



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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2010. 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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*.

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City of Hubbard
Trumbull County

Independent Accountants' Report On Internal Control Over Financial Reporting And On Compliance And
Other Matters Required By *Government Auditing Standards*

Page 2

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 24, 2010.

We intend this report solely for the information and use of management, the audit committee, and others within the City. 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 24, 2010

CITY OF HUBBARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

PREPARED BY:

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

INTRODUCTORY SECTION

CITY OF HUBBARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

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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 24, 2010

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

As required by State of Ohio law, general purpose local governments presenting a CAFR are required to publish within six months of the close of each year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). Accordingly, this report has been prepared in accordance with GAAP as set forth by the Governmental Accounting Standards Board (GASB). Pursuant to that requirement, the comprehensive annual financial report (CAFR) of the City of Hubbard, Ohio, (the "City") for the year ended December 31, 2009, 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 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, 2009, 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, 2009, 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 8,380 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, agencies, boards, commissions, and departments for which the City is financially accountable. The City is the only governmental unit in the reporting entity; it has no component units.

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

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

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

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 jointly governed organization. Additional information concerning all of these agreements and contractual relationships of the City can be found in Note 2A in the notes to the financial statements.

The annual appropriation ordinance, or budget, serves as the foundation for the City's financial planning and control. In June of each year, the City Auditor provides each department an estimate of revenue receipts for the following year. All departments of the City are then required to submit requests for appropriation to the City Auditor by the first week of August. The City Auditor uses these requests as a starting point for developing a proposed budget. A complete budget proposal and revenue forecast is presented to City Council for their review prior to September 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 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, these comparisons are 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 2009, the J.E.D.D. continued to thrive with the existing J.E.D.D. businesses which include the Flying J Travel Center, Greenwood's Hubbard Chevrolet, Bi-State Truck Sales, Tri-State Trailer, Waffle House, Joe's Radiator Service, Best Western Penn-Ohio Suites, Love's Travel Stop and Country Store and the Homestead RV Dealership.

MAJOR INITIATIVES – CURRENT AND FUTURE PROJECTS

Throughout 2009, the City continued to struggle with shrinking revenue. As a result of the overall economic downturn, the City engaged in a limited number of improvements and projects for the purpose of operating with increased efficiency. The City continues its vigilance in pursuit economic development and creation of job growth initiatives.

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. During the summer of 2009, contractors completed repairs to the electrical backup generation equipment at the City of Hubbard Safety Center following an electrical fire. New wiring and transfer switches were installed for the diesel generator. The fire damage was completely reimbursed by the City's property insurance program.

Public Works

In October 2009, Perram Electric/Lampion Companies of Wadsworth, Ohio, completed the installation of the City's new traffic control system. The project was funded through a Federal Highway Administration Congestion Mitigation and Air Quality grant. The new signalization includes advanced technologies including a fiber optic interconnect and emergency vehicle preemption.

Utility Service

The goals of the City Utility Service departments are improving service and increasing quality while controlling costs. During 2009, 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 City began assessment of various future electric generation alternatives being pursued by American Municipal Power, Inc. to replace base load capacity.

The City Water Department engaged in a variety of repair, maintenance, and rehabilitation projects during 2009 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. 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. 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.

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 2009, 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, 2009, the City maintained \$5,040 in STAR Ohio, \$23,574 in demand deposit accounts, \$9,248 in segregated savings accounts, and \$6,087,673 in certificates of deposit. Investment income from primary investment activities amounted to \$238,397 for 2009 compared to \$346,522 for 2008.

The City's demand deposit account average monthly balance in 2009 was \$693,925, as compared with \$961,292 in 2008. The City's five certificate of deposit investments ended 2009 with balances of \$1,328,061, \$1,359,945, \$1,359,847, \$1,359,847 and \$679,973. Three certificates totaling \$3,399,765 are earning quarterly compounded interest of 3.70%, with annual percentage yields of 3.75%. A fourth certificate totaling \$1,359,847 is earning quarterly compounded interest of 3.50%, with an annual percentage yield of 3.55%. The fifth certificate totaling \$1,328,061 is earning quarterly compounded interest of 1.40%, with annual percentage yield of 1.41%. In accordance with State of Ohio constitutional and statutory requirements, interest receipts are deposited primarily in the general fund.

Risk Management

The City maintains comprehensive insurance coverage with Argonaut Insurance Company carried through the Victor Buck Insurance Agency. The plan insures against losses related to property, general liability, wrongful acts, law enforcement professional liability, automobile, bond, crime, inland marine, and EDP liability. Automobile policies include \$5,000,000 of liability coverage for bodily injury and property damage. Real property and contents are insured by blanket coverage in the amount of \$29,980,000. General liability, public officials, and law enforcement professional liability insurances provide for \$6,000,000 per occurrence with \$7,000,000 aggregate coverage. There is no per occurrence deductible for general liability coverage, a \$10,000 deductible for law enforcement professional liability coverage, and a \$10,000 deductible for public official liability and a \$1,000 deductible for 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. In order to mitigate stop loss insurance premium, the City carried a \$25,000 aggregating specific rider. The City also carried aggregate stop loss insurance in 2009 with an attachment point of \$784,838. The City's risk management programs are further discussed in Note 14 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 and post-employment health care benefits to the OP&F for the years ended December 31, 2009, 2008, and 2007 were \$150,972, \$151,270 and \$152,275, 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, 2009, 2008, and 2007 were \$265,488, \$287,060 and \$272,881, respectively. Additional information on the City's pension arrangements and other post-employment benefits can be found in Notes 15 and 16 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, 2008. This was the ninth 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 Brandi Smart of Julian & Grube, Inc. continue to insure the successful preparation of this report. Also, sincere appreciation is extended to Adrian S. Biviano, CPA, CGFM, *Trumbull County Auditor*, and his staff, particularly Mark DelFrate, CPA, *Chief Deputy Auditor*, Marie Woloszyn and Debbie Santangelo.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "M. C. Villano". The signature is fluid and cursive, with a prominent initial "M" and "C".

