852	79,914	119,203	340,040	467,055
Infrastructure	<u>2,108,672</u>	<u>2,201,409</u>	<u>9,242,925</u>	<u>9,571,527</u>	<u>11,351,597</u>	<u>11,772,936</u>
Totals	\$ 5,147,825	\$ 5,398,334	\$ 13,892,856	\$ 14,600,194	\$ 19,040,681	\$ 19,998,528

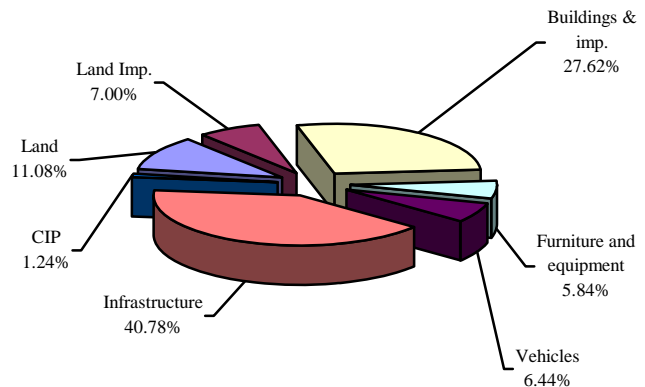
The overall decrease in governmental capital assets of \$250,509 is primarily due to depreciation expense of \$470,302 and disposals of \$66,963 (net of accumulated depreciation) exceeding capital outlays of \$286,756 for fiscal 2007. The overall decrease in business-type capital assets of \$707,338 is primarily due to depreciation expense of \$712,860 exceeding capital outlays of \$5,522 in fiscal year 2007.

The following graphs show the breakdown of business-type capital assets by category for 2007 and 2006.

Capital Assets - Governmental Activities 2007



Capital Assets - Governmental Activities 2006



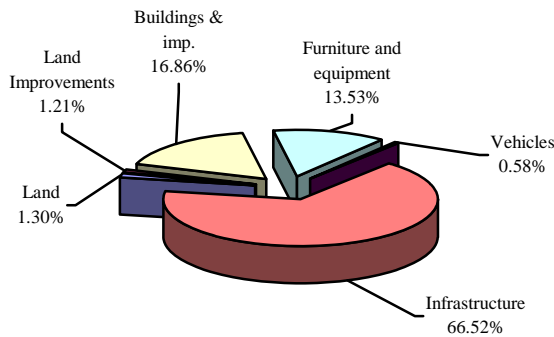
CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

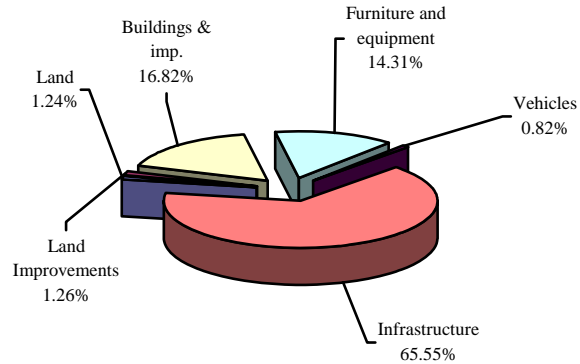
The City's largest capital asset category is infrastructure which includes roads, sidewalks, traffic lights and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 40.97% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2007 and 2006.

Capital Assets - Business-Type Activities 2007



Capital Assets - Business-Type Activities 2006



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 66.52% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2007 and 2006 (See Note 11 to the basic financial statements for detail):

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
General obligation bonds	\$ 4,370,000	\$4,740,000
Compensated absences	230,259	226,942
Total long-term obligations	<u>\$ 4,600,259</u>	<u>\$4,966,942</u>
	<u>Business-type Activities</u>	
	<u>2007</u>	<u>2006</u>
Revenue bond	\$ -	\$3,475,000
Refunding BAN	2,580,000	-
OPWC loans	786,765	842,728
OWDA loan	1,816,246	1,908,397
Compensated absences	206,540	155,024
Total long-term obligations	<u>\$ 5,389,551</u>	<u>\$6,381,149</u>

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2008 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 2008 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 to pursue economic development and job creation; 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 2008 budget, the City emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

Budgeted revenues and other financing sources in the general fund for fiscal year 2007 are \$3,139,107, a decrease of \$920,757 or 22.68% from final 2006 budgeted revenues and other financing sources of \$4,059,864. The 2007 general fund budget is \$3,058,083 as compared with the 2006 general fund budget of \$4,011,621. 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 2007 was 6.3% - comparable with the 2006 rate of 6.3%. The county unemployment rate compared slightly higher than the 5.6% State of Ohio average and 4.6% national average. However, the county rate did increase one tenth of one percent from the 5.5% rate in 2006. The City Auditor anticipates the 2007 rate to increase slightly in 2008 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 citizen's, 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.

**BASIC
FINANCIAL STATEMENTS**

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CITY OF HUBBARD, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,544,228	\$ 5,386,380	\$ 6,930,608
Cash in segregated accounts	502	500	1,002
Receivables (net of allowances for uncollectibles):			
Income taxes	489,888	-	489,888
Real and other taxes	473,078	3,934	477,012
Accounts	40,346	646,422	686,768
Special assessments	171	-	171
Accrued interest	9,926	988	10,914
Internal balance	28,461	(28,461)	-
Due from other governments	259,471	3,691	263,162
Prepayments	14,387	7,144	21,531
Materials and supplies inventory	19,192	501,872	521,064
Deferred charges	-	11,422	11,422
Unamortized bond issuance costs	99,904	101,797	201,701
Investment in joint ventures	-	207,920	207,920
Restricted assets:			
Cash and cash equivalents with fiscal agents	-	10,947	10,947
Capital assets:			
Land and construction in progress	696,221	180,423	876,644
Depreciable capital assets, net	4,451,604	13,712,433	18,164,037
Total capital assets	<u>5,147,825</u>	<u>13,892,856</u>	<u>19,040,681</u>
Total assets	<u>8,127,379</u>	<u>20,747,412</u>	<u>28,874,791</u>
Liabilities:			
Accounts payable	27,275	367,714	394,989
Retainage payable	3,934	-	3,934
Accrued wages and benefits	56,422	48,405	104,827
Due to other governments	66,212	62,858	129,070
Unearned revenue	421,668	-	421,668
Accrued interest payable	9,468	33,454	42,922
Claims payable	121,903	-	121,903
Revenue anticipation note	-	2,123,250	2,123,250
Long-term liabilities:			
Due within one year	505,492	640,888	1,146,380
Due in more than one year	4,094,767	4,667,263	8,762,030
Total liabilities	<u>5,307,141</u>	<u>7,943,832</u>	<u>13,250,973</u>
Net assets:			
Invested in capital assets, net of related debt	877,729	6,769,792	7,647,521
Restricted for:			
Debt service	35,823	-	35,823
Capital projects	509,490	-	509,490
Street construction and maintenance	227,812	-	227,812
State highway	7,939	-	7,939
Law enforcement	26,186	-	26,186
Fire district	107,225	-	107,225
Police pension	11,040	-	11,040
Maple Grove cemetery	7,852	-	7,852
Recreation	60,714	-	60,714
Other purposes	395	-	395
Perpetual care:			
Expendable	866	-	866
Nonexpendable	840	-	840
Unrestricted	<u>946,327</u>	<u>6,033,788</u>	<u>6,980,115</u>
Total net assets	<u>\$ 2,820,238</u>	<u>\$ 12,803,580</u>	<u>\$ 15,623,818</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HUBBARD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 390,097	\$ 8,902	\$ -	\$ -
Security of persons and property.	1,910,720	44,127	-	-
Public health and welfare	29,075	3,100	-	-
Transportation	1,158,612	-	341,274	266,508
Community environment.	320	-	-	-
Leisure time activity.	43,205	-	-	-
Other.	13,112	-	-	-
Interest and fiscal charges	164,929	-	-	-
Total governmental activities	3,710,070	56,129	341,274	266,508
Business-type Activities:				
Sewer	1,357,918	1,216,611	22,372	-
Water	1,504,407	1,341,883	-	-
Electric	6,024,667	5,303,784	118,655	-
Nonmajor fund:				
Guarantee Trust	15,470	-	-	-
Total business-type activities	8,902,462	7,862,278	141,027	-
Total primary government.	\$ 12,612,532	\$ 7,918,407	\$ 482,301	\$ 266,508

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.	
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

Governmental Activities	Business-type Activities	Total
\$ (381,195)	\$ -	\$ (381,195)
(1,866,593)	-	(1,866,593)
(25,975)	-	(25,975)
(550,830)	-	(550,830)
(320)	-	(320)
(43,205)	-	(43,205)
(13,112)	-	(13,112)
(164,929)	-	(164,929)
<u>(3,046,159)</u>	<u>-</u>	<u>(3,046,159)</u>
-	(118,935)	(118,935)
-	(162,524)	(162,524)
-	(602,228)	(602,228)
<u>-</u>	<u>(15,470)</u>	<u>(15,470)</u>
<u>-</u>	<u>(899,157)</u>	<u>(899,157)</u>
<u>(3,046,159)</u>	<u>(899,157)</u>	<u>(3,945,316)</u>
280,457	-	280,457
67,728	-	67,728
32,303	-	32,303
2,065,938	-	2,065,938
-	30,818	30,818
297,586	-	297,586
343,869	151,766	495,635
116,038	50,940	166,978
<u>3,203,919</u>	<u>233,524</u>	<u>3,437,443</u>
157,760	(665,633)	(507,873)
<u>2,662,478</u>	<u>13,469,213</u>	<u>16,131,691</u>
<u>\$ 2,820,238</u>	<u>\$ 12,803,580</u>	<u>\$ 15,623,818</u>

CITY OF HUBBARD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 335,894	\$ 912,785	\$ 1,248,679
Cash in segregated accounts.	152	350	502
Receivables (net of allowance for uncollectibles):			
Income taxes	489,888	-	489,888
Real and other taxes	349,373	123,705	473,078
Accounts	20	1,710	1,730
Accrued interest	9,680	246	9,926
Special assessments.	171	-	171
Due from other governments	100,210	159,261	259,471
Prepayments	11,963	1,224	13,187
Materials and supplies inventory	10,384	8,808	19,192
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,307,735</u>	<u>\$ 1,208,089</u>	<u>\$ 2,515,824</u>
Liabilities:			
Accounts payable	\$ 22,125	\$ 4,550	\$ 26,675
Retainage payable	-	3,934	3,934
Accrued wages and benefits	40,283	16,139	56,422
Due to other governments	47,884	18,328	66,212
Deferred revenue	260,747	136,561	397,308
Unearned revenue	311,401	110,267	421,668
	<hr/>	<hr/>	<hr/>
Total liabilities.	<u>682,440</u>	<u>289,779</u>	<u>972,219</u>
Fund Balances:			
Reserved for encumbrances	36,610	18,485	55,095
Reserved for prepaids	11,963	1,224	13,187
Reserved for materials and supplies inventory	10,384	8,808	19,192
Reserved for unclaimed monies	1,567	-	1,567
Reserved for perpetual care	-	840	840
Unreserved, undesignated, reported in:			
General fund	564,771	-	564,771
Special revenue funds.	-	341,174	341,174
Debt service fund	-	35,823	35,823
Capital projects funds.	-	511,090	511,090
Permanent fund	-	866	866
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>625,295</u>	<u>918,310</u>	<u>1,543,605</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 1,307,735</u>	<u>\$ 1,208,089</u>	<u>\$ 2,515,824</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, 2007

Total governmental fund balances		\$ 1,543,605
<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.		5,147,825
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 43,788	
Income taxes	148,780	
Special assessments	171	
Intergovernmental revenues	<u>204,569</u>	
Total		397,308
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(9,468)
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.		212,862
Unamortized bond issuance costs are not recognized in the funds.		99,904
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		28,461
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(4,370,000)	
Compensated absences	<u>(230,259)</u>	
		<u>(4,600,259)</u>
Net assets of governmental activities		<u><u>\$ 2,820,238</u></u>

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, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Income taxes	\$ 2,066,829	\$ -	\$ 2,066,829
Property and other taxes	275,289	97,956	373,245
Charges for services	1,014	3,100	4,114
Licenses and permits	59,310	-	59,310
Fines and forfeitures	50,886	958	51,844
Intergovernmental	277,456	624,211	901,667
Investment income	339,695	4,174	343,869
Other	13,295	43,433	56,728
Total revenues	<u>3,083,774</u>	<u>773,832</u>	<u>3,857,606</u>
Expenditures:			
Current:			
General government	358,967	-	358,967
Security of persons and property	1,599,514	131,495	1,731,009
Public health and welfare	15,594	13,481	29,075
Transportation	-	642,092	642,092
Community environment	320	-	320
Leisure time activity	5,460	31,001	36,461
Other	-	13,112	13,112
Capital outlay	-	476,320	476,320
Debt service:			
Principal retirement	-	370,000	370,000
Interest and fiscal charges	-	155,657	155,657
Total expenditures	<u>1,979,855</u>	<u>1,833,158</u>	<u>3,813,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,103,919</u>	<u>(1,059,326)</u>	<u>44,593</u>
Other financing sources (uses):			
Transfers in	-	1,014,731	1,014,731
Transfers out	<u>(1,014,731)</u>	<u>-</u>	<u>(1,014,731)</u>
Total other financing sources (uses)	<u>(1,014,731)</u>	<u>1,014,731</u>	<u>-</u>
Net change in fund balances	89,188	(44,595)	44,593
Fund balances at beginning of year	<u>536,107</u>	<u>962,905</u>	<u>1,499,012</u>
Fund balances at end of year	<u>\$ 625,295</u>	<u>\$ 918,310</u>	<u>\$ 1,543,605</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, 2007

Net change in fund balances - total governmental funds		\$ 44,593
 <i>Amounts reported for governmental activities on the statement of activities are different because:</i>		
 Government funds report capital outlays as expenditures. However, in the statement of activities, the cost 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.		
Capital asset additions	219,793	
Current year depreciation	(470,302)	
Total		(250,509)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	7,243	
Income taxes	(891)	
Special assessments	171	
Intergovernmental revenues	3,701	
Total		10,224
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		802
 Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		
		370,000
 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.		
		(10,074)
 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.		
		(3,317)
 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.		
		(3,959)
 Change in net assets of governmental activities		 \$ 157,760

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 1,872,471	\$ 2,098,094	\$ 2,098,094	\$ -
Property and other taxes.	245,564	275,143	275,143	-
Charges for services.	906	1,015	1,015	-
Licenses and permits	52,937	59,310	59,310	-
Fines and forfeitures	45,433	50,886	50,886	-
Intergovernmental.	268,293	300,618	300,618	-
Investment income	303,991	340,619	340,619	-
Other	11,852	13,275	13,275	-
Total revenues.	<u>2,801,447</u>	<u>3,138,960</u>	<u>3,138,960</u>	<u>-</u>
Expenditures:				
Current:				
General government	422,767	397,714	369,327	28,387
Security of persons and property.	1,567,006	1,624,239	1,623,244	995
Public health and welfare	14,000	15,607	15,594	13
Community environment.	2,700	320	320	-
Leisure time activity	5,300	5,472	5,460	12
Other	200	-	-	-
Total expenditures	<u>2,011,973</u>	<u>2,043,352</u>	<u>2,013,945</u>	<u>29,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>789,474</u>	<u>1,095,608</u>	<u>1,125,015</u>	<u>29,407</u>
Other financing sources (uses):				
Advances in	100	100	100	-
Transfers out	(802,797)	(1,014,731)	(1,014,731)	-
Total other financing sources (uses)	<u>(802,697)</u>	<u>(1,014,631)</u>	<u>(1,014,631)</u>	<u>-</u>
Net change in fund balance	(13,223)	80,977	110,384	29,407
Fund balance at beginning of year	186,544	186,544	186,544	-
Prior year encumbrances appropriated.	882	882	882	-
Fund balance at end of year	<u>\$ 174,203</u>	<u>\$ 268,403</u>	<u>\$ 297,810</u>	<u>\$ 29,407</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF HUBBARD, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2007

	Business-type Activities -Enterprise Funds			
	Sewer	Water	Electric	Nonmajor
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 1,096,982	\$ 941,637	\$ 3,213,691	\$ 134,070
Cash in segregated accounts.	-	300	200	-
Receivables (net of allowance for uncollectibles):				
Real and other taxes	-	-	3,934	-
Accounts	107,707	116,235	422,480	-
Accrued interest.	-	-	988	-
Due from other governments	-	-	3,691	-
Unamortized bond issue costs.	101,797	-	-	-
Prepayments.	2,277	2,028	2,839	-
Materials and supplies inventory	9,511	50,512	441,849	-
Deferred charges	-	-	11,422	-
Total current assets	<u>1,318,274</u>	<u>1,110,712</u>	<u>4,101,094</u>	<u>134,070</u>
Noncurrent assets:				
Investment in joint ventures.	-	-	207,920	-
Restricted assets:				
Cash with fiscal agent	10,947	-	-	-
Capital assets:				
Land and construction in progress	95,078	85,345	-	-
Depreciable capital assets, net	5,824,678	5,059,459	2,828,296	-
Total capital assets	<u>5,919,756</u>	<u>5,144,804</u>	<u>2,828,296</u>	<u>-</u>
Total noncurrent assets	<u>5,930,703</u>	<u>5,144,804</u>	<u>3,036,216</u>	<u>-</u>
Total assets	<u>7,248,977</u>	<u>6,255,516</u>	<u>7,137,310</u>	<u>134,070</u>
Liabilities:				
Current liabilities:				
Accounts payable.	9,287	35,046	323,381	-
Accrued wages and benefits	10,501	12,837	25,067	-
Compensated absences	31,837	23,063	46,811	-
Due to other governments	11,517	14,489	36,852	-
Claims payable.	-	-	-	-
Revenue anticipation note	-	-	2,123,250	-
Current portion of revenue bonds	385,000	-	-	-
Current portion of OWDA loans	-	98,214	-	-
Current portion of OPWC loans	11,746	44,217	-	-
Accrued interest payable.	12,723	-	20,731	-
Total current liabilities	<u>472,611</u>	<u>227,866</u>	<u>2,576,092</u>	<u>-</u>
Long-term liabilities:				
Revenue bonds	2,113,600	-	-	-
OWDA loans	-	1,718,032	-	-
OPWC loans	123,332	607,470	-	-
Compensated absences	50,088	38,198	16,543	-
Total long-term liabilities	<u>2,287,020</u>	<u>2,363,700</u>	<u>16,543</u>	<u>-</u>
Total liabilities	<u>2,759,631</u>	<u>2,591,566</u>	<u>2,592,635</u>	<u>-</u>
Net assets:				
Invested in capital assets, net of related debt.	3,387,875	2,676,871	705,046	-
Unrestricted	1,101,471	987,079	3,839,629	134,070
Total net assets	<u>\$ 4,489,346</u>	<u>\$ 3,663,950</u>	<u>\$ 4,544,675</u>	<u>\$ 134,070</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>
\$ 5,386,380	\$ 295,549
500	-
3,934	-
646,422	38,616
988	-
3,691	-
101,797	-
7,144	1,200
501,872	-
11,422	-
<u>6,664,150</u>	<u>335,365</u>
207,920	-
10,947	-
180,423	-
13,712,433	-
<u>13,892,856</u>	<u>-</u>
14,111,723	-
<u>20,775,873</u>	<u>335,365</u>
367,714	600
48,405	-
101,711	-
62,858	-
-	121,903
2,123,250	-
385,000	-
98,214	-
55,963	-
33,454	-
<u>3,276,569</u>	<u>122,503</u>
2,113,600	-
1,718,032	-
730,802	-
104,829	-
<u>4,667,263</u>	<u>-</u>
7,943,832	122,503
6,769,792	-
6,062,249	212,862
<u>12,832,041</u>	<u>\$ 212,862</u>
(28,461)	
<u>\$ 12,803,580</u>	

CITY OF HUBBARD, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
Operating revenues:				
Charges for services	\$ 1,161,658	\$ 1,341,883	\$ 5,303,784	\$ -
Tap-in fees.	54,953	-	-	-
Other.	<u>11,429</u>	<u>10,460</u>	<u>-</u>	<u>29,051</u>
Total operating revenues	<u>1,228,040</u>	<u>1,352,343</u>	<u>5,303,784</u>	<u>29,051</u>
Operating expenses:				
Personal services	454,242	526,731	865,507	-
Contract services	172,250	607,698	3,901,388	15,470
Materials and supplies	262,425	67,362	73,610	-
Depreciation	<u>255,587</u>	<u>161,861</u>	<u>295,412</u>	<u>-</u>
Total operating expenses.	<u>1,144,504</u>	<u>1,363,652</u>	<u>5,135,917</u>	<u>15,470</u>
Operating income (loss)	<u>83,536</u>	<u>(11,309)</u>	<u>167,867</u>	<u>13,581</u>
Nonoperating revenues (expenses):				
Interest revenue.	150,778	-	988	-
Property and other taxes	-	-	30,818	-
Intergovernmental.	22,372	-	118,655	-
Interest expense and fiscal charges	(200,511)	(125,572)	(116,566)	-
Investment in joint ventures	-	-	(37,946)	-
Nonoperating expenses	<u>-</u>	<u>-</u>	<u>(705,864)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(27,361)</u>	<u>(125,572)</u>	<u>(709,915)</u>	<u>-</u>
Changes in net assets	56,175	(136,881)	(542,048)	13,581
Net assets at beginning of year	<u>4,433,171</u>	<u>3,800,831</u>	<u>5,086,723</u>	<u>120,489</u>
Net assets at end of year.	<u>\$ 4,489,346</u>	<u>\$ 3,663,950</u>	<u>\$ 4,544,675</u>	<u>\$ 134,070</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>
\$ 7,807,325	\$ 647,861
54,953	-
<u>50,940</u>	<u>38,616</u>
7,913,218	686,477
1,846,480	-
4,696,806	746,896
403,397	-
<u>712,860</u>	<u>-</u>
7,659,543	746,896
<u>253,675</u>	<u>(60,419)</u>
151,766	-
30,818	-
141,027	-
(442,649)	-
(37,946)	-
<u>(705,864)</u>	<u>-</u>
(862,848)	-
(609,173)	(60,419)
	<u>273,281</u>
	<u>\$ 212,862</u>
<u>(56,460)</u>	
<u>\$ (665,633)</u>	

CITY OF HUBBARD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds			
	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
Cash flows from operating activities:				
Cash received from customers	\$ 1,168,101	\$ 1,389,224	\$ 5,337,940	\$ -
Cash received from tap in fees	54,953	-	-	-
Cash received from other operations	2,317	10,460	-	29,051
Cash payments for personal services	(432,479)	(492,549)	(840,962)	-
Cash payments for contract services	(171,695)	(602,871)	(3,637,892)	(15,470)
Cash payments for materials and supplies	(285,351)	(80,675)	(52,369)	-
	<u>335,846</u>	<u>223,589</u>	<u>806,717</u>	<u>13,581</u>
Net cash provided by (used in) operating activities.				
Cash flows from noncapital financing activities:				
Cash received from operating grants	22,372	-	116,575	-
Cash received from property and other taxes	-	-	31,168	-
Cash payments for joint venture expenses	-	-	(705,864)	-
	<u>22,372</u>	<u>-</u>	<u>(558,121)</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities				
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(5,522)	-	-	-
Proceeds of refunding bonds	2,980,000	-	-	-
Payment to refunding escrow agent	(3,603,552)	-	-	-
Bond issuance costs	(116,135)	-	-	-
Premium on sale of bonds	35,687	-	-	-
Principal retirement on bonds	(400,000)	-	-	-
Principal retirement on loans	(11,746)	(136,368)	-	-
Principal retirement on notes	-	-	(2,235,000)	-
Sale of notes	-	-	2,123,250	-
Note issuance costs	-	-	(15,517)	-
Interest and fiscal charges	(183,192)	(125,572)	(85,808)	-
	<u>(1,304,460)</u>	<u>(261,940)</u>	<u>(213,075)</u>	<u>-</u>
Net cash used in capital and related financing activities				
Cash flows from investing activities:				
Interest received	150,778	-	-	-
	<u>150,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities				
Net increase (decrease) in cash and cash equivalents	(795,464)	(38,351)	35,521	13,581
Cash and cash equivalents at beginning of year	<u>1,903,393</u>	<u>980,288</u>	<u>3,178,370</u>	<u>120,489</u>
Cash and cash equivalents at end of year	<u>\$ 1,107,929</u>	<u>\$ 941,937</u>	<u>\$ 3,213,891</u>	<u>\$ 134,070</u>

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 7,895,265	\$ 647,861
54,953	-
41,828	-
(1,765,990)	-
(4,427,928)	(755,189)
(418,395)	-
<u>1,379,733</u>	<u>(107,328)</u>
138,947	-
31,168	-
(705,864)	-
<u>(535,749)</u>	<u>-</u>
(5,522)	-
2,980,000	-
(3,603,552)	-
(116,135)	-
35,687	-
(400,000)	-
(148,114)	-
(2,235,000)	-
2,123,250	-
(15,517)	-
(394,572)	-
<u>(1,779,475)</u>	<u>-</u>
<u>150,778</u>	<u>-</u>
<u>150,778</u>	<u>-</u>
(784,713)	(107,328)
6,182,540	402,877
<u>\$ 5,397,827</u>	<u>\$ 295,549</u>

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CITY OF HUBBARD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds			
	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 83,536	\$ (11,309)	\$ 167,867	\$ 13,581
Adjustments:				
Depreciation	255,587	161,861	295,412	-
Changes in assets and liabilities:				
Decrease (increase) in materials and supplies inventory	(3,252)	(13,195)	21,023	-
Decrease (increase) in accounts receivable.	(2,664)	47,341	34,156	-
Decrease (increase) in prepayments	1,197	6,290	(1,226)	-
Increase (decrease) in accounts payable	(15,162)	(1,562)	264,716	-
Increase in accrued wages and benefits.	1,555	1,820	4,046	-
Increase in due to other governments.	4,655	5,875	11,224	-
Decrease in retainage payable.	(5,155)	-	-	-
Increase in compensated absences payable	15,549	26,468	9,499	-
Increase in claims payable	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 335,846</u>	<u>\$ 223,589</u>	<u>\$ 806,717</u>	<u>\$ 13,581</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 253,675	\$ (60,419)
712,860	-
4,576	-
78,833	(38,616)
6,261	(1,200)
247,992	(19,892)
7,421	-
21,754	-
(5,155)	-
51,516	-
-	12,799
\$ 1,379,733	\$ (107,328)

CITY OF HUBBARD, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2007

	Private Purpose Trust	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 7,487	\$ 2,230
Receivables:		
Real and other taxes.	-	26,873
Due from other governments	-	1,549
Total assets.	7,487	30,652
Liabilities:		
Due to other governments	-	28,422
Deposits held and due to others.	-	2,230
Total liabilities	-	\$ 30,652
Net assets:		
Held in trust for other purposes	7,487	
Total net assets	\$ 7,487	

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, 2007**

	<u>Private Purpose Trust</u>
Additions:	
Interest	\$ 43
Total additions	<u>43</u>
Changes in net assets	43
Net assets at beginning of year	<u>7,444</u>
Net assets at end of year	<u>\$ 7,487</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, 2007

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 City has entered into a contractual agreement with Hubbard Township (the "Township") and the Hubbard Volunteer Fire Department, Inc. (HVFD) to provide fire protection services to the citizens of the City and the Township. The HVFD is a legally separate not-for-profit corporation. City Council does have representation on the Fire District Board, however, this does not represent a voting majority of the Board.

The City and the Township share equally (fifty percent) in the cost of operations of the HVFD. The City's share of these costs are accounted for as a separate special revenue fund in the City's BFS. 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, 2007

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 2007, 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.

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. The units performed at an excellent availability during 2006 to complete a successful year of operation for OMEGA JV1. In accordance with the joint venture agreement, the City remitted \$6,261 to the joint venture for 2007. 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.

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.

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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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, 2007, 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 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 \$185,254 at December 31, 2007. 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.

The following is a summary of audited financial information of OMEGA JV1 and OMEGA JV5 as of the year ended December 31, 2007:

	<u>OMEGA JV1</u>	<u>OMEGA JV5</u>
Total assets	\$ 703,079	\$ 166,587,790
Total liabilities	105,033	157,638,301
Members equity	598,046	8,949,489
Total revenues	183,245	24,851,898
Total expenses	172,018	24,623,900
Change in net assets	11,227	227,998

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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

Equity interest in OMEGA JV1	\$ 22,666
Equity interest in OMEGA JV5	<u>185,254</u>
Total investment in joint ventures	<u>\$ 207,920</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 Village	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.

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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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.

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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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.

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.

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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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, 2007, but which were levied to finance year 2008 operations, and other revenues received in advance of the fiscal 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, 2007, 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.

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 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 2007.

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.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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.

During fiscal year 2007, investments were limited to U.S. Government money market mutual funds and 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 fiscal 2007. 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 share price which is the price the investment could be sold for on December 31, 2007.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During fiscal 2007, interest revenue credited to the general fund amounted to \$339,695 which includes \$321,167 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.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

The City maintains segregated bank accounts with a trustee to provide for principal and interest debt service and a bond reserve as designated by the bond indenture. These amounts are presented on the financial statements as “Cash with Fiscal Agent” under restricted assets.

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, inventories are presented at the lower of cost or market 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.

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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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>	Governmental Activities <u>Estimated Lives</u>	Business-type Activities <u>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 (50) or greater with at least ten (10) years of service or any employee with at least twenty (20) 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.

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.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

L. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2007 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of 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 current period. The reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 11.

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, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

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.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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 outstanding encumbrances, prepaids, 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. The City had no contributions of capital during 2007.