Michael C. Villano, CPA, CMA
Auditor of City

CITY OF HUBBARD, OHIO
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2009

ELECTED OFFICIALS

Executive Branch

Mayor	Vacant
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	Bonita L. Viele
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	Douglas L. Rohrer
Council Member – At-Large	William J. Williams

APPOINTED OFFICIALS

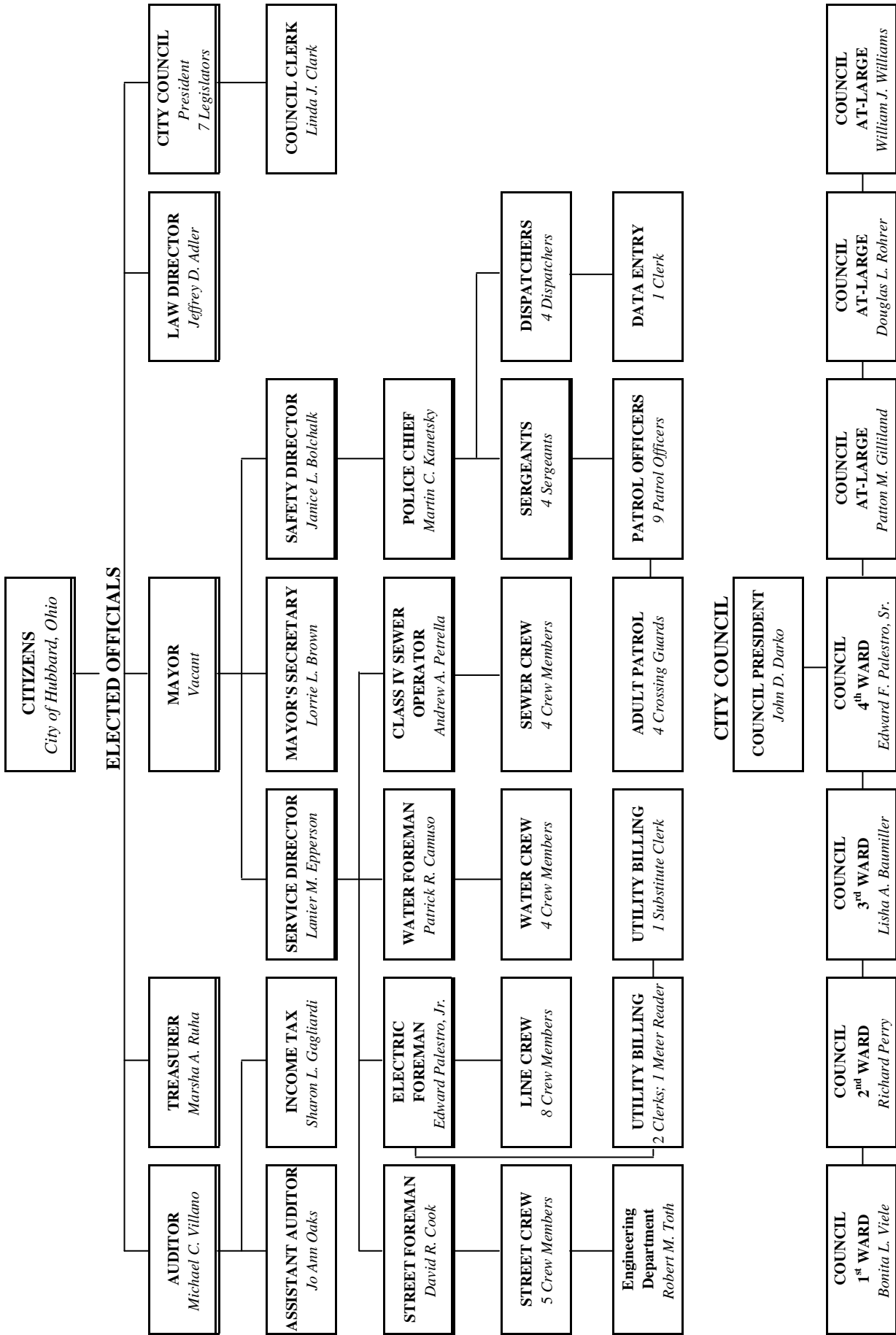
Department of Public Service

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

Department of Public Safety

Director of Public Safety	Janice L. Bolchalk
Police Chief	Martin C. Kanetsky

CITY OF HUBBARD, OHIO
ORGANIZATIONAL CHART
 December 31, 2009



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, 2008

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.



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President

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Executive Director

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FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hubbard, Trumbull County, Ohio (the "City"), as of and for the year ended December 31, 2009, 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, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective 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 24, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

Mary Taylor, CPA
Auditor of State

June 24, 2010

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009. 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 2009 are as follows:

- The total net assets of the City increased \$3,319 from the restated 2008 net assets. Net assets of governmental activities decreased \$139,387 or 5.24% under the 2008 restated balance of \$2,657,611 and net assets of business-type activities increased \$142,706 or 1.04% over 2008.
- General revenues accounted for \$2,854,303 or 84.55% of total governmental activities revenue. Program specific revenues accounted for \$521,615 or 15.45% of total governmental activities revenue.
- The City had \$3,499,552 in expenses related to governmental activities; \$521,615 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$2,977,937 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$2,854,303.
- The general fund had revenues of \$2,861,611 in 2009. This represents a decrease of \$102,963 from 2008 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$2,909,128 in 2009, decreased \$158,470 from 2008. The net decrease in fund balance for the general fund was \$47,517 or 9.10%.
- Net assets for the business-type activities, which are made up of the water, sewer, electric, guarantee trust (utility connection deposits) and stormwater enterprise funds, increased in 2009 by \$142,706. This increase in net assets was due primarily to charges for services adequately covering expenses in the major enterprise funds.
- In the general fund, the actual revenues came in the same as they were in the final budget and actual expenditures and other financing uses were \$16,244 less than the amount in the final budget. This positive variance is the result of the City's conservative budgeting. Budgeted revenues decreased \$133,260 from the original to the final budget. Budgeted expenditures and other financing uses increased \$158,723 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, 2009

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 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting reflects all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

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

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental fund is the general fund. Information for the 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 water, sewer, electric, guarantee trust and stormwater operations. The sewer, water, and electric enterprise funds are considered major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 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, 2009

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets for 2009 compared to 2008. The net assets of the governmental activities were restated at December 31, 2008 as described in Note 3.B to the basic financial statements.