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 adopted by the City 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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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 2007.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2007, the City has implemented GASB Statement No. 48 "*Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*". GASB Statement No. 48 established criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the City; however, additional disclosure related to revenues pledged for the repayment of revenue bonds has been provided in Note 11.B.

B. Deficit Fund Balances

Fund balances at December 31, 2007 included the following individual fund deficits:

<u>Nonmajor Funds</u>	<u>Deficit</u>
State highway fund	\$ 882

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 results 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 moneys 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.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim monies to 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;
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 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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At year-end, the City had \$1,002 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, 2007, the carrying amount of all City deposits was \$6,889,759. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2007, \$6,757,639 of the City's bank balance of \$6,961,247 was exposed to custodial risk as discussed below, while \$203,608 was covered by Federal Deposit Insurance Corporation.

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.

C. Investments

As of December 31, 2007, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
STAR Ohio	\$ 50,566	\$ 50,566
U.S. Government money market mutual fund	<u>10,947</u>	<u>10,947</u>
	<u>\$ 61,513</u>	<u>\$ 61,513</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: The City's U.S. Government money market mutual funds, were rated AAAM and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAA money market rating.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 50,566	82.20
U.S. Government money market mutual fund	<u>10,947</u>	<u>17.80</u>
	<u>\$ 61,513</u>	<u>100.00</u>

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 footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 6,889,759
Investments	61,513
Cash on hand	<u>1,002</u>
Total	<u>\$ 6,952,274</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 1,544,730
Business type activities	5,397,827
Private-purpose trust funds	7,487
Agency funds	<u>2,230</u>
Total	<u>\$ 6,952,274</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2007, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>
	<u>General</u>
Nonmajor debt service	\$ 561,480
Nonmajor special revenue	277,987
Nonmajor capital projects	<u>175,264</u>
	<u>\$ 1,014,731</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 5 - INTERFUND TRANSFERS - (Continued)

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.

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. The last revaluation was completed in 2002. 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. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 12.5% for 2007. This percentage will be reduced to 6.25% for 2008 and 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 2007-2010, 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. The County Auditor periodically remits to the City its portion of the taxes collected. The full rate for all City operations for the year ended December 31, 2007, was \$4.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property located in the City, upon which taxes for 2007 were collected, are as follows:

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 6 - PROPERTY TAXES - (Continued)

<u>Category</u>	<u>Assessed Value</u>
Residential/agricultural	\$ 95,528,680
Commercial/industrial	<u>16,828,380</u>
Total real estate	<u>112,357,060</u>
Public utility - real	22,580
Public utility - personal	<u>661,420</u>
Total public utility	<u>684,000</u>
Tangible personal property	<u>1,958,820</u>
Grand total	<u>\$ 114,999,880</u>

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2007. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2007 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue."

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, 2007. Income tax revenue for 2007 was \$2,066,829 in the general fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2007, consisted of taxes, accounts (billings for user charged services), accrued interest 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, 2007, as well as intended to finance fiscal 2007 operations.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 8 – RECEIVABLES - (Continued)

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

Governmental Activities:

Income taxes	\$ 489,888
Real and other taxes	473,078
Accounts	40,346
Special assessments	171
Accrued interest	9,926
Due from other governments	259,471

Business-type Activities:

Real and other taxes	3,934
Accounts	646,422
Due from other governments	3,691
Accrued interest	988

Receivables have been disaggregated on the face of the BFS. The only receivable 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, 2007

NOTE 9 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the year ended December 31, 2007 was as follows:

	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/07</u>
Governmental Activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 597,871	\$ -	\$ -	\$ 597,871
Construction in progress	<u>66,963</u>	<u>98,350</u>	<u>(66,963)</u>	<u>98,350</u>
Total capital assets, not being depreciated	<u>664,834</u>	<u>98,350</u>	<u>(66,963)</u>	<u>696,221</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	510,247	-	-	510,247
Buildings and improvements	1,976,052	-	-	1,976,052
Furniture and equipment	612,093	17,471	-	629,564
Vehicles	1,359,679	-	(45,759)	1,313,920
Infrastructure	<u>4,934,984</u>	<u>170,935</u>	<u>-</u>	<u>5,105,919</u>
Total capital assets, being depreciated	<u>9,393,055</u>	<u>188,406</u>	<u>(45,759)</u>	<u>9,535,702</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(132,538)	(25,528)	-	(158,066)
Buildings and improvements	(484,814)	(40,497)	-	(525,311)
Furniture and equipment	(296,801)	(52,879)	-	(349,680)
Vehicles	(1,011,827)	(87,726)	45,759	(1,053,794)
Infrastructure	<u>(2,733,575)</u>	<u>(263,672)</u>	<u>-</u>	<u>(2,997,247)</u>
Total accumulated depreciation	<u>(4,659,555)</u>	<u>(470,302)</u>	<u>45,759</u>	<u>(5,084,098)</u>
Total capital assets being depreciated, net	<u>4,733,500</u>	<u>(281,896)</u>	<u>-</u>	<u>4,451,604</u>
Governmental activities capital assets, net	<u>\$ 5,398,334</u>	<u>\$ (183,546)</u>	<u>\$ (66,963)</u>	<u>\$ 5,147,825</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:

General government	\$ 19,032
Security of persons and property	120,727
Transportation	326,179
Leisure time activity	<u>4,364</u>
Total depreciation expense - governmental activities	<u>\$ 470,302</u>

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 9 - CAPITAL ASSETS - (Continued)

B. Business-type activities capital asset activity for the year ended December 31, 2007 was as follows:

<u>Business-type Activities:</u>	Balance <u>12/31/06</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 180,423	\$ -	\$ -	\$ 180,423
Total capital assets, not being depreciated	<u>180,423</u>	<u>-</u>	<u>-</u>	<u>180,423</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	320,582	-	-	320,582
Buildings and improvements	4,479,174	-	-	4,479,174
Furniture and equipment	5,858,457	5,522	-	5,863,979
Vehicles	679,793	-	-	679,793
Infrastructure	<u>13,983,288</u>	<u>-</u>	<u>-</u>	<u>13,983,288</u>
Total capital assets, being depreciated	<u>25,321,294</u>	<u>5,522</u>	<u>-</u>	<u>25,326,816</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(136,512)	(15,907)	-	(152,419)
Buildings and improvements	(2,023,955)	(113,364)	-	(2,137,319)
Furniture and equipment	(3,768,705)	(215,698)	-	(3,984,403)
Vehicles	(560,590)	(39,289)	-	(599,879)
Infrastructure	<u>(4,411,761)</u>	<u>(328,602)</u>	<u>-</u>	<u>(4,740,363)</u>
Total accumulated depreciation	<u>(10,901,523)</u>	<u>(712,860)</u>	<u>-</u>	<u>(11,614,383)</u>
Total capital assets, being depreciated, net	<u>14,419,771</u>	<u>(707,338)</u>	<u>-</u>	<u>13,712,433</u>
Business-type activities capital assets, net	<u>\$ 14,600,194</u>	<u>\$ (707,338)</u>	<u>\$ -</u>	<u>\$ 13,892,856</u>

Depreciation expense was charged to the enterprise funds as follows:

<u>Business-type activities:</u>	
Water	\$ 161,861
Sewer	255,587
Electric	<u>295,412</u>
Total depreciation expense - business-type activities	<u>\$ 712,860</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 their accumulated sick leave based on their years of service. At December 31, 2007, vested benefits for vacation leave for governmental fund type employees, totaled \$125,492 and vested benefits for sick leave, totaled \$104,767. For proprietary fund types, vested benefits for vacation leave totaled \$101,711 and vested benefits for sick leave totaled \$104,829 at December 31, 2007. 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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 - LONG-TERM OBLIGATIONS

A. The City's long term obligations at December 31, 2007 were as follows:

Governmental Activities:	Interest Rate	Balance at 12/31/06	Additions	Reductions	Balance at 12/31/07	Amounts Due in One Year
Compensated absences		\$ 226,942	\$ 101,595	\$ (98,278)	\$ 230,259	\$ 125,492
General Obligation Bonds	2.6-3.7%	4,740,000	-	(370,000)	4,370,000	380,000
Total long-term obligations, governmental activities		<u>\$ 4,966,942</u>	<u>\$ 101,595</u>	<u>\$ (468,278)</u>	<u>\$ 4,600,259</u>	<u>\$ 505,492</u>
<u>Business-type Activities:</u>						
<u>Mortgage Revenue Bond:</u>						
Sewer System - 1997	4.00-5.45%	\$ 3,475,000	\$ -	\$ (3,475,000)	\$ -	\$ -
<u>Refunding BAN:</u>						
Sewer System - 2007	4.00-4.13%	-	2,980,000	(400,000)	2,580,000	385,000
<u>OPWC Loans:</u>						
Sewer Issue II Lift Station	0.00%	146,824	-	(11,746)	135,078	11,746
Waterline Looping	0.00%	81,135	-	(6,490)	74,645	6,490
Waterline Replacement	0.00%	119,855	-	(7,732)	112,123	7,732
N. Main Waterline	0.00%	494,914	-	(29,995)	464,919	29,995
Total OPWC Loans		<u>842,728</u>	<u>-</u>	<u>(55,963)</u>	<u>786,765</u>	<u>55,963</u>
<u>OWDA Loan:</u>						
Transmission Waterlines	6.58%	1,908,397	-	(92,151)	1,816,246	98,214
<u>Other Long-Term Obligations</u>						
Compensated absences		<u>155,024</u>	<u>119,350</u>	<u>(67,834)</u>	<u>206,540</u>	<u>101,711</u>
Total long-term obligations, business-type activities		<u>\$ 6,381,149</u>	<u>\$ 3,099,350</u>	<u>\$ (4,090,948)</u>	5,389,551	<u>\$ 640,888</u>
				Add: Unamortized premium on bond issuance	31,281	
				Less: Unamortized deferred charges on refundings	(112,681)	
				Total reported on the statement of net assets	<u>\$ 5,308,151</u>	

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.

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, 2007 is \$2,580,000. The BANs have an interest rate of 4.00 – 4.13% and will mature in the year 2013.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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 \$489,845 and \$489,901, respectively.

As part of the bond indenture, Bank of New York, the trustee for the refunding bonds holds the \$10,947 related to the sewer bond refunding.

These monies have been invested in U.S. Government money market mutual funds and are reported on the financial statements as "Restricted Assets - Cash with Fiscal Agent".

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, 2007, the City has outstanding borrowings of \$135,078, \$74,645, \$112,123 and \$464,919 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, 2007, the City has outstanding borrowings of \$1,816,246. 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, 2007 was \$4,370,000.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 - 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 December 31	General Obligation Capital Acquisition Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 380,000	\$ 145,668	\$ 525,668	\$ 55,963	\$ -	\$ 55,963
2009	390,000	135,027	525,027	55,964	-	55,964
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 - 2017	2,360,000	261,340	2,621,340	279,820	-	279,820
2018 - 2022	-	-	-	212,124	-	212,124
2023 - 2024	-	-	-	15,002	-	15,002
	<u>\$ 4,370,000</u>	<u>\$ 874,923</u>	<u>\$ 5,244,923</u>	<u>\$ 786,765</u>	<u>\$ -</u>	<u>\$ 786,765</u>

Year Ending December 31	Sewer System Refunding BAN			OWDA Loan		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 385,000	\$ 103,794	\$ 488,794	\$ 98,214	\$ 119,509	\$ 217,723
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 - 2017	475,000	19,594	494,594	770,258	318,358	1,088,616
2018 - 2021	-	-	-	485,899	58,409	544,308
Total	<u>\$ 2,580,000</u>	<u>\$ 377,364</u>	<u>\$ 2,957,364</u>	<u>\$ 1,816,246</u>	<u>\$ 905,294</u>	<u>\$ 2,721,540</u>

NOTE 12 - SHORT-TERM OBLIGATIONS

On September 28, 2006, the City issued a \$2,235,000 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 27, 2007. On September 27, 2007, the City issued an additional \$2,123,250 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 fiscal year 2007:

	Interest Rate	Balance at 12/31/06	Additions	Reductions	Balance at 12/31/07
<u>Revenue Anticipation Notes</u>					
Electric System Improvements	4.25%	\$ 2,235,000	\$ -	\$ (2,235,000)	\$ -
Electric System Improvements	3.70%	-	2,123,250	-	2,123,250
Total		<u>\$ 2,235,000</u>	<u>\$ 2,123,250</u>	<u>\$ (2,235,000)</u>	<u>\$ 2,123,250</u>

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - 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 2007, 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	\$26,219,199	\$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	50,000	500
Money and Securities	5,000	500
Inland Marine	690,000	500
EDP	300,000	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 \$121,903 reported in the Internal Service Fund at December 31, 2007, 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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - RISK MANAGEMENT - (Continued)

Changes in the fund's liability during 2007 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>
2007	\$ 109,104	\$ 767,988	\$ (755,189)	\$ 121,903
2006	178,723	583,749	(653,368)	109,104

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 14 - PENSION PLANS

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of 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.

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, 2007**

NOTE 14 - PENSION PLANS - (Continued)

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement under the Traditional Pension Plan, were required to contribute 9.5% of their annual covered salaries. In 2007, employer contribution rate for local governments was 13.85% of covered payroll. The City's contribution rate for pension benefits for 2007 was 8.85% for the period January 1, 2007 through June 30, 2007 and 7.85% for the period July 1, 2007 through December 31, 2007. The Ohio Revised Code provides statutory authority for member and employer contributions. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2007, 2006, and 2005 were \$164,541, \$171,933, and \$160,324, respectively. 100% has been contributed for 2007, 2006 and 2005.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial 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.

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.5% and 24.0% for police officers and firefighters, respectively. 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 contributions to OP&F for the years ended December 31, 2007, 2006 and 2005 for police officers were \$99,588, \$69,141 and \$81,766, respectively. The full amount has been contributed for 2007, 2006 and 2005.

NOTE 15 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the Traditional Pension or Combined Plans is set aside for the funding of post-employment health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% of covered payroll; 5.00% of covered payroll was the portion that was used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00% of covered payroll was the portion that was used to fund health care for the period July 1, 2007 through December 31, 2007.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 5.00% for the next eight years. In subsequent years, (nine and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the Traditional Pension and Combined Plans was 374,979 as of December 31, 2007. The City's actual employer contributions for 2007 which were used to fund post-employment benefits were \$108,340. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12.0 billion. At December 31, 2006 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

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

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

The health care coverage provided by OP&F is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 6.75% of covered payroll was applied to the post-employment health care program during 2007. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's actual contributions for 2007 that were used to fund post-employment benefits was \$52,687 for police officers. The OP&F's total health care expense for the year ended December 31, 2006 (the latest information available) was \$120.374 million, which was net of member contributions of \$58.533 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006 (the latest information available), was 14,120 for police officers and 10,563 for firefighters.

NOTE 16 - 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).
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.

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.

	<u>General</u>
Budget basis	\$ 110,384
Net adjustment for revenue accruals	(55,186)
Net adjustment for expenditure accruals	(3,994)
Net adjustment for other financing sources/(uses)	(100)
Adjustment for encumbrances	<u>38,084</u>
GAAP basis	<u>\$ 89,188</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 17 - 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, 2007.

B. Litigation

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

NOTE 18 - OPERATING LEASE

As per Ordinance No. 36-03, the City entered on December 16, 2003, into a 60-month lease and maintenance agreement with IKON Office Solutions (IOS), for five (5) photocopier machines, commencing on January 1, 2004 through December 31, 2008. The following is a schedule of the future minimum lease payments.

<u>Fiscal Year Ending</u>	<u>Amount</u>
<u>December 31,</u>	
2008	\$ <u>6,250</u>
Total - Present Value of Minimum Lease Payment	\$ <u><u>6,250</u></u>

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

Street Construction and Maintenance

To account for revenues generated from license and gasoline taxes to be used on local roads within the City.

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.

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.

West Liberty Sidewalk Project

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

Issue II Jones Stormwater Project Fund

To account for stormwater capital improvements.

Downtown Coordination

To account for grant monies received and expended for the downtown construction projects.

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 1,872,471	\$ 2,098,094	\$ 2,098,094	\$ -
Property and other taxes	245,564	275,143	275,143	-
Charges for services	906	1,015	1,015	-
Licenses and permits	52,937	59,310	59,310	-
Fines and forfeitures	45,433	50,886	50,886	-
Intergovernmental	268,293	300,618	300,618	-
Investment income	303,991	340,619	340,619	-
Other	11,852	13,275	13,275	-
Total revenues	<u>2,801,447</u>	<u>3,138,960</u>	<u>3,138,960</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Income tax				
Personal services	59,674	57,497	54,248	3,249
Contractual services	14,330	11,139	4,965	6,174
Materials and supplies.	5,411	4,687	4,421	266
Capital outlay	7,616	5,059	4,774	285
Other	16,033	20,573	19,411	1,162
Total income tax	<u>103,064</u>	<u>98,955</u>	<u>87,819</u>	<u>11,136</u>
Mayor				
Personal services	31,416	30,830	29,117	1,713
Contractual services	8,518	7,361	6,938	423
Materials and supplies.	3,708	2,328	2,171	157
Capital outlay	5,511	3,605	3,396	209
Total mayor.	<u>49,153</u>	<u>44,124</u>	<u>41,622</u>	<u>2,502</u>
Council				
Personal services	16,660	15,871	14,956	915
Contractual services	9,370	4,896	4,609	287
Materials and supplies.	1,152	662	615	47
Capital outlay	401	-	-	-
Total council	<u>27,583</u>	<u>21,429</u>	<u>20,180</u>	<u>1,249</u>
Council Clerk				
Personal services	3,788	3,414	3,213	201
Contractual services	501	233	220	13
Materials and supplies.	4,560	3,512	3,306	206
Capital outlay	651	165	153	12
Total council clerk	<u>9,500</u>	<u>7,324</u>	<u>6,892</u>	<u>432</u>
Auditor				
Personal services	39,332	43,007	40,510	2,497
Contractual services	27,457	6,813	6,419	394
Materials and supplies.	7,816	5,995	5,631	364
Capital outlay	20,042	20,769	19,569	1,200
Total auditor	<u>94,647</u>	<u>76,584</u>	<u>72,129</u>	<u>4,455</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Treasurer				
Personal services	\$ 5,161	\$ 4,449	\$ 4,178	\$ 271
Contractual services	1,704	414	378	36
Materials and supplies.	701	414	391	23
Capital outlay	401	165	155	10
Total treasurer.	<u>7,967</u>	<u>5,442</u>	<u>5,102</u>	<u>340</u>
Law director				
Personal services	11,504	10,791	10,167	624
Contractual services	6,313	6,905	6,514	391
Materials and supplies.	2,756	755	710	45
Capital outlay	271	238	219	19
Total law director.	<u>20,844</u>	<u>18,689</u>	<u>17,610</u>	<u>1,079</u>
Service director				
Personal services	19,691	18,006	16,948	1,058
Contractual services	50,405	52,530	49,535	2,995
Materials and supplies.	3,006	1,195	1,119	76
Total service director	<u>73,102</u>	<u>71,731</u>	<u>67,602</u>	<u>4,129</u>
Engineer				
Personal services	22,156	23,738	22,368	1,370
Contractual services	2,756	1,573	1,481	92
Materials and supplies.	1,754	703	655	48
Capital outlay	902	202	189	13
Total engineer	<u>27,568</u>	<u>26,216</u>	<u>24,693</u>	<u>1,523</u>
County auditor fees				
Contractual services	9,339	4,977	4,692	285
Total county auditor fees.	<u>9,339</u>	<u>4,977</u>	<u>4,692</u>	<u>285</u>
State examiners fees				
Contractual services	-	22,243	20,986	1,257
Total state examiners fees	<u>-</u>	<u>22,243</u>	<u>20,986</u>	<u>1,257</u>
Total general government.	<u>422,767</u>	<u>397,714</u>	<u>369,327</u>	<u>28,387</u>
Security of persons and property:				
Police				
Personal services	1,387,750	1,470,209	1,469,773	436
Contractual services	63,500	39,118	39,011	107
Materials and supplies.	71,000	65,300	65,072	228
Capital outlay	41,056	47,026	46,807	219
Total police.	<u>1,563,306</u>	<u>1,621,653</u>	<u>1,620,663</u>	<u>990</u>
Civil service				
Contractual services	3,500	2,486	2,481	5
Materials and supplies.	200	100	100	-
Total civil service.	<u>3,700</u>	<u>2,586</u>	<u>2,581</u>	<u>5</u>
Total security of persons and property .	<u>1,567,006</u>	<u>1,624,239</u>	<u>1,623,244</u>	<u>995</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, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public health and welfare:				
County health district				
Contractual services	\$ 14,000	\$ 15,607	\$ 15,594	\$ 13
Total county health district.	<u>14,000</u>	<u>15,607</u>	<u>15,594</u>	<u>13</u>
Total public health and welfare	<u>14,000</u>	<u>15,607</u>	<u>15,594</u>	<u>13</u>
Community environment:				
Planning and zoning				
Contractual services	2,000	320	320	-
Materials and supplies.	200	-	-	-
Total planning and zoning	<u>2,200</u>	<u>320</u>	<u>320</u>	<u>-</u>
War memorial				
Materials and supplies.	500	-	-	-
Total war memorial.	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total community environment.	<u>2,700</u>	<u>320</u>	<u>320</u>	<u>-</u>
Leisure time activity:				
Recreation				
Contractual services	2,300	2,791	2,782	9
Materials and supplies	3,000	2,681	2,678	3
Total recreation.	<u>5,300</u>	<u>5,472</u>	<u>5,460</u>	<u>12</u>
Total leisure time activity	<u>5,300</u>	<u>5,472</u>	<u>5,460</u>	<u>12</u>
Other:				
Unclaimed monies				
Other	200	-	-	-
Total unclaimed monies.	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,011,973</u>	<u>2,043,352</u>	<u>2,013,945</u>	<u>29,407</u>
Excess of revenues over expenditures.	<u>789,474</u>	<u>1,095,608</u>	<u>1,125,015</u>	<u>29,407</u>
Other financing sources (uses):				
Advances in	100	100	100	-
Transfers out	(802,797)	(1,014,731)	(1,014,731)	-
Total other financing sources (uses)	<u>(802,697)</u>	<u>(1,014,631)</u>	<u>(1,014,631)</u>	<u>-</u>
Net change in fund balance.	(13,223)	80,977	110,384	29,407
Fund balance at beginning of year	<u>186,544</u>	<u>186,544</u>	<u>186,544</u>	<u>-</u>
Prior year encumbrances appropriated	<u>882</u>	<u>882</u>	<u>882</u>	<u>-</u>
Fund balance at end of year	<u>\$ 174,203</u>	<u>\$ 268,403</u>	<u>\$ 297,810</u>	<u>\$ 29,407</u>

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 356,298	\$ 35,823	\$ 518,958	\$ 1,706	\$ 912,785
Cash in segregated accounts	350	-	-	-	350
Receivables (net of allowances of uncollectibles):					
Real and other taxes	123,705	-	-	-	123,705
Accounts	1,710	-	-	-	1,710
Accrued interest	246	-	-	-	246
Due from other governments	159,261	-	-	-	159,261
Prepayments	1,224	-	-	-	1,224
Materials and supplies inventory	8,808	-	-	-	8,808
Total assets	\$ 651,602	\$ 35,823	\$ 518,958	\$ 1,706	\$ 1,208,089
Liabilities:					
Accounts payable	\$ 4,550	\$ -	\$ -	\$ -	\$ 4,550
Retainage payable	-	-	3,934	-	3,934
Accrued wages and benefits	16,139	-	-	-	16,139
Due to other governments	18,328	-	-	-	18,328
Deferred revenue	136,561	-	-	-	136,561
Unearned revenue	110,267	-	-	-	110,267
Total liabilities	285,845	-	3,934	-	289,779
Fund Balances:					
Fund balances:					
Reserved for encumbrances	14,551	-	3,934	-	18,485
Reserved for prepaids	1,224	-	-	-	1,224
Reserved for materials and supplies	8,808	-	-	-	8,808
Reserved for perpetual care	-	-	-	840	840
Unreserved, undesignated, reported in:					
Special revenue funds	341,174	-	-	-	341,174
Debt service funds	-	35,823	-	-	35,823
Capital projects funds	-	-	511,090	-	511,090
Permanent fund	-	-	-	866	866
Total fund balances	365,757	35,823	515,024	1,706	918,310
Total liabilities and fund equity	\$ 651,602	\$ 35,823	\$ 518,958	\$ 1,706	\$ 1,208,089

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and other taxes	\$ 97,956	\$ -	\$ -	\$ -	\$ 97,956
Charges for services	3,100	-	-	-	3,100
Fines and forfeitures	958	-	-	-	958
Intergovernmental	357,703	-	266,508	-	624,211
Investment income	4,165	-	-	9	4,174
Other	32,110	-	11,323	-	43,433
	<u>495,992</u>	<u>-</u>	<u>277,831</u>	<u>9</u>	<u>773,832</u>
Expenditures:					
Current:					
Security of persons and property.	131,495	-	-	-	131,495
Public health and welfare	13,481	-	-	-	13,481
Transportation	642,092	-	-	-	642,092
Leisure time activity.	31,001	-	-	-	31,001
Other	13,112	-	-	-	13,112
Capital outlay.	15,970	-	460,350	-	476,320
Debt Service:					
Principal retirement	-	370,000	-	-	370,000
Interest and fiscal charges	-	155,657	-	-	155,657
	<u>847,151</u>	<u>525,657</u>	<u>460,350</u>	<u>-</u>	<u>1,833,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(351,159)</u>	<u>(525,657)</u>	<u>(182,519)</u>	<u>9</u>	<u>(1,059,326)</u>
Other financing sources:					
Transfers in	277,987	561,480	175,264	-	1,014,731
	<u>277,987</u>	<u>561,480</u>	<u>175,264</u>	<u>-</u>	<u>1,014,731</u>
Net change in fund balances	(73,172)	35,823	(7,255)	9	(44,595)
Fund balances at beginning of year	<u>438,929</u>	<u>-</u>	<u>522,279</u>	<u>1,697</u>	<u>962,905</u>
Fund balances at end of year	<u>\$ 365,757</u>	<u>\$ 35,823</u>	<u>\$ 515,024</u>	<u>\$ 1,706</u>	<u>\$ 918,310</u>

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CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007

	Street Construction and Maintenance	Indigent Drivers Fund	Enforcement and Education
Assets:			
Equity in pooled cash and cash equivalents	\$ 166,565	\$ 4,177	\$ 4,928
Cash in segregated accounts	350	-	-
Receivables (net of allowances for uncollectibles):			
Real and other taxes	-	-	-
Accounts	1,260	-	-
Accrued interest	246	-	-
Due from other governments	137,764	-	-
Prepayments	875	-	-
Materials and supplies inventory	8,774	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 315,834</u>	<u>\$ 4,177</u>	<u>\$ 4,928</u>
Liabilities:			
Accounts payable	\$ 575	\$ -	\$ -
Accrued wages and benefits	16,139	-	-
Due to other governments	18,153	-	-
Deferred revenue	108,800	-	-
Unearned revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>143,667</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for encumbrances	13,147	-	-
Reserved for prepaids	875	-	-
Reserved for materials and supplies inventory	8,774	-	-
Unreserved:			
Undesignated	149,371	4,177	4,928
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>172,167</u>	<u>4,177</u>	<u>4,928</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity	<u>\$ 315,834</u>	<u>\$ 4,177</u>	<u>\$ 4,928</u>

Fire District	State Highway	Maple Grove Cemetery	Recreation	Drug and Law Enforcement
\$ 90,606	\$ 219	\$ 8,027	\$ 60,580	\$ 4,196
-	-	-	-	-
9,059	74,336	-	-	-
-	-	-	-	-
-	-	-	-	-
7,527	11,546	-	100	-
182	-	-	-	167
-	-	-	34	-
<u>\$ 107,374</u>	<u>\$ 86,101</u>	<u>\$ 8,027</u>	<u>\$ 60,714</u>	<u>\$ 4,363</u>
\$ 149	\$ 3,826	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	175	-	-
12,885	8,821	-	-	-
-	74,336	-	-	-
<u>13,034</u>	<u>86,983</u>	<u>175</u>	<u>-</u>	<u>-</u>
-	174	-	1,230	-
182	-	-	-	167
-	-	-	34	-
<u>94,158</u>	<u>(1,056)</u>	<u>7,852</u>	<u>59,450</u>	<u>4,196</u>
<u>94,340</u>	<u>(882)</u>	<u>7,852</u>	<u>60,714</u>	<u>4,363</u>
<u>\$ 107,374</u>	<u>\$ 86,101</u>	<u>\$ 8,027</u>	<u>\$ 60,714</u>	<u>\$ 4,363</u>

Continued

CITY OF HUBBARD, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2007

	<u>Range Fund</u>	<u>Escrow Account</u>	<u>Police Pension</u>	<u>Totals</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,268	\$ 395	\$ 4,337	\$ 356,298
Cash in segregated accounts	-	-	-	350
Receivables (net of allowances for uncollectibles):				
Real and other taxes	-	-	40,310	123,705
Accounts	450	-	-	1,710
Accrued interest	-	-	-	246
Due from other governments	-	-	2,324	159,261
Prepayments	-	-	-	1,224
Materials and supplies inventory	-	-	-	8,808
Total assets	<u>\$ 12,718</u>	<u>\$ 395</u>	<u>\$ 46,971</u>	<u>\$ 651,602</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,550
Accrued wages and benefits	-	-	-	16,139
Due to other governments	-	-	-	18,328
Deferred revenue	-	-	6,055	136,561
Unearned revenue	-	-	35,931	110,267
Total liabilities	<u>-</u>	<u>-</u>	<u>41,986</u>	<u>285,845</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	14,551
Reserved for prepaids	-	-	-	1,224
Reserved for materials and supplies inventory	-	-	-	8,808
Unreserved:				
Undesignated	12,718	395	4,985	341,174
Total fund balances	<u>12,718</u>	<u>395</u>	<u>4,985</u>	<u>365,757</u>
Total liabilities and fund equity	<u>\$ 12,718</u>	<u>\$ 395</u>	<u>\$ 46,971</u>	<u>\$ 651,602</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, 2007