	Net Assets					
	Governmental	Business-type	Restated	Business-type		Restated
	Activities	Activities	Governmental	Activities	2009	2008
	2009	2009	2008	2008	Total	Total
<u>Assets</u>						
Current and other assets	\$ 2,122,938	\$ 7,045,118	\$ 2,556,064	\$ 6,897,130	\$ 9,168,056	\$ 9,453,194
Capital assets	<u>4,968,632</u>	<u>13,608,549</u>	<u>5,121,308</u>	<u>14,280,170</u>	<u>18,577,181</u>	<u>19,401,478</u>
Total assets	<u>7,091,570</u>	<u>20,653,667</u>	<u>7,677,372</u>	<u>21,177,300</u>	<u>27,745,237</u>	<u>28,854,672</u>
<u>Liabilities</u>						
Current liabilities	673,607	2,460,990	752,463	2,599,153	3,134,597	3,351,616
Long-term liabilities	<u>3,899,739</u>	<u>4,345,368</u>	<u>4,267,298</u>	<u>4,873,544</u>	<u>8,245,107</u>	<u>9,140,842</u>
Total liabilities	<u>4,573,346</u>	<u>6,806,358</u>	<u>5,019,761</u>	<u>7,472,697</u>	<u>11,379,704</u>	<u>12,492,458</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	1,296,622	7,584,255	1,037,416	7,598,587	8,880,877	8,636,003
Restricted	495,361	-	752,819	-	495,361	752,819
Unrestricted	<u>726,241</u>	<u>6,263,054</u>	<u>867,376</u>	<u>6,106,016</u>	<u>6,989,295</u>	<u>6,973,392</u>
Total net assets	<u>\$ 2,518,224</u>	<u>\$ 13,847,309</u>	<u>\$ 2,657,611</u>	<u>\$ 13,704,603</u>	<u>\$ 16,365,533</u>	<u>\$ 16,362,214</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2009, the City's assets exceeded liabilities by \$16,365,533. At year-end, net assets were \$2,518,224 and \$13,847,309 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 66.96% 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, 2009, were \$1,296,622 and \$7,584,255 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, 2009, 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, \$495,361, 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 \$726,241 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, 2009**

The following table shows the comparative analysis of changes in net assets for 2009 compared to 2008. The net assets of the governmental activities were restated at December 31, 2008, as described in Note 3.B to the basic financial statements.

	Governmental Activities <u>2009</u>	Business-type Activities <u>2009</u>	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	2009 Total	Restated 2008 Total
Revenues						
Program revenues:						
Charges for services	\$ 52,136	\$ 8,448,456	\$ 58,240	\$ 8,325,725	\$ 8,500,592	\$ 8,383,965
Operating grants and contributions	398,742	-	395,366	333,896	398,742	729,262
Capital grants and contributions	<u>70,737</u>	<u>45,048</u>	<u>258,842</u>	<u>-</u>	<u>115,785</u>	<u>258,842</u>
Total program revenues	<u>521,615</u>	<u>8,493,504</u>	<u>712,448</u>	<u>8,659,621</u>	<u>9,015,119</u>	<u>9,372,069</u>
General revenues:						
Property taxes	291,044	-	364,352	-	291,044	364,352
Income taxes	1,882,307	-	1,919,527	-	1,882,307	1,919,527
Other local taxes	-	28,124	-	31,692	28,124	31,692
Unrestricted grants and entitlements	258,833	-	259,335	-	258,833	259,335
Investment earnings	234,367	-	322,216	24	234,367	322,240
Miscellaneous	<u>187,752</u>	<u>37,980</u>	<u>122,163</u>	<u>22,864</u>	<u>225,732</u>	<u>145,027</u>
Total general revenues	<u>2,854,303</u>	<u>66,104</u>	<u>2,987,593</u>	<u>54,580</u>	<u>2,920,407</u>	<u>3,042,173</u>
Total revenues	<u>3,375,918</u>	<u>8,559,608</u>	<u>3,700,041</u>	<u>8,714,201</u>	<u>11,935,526</u>	<u>12,414,242</u>
Expenses:						
General government	411,218	-	407,158	-	411,218	407,158
Security of persons and property	1,875,313	-	1,984,690	-	1,875,313	1,984,690
Public health and welfare	26,982	-	26,921	-	26,982	26,921
Transportation	999,817	-	988,755	-	999,817	988,755
Community environment	400	-	491	-	400	491
Leisure time activity	36,897	-	40,509	-	36,897	40,509
Other	-	-	1,064	-	-	1,064
Interest and fiscal charges	148,925	-	154,920	-	148,925	154,920
Sewer	-	1,080,758	-	1,237,180	1,080,758	1,237,180
Water	-	1,337,741	-	1,441,479	1,337,741	1,441,479
Electric	-	5,929,061	-	5,376,280	5,929,061	5,376,280
Guarantee trust	-	10,721	-	9,826	10,721	9,826
Stormwater	<u>-</u>	<u>74,374</u>	<u>-</u>	<u>6,573</u>	<u>74,374</u>	<u>6,573</u>
Total expenses	<u>3,499,552</u>	<u>8,432,655</u>	<u>3,604,508</u>	<u>8,071,338</u>	<u>11,932,207</u>	<u>11,675,846</u>
Transfers	<u>(15,753)</u>	<u>15,753</u>	<u>(258,160)</u>	<u>258,160</u>	<u>-</u>	<u>-</u>
Change in net assets	(139,387)	142,706	(162,627)	901,023	3,319	738,396
Net assets at beginning of year-restated	<u>2,657,611</u>	<u>13,704,603</u>	<u>2,820,238</u>	<u>12,803,580</u>	<u>16,362,214</u>	<u>15,623,818</u>
Net assets at end of year	<u>\$ 2,518,224</u>	<u>\$ 13,847,309</u>	<u>\$ 2,657,611</u>	<u>\$ 13,704,603</u>	<u>\$ 16,365,533</u>	<u>\$ 16,362,214</u>

CITY OF HUBBARD, OHIO

MANAGEMENTS DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Governmental Activities

Governmental activities net assets decreased \$139,387 in 2009. This decrease is a result of overall economic decline of the automotive and manufacturing sectors of the economy. The City operates in a highly manufacturing-based region of Ohio and the recession has significantly impacted the income tax collections of the City. Further, the sub-prime mortgage crisis has also impacted the City with an increase in real property foreclosures.

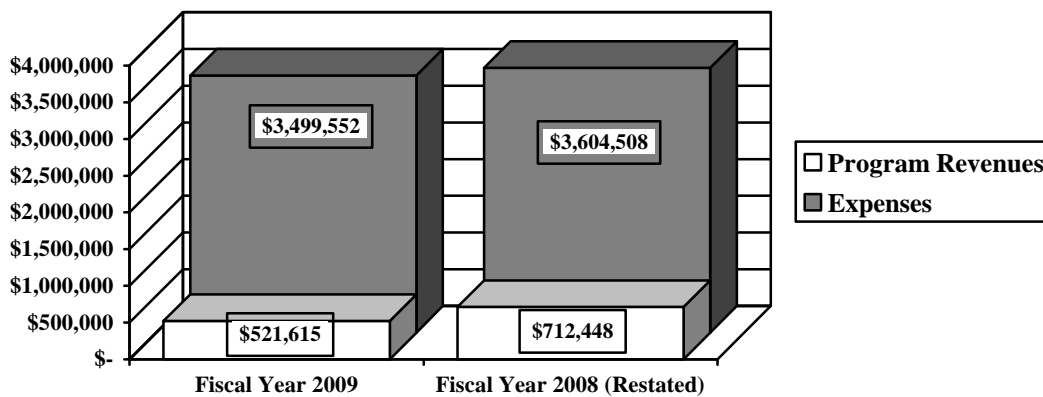
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$1,875,313 of the total expenses of the City. These expenses were partially funded by \$33,804 in direct charges to users of the services. Transportation expenses totaled \$999,817. Transportation expenses were partially funded by \$397,542 in operating grants and contributions and \$70,737 in capital grants and contributions.