	<u>Street Construction and Maintenance</u>	<u>Indigent Drivers Fund</u>	<u>Enforcement and Education</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines and forfeitures	-	250	-
Intergovernmental	321,670	-	-
Investment income.	4,013	-	-
Other.	4,096	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	329,779	250	-
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Security of persons and property	-	-	-
Public health and welfare.	-	-	-
Transportation	594,559	-	-
Leisure time activity	-	-	-
Other	12,075	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures.	606,634	-	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(276,855)	250	-
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Transfers in.	220,581	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources.	220,581	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(56,274)	250	-
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	228,441	3,927	4,928
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 172,167	\$ 4,177	\$ 4,928
	<hr/>	<hr/>	<hr/>

<u>Fire District</u>	<u>State Highway</u>	<u>Maple Grove Cemetery</u>	<u>Recreation</u>	<u>Drug and Law Enforcement</u>
\$ 66,249	\$ -	\$ -	\$ -	\$ -
-	-	3,100	-	-
-	-	-	-	708
9,082	23,055	-	-	-
-	152	-	-	-
<u>21,272</u>	<u>-</u>	<u>2,550</u>	<u>1,492</u>	<u>-</u>
<u>96,603</u>	<u>23,207</u>	<u>5,650</u>	<u>1,492</u>	<u>708</u>
85,883	-	-	-	2,065
-	-	13,481	-	-
-	47,533	-	-	-
-	-	-	31,001	-
1,037	-	-	-	-
15,970	-	-	-	-
<u>102,890</u>	<u>47,533</u>	<u>13,481</u>	<u>31,001</u>	<u>2,065</u>
<u>(6,287)</u>	<u>(24,326)</u>	<u>(7,831)</u>	<u>(29,509)</u>	<u>(1,357)</u>
-	2,300	15,000	40,106	-
-	2,300	15,000	40,106	-
(6,287)	(22,026)	7,169	10,597	(1,357)
<u>100,627</u>	<u>21,144</u>	<u>683</u>	<u>50,117</u>	<u>5,720</u>
<u>\$ 94,340</u>	<u>\$ (882)</u>	<u>\$ 7,852</u>	<u>\$ 60,714</u>	<u>\$ 4,363</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, 2007

	<u>Range Fund</u>	<u>Escrow Account</u>	<u>Police Pension</u>	<u>Totals</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ 31,707	\$ 97,956
Charges for services	-	-	-	3,100
Fines and forfeitures	-	-	-	958
Intergovernmental	-	-	3,896	357,703
Investment income.	-	-	-	4,165
Other.	2,700	-	-	32,110
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,700	-	35,603	495,992
Expenditures:				
Current:				
Security of persons and property	3,547	-	40,000	131,495
Public health and welfare.	-	-	-	13,481
Transportation	-	-	-	642,092
Leisure time activity	-	-	-	31,001
Other	-	-	-	13,112
Capital outlay	-	-	-	15,970
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures.	3,547	-	40,000	847,151
Excess (deficiency) of revenues over (under) expenditures	(847)	-	(4,397)	(351,159)
Other financing sources:				
Transfers in.	-	-	-	277,987
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources.	-	-	-	277,987
Net change in fund balances	(847)	-	(4,397)	(73,172)
Fund balances at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	13,565	395	9,382	438,929
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 12,718	\$ 395	\$ 4,985	\$ 365,757

CITY OF HUBBARD, OHIO

SCHEDULE 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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 333,035	\$ 349,220	\$ 349,193	\$ (27)
Investment income.	6,986	7,330	7,325	(5)
Other.	2,705	3,200	2,836	(364)
Total revenues.	<u>342,726</u>	<u>359,750</u>	<u>359,354</u>	<u>(396)</u>
Expenditures:				
Current:				
Transportation				
Personal services	500,919	513,426	512,115	1,311
Contractual services	27,690	16,548	16,472	76
Materials and supplies	78,212	60,931	60,658	273
Capital outlay	7,511	4,096	4,049	47
Total transportation.	<u>614,332</u>	<u>595,001</u>	<u>593,294</u>	<u>1,707</u>
Other:				
Other	-	-	12,075	(12,075)
Total unclaimed monies.	-	-	12,075	(12,075)
Total expenditures.	<u>614,332</u>	<u>595,001</u>	<u>605,369</u>	<u>(10,368)</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(271,606)</u>	<u>(235,251)</u>	<u>(246,015)</u>	<u>(10,764)</u>
Other financing sources:				
Transfers in	210,374	220,600	220,581	(19)
Total other financing sources	<u>210,374</u>	<u>220,600</u>	<u>220,581</u>	<u>(19)</u>
Net change in fund balance.	(61,232)	(14,651)	(25,434)	(10,783)
Fund balance at beginning of year	177,970	177,970	177,970	-
Prior year encumbrances appropriated	882	882	882	-
Fund balance at end of year.	<u>\$ 117,620</u>	<u>\$ 164,201</u>	<u>\$ 153,418</u>	<u>\$ (10,783)</u>

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 200	\$ 250	\$ 250	\$ -
Total revenues	<u>200</u>	<u>250</u>	<u>250</u>	<u>-</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	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	(300)	250	250	-
Fund balance at beginning of year	<u>3,927</u>	<u>3,927</u>	<u>3,927</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,627</u>	<u>\$ 4,177</u>	<u>\$ 4,177</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, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures.	\$ 100	\$ -	\$ -	\$ -
Total revenues.	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	100	-	-	-
Fund balance at beginning of year	<u>4,928</u>	<u>4,928</u>	<u>4,928</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,028</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes.	\$ 76,210	\$ 66,210	\$ 66,164	\$ (46)
Intergovernmental	9,288	8,070	8,064	(6)
Other.	24,502	21,275	21,272	(3)
Total revenues.	<u>110,000</u>	<u>95,555</u>	<u>95,500</u>	<u>(55)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	20,000	15,910	15,909	1
Contractual services.	63,650	53,445	53,430	15
Materials and supplies	27,600	20,110	20,087	23
Total security of persons and property . .	<u>111,250</u>	<u>89,465</u>	<u>89,426</u>	<u>39</u>
Capital outlay				
Capital outlay	25,300	15,970	15,970	-
Total capital outlay	<u>25,300</u>	<u>15,970</u>	<u>15,970</u>	<u>-</u>
Other				
Other expenses	1,500	1,050	1,037	13
Total other	<u>1,500</u>	<u>1,050</u>	<u>1,037</u>	<u>13</u>
Total expenditures	<u>138,050</u>	<u>106,485</u>	<u>106,433</u>	<u>52</u>
Net change in fund balance.	(28,050)	(10,930)	(10,933)	(3)
Fund balance at beginning of year	<u>101,539</u>	<u>101,539</u>	<u>101,539</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 73,489</u>	<u>\$ 90,609</u>	<u>\$ 90,606</u>	<u>\$ (3)</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 25,769	\$ 28,355	\$ 28,313	\$ (42)
Investment income.	138	150	152	2
Total revenues	<u>25,907</u>	<u>28,505</u>	<u>28,465</u>	<u>(40)</u>
Expenditures:				
Current:				
Transportation				
Materials and supplies.	<u>27,000</u>	<u>47,730</u>	<u>47,707</u>	<u>23</u>
Total transportation.	<u>27,000</u>	<u>47,730</u>	<u>47,707</u>	<u>23</u>
Total expenditures	<u>27,000</u>	<u>47,730</u>	<u>47,707</u>	<u>23</u>
Net change in fund balance.	(1,093)	(19,225)	(19,242)	(17)
Other financing sources:				
Transfers in.	<u>2,093</u>	<u>2,300</u>	<u>2,300</u>	<u>-</u>
Total other financing sources.	<u>2,093</u>	<u>2,300</u>	<u>2,300</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	1,000	(16,925)	(16,942)	-
Fund balance at beginning of year	<u>13,161</u>	<u>13,161</u>	<u>13,161</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,161</u>	<u>\$ (3,764)</u>	<u>\$ (3,781)</u>	<u>\$ (17)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charge for services	\$ 2,777	\$ 3,100	\$ 3,100	\$ -
Other	2,285	2,550	2,550	-
Total revenues	<u>5,062</u>	<u>5,650</u>	<u>5,650</u>	<u>-</u>
Expenditures:				
Current:				
Public health and welfare				
Personal services	15,000	3,035	3,029	6
Contractual services.	1,000	8,455	8,451	4
Materials and supplies.	3,000	2,370	2,368	2
Total public health and welfare	<u>19,000</u>	<u>13,860</u>	<u>13,848</u>	<u>12</u>
Total expenditures	<u>19,000</u>	<u>13,860</u>	<u>13,848</u>	<u>12</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,938)</u>	<u>(8,210)</u>	<u>(8,198)</u>	<u>12</u>
Other financing sources:				
Transfer in	13,438	15,000	15,000	-
Total other financing sources.	<u>13,438</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	(500)	6,790	6,802	12
Fund balance at beginning of year	<u>1,225</u>	<u>1,225</u>	<u>1,225</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 725</u>	<u>\$ 8,015</u>	<u>\$ 8,027</u>	<u>\$ 12</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 1,409	\$ 1,545	\$ 1,544	\$ (1)
Total revenues	1,409	1,545	1,544	(1)
Expenditures:				
Current:				
Leisure time activity				
Personal services	23,686	25,836	18,073	7,763
Contractual services	9,155	2,436	1,704	732
Materials and supplies	8,835	4,985	3,430	1,555
Capital outlay	12,774	15,148	9,552	5,596
Total leisure time activity	54,450	48,405	32,759	10,050
Total expenditures	54,450	48,405	32,759	10,050
Excess (deficiency) of revenues over (under) expenditures	(53,041)	(46,860)	(31,215)	10,049
Other financing sources:				
Transfers in	36,591	40,110	40,106	(4)
Total other financing sources	36,591	40,110	40,106	(4)
Net change in fund balance	(16,450)	(6,750)	8,891	15,641
Fund balance at beginning of year	47,159	47,159	47,159	-
Prior year encumbrances appropriated . . .	3,300	3,300	3,300	-
Fund balance at end of year	\$ 34,009	\$ 43,709	\$ 59,350	\$ 15,641
 Revenues	 38,000	 41,655	 41,650	
Expenditures	54,450	48,405	32,759	

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 500	\$ 500	\$ 708	\$ 208
Total revenues	<u>500</u>	<u>500</u>	<u>708</u>	<u>208</u>
Expenditures:				
Current:				
Security of persons and property				
Other	-	2,235	2,232	3
	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total security of persons and property . .	<u>2,000</u>	<u>2,235</u>	<u>2,232</u>	<u>3</u>
Total expenditures	<u>2,000</u>	<u>2,235</u>	<u>2,232</u>	<u>3</u>
Net change in fund balance.	(1,500)	(1,735)	(1,524)	211
Fund balance at beginning of year	<u>5,720</u>	<u>5,030</u>	<u>5,720</u>	<u>690</u>
Fund balance at end of year.	<u>\$ 4,220</u>	<u>\$ 3,295</u>	<u>\$ 4,196</u>	<u>\$ 901</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 3,000	\$ 2,250	\$ 2,250	\$ -
Total revenues	<u>3,000</u>	<u>2,250</u>	<u>2,250</u>	<u>-</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	-	3,550	3,547	3
Capital outlay	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total security of persons and property. . .	<u>5,000</u>	<u>3,550</u>	<u>3,547</u>	<u>3</u>
Total expenditures	<u>5,000</u>	<u>3,550</u>	<u>3,547</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,000)</u>	<u>(1,300)</u>	<u>(1,297)</u>	<u>(3)</u>
Net change in fund balance.	(2,000)	(1,300)	(1,297)	(3)
Fund balance at beginning of year	<u>13,565</u>	<u>13,565</u>	<u>13,565</u>	
Fund balance at end of year.	<u>\$ 11,565</u>	<u>\$ 12,265</u>	<u>\$ 12,268</u>	<u>\$ (3)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 395	\$ 395	\$ 395	\$ -
Fund balance at end of year.	<u>\$ 395</u>	<u>\$ 395</u>	<u>\$ 395</u>	<u>\$ -</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 31,544	\$ 31,698	\$ 31,689	\$ (9)
Intergovernmental	3,878	3,897	3,896	(1)
Total revenues	<u>35,422</u>	<u>35,595</u>	<u>35,585</u>	<u>(10)</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	40,000	40,000	40,000	-
Total security of persons and property. . .	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance.	(4,578)	(4,405)	(4,415)	(10)
Fund balance at beginning of year	<u>8,752</u>	<u>8,752</u>	<u>8,752</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 4,174</u>	<u>\$ 4,347</u>	<u>\$ 4,337</u>	<u>\$ (10)</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General Obligation Bond Retirement
	<u> </u>
Expenditures:	
Debt Service:	
Principal retirement.	\$ 370,000
Interest and fiscal charges.	<u>155,657</u>
Total expenditures	<u>525,657</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(525,657)</u>
Other financing sources:	
Transfers in	<u>561,480</u>
Total other financing sources	<u>561,480</u>
Net change in fund balances	35,823
Fund balances at beginning of year.	<u> -</u>
Fund balances at end of year	<u><u>\$ 35,823</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt Service:				
Principal retirement	\$ 370,000	\$ 370,000	\$ 370,000	\$ -
Interest and fiscal charges.	155,657	155,657	155,657	-
Total debt service	<u>525,657</u>	<u>525,657</u>	<u>525,657</u>	<u>-</u>
 Total expenditures.	 <u>525,657</u>	 <u>525,657</u>	 <u>525,657</u>	 <u>-</u>
 Excess (deficiency) of revenues over (under) expenditures.	 <u>(525,657)</u>	 <u>(525,657)</u>	 <u>(525,657)</u>	 <u>-</u>
 Other financing sources:				
Transfers in.	526,000	561,500	561,480	(20)
Total other financing sources.	<u>526,000</u>	<u>561,500</u>	<u>561,480</u>	<u>(20)</u>
 Net change in fund balance.	 343	 35,843	 35,823	 (20)
 Fund balance at beginning of year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund balance at end of year.	 <u>\$ 343</u>	 <u>\$ 35,843</u>	 <u>\$ 35,823</u>	 <u>\$ (20)</u>

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2007

	<u>General Obligation Bond Construction</u>	<u>Capital Improvement</u>	<u>FEMA Flood Grant</u>	<u>Total</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 348,158	\$ 170,418	\$ 382	\$ 518,958
Total assets.	<u>348,158</u>	<u>170,418</u>	<u>382</u>	<u>518,958</u>
Liabilities:				
Retainage payable.	3,934	-	-	3,934
Total liabilities	<u>3,934</u>	<u>-</u>	<u>-</u>	<u>3,934</u>
Fund Balances:				
Reserved for encumbrances.	3,934	-	-	3,934
Unreserved, undesignated, reported in:				
Capital projects funds	340,290	170,418	382	511,090
Total fund balances	<u>344,224</u>	<u>170,418</u>	<u>382</u>	<u>515,024</u>
Total liabilities and fund equity.	<u>348,158</u>	<u>170,418</u>	<u>382</u>	<u>518,958</u>