The State and federal government contributed to the City a total of \$398,742 in operating grants and contributions and \$70,737 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total capital grants and contributions, \$70,737 subsidized transportation programs.

General revenues totaled \$2,854,303, and amounted to 84.55% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,173,351. 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 \$258,833.

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

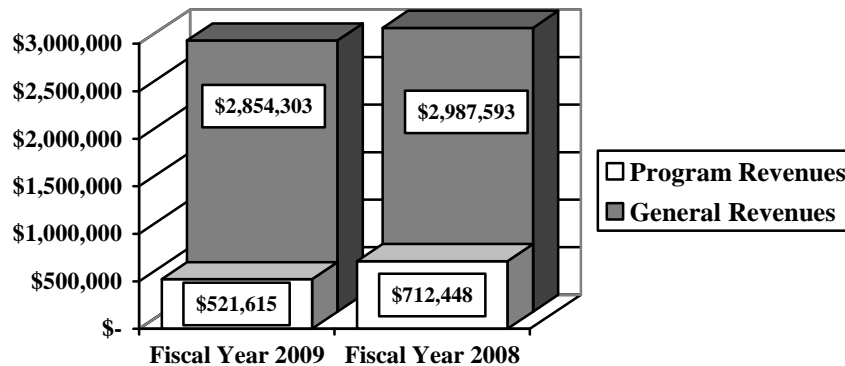
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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	Net Cost of	(Restated)	(Restated)
	Services	Services	Total Cost of	Net Cost of
	2009	2009	2008	2008
Program Expenses:				
General government	\$ 411,218	\$ 395,887	\$ 407,158	\$ 400,059
Security of persons and property	1,875,313	1,841,509	1,984,690	1,937,443
Public health and welfare	26,982	23,981	26,921	20,666
Transportation	999,817	531,538	988,755	338,008
Community environment	400	400	491	491
Leisure time activity	36,897	35,697	40,509	39,409
Other	-	-	1,064	1,064
Interest and fiscal charges	148,925	148,925	154,920	154,920
Total	\$ 3,499,552	\$ 2,977,937	\$ 3,604,508	\$ 2,892,060

The dependence upon general revenues for governmental activities is apparent, with 85.09% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



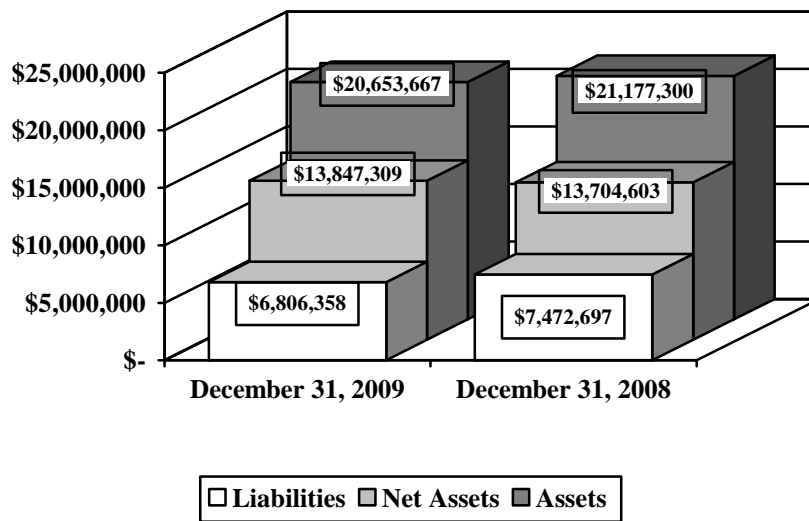
CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Business-type Activities

Business-type activities include the water, sewer, electric, guarantee trust and stormwater enterprise funds. These programs had program revenues of \$8,493,504, general revenues of \$66,104, expenses of \$8,432,655 and transfer in of \$15,753 for 2009. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Business - type activities net assets increased \$142,706 in 2009. This increase is a result of a revision in the City power cost adjustment calculation to collect all debt service related to the electric department. Debt service traditionally was funded through the electric base rate. However, as costs of delivering electricity increase the rate also must be increased. The new calculation considers all aspects of both operating the electric department as full as maintaining adequate funding for the capital projects of the department.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

The City's governmental funds (as presented on the balance sheet on page F20) reported a combined fund balance of \$883,717 which is \$284,341 below last year's restated total of \$1,168,058. The fund balances of the governmental funds were restated at December 31, 2008 as described in Note 3.B to the basic financial statements. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2009 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/09</u>	<u>Restated</u> <u>Fund Balances</u> <u>12/31/08</u>	<u>(Decrease)</u>
Major fund:			
General	\$ 474,754	\$ 522,271	\$ (47,517)
Other nonmajor governmental funds	<u>408,963</u>	<u>645,787</u>	<u>(236,824)</u>
Total	<u>\$ 883,717</u>	<u>\$ 1,168,058</u>	<u>\$ (284,341)</u>

General Fund

The City's general fund balance decreased \$47,517, primarily due to a decrease in income taxes in the amount of \$27,286. The table that follows assists in illustrating the revenues of the general fund.

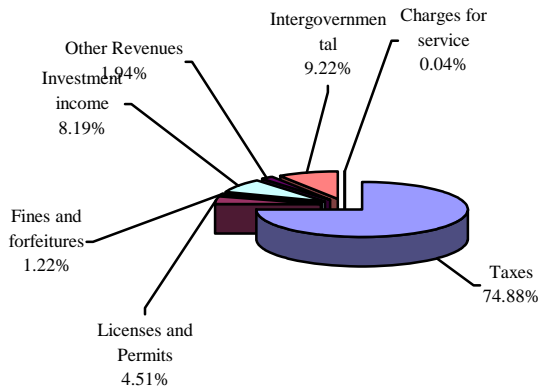
	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,142,609	\$ 2,169,895	(1.26) %
Charges for services	1,139	1,088	4.69 %
Licenses and permits	129,145	61,469	110.10 %
Fines and forfeitures	34,995	43,486	(19.53) %
Intergovernmental	263,757	255,934	3.06 %
Investment income	234,364	322,210	(27.26) %
Other	<u>55,602</u>	<u>50,399</u>	10.32 %
Total	<u>\$ 2,861,611</u>	<u>\$ 2,904,481</u>	(1.48) %

Tax revenue represents 74.88% of all general fund revenue, and remained comparable to 2008. Licenses and permits revenues experienced a moderate increase due to limited construction activity within the City. Fines and forfeitures declined as a result of an increasing number of traffic cases being transferred from the City's Mayor's Court to the Girard Municipal Court. Continued declines in interest rates have also adversely impacted the City's investment income.

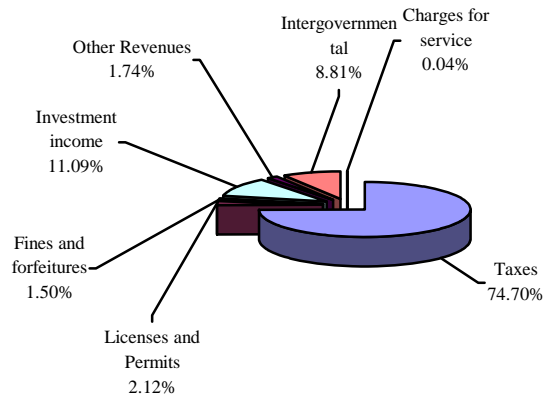
CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Revenues – 2009



Revenues – 2008



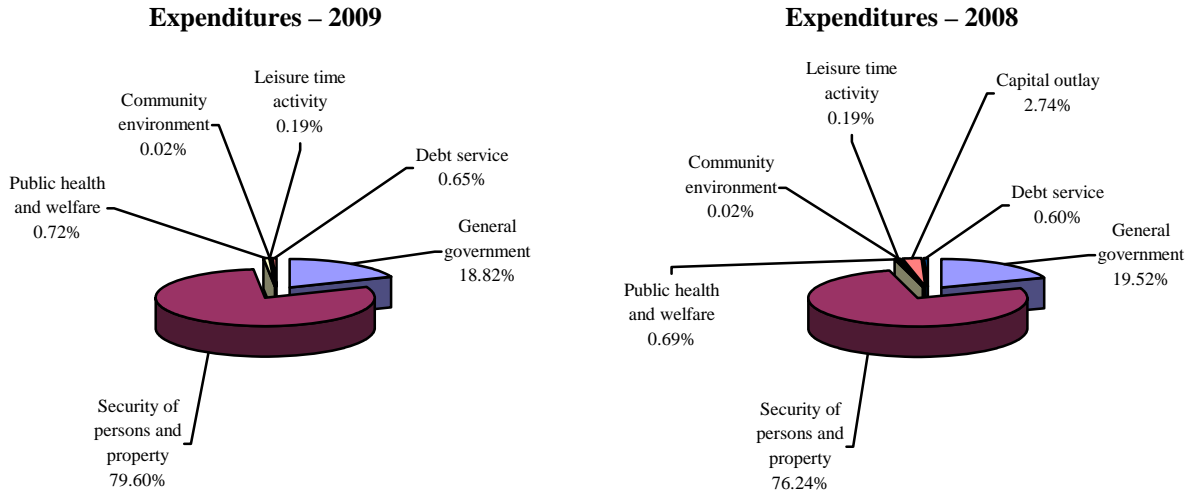
The table that follows assists in illustrating the expenditures of the general fund.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 387,286	\$ 427,787	(9.47) %
Security of persons and property	1,637,801	1,670,624	(1.96) %
Public health and welfare	14,721	15,032	(2.07) %
Community environment	400	491	(18.53) %
Leisure time activity	3,937	4,094	(3.83) %
Capital outlay	-	60,093	100.00 %
Debt service	13,400	13,147	100.00 %
Total	<u>\$ 2,057,545</u>	<u>\$ 2,191,268</u>	(6.10) %

Expenses overall declined during 2009 due to the economic condition of the United States. Employees accepted a one year pay freeze during 2009. Further, in order to preserve capital, all non-essential purchasing was eliminated from the operating budget. Conservative budgeting and cost containment measures have been enacted to address the continued sluggish economy.

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009



Budgeting Highlights

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

Budgetary information is presented for the general fund. In the general fund, the actual revenues came in the same as they were in the final budget. Actual expenditures and other financing uses were \$16,244 less than the amount in the final budget. Budgeted revenues were decreased \$133,260 from the original to the final budget. Budgeted expenditures and other financing uses were increased \$158,723 from the original to the final budget.

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, 2009

Capital Assets and Debt Administration

Capital Assets

At the end of 2009, the City had \$18,577,181 (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, \$4,968,632 was reported in governmental activities and \$13,608,549 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows 2009 balances compared to 2008:

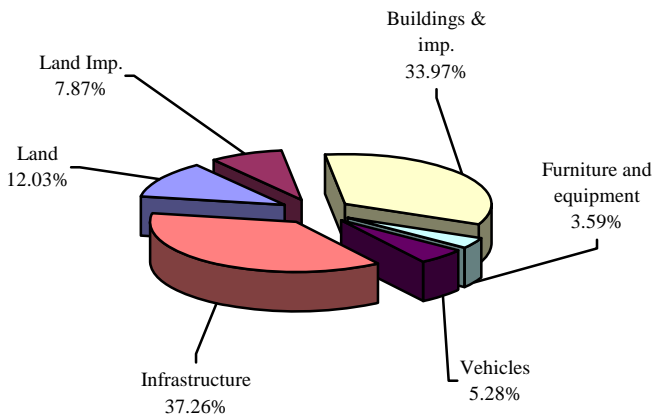
**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 597,871	\$ 597,871	\$ 180,423	\$ 180,423	\$ 778,294	\$ 778,294
Construction in progress	-	-	442,021	769,922	442,021	769,922
Land improvements	391,244	422,361	142,254	154,284	533,498	576,645
Buildings and improvements	1,687,624	1,410,245	2,491,666	2,238,198	4,179,290	3,648,443
Furniture and equipment	178,253	227,855	1,471,891	1,686,131	1,650,144	1,913,986
Vehicles	262,477	338,293	273,958	336,888	536,435	675,181
Infrastructure	1,851,163	2,124,683	8,606,336	8,914,324	10,457,499	11,039,007
Totals	\$ 4,968,632	\$ 5,121,308	\$ 13,608,549	\$ 14,280,170	\$ 18,577,181	\$ 19,401,478