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CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General Obligation Bond Construction	Capital Improvement	CDBG Sidewalk Project	FEMA Flood Grant
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 34,000	\$ -
Other	11,323	-	-	-
Total revenues	<u>11,323</u>	<u>-</u>	<u>34,000</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>160,627</u>	<u>21,629</u>	<u>34,000</u>	<u>-</u>
Total expenditures	<u>160,627</u>	<u>21,629</u>	<u>34,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(149,304)</u>	<u>(21,629)</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers in	<u>-</u>	<u>175,264</u>	<u>-</u>	<u>-</u>
Total other financing sources.	<u>-</u>	<u>175,264</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(149,304)	153,635	-	-
Fund balances at beginning of year.	<u>493,528</u>	<u>16,783</u>	<u>-</u>	<u>382</u>
Fund balances at end of year	<u>\$ 344,224</u>	<u>\$ 170,418</u>	<u>\$ -</u>	<u>\$ 382</u>

Issue II Jones Stormwater Project Fund	Downtown Coordination	Total
\$ 74,042	\$ 158,466	\$ 266,508 11,323
<u>74,042</u>	<u>158,466</u>	<u>277,831</u>
<u>74,042</u>	<u>170,052</u>	<u>460,350</u>
<u>74,042</u>	<u>170,052</u>	<u>460,350</u>
<u>-</u>	<u>(11,586)</u>	<u>(182,519)</u>
<u>-</u>	<u>-</u>	<u>175,264</u>
<u>-</u>	<u>-</u>	<u>175,264</u>
<u>-</u>	<u>(11,586)</u>	<u>(7,255)</u>
<u>-</u>	<u>11,586</u>	<u>522,279</u>
<u>\$ -</u>	<u>\$ -</u>	<u>515,024</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other	\$ 5,000	\$ 19,050	\$ 19,006	(44)
Total revenues.	<u>5,000</u>	<u>19,050</u>	<u>19,006</u>	<u>(44)</u>
Expenditures:				
Capital outlay				
Capital outlay	404,052	694,052	377,650	316,402
Total capital outlay	<u>404,052</u>	<u>694,052</u>	<u>377,650</u>	<u>316,402</u>
Total expenditures.	<u>404,052</u>	<u>694,052</u>	<u>377,650</u>	<u>316,402</u>
Net change in fund balance.	(399,052)	(675,002)	(358,644)	316,358
Fund balance at beginning of year	388,816	388,816	388,816	
Prior year encumbrances appropriated . .	<u>314,052</u>	<u>314,052</u>	<u>314,052</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 303,816</u>	<u>\$ 27,866</u>	<u>\$ 344,224</u>	<u>\$ 316,358</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay				
Capital outlay	19,250	30,250	25,879	4,371
Total capital outlay	<u>19,250</u>	<u>30,250</u>	<u>25,879</u>	<u>4,371</u>
Total expenditures.	<u>19,250</u>	<u>30,250</u>	<u>25,879</u>	<u>4,371</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(19,250)</u>	<u>(30,250)</u>	<u>(25,879)</u>	<u>4,371</u>
Other financing sources:				
Transfers in.	75,000	175,265	175,264	(1)
Total other financing sources.	<u>75,000</u>	<u>175,265</u>	<u>175,264</u>	<u>(1)</u>
Net change in fund balance.	55,750	145,015	149,385	4,370
Fund balance at beginning of year	16,783	16,783	16,783	-
Prior year encumbrances appropriated . .	<u>4,250</u>	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 76,783</u>	<u>\$ 166,048</u>	<u>\$ 170,418</u>	<u>\$ 4,370</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 40,000	\$ 34,000	\$ 34,000	\$ -
Total revenues.	<u>40,000</u>	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	40,000	34,000	34,000	-
Total capital outlay	<u>40,000</u>	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Total expenditures.	<u>40,000</u>	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Net change in fund balance.	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<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, 2007

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

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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 16,000	\$ 15,384	\$ 15,384	\$ -
Total revenues.	<u>16,000</u>	<u>15,384</u>	<u>15,384</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	16,000	15,384	15,384	-
Total capital outlay	<u>16,000</u>	<u>15,384</u>	<u>15,384</u>	<u>-</u>
Total expenditures.	<u>16,000</u>	<u>15,384</u>	<u>15,384</u>	<u>-</u>
Net change in fund balance.	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<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)
ISSUE II JONES STORMWATER PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 49,995	\$ 120,673	\$ 120,673	\$ -
Total revenues	<u>49,995</u>	<u>120,673</u>	<u>120,673</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	49,995	120,673	120,673	-
Total capital outlay	<u>49,995</u>	<u>120,673</u>	<u>120,673</u>	<u>-</u>
Total expenditures	<u>49,995</u>	<u>120,673</u>	<u>120,673</u>	<u>-</u>
Net change in fund balance.	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<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)
DOWNTOWN COORDINATION
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 188,000	\$ 176,040	\$ 176,040	\$ -
Total revenues	<u>188,000</u>	<u>176,040</u>	<u>176,040</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	<u>188,000</u>	<u>176,140</u>	<u>176,140</u>	<u>-</u>
Total capital outlay	<u>188,000</u>	<u>176,140</u>	<u>176,140</u>	<u>-</u>
Total expenditures	<u>188,000</u>	<u>176,140</u>	<u>176,140</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>-</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>
Other financing uses:				
Advance out	<u>-</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>
Total other financing uses.	<u>-</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>
Net change in fund balance.	<u>-</u>	<u>(200)</u>	<u>(200)</u>	<u>-</u>
Fund balance at beginning of year	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 200</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)
SUGAR GROVE TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment earnings	\$ 6	\$ 9	\$ 9	\$ -
Total revenues	<u>6</u>	<u>9</u>	<u>9</u>	<u>-</u>
Net change in fund balance.	6	9	9	-
Fund balance at beginning of year	<u>1,697</u>	<u>1,697</u>	<u>1,697</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,703</u>	<u>\$ 1,706</u>	<u>\$ 1,706</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.

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 BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 976,780	\$ 1,168,105	\$ 1,168,101	\$ (4)
Tap-in fees	45,991	55,000	54,953	(47)
Other operating revenues	2,191	2,620	2,317	(303)
Total operating revenues	<u>1,024,962</u>	<u>1,225,725</u>	<u>1,225,371</u>	<u>(354)</u>
Operating expenses:				
Personal services	484,143	448,637	445,495	3,142
Contractual services	213,209	179,606	176,863	2,743
Materials and supplies	137,795	140,525	136,507	4,018
Capital outlay	162,933	166,541	163,121	3,420
Total operating expenses	<u>998,080</u>	<u>935,309</u>	<u>921,986</u>	<u>13,323</u>
Operating income	<u>26,882</u>	<u>290,416</u>	<u>303,385</u>	<u>12,969</u>
Nonoperating revenues (expenses):				
Debt service:				
Principal retirement	(324,750)	(476,564)	(411,746)	64,818
Interest and fiscal charges	(186,695)	(136,113)	(183,192)	(47,079)
Interest revenue	216,327	258,700	971,263	712,563
Intergovernmental revenues	18,711	22,376	22,372	(4)
Premium on note issuance	-	-	35,687	35,687
Bond issuance costs	-	-	(116,135)	(116,135)
Proceeds from sale of notes	-	-	2,980,000	2,980,000
Payment to escrow agent	-	-	(3,603,552)	(3,603,552)
Total nonoperating revenues (expenses)	<u>(276,407)</u>	<u>(331,601)</u>	<u>(305,303)</u>	<u>26,298</u>
Net change in fund balance	(249,525)	(41,185)	(1,918)	39,267
Fund balance at beginning of year	1,038,681	1,038,681	1,038,681	-
Prior year encumbrances appropriated	<u>33,280</u>	<u>33,280</u>	<u>33,280</u>	<u>-</u>
Fund balance at end of year	<u>\$ 822,436</u>	<u>\$ 1,030,776</u>	<u>\$ 1,070,043</u>	<u>\$ 39,267</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,406,671	\$ 1,389,225	\$ 1,389,224	\$ (1)
Other operating revenues	231,054	228,188	228,183	(5)
Total operating revenues	<u>1,637,725</u>	<u>1,617,413</u>	<u>1,617,407</u>	<u>(6)</u>
Operating expenses:				
Personal services	514,064	502,095	492,818	9,277
Contractual services	627,564	616,651	603,200	13,451
Materials and supplies	121,848	81,242	71,619	9,623
Capital outlay	50,388	10,631	9,100	1,531
Other operating expenses	311,148	311,191	306,300	4,891
Total operating expenses	<u>1,625,012</u>	<u>1,521,810</u>	<u>1,483,037</u>	<u>38,773</u>
Operating income	<u>12,713</u>	<u>95,603</u>	<u>134,370</u>	<u>38,767</u>
Nonoperating (expenses):				
Debt service:				
Principal retirement	(47,934)	(47,934)	(47,934)	-
Interest and fiscal charges	(125,574)	(125,572)	(125,572)	-
Total nonoperating (expenses)	<u>(173,508)</u>	<u>(173,506)</u>	<u>(173,506)</u>	<u>-</u>
Net change in fund balance	(160,795)	(77,903)	(39,136)	38,767
Fund balance at beginning of year	952,118	952,118	952,118	-
Prior year encumbrances appropriated	<u>27,870</u>	<u>27,870</u>	<u>27,870</u>	<u>-</u>
Fund balance at end of year	<u>\$ 819,193</u>	<u>\$ 902,085</u>	<u>\$ 940,852</u>	<u>\$ 38,767</u>

CITY OF HUBBARD, OHIO

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

ELECTRIC FUND

FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,152,651	\$ 5,338,190	\$ 5,337,941	\$ (249)
Total operating revenues	5,152,651	5,338,190	5,337,941	(249)
Operating expenses:				
Personal services.	880,080	841,040	840,962	78
Contractual services	3,351,592	3,400,322	3,399,077	1,245
Materials and supplies.	125,325	64,710	52,369	12,341
Capital outlay	414,281	260,376	255,814	4,562
Total operating expenses	4,771,278	4,566,448	4,548,222	18,226
Operating income (loss)	381,373	771,742	789,719	17,977
Nonoperating revenues (expenses):				
Intergovernmental revenues	112,516	116,576	116,575	(1)
Other nonoperating expenses.	(705,864)	(705,864)	(705,864)	-
Note issuance.	2,048,998	2,123,250	2,123,250	-
Note issuance costs	(20,000)	(15,550)	(15,517)	33
Debt service:				
Principal retirement.	(2,112,421)	(2,235,021)	(2,235,000)	21
Interest and fiscal charges	(97,068)	(85,878)	(85,808)	70
Property and other taxes	30,085	31,170	31,168	(2)
Total nonoperating revenues	(743,754)	(771,317)	(771,196)	121
Net change in fund balance	(362,381)	425	18,523	18,098
Fund balance at beginning of year	3,172,088	3,172,088	3,172,088	-
Prior year encumbrances appropriated.	6,081	6,081	6,081	-
Fund balance at end of year	\$ 2,815,788	\$ 3,178,594	\$ 3,196,692	\$ 18,098

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GUARANTEE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Other operating revenues	\$ 35,000	\$ 29,100	\$ 29,051	\$ (49)
Total operating revenues	<u>35,000</u>	<u>29,100</u>	<u>29,051</u>	<u>(49)</u>
Operating income.	<u>35,000</u>	<u>29,100</u>	<u>29,051</u>	<u>(49)</u>
Operating expenses:				
Contractual services	<u>30,000</u>	<u>-</u>	<u>15,470</u>	<u>(15,470)</u>
Total operating expenses	<u>30,000</u>	<u>-</u>	<u>15,470</u>	<u>(15,470)</u>
Net change in fund balance.	5,000	29,100	13,581	(15,519)
Fund balance at beginning of year	<u>120,489</u>	<u>120,489</u>	<u>120,489</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 125,489</u>	<u>\$ 149,589</u>	<u>\$ 134,070</u>	<u>\$ (15,519)</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEES HEALTH
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 700,000	\$ 647,950	\$ 647,861	\$ (89)
Total operating revenues	<u>700,000</u>	<u>647,950</u>	<u>647,861</u>	<u>(89)</u>
Operating expenses:				
Contractual services	<u>750,000</u>	<u>755,200</u>	<u>755,189</u>	<u>11</u>
Total operating expenses	<u>750,000</u>	<u>755,200</u>	<u>755,189</u>	<u>11</u>
Net change in fund balance.	(50,000)	(107,250)	(107,328)	(78)
Fund balance at beginning of year	<u>402,877</u>	<u>402,877</u>	<u>402,877</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 352,877</u>	<u>\$ 295,627</u>	<u>\$ 295,549</u>	<u>\$ (78)</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, 2007

	<u>Mizner Trust</u>	<u>Hultz Trust</u>	<u>Total Private Purpose Trust</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,777	\$ 5,710	\$ 7,487
Total assets	<u>\$ 1,777</u>	<u>\$ 5,710</u>	<u>\$ 7,487</u>
 Net assets:			
Held in trust for other purposes	<u>1,777</u>	<u>5,710</u>	<u>7,487</u>
Total net assets.	<u>\$ 1,777</u>	<u>\$ 5,710</u>	<u>\$ 7,487</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Mizner Trust</u>	<u>Hultz Trust</u>	<u>Totals</u>
Additions:			
Investment earnings	\$ 9	\$ 34	\$ 43
Total additions	<u>9</u>	<u>34</u>	<u>43</u>
Changes in net assets	9	34	43
Fund balances at beginning of year.	<u>1,768</u>	<u>5,676</u>	<u>7,444</u>
Fund balances at end of year	<u><u>\$ 1,777</u></u>	<u><u>\$ 5,710</u></u>	<u><u>\$ 7,487</u></u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance</u> <u>1/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>
Mayor's Court				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,635	\$ 595	\$ -	\$ 2,230
Total assets.	<u>\$ 1,635</u>	<u>\$ 595</u>	<u>\$ -</u>	<u>\$ 2,230</u>
Liabilities:				
Deposits held and due to others	\$ 1,635	\$ 595	\$ -	\$ 2,230
Total liabilities	<u>\$ 1,635</u>	<u>\$ 595</u>	<u>\$ -</u>	<u>\$ 2,230</u>
Hubbard Union Cemetery				
Assets:				
Receivables (net of allowances for uncollectibles):				
Real and other taxes	25,705	1,168	-	26,873
Due from other governments	1,111	438	-	1,549
Total assets.	<u>\$ 26,816</u>	<u>\$ 1,606</u>	<u>\$ -</u>	<u>\$ 28,422</u>
Liabilities:				
Due to other governments	\$ 26,816	\$ 1,606	\$ -	\$ 28,422
Total liabilities	<u>\$ 26,816</u>	<u>\$ 1,606</u>	<u>\$ -</u>	<u>\$ 28,422</u>
Total Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,635	\$ 595	\$ -	\$ 2,230
Receivables (net of allowances for uncollectibles):				
Real and other taxes	25,705	1,168	-	26,873
Due from other governments	1,111	438	-	1,549
Total assets.	<u>\$ 28,451</u>	<u>\$ 2,201</u>	<u>\$ -</u>	<u>\$ 30,652</u>
Liabilities:				
Due to other governments	\$ 26,816	\$ 1,606	\$ -	\$ 28,422
Deposits held and due to others	1,635	595	-	2,230
Total liabilities	<u>\$ 28,451</u>	<u>\$ 2,201</u>	<u>\$ -</u>	<u>\$ 30,652</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MIZNER TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Investment earnings	\$ 8	\$ 9	\$ 9	\$ -
Total operating revenues	<u>8</u>	<u>9</u>	<u>9</u>	<u>-</u>
Net change in fund balance	8	9	9	-
Fund balance at beginning of year	<u>1,768</u>	<u>1,768</u>	<u>1,768</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,776</u>	<u>\$ 1,777</u>	<u>\$ 1,777</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HULTZ TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Investment earnings	\$ 15	\$ 35	\$ 34	\$ (1)
Total operating revenues	<u>15</u>	<u>35</u>	<u>34</u>	<u>(1)</u>
Net change in fund balance	15	35	34	(1)
Fund balance at beginning of year	<u>5,676</u>	<u>5,676</u>	<u>5,676</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,691</u>	<u>\$ 5,711</u>	<u>\$ 5,710</u>	<u>\$ (1)</u>