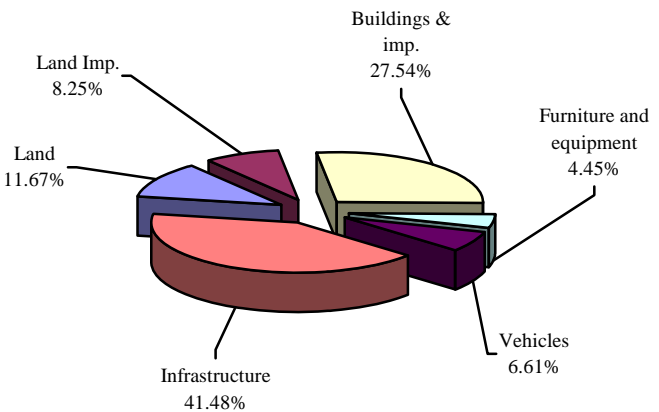
The overall decrease in governmental capital assets of \$152,676 is primarily due to depreciation expense of \$474,575 exceeding capital outlays of \$321,899 for 2009. The overall decrease in business-type capital assets of \$671,621 is primarily due to depreciation expense of \$722,839 exceeding capital outlays of \$51,218.

The following graphs show the breakdown of business-type capital assets by category for 2009 and 2008.

Capital Assets - Governmental Activities 2009



Capital Assets - Governmental Activities 2008



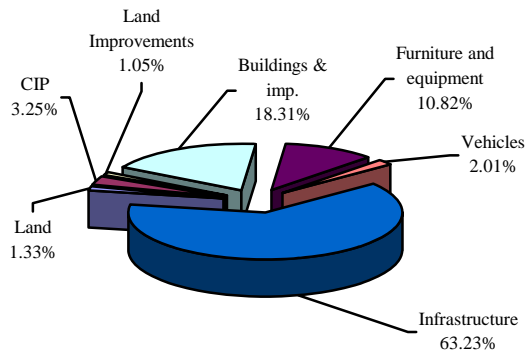
CITY OF HUBBARD, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

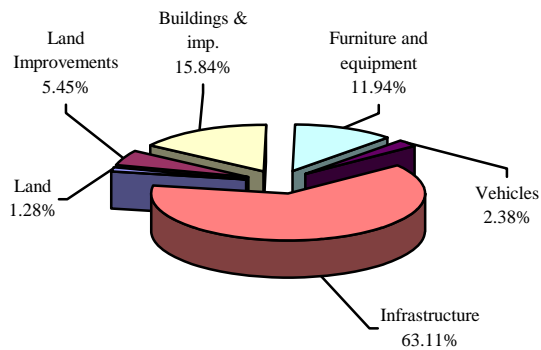
The City's largest capital asset category is infrastructure which includes roads, sidewalks, traffic lights and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 37.26% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2009 and 2008.

Capital Assets - Business-Type Activities 2009



Capital Assets - Business-Type Activities 2008



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 63.23% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2009 and 2008 (See Note 12 to the basic financial statements for detail):

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
General obligation bonds	\$ 3,600,000	\$ 3,990,000
Capital lease obligation	72,010	93,892
Compensated absences	<u>227,729</u>	<u>225,575</u>
Total long-term obligations	<u>\$ 3,899,739</u>	<u>\$ 4,309,467</u>
	<u>Business-type Activities</u>	
	<u>2009</u>	<u>2008</u>
Refunding BAN	\$ 1,790,000	\$ 2,195,000
OPWC loans	702,813	730,802
OWDA loan	1,613,355	1,718,032
Capital lease obligation	72,011	93,892
Compensated absences	<u>221,074</u>	<u>203,461</u>
Total long-term obligations	<u>\$ 4,399,253</u>	<u>\$ 4,941,187</u>

CITY OF HUBBARD, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the 2010 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 2010 budget. Despite the continued economic uncertainty, the City continues to operate its financial decision making conservatively.

The City continues to carefully monitor two primary sources of revenue—local income taxes and shared intergovernmental (state) revenue. In order to stabilize the impact of the fluctuations in these revenue sources, City Council continues make effort to maintain its employment base; maintain the community's reputation for high public safety standards; and adoption of a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2010 budget, the City emphasized various efforts to continue to contain costs.

Budgeted revenues in the general fund for 2009 are \$2,813,124, a decrease of \$118,340 or 4.04% from final 2008 budgeted revenues of \$2,931,464. The 2009 general fund budgeted expenditures are \$2,907,517 as compared with the 2008 general fund budgeted expenditures of \$3,000,466. 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 2009 was 14.5%--considerably higher than the 2008 rate of 7.5%. This is the result of the heavy losses in manufacturing industry in the area. The county unemployment rate compared slightly higher than the 10.9% State of Ohio average and 10.0% national average. The City Auditor anticipates the 2010 rate to stabilize due to the lessening impact of the overall national recession. The combination of the City's stabilizing local income tax collections and conservative budgeting practices should result in a stable financial future for the City.

Contacting the City's Financial Management

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

**BASIC
FINANCIAL STATEMENTS**

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CITY OF HUBBARD, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 592,971	\$ 5,621,827	\$ 6,214,798
Cash in segregated accounts	500	300	800
Receivables (net of allowances for uncollectibles):			
Income taxes	476,468	-	476,468
Real and other taxes	402,651	3,203	405,854
Accounts	175,777	717,041	892,818
Special assessments	9,554	-	9,554
Internal balance	61,322	(61,322)	-
Due from other governments	287,784	-	287,784
Prepayments	7,789	14,669	22,458
Materials and supplies inventory	28,367	403,267	431,634
Deferred charges	-	12,172	12,172
Unamortized bond issuance costs	79,755	67,387	147,142
Investment in joint ventures	-	266,574	266,574
Capital assets:			
Land and construction in progress	597,871	622,444	1,220,315
Depreciable capital assets, net	4,370,761	12,986,105	17,356,866
Total capital assets	<u>4,968,632</u>	<u>13,608,549</u>	<u>18,577,181</u>
Total assets	<u>7,091,570</u>	<u>20,653,667</u>	<u>27,745,237</u>
Liabilities:			
Accounts payable	19,988	414,670	434,658
Accrued wages and benefits	79,415	67,116	146,531
Due to other governments	72,618	64,321	136,939
Unearned revenue	346,986	-	346,986
Accrued interest payable	7,800	14,883	22,683
Claims payable	146,800	-	146,800
Revenue anticipation note	-	1,900,000	1,900,000
Long-term liabilities:			
Due within one year	522,535	681,561	1,204,096
Due in more than one year	3,377,204	3,663,807	7,041,011
Total liabilities	<u>4,573,346</u>	<u>6,806,358</u>	<u>11,379,704</u>
Net assets:			
Invested in capital assets, net of related debt	1,296,622	7,584,255	8,880,877
Restricted for:			
Capital projects	212,867	-	212,867
Street construction and maintenance	119,504	-	119,504
State highway	41,537	-	41,537
Law enforcement	31,339	-	31,339
Police pension	22,480	-	22,480
Maple Grove cemetery	7,958	-	7,958
Recreation	57,566	-	57,566
Other purposes	395	-	395
Perpetual care:			
Expendable	875	-	875
Nonexpendable	840	-	840
Unrestricted	<u>726,241</u>	<u>6,263,054</u>	<u>6,989,295</u>
Total net assets	<u>\$ 2,518,224</u>	<u>\$ 13,847,309</u>	<u>\$ 16,365,533</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HUBBARD, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 411,218	\$ 15,331	\$ -	\$ -
Security of persons and property.	1,875,313	33,804	-	-
Public health and welfare	26,982	3,001	-	-
Transportation	999,817	-	397,542	70,737
Community environment.	400	-	-	-
Leisure time activity.	36,897	-	1,200	-
Interest and fiscal charges	148,925	-	-	-
Total governmental activities	3,499,552	52,136	398,742	70,737
Business-type Activities:				
Sewer	1,080,758	1,177,866	-	25,038
Water	1,337,741	1,283,559	-	20,010
Electric.	5,929,061	5,857,553	-	-
Other business-type activities:				
Guarantee Trust.	10,721	-	-	-
Stormwater.	74,374	129,478	-	-
Total business-type activities	8,432,655	8,448,456	-	45,048
Total primary government.	\$ 11,932,207	\$ 8,500,592	\$ 398,742	\$ 115,785

General Revenues:

Property taxes levied for:	
General purposes	
Fire district	
Police pension.	
Income taxes levied for:	
General purposes	
Other local taxes	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Miscellaneous	
Total general revenues.	
Transfers.	
Change in net assets	
Net assets at beginning of year, restated.	
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
\$ (395,887)	\$ -	\$ (395,887)
(1,841,509)	-	(1,841,509)
(23,981)	-	(23,981)
(531,538)	-	(531,538)
(400)	-	(400)
(35,697)	-	(35,697)
(148,925)	-	(148,925)
<u>(2,977,937)</u>	<u>-</u>	<u>(2,977,937)</u>
-	122,146	122,146
-	(34,172)	(34,172)
-	(71,508)	(71,508)
-	(10,721)	(10,721)
-	55,104	55,104
<u>-</u>	<u>60,849</u>	<u>60,849</u>
<u>(2,977,937)</u>	<u>60,849</u>	<u>(2,917,088)</u>
260,424	-	260,424
744	-	744
29,876	-	29,876
1,882,307	-	1,882,307
-	28,124	28,124
258,833	-	258,833
234,367	-	234,367
187,752	37,980	225,732
<u>2,854,303</u>	<u>66,104</u>	<u>2,920,407</u>
<u>(15,753)</u>	<u>15,753</u>	<u>-</u>
(139,387)	142,706	3,319
<u>2,657,611</u>	<u>13,704,603</u>	<u>16,362,214</u>
<u>\$ 2,518,224</u>	<u>\$ 13,847,309</u>	<u>\$ 16,365,533</u>

CITY OF HUBBARD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 199,525	\$ 367,553	\$ 567,078
Cash in segregated accounts	150	350	500
Receivables (net of allowance for uncollectibles):			
Income taxes	476,468	-	476,468
Real and other taxes	360,999	41,652	402,651
Accounts	30,756	400	31,156
Special assessments	9,554	-	9,554
Due from other governments	102,326	185,458	287,784
Prepayments	7,689	100	7,789
Materials and supplies inventory	7,211	21,156	28,367
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,194,678</u>	<u>\$ 616,669</u>	<u>\$ 1,811,347</u>
Liabilities:			
Accounts payable	\$ 14,285	\$ 5,703	\$ 19,988
Accrued wages and benefits	57,240	22,175	79,415
Due to other governments	55,506	17,112	72,618
Deferred revenue	281,802	126,821	408,623
Unearned revenue	311,091	35,895	346,986
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>719,924</u>	<u>207,706</u>	<u>927,630</u>
Fund Balances:			
Reserved for prepaids	7,689	100	7,789
Reserved for materials and supplies inventory	7,211	21,156	28,367
Reserved for unclaimed monies	2,309	-	2,309
Reserved for perpetual care	-	840	840
Unreserved, undesignated, reported in:			
General fund	457,545	-	457,545
Special revenue funds	-	173,125	173,125
Capital projects funds	-	212,867	212,867
Permanent fund	-	875	875
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>474,754</u>	<u>408,963</u>	<u>883,717</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 1,194,678</u>	<u>\$ 616,669</u>	<u>\$ 1,811,347</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, 2009

Total governmental fund balances		\$ 883,717
<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.		4,968,632
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes receivable	\$ 165,159	
Property taxes receivable	48,159	
Special assessments receivable	9,554	
Intergovernmental revenues receivable	185,751	
Total		408,623
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(7,800)
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.		23,714
Unamortized bond issuance costs are not recognized in the funds.		79,755
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.		61,322
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(3,600,000)	
Compensated absences	(227,729)	
Capital lease payable	(72,010)	
		(3,899,739)
Net assets of governmental activities		\$ 2,518,224

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, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Income taxes	\$ 1,881,642	\$ -	\$ 1,881,642
Property and other taxes	260,967	30,683	291,650
Charges for services	1,139	2,555	3,694
Licenses and permits	129,145	-	129,145
Fines and forfeitures	34,995	1,092	36,087
Intergovernmental	263,757	473,427	737,184
Investment income	234,364	4,045	238,409
Other	55,602	8,738	64,340
Total revenues	<u>2,861,611</u>	<u>520,540</u>	<u>3,382,151</u>
Expenditures:			
Current:			
General government	387,286	-	387,286
Security of persons and property	1,637,801	35,461	1,673,262
Public health and welfare	14,721	12,261	26,982
Transportation	-	587,503	587,503
Community environment	400	-	400
Leisure time activity	3,937	29,046	32,983
Capital outlay	-	406,498	406,498
Debt service:			
Principal retirement	10,941	400,941	411,882
Interest and fiscal charges	2,459	137,237	139,696
Total expenditures	<u>2,057,545</u>	<u>1,608,947</u>	<u>3,666,492</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>804,066</u>	<u>(1,088,407)</u>	<u>(284,341)</u>
Other financing sources (uses):			
Transfers in	-	851,583	851,583
Transfers out	<u>(851,583)</u>	<u>-</u>	<u>(851,583)</u>
Total other financing sources (uses).	<u>(851,583)</u>	<u>851,583</u>	<u>-</u>
Net change in fund balances	(47,517)	(236,824)	(284,341)
Fund balances at beginning of year, restated . .	<u>522,271</u>	<u>645,787</u>	<u>1,168,058</u>
Fund balances at end of year.	<u>\$ 474,754</u>	<u>\$ 408,963</u>	<u>\$ 883,717</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, 2009