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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>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S 2 - S 8
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property	S 9 - S 19
Debt Capacity 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.	S 20 - S 24
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S 25 - S 27
Operating Information 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.	S 28 - S 32

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 FIVE YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 877,729	\$ 768,312	\$ 2,400,517	\$ 3,401,113	\$ 3,267,003
Restricted for:					
Debt service	35,823	-	-	-	-
Capital projects	509,490	512,009	-	49,055	283,437
Perpetual Care	1,706	1,697	1,691	1,686	-
Other projects	449,163	532,518	508,157	359,758	296,035
Unrestricted	<u>946,327</u>	<u>847,942</u>	<u>619,911</u>	<u>482,053</u>	<u>831,708</u>
Total governmental activities net assets	<u>\$ 2,820,238</u>	<u>\$ 2,662,478</u>	<u>\$ 3,530,276</u>	<u>\$ 4,293,665</u>	<u>\$ 4,678,183</u>
Business-type Activities					
Invested in capital assets, net of related debt	\$ 6,769,792	\$ 6,139,069	\$ 5,452,270	\$ 5,457,562	\$ 5,448,545
Unrestricted	<u>6,033,788</u>	<u>7,330,144</u>	<u>7,453,760</u>	<u>6,922,756</u>	<u>7,317,278</u>
Total business-type activities net assets	<u>\$ 12,803,580</u>	<u>\$ 13,469,213</u>	<u>\$ 12,906,030</u>	<u>\$ 12,380,318</u>	<u>\$ 12,765,823</u>
Total Primary Government					
Invested in capital assets, net of related debt	\$ 7,647,521	\$ 6,907,381	\$ 7,852,787	\$ 8,858,675	\$ 8,715,548
Restricted for:					
Debt service	35,823	-	-	-	-
Capital projects	509,490	512,009	-	49,055	283,437
Perpetual Care	1,706	1,697	1,691	1,686	-
Other projects	449,163	532,518	508,157	359,758	296,035
Unrestricted	<u>6,980,115</u>	<u>8,178,086</u>	<u>8,073,671</u>	<u>7,404,809</u>	<u>8,148,986</u>
Total primary government net assets	<u>\$ 15,623,818</u>	<u>\$ 16,131,691</u>	<u>\$ 16,436,306</u>	<u>\$ 16,673,983</u>	<u>\$ 17,444,006</u>

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

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

Expenses:	2007	2006	2005	2004	2003
Governmental Activities					
General Government	\$ 390,097	\$ 436,931	\$ 424,353	\$ 421,107	\$ 350,765
Security of Persons and Property	1,910,720	2,009,360	1,676,512	1,695,597	1,572,403
Public Health and Welfare	29,075	32,313	24,434	30,823	35,187
Transportation	1,158,612	2,257,686	1,658,724	981,678	971,326
Community Environment	320	485	7,092	1,963	4,524
Leisure Time Activity	43,205	75,190	40,871	43,797	36,301
Other	13,112	34,549	11,567	1,222	1,008
Interest and Fiscal Charges	164,929	174,312	117,638	-	1,408
Total Governmental Activities Expenses	3,710,070	5,020,826	3,961,191	3,176,187	2,972,922
Business-Type Activities					
Sewer	1,357,918	1,275,270	1,249,276	1,309,146	1,386,623
Water	1,504,407	1,422,711	1,454,211	1,301,547	1,368,214
Electric	6,024,667	5,895,874	5,466,799	5,130,725	4,387,184
Guarantee Trust	15,470	33,914	26,915	24,290	18,038
Total Business-Type Activities Expenses	8,902,462	8,627,769	8,197,201	7,765,708	7,160,059
Total Primary Government Expenses	\$ 12,612,532	\$ 13,648,595	\$ 12,158,392	\$ 10,941,895	\$ 10,132,981
Program Revenues:					
Governmental Activities					
Charges for Services:					
General Government	\$ 8,902	\$ 7,540	\$ 8,573	\$ 12,375	\$ 5,977
Security of Persons and Property	44,127	39,762	43,328	60,623	37,417
Public Health and Welfare	3,100	-	-	-	5,000
Transportation	-	-	-	6,233	-
Operating Grants and Contributions:					
Security of Persons and Property	-	-	-	4,886	3,193
Transportation	341,274	385,966	369,284	327,474	291,007
Leisure Time Activity	-	-	100	1,282	1,472
Capital Grants and Contributions:					
General Government	-	-	-	38,269	250,452
Transportation	266,508	634,506	48,562	281,414	47,162
Total Governmental Activities Program Revenues	663,911	1,067,774	469,847	732,556	641,680
Business-Type Activities					
Charges for Services:					
Sewer	1,216,611	1,185,838	1,213,632	1,227,361	1,239,766
Water	1,341,883	1,470,741	1,490,852	1,479,650	1,445,216
Electric	5,303,784	5,298,829	5,772,406	4,457,308	4,221,233
Operating Grants and Contributions:					
Sewer	22,372	-	-	-	-
Water	-	-	7,275	-	-
Electric	118,655	131,348	16,459	-	-
Capital Grants and Contributions:					
Sewer	-	-	-	-	2,388
Water	-	-	-	-	1,426
Electric	-	-	-	-	6,702
Total Business-Type Activities Program Revenues	8,003,305	8,086,756	8,500,624	7,164,319	6,916,731
Total Primary Government Program Revenues	8,667,216	9,154,530	8,970,471	7,896,875	7,558,411

CITY OF HUBBARD, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense) Revenue					
Governmental Activities	(3,046,159)	(3,953,052)	(3,491,344)	(2,443,631)	(2,331,242)
Business-Type Activities	<u>(899,157)</u>	<u>(541,013)</u>	<u>303,423</u>	<u>(601,389)</u>	<u>(243,328)</u>
Total Primary Government Net (Expense)/Revenue	<u>\$ (3,945,316)</u>	<u>\$ (4,494,065)</u>	<u>\$ (3,187,921)</u>	<u>\$ (3,045,020)</u>	<u>\$ (2,574,570)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property & Other Local Taxes Levied For:					
General Purposes	\$ 280,457	\$ 282,386	\$ 250,018	\$ 248,159	\$ 239,943
Fire District	67,728	67,329	64,331	64,546	62,439
Police Pension	32,303	36,171	33,096	32,065	27,683
Income Taxes Levied For:					
General Purposes	2,065,938	2,003,345	1,679,734	1,090,187	1,055,837
Grants and Entitlements not Restricted to Specific Programs	297,586	269,572	242,416	349,959	479,298
Investment Earnings	343,869	374,067	280,567	207,831	207,265
Miscellaneous	116,038	159,726	165,862	121,405	92,888
Transfers	-	(16,715)	11,931	(55,039)	(23,180)
Capital Contributions	-	-	-	-	417,061
Total Governmental Activities	<u>3,203,919</u>	<u>3,175,881</u>	<u>2,727,955</u>	<u>2,059,113</u>	<u>2,559,234</u>
Business-Type Activities					
Other Local Taxes	30,818	30,835	49,146	70,249	25,049
Investment Earnings	151,766	-	67,284	17,365	7,239
Investment in Joint Ventures	-	-	-	15,983	14,586
Miscellaneous	50,940	40,085	117,790	57,248	193,896
Transfers	-	16,715	(11,931)	55,039	23,180
Capital Contributions	-	-	-	-	515,620
Total Business- Type Activities	<u>233,524</u>	<u>87,635</u>	<u>222,289</u>	<u>215,884</u>	<u>779,570</u>
Total Primary Government	<u>3,437,443</u>	<u>3,263,516</u>	<u>2,950,244</u>	<u>2,274,997</u>	<u>3,338,804</u>
Change in Net Assets					
Governmental Activities	157,760	(777,171)	(763,389)	(384,518)	227,992
Business-Type Activities	<u>(665,633)</u>	<u>(453,378)</u>	<u>525,712</u>	<u>(385,505)</u>	<u>536,242</u>
Total Primary Government Change in Net Assets	<u>\$ (507,873)</u>	<u>\$ (1,230,549)</u>	<u>\$ (237,677)</u>	<u>\$ (770,023)</u>	<u>\$ 764,234</u>

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

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CITY OF HUBBARD, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues					
Income taxes	\$ 2,066,829	\$ 1,990,560	\$ 1,644,628	\$ 1,085,545	\$ 1,046,519
Property and other taxes	373,245	379,138	344,201	341,910	332,576
Charges for services	4,114	-	-	1,402	1,055
Licenses and permits	59,310	74,180	64,891	59,396	62,054
Fines and forfeitures	51,844	47,249	51,901	71,596	42,339
Intergovernmental	901,667	1,263,002	744,611	1,134,403	843,070
Investment income	343,869	374,067	280,567	205,371	207,265
Other	56,728	85,599	100,971	73,495	43,004
Total revenues	<u>3,857,606</u>	<u>4,213,795</u>	<u>3,231,770</u>	<u>2,973,118</u>	<u>2,577,882</u>
Expenditures					
Current:					
General government	358,967	348,047	418,976	373,980	327,268
Security of persons and property	1,731,009	1,658,970	1,606,577	1,441,982	1,407,963
Public health and welfare	29,075	32,313	24,434	30,823	35,187
Transportation	642,092	547,210	629,992	519,369	538,470
Community environment	320	485	7,092	1,963	4,524
Leisure time activity	36,461	46,400	32,762	35,878	30,439
Economic development	-	-	-	-	-
Other	13,112	34,549	11,567	1,222	1,008
Capital outlay	476,320	3,299,634	2,294,467	713,540	335,718
Debt service:					
Principal retirement	370,000	360,000	-	-	-
Interest and fiscal charges	155,657	165,018	102,390	-	1,555
Bond issuance cost	-	-	124,250	-	-
Total expenditures	<u>3,813,013</u>	<u>6,492,626</u>	<u>5,252,507</u>	<u>3,118,757</u>	<u>2,682,132</u>
Excess of revenues over (under) expenditures	44,593	(2,278,831)	(2,020,737)	(145,639)	(104,250)
Other Financing Sources (Uses)					
Transfers in	1,014,731	963,441	607,083	530,894	823,581
Transfers (out)	(1,014,731)	(980,156)	(595,152)	(585,933)	(846,761)
Sale of bonds	-	-	5,100,000	-	-
Sale of capital assets	-	-	-	3,375	-
Proceeds of capital lease	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(16,715)</u>	<u>5,111,931</u>	<u>(51,664)</u>	<u>(23,180)</u>
Net change in fund balances	<u>\$ 44,593</u>	<u>\$ (2,295,546)</u>	<u>\$ 3,091,194</u>	<u>\$ (197,303)</u>	<u>\$ (127,430)</u>
Capital expenditures	219,793	1,412,328	2,294,467	713,540	335,718
Debt service as a percentage of noncapital expenditures	14.63%	10.33%	7.66%	0.00%	0.07%

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

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 1,051,085	\$ 952,071	\$ 994,671	\$ 1,003,790
319,848	316,350	316,478	267,959
701	300	300	380
55,068	52,631	36,407	34,563
55,478	70,669	51,310	65,779
557,998	726,369	705,513	861,076
236,390	340,155	441,245	295,810
44,654	39,220	68,590	45,035
<u>2,321,222</u>	<u>2,497,765</u>	<u>2,614,514</u>	<u>2,574,392</u>
345,965	339,749	348,155	286,517
1,370,521	1,374,984	1,324,594	1,208,958
27,681	29,314	27,857	24,135
491,493	515,212	502,597	474,008
3,194	1,600	3,445	650
29,900	26,500	29,427	37,891
-	-	200	1,157
988	983	985	10,517
71,038	211,397	362,308	244,004
6,807	6,335	17,646	13,277
5,158	9,697	2,224	4,006
-	-	-	-
<u>2,352,745</u>	<u>2,515,771</u>	<u>2,619,438</u>	<u>2,305,120</u>
(31,523)	(18,006)	(4,924)	269,272
424,204	402,372	538,148	377,150
(424,204)	(402,372)	(538,148)	(377,150)
-	-	-	-
1,300	635	1,100	-
-	-	20,456	-
<u>1,300</u>	<u>635</u>	<u>21,556</u>	<u>-</u>
<u>\$ (30,223)</u>	<u>\$ (17,371)</u>	<u>\$ 16,632</u>	<u>\$ 269,272</u>
71,038	211,397	362,308	244,004
0.52%	0.70%	0.88%	0.84%

CITY OF HUBBARD, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$ 60,524	\$ 18,471	\$ 17,883	\$ 59,229	\$ 45,155
Unreserved	<u>564,771</u>	<u>517,636</u>	<u>406,132</u>	<u>329,933</u>	<u>441,823</u>
Total general fund	<u>\$ 625,295</u>	<u>\$ 536,107</u>	<u>\$ 424,015</u>	<u>\$ 389,162</u>	<u>\$ 486,978</u>
All Other Governmental Funds					
Reserved	\$ 29,357	\$ 160,385	\$ 1,981,344	\$ 49,049	\$ 13,626
Unreserved, reported in:					
Special revenue funds	341,174	425,815	415,755	255,124	222,476
Debt service funds	35,823	-	-	-	-
Capital projects funds	511,090	375,848	972,593	9,183	176,741
Permanent fund	<u>866</u>	<u>857</u>	<u>851</u>	<u>846</u>	<u>846</u>
Total all other governmental funds	<u>\$ 918,310</u>	<u>\$ 962,905</u>	<u>\$ 3,370,543</u>	<u>\$ 314,202</u>	<u>\$ 413,689</u>

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

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 28,192	\$ 31,467	\$ 14,445	\$ 26,840
<u>728,236</u>	<u>905,535</u>	<u>839,194</u>	<u>804,693</u>
<u>\$ 756,428</u>	<u>\$ 937,002</u>	<u>\$ 853,639</u>	<u>\$ 831,533</u>
\$ 14,814	\$ 16,877	\$ 47,587	\$ 20,125
145,394	45,130	26,870	124,711
-	-	-	-
104,707	58,977	92,006	21,716
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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**

Collection Year	Real Property		Personal Property (b)		Public Utility (c)	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
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
1998	69,980,770	199,945,057	7,347,863	29,391,452	2,583,920	2,936,273

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.

Exemptions		Total			
Real Property	Assessed Value	Total Direct Tax Rate	Estimated Actual Value (1)	%	
\$ 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%	
6,493,800	79,912,553	3.80%	232,272,782	34.40%	

CITY OF HUBBARD, OHIO

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

Tax Year/ Collection Year	City Direct Rates			
	General Rate	Fire District	Police Pension	Total Direct Rate
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
1998	2.80	0.70	0.30	3.80

Tax Year/ Collection Year	Overlapping Rates				
	Trumbull County	Hubbard EVSD	Vocational School	Township (1)	Other (1)
2007	11.10	58.45	2.40	14.60	1.20
2006	11.10	58.85	2.40	14.60	1.20
2005	10.35	54.20	2.40	14.60	1.20
2004	10.35	54.20	2.40	14.60	1.20
2003	10.35	54.25	2.40	14.40	1.20
2002	10.35	54.25	2.40	14.40	1.20
2001	10.35	54.35	2.40	14.40	1.20
2000	10.35	48.26	2.40	12.85	1.20
1999	10.35	49.60	2.40	12.85	1.20
1998	9.30	49.70	2.40	12.85	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 SEVEN YEARS AGO

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
McConnell Enterprises	\$ 877,420	1	0.79%
Cocca Properties, LLC	653,950	2	0.59%
W.B.S. Company	648,940	3	0.59%
Valley View Properties	610,340	4	0.55%
Simon-Westview Limited Partnership	567,880	5	0.51%
Gary D. Mayle	535,390	6	0.48%
Ball Corporation	518,250	7	0.47%
Kala Realty Limited	486,580	8	0.44%
James R. Carsone, Sr.	477,640	9	0.43%
SCP	460,290	10	0.42%
Total, Top Ten Principal Real Property Taxpayers	\$ 5,836,680		5.28%
Total City Real Property Assessed Valuation	\$ 110,505,450		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
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%
Total, Top Ten Principal Real Property Taxpayers	\$ 5,133,080		7.13%
Total City Real Property Assessed Valuation	\$ 71,969,610		

Source: Trumbull County Auditor

Note: Information prior to 2000 was unavailable.

CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
PERSONAL PROPERTY TAX
CURRENT YEAR AND SEVEN YEARS AGO

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ball Corporation	\$ 1,417,940	1	36.20%
Lighting Products, Inc.	530,480	2	13.54%
Ohio Bell Telephone Company	267,960	3	6.84%
CVS Discount Drug	133,080	4	3.40%
Gasser Chair Company	95,700	5	2.44%
Rite Aid of Ohio	94,410	6	2.41%
Patton's IGA Super Center, Inc.	93,940	7	2.40%
Devine Food, Inc.	83,820	8	2.14%
Time Warner Cable	75,080	9	1.92%
Handyman Supply of Hubbard	46,190	10	1.18%
Total, Top Ten Principal Personal Property Taxpayers	\$ 2,838,600		72.47%
Total City Personal Property Assessed Valuation	\$ 3,916,830		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
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%
Total, Top Ten Principal Personal Property Taxpayers	\$ 4,224,686		59.10%
Total City Personal Property Assessed Valuation	\$ 7,148,928		

Source: Trumbull County Auditor

Note: Information prior to 2000 was unavailable.

CITY OF HUBBARD, OHIO

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

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
First Energy - Ohio Edison	\$ 260,870	1	20.36%
Dominion East Ohio Gas Company	256,850	2	20.05%
Norfolk Southern Combined	128,820	3	10.05%
American Transmission Systems	23,210	4	1.81%
CSX Transportation	13,230	5	1.03%
American Municipal Power	920	6	0.07%
Total, Top Ten Principal Public Utility Taxpayers	<u>\$ 683,900</u>		<u>53.38%</u>
Total City Public Utility Assessed Valuation	<u>\$ 1,281,270</u>		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
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**

Tax Year/ Collection Year	Total Levy (1)	Current Collection (1)	Percent of Current Levy Collected	Delinquent Collection (1)	Total Collection (1)	Total Collection as a Percent of Total Levy
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%
1998	274,329	266,165	97.02%	6,672	272,837	99.46%

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**

Tax Year/ Collection Year	Total Levy (1)	Current Collection (1)	Percent of Current Levy Collected	Delinquent Collection (1)	Total Collection (1)	Total Collection as a Percent of Total Levy
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%
1998	24,950	24,264	97.25%	1,057	25,321	101.49%

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

PRINCIPAL TAXPAYERS
INCOME TAX WITHHOLDING
CURRENT YEAR AND SEVEN YEARS AGO

December 31, 2007				
Taxpayer	Number of Employees	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hubbard Board of Education	470	\$ 164,751	1	7.85%
The Ball Corporation	169	95,452	2	4.55%
Delphi Automotive Systems	68	92,157	3	4.39%
City of Hubbard, Ohio	97	42,480	4	2.02%
Greenwood's Hubbard Chevrolet	50	27,991	5	1.33%
Flying J Travel Center	147	18,938	6	0.90%
Devine Foods, Inc.	88	16,412	7	0.78%
General Motors Corporation	65	13,901	8	0.66%
Dobson Communications	19	13,321	9	0.63%
Defense Accounting and Finance Center	12	9,813	10	0.47%
Total, Top Ten Principal Income Tax Withholders		<u>\$ 495,216</u>		<u>23.60%</u>
Total Income Tax Collections, Year 2007		<u>\$ 2,098,094</u>		

December 31, 2000				
Taxpayer		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
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

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CITY OF HUBBARD, OHIO

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

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
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.

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	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				(a) Total Primary Government
	General Obligation Bonds	Refunding BAN	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	
2007	\$ 4,370,000	\$ 2,580,000	\$ -	\$ 1,816,246	\$ 786,765	\$ 9,553,011
2006	4,740,000	-	3,475,000	1,908,397	842,728	10,966,125
2005	5,100,000	-	3,770,000	1,994,858	898,691	11,763,549
2004	-	-	4,055,000	2,075,982	954,654	7,085,636
2003	-	-	4,325,000	2,152,097	1,010,617	7,487,714
2002	-	-	4,585,000	2,223,513	814,671	7,623,184
2001	-	-	4,830,000	2,290,520	424,898	7,545,418
2000	-	-	5,065,000	2,353,390	337,376	7,755,766
1999	-	-	5,290,000	2,412,379	355,613	8,057,992
1998	-	-	5,505,000	2,468,144	240,286	8,213,430

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) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
-	-	8,420	1,135
28,859	0.26%	8,415	1,303
27,720	0.24%	8,400	1,400
26,859	0.38%	8,380	846
26,314	0.35%	8,345	897
25,358	0.33%	8,340	914
25,326	0.34%	8,329	906
25,582	0.33%	8,284	936
25,022	0.31%	7,793	1,034
24,264	0.30%	7,841	1,047

CITY OF HUBBARD, OHIO

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

Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
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, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Hubbard (2)	\$ 4,370,000	100.00%	\$ 4,370,000
Overlapping debt:			
Hubbard Township (3)	-	0.00%	-
Hubbard Exempted Village School District (4)	495,000	52.42%	259,479
Trumbull County (5)	18,609,905	3.19%	593,656
Total direct and overlapping debt	<u>\$ 23,474,905</u>		<u>\$ 5,223,135</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>2006 Assessed Valuation</u>
City of Hubbard	116,103,471
Hubbard Township	103,950,822
Hubbard E.V. School District	221,473,012
Trumbull County	3,642,443,725

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

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
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%
1998	8,390,818	-	8,390,818	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>
2007	8,420	(5)	(5)	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%
1998	7,841	190,254,024	24,264	2,430	6.1%

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 2009 for data year 2007.

CITY OF HUBBARD, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	December 31, 2007		
	Employees	Rank	Percentage of Total City Employment
Hubbard Board of Education	303	1	25.85%
Flying J Travel Center	175	2	14.93%
United States Can Company	164	3	13.99%
Delphi Automotive Systems	104	4	8.87%
City of Hubbard, Ohio	99	5	8.45%
Greenwood's Hubbard Chevrolet	77	6	6.57%
Lighting Products, Inc.	75	7	6.40%
General Motors Corporation	67	8	5.72%
Devine Foods, Inc.	66	9	5.63%
Gasser Chair Company	42	10	3.58%
Total	1,172		100.00%

Employer	December 31, 1998		
	Employees	Rank	Percentage of Total City Employment
General Motors Corporation	941	1	39.72%
Hubbard Board of Education	458	2	19.33%
Ball Corporation	374	3	15.79%
Federal Wholesale Group	115	4	4.85%
City of Hubbard, Ohio	94	5	3.97%
Patton's Sparkle Market, Inc.	94	6	3.97%
Greenwood's Hubbard Chevrolet	80	7	3.38%
PAG Eggs and Cake, Inc.	77	8	3.25%
Devine Foods, Inc.	68	9	2.87%
St. Patrick's Roman Catholic Church	68	10	0.00%
Total	2,369		97.13%

Source: City of Hubbard, Income Tax Administration Division

CITY OF HUBBARD, OHIO

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

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
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	2.0	2.0	2.0	2.0	2.0	1.0	1.5	1.5	1.5	1.5
Full-Time	15	15	15	13	13	13	13	13	13	13
Police Dispatchers										
Part-Time	1.0	1.0	1.0	0.5	1.5	0.0	1.0	1.0	1.5	1.0
Full-Time	4	4	4	4	4	4	4	4	4	4
Fire										
Volunteer officers	5	5	5	5	6	6	6	6	6	6
Volunteer fire fighters	28	28	28	26	26	26	28	28	28	28
Community Environment										
Engineering	1	1	1	1	1	1	1	1	1	1
Leisure Time Activity										
Recreation	5	5	4	4	4	4	4	4	4	4
Sewer										
Waste Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water										
Water	5	5	5	4	4	4	4	4	4	4
Electric										
Electric	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
Total	<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>	<u>99.50</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 EIGHT YEARS

Function/Program	2007	2006	2005	2004
Security of persons and property				
Police				
Physical arrests	188	146	361	72
Parking violations	264	334	404	377
Traffic citations	612	680	657	973
Traffic accidents	88	94	119	N/A
Stations	1	1	1	1
Marked patrol units	10	11	11	7
Unmarked patrol units	3	2	2	2
Calls for service answered	10,163	6,457	6,368	7,069
Fire				
Stations	1	1	1	1
Fire engines	4	4	4	4
Calls answered	143	214	196	141
Calls answered within City	53	80	74	46
Calls answered within Township	90	134	122	95
Number of inspections conducted	N/A	N/A	N/A	N/A
Leisure Time Activity				
Parks and Recreation				
City owned parks	2	2	2	2
Park acreage	8.15	8.15	8.15	8.15
Volleyball courts	1	1	1	1
Basketball courts	3	3	3	3
Baseball fields	1	1	1	1
Restroom facilities	1	1	1	2
Transportation				
Center lane miles of streets	29.59	29.59	29.49	29.39
Miles of state highway within the City	7.50	7.50	7.50	7.50
Number of bridges	4	4	4	4
Miles of bridges	0.03	0.03	0.03	0.03
Number of street lights	887	887	885	885
Number of signalized intersections	8	8	8	8
Sewer				
Number of Waste Water Treatment Plants	1	1	1	1
Miles of sanitary sewers	30.46	30.46	30.46	29.66
Miles of storm sewers	16.25	16.25	16.25	16.25
Number of sanitary sewer lift stations	4	4	4	4
Number of service connections	3,314	3,287	3,285	3,285
Daily average treatment in millions gallons	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
Water				
Miles of water mains	50.25	50.25	50.25	50.25
Number of water tanks	1	1	1	1
Maximum holding capacity of water tank in gallons	1,000,000	1,000,000	1,000,000	1,000,000
Number of service connections	3,670	3,619	3,613	3,613
Number of fire hydrants	387	383	382	382
Daily average consumption in gallons	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 EIGHT YEARS (CONTINUED)

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

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 FIVE YEARS

Function/Program	2007	2006	2005	2004	2003
<u>General Government</u>					
Land	597,871	597,871	\$ 597,871	\$ 37,348	\$ 37,348
Land Improvements	88,612	95,022	10,086	-	-
Building and Improvements	-	-	-	36,784	48,480
Equipment	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>815,106</u>	<u>802,751</u>	<u>1,363,890</u>	<u>160,179</u>	<u>172,037</u>
<u>Security of Persons and Property</u>					
Land	-	-	-	179,819	179,819
Land Improvements	98,754	105,137	-	-	-
Building and Improvements	1,399,849	1,436,387	20,898	6,970	4,594
Equipment	131,678	138,475	20,025	88,609	89,632
Vehicles	133,507	187,045	241,811	169,100	206,188
	<u>1,763,788</u>	<u>1,867,044</u>	<u>282,734</u>	<u>444,498</u>	<u>480,233</u>
<u>Transportation</u>					
Land	-	-	-	427,696	427,696
Land Improvements	156,318	167,156	-	-	-
Building and Improvements	36,202	39,451	42,906	35,107	23,139
Equipment	118,731	136,317	126,924	99,696	95,816
Vehicles	119,673	150,507	103,969	47,694	59,181
Infrastructure	2,108,672	2,201,409	2,464,828	2,132,056	1,958,617
	<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>
<u>Leisure Time Activity</u>					
Land	-	-	-	12,235	12,235
Land Improvements	8,497	10,394	6,048	22,440	24,901
Building and Improvements	14,690	15,400	16,110	7,997	3,998
Equipment	-	-	-	5,362	5,237
Vehicles	6,148	7,905	9,662	6,152	3,913
	<u>29,335</u>	<u>33,699</u>	<u>31,820</u>	<u>54,186</u>	<u>50,284</u>
<u>Total Capital Assets, Net</u>					
Land	597,871	597,871	597,871	657,098	657,098
Land Improvements	352,181	377,709	16,134	22,440	24,901
Building and Improvements	1,450,741	1,491,238	79,914	86,858	80,211
Equipment	279,884	315,292	184,058	274,124	269,784
Vehicles	260,126	347,852	360,867	228,536	276,392
Infrastructure	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>\$ 5,147,825</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
SEPTEMBER 18, 2008**