Net change in fund balances - total governmental funds \$ (284,341)

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital asset additions	\$ 321,899	
Current year depreciation	(474,575)	
Total		(152,676)

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

Income taxes	665	
Property taxes	(606)	
Special assessments	9,369	
Intergovernmental revenues	(15,661)	
Total		(6,233)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 845

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 411,882

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. (2,154)

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. (96,636)

Change in net assets of governmental activities \$ (139,387)

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Income taxes	\$ 1,969,586	\$ 1,880,504	\$ 1,880,504	\$ -
Property and other taxes.	273,284	260,924	260,924	-
Charges for services.	1,194	1,140	1,140	-
Licenses and permits	108,212	103,318	103,318	-
Fines and forfeitures	36,653	34,995	34,995	-
Intergovernmental.	256,321	244,728	244,728	-
Investment income	245,466	234,364	234,364	-
Other	55,668	53,151	53,151	-
Total revenues.	<u>2,946,384</u>	<u>2,813,124</u>	<u>2,813,124</u>	<u>-</u>
Expenditures:				
Current:				
General government	361,965	382,866	380,727	2,139
Security of persons and property.	1,546,352	1,635,644	1,626,505	9,139
Public health and welfare	13,996	14,804	14,721	83
Community environment.	380	402	400	2
Leisure time activity	3,743	3,959	3,937	22
Debt service:				
Principal retirement	10,402	11,002	10,941	61
Interest and fiscal charges	2,338	2,473	2,459	14
Total expenditures	<u>1,939,176</u>	<u>2,051,150</u>	<u>2,039,690</u>	<u>11,460</u>
Excess of revenues over expenditures.	<u>1,007,208</u>	<u>761,974</u>	<u>773,434</u>	<u>11,460</u>
Other financing uses:				
Transfers out	<u>(809,618)</u>	<u>(856,367)</u>	<u>(851,583)</u>	<u>4,784</u>
Total other financing sources uses	<u>(809,618)</u>	<u>(856,367)</u>	<u>(851,583)</u>	<u>4,784</u>
Net change in fund balance	197,590	(94,393)	(78,149)	16,244
Fund balance at beginning of year	<u>277,674</u>	<u>277,674</u>	<u>277,674</u>	<u>-</u>
Fund balance at end of year	<u>\$ 475,264</u>	<u>\$ 183,281</u>	<u>\$ 199,525</u>	<u>\$ 16,244</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, 2009

	Business-type Activities -Enterprise Funds			
	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 730,684	\$ 880,215	\$ 3,745,883	\$ 265,045
Cash in segregated accounts.	-	300	-	-
Receivables (net of allowance for uncollectibles):				
Real and other taxes	-	-	3,203	-
Accounts	96,564	112,196	495,510	12,771
Prepayments.	4,697	7,851	2,121	-
Materials and supplies inventory	4,174	80,235	318,858	-
Total current assets	<u>836,119</u>	<u>1,080,797</u>	<u>4,565,575</u>	<u>277,816</u>
Noncurrent assets:				
Unamortized bond issue costs.	67,387	-	-	-
Deferred charges	-	-	12,172	-
Investment in joint ventures.	-	-	266,574	-
Capital assets:				
Land and construction in progress	203,203	85,345	333,896	-
Depreciable capital assets, net	5,815,547	4,752,476	2,418,082	-
Total capital assets	<u>6,018,750</u>	<u>4,837,821</u>	<u>2,751,978</u>	<u>-</u>
Total noncurrent assets	<u>6,086,137</u>	<u>4,837,821</u>	<u>3,030,724</u>	<u>-</u>
Total assets	<u>6,922,256</u>	<u>5,918,618</u>	<u>7,596,299</u>	<u>277,816</u>
Liabilities:				
Current liabilities:				
Accounts payable.	7,257	36,922	370,491	-
Accrued wages and benefits	15,307	14,181	37,628	-
Compensated absences	23,624	11,475	36,024	-
Due to other governments	12,768	14,386	37,167	-
Capital lease obligation	22,910	-	-	-
Claims payable.	-	-	-	-
Revenue anticipation note	-	-	1,900,000	-
Current portion of revenue bonds	420,000	-	-	-
Current portion of OWDA loans	-	111,564	-	-
Current portion of OPWC loans	11,746	44,218	-	-
Accrued interest payable.	8,827	-	6,056	-
Total current liabilities	<u>522,439</u>	<u>232,746</u>	<u>2,387,366</u>	<u>-</u>
Long-term liabilities:				
Capital lease obligation	49,101	-	-	-
Revenue bonds	1,316,115	-	-	-
OWDA loans	-	1,501,791	-	-
OPWC loans	105,714	541,135	-	-
Compensated absences	64,769	20,784	64,398	-
Total long-term liabilities	<u>1,535,699</u>	<u>2,063,710</u>	<u>64,398</u>	<u>-</u>
Total liabilities	<u>2,058,138</u>	<u>2,296,456</u>	<u>2,451,764</u>	<u>-</u>
Net assets:				
Invested in capital assets, net of related debt.	4,093,164	2,639,113	851,978	-
Unrestricted	770,954	983,049	4,292,557	277,816
Total net assets	<u>\$ 4,864,118</u>	<u>\$ 3,622,162</u>	<u>\$ 5,144,535</u>	<u>\$ 277,816</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>
\$ 5,621,827	\$ 25,893
300	-
3,203	-
717,041	144,621
14,669	-
403,267	-
<u>6,760,307</u>	<u>170,514</u>
67,387	-
12,172	-
266,574	-
622,444	-
12,986,105	-
<u>13,608,549</u>	<u>-</u>
13,954,682	-
<u>20,714,989</u>	<u>170,514</u>
414,670	-
67,116	-
71,123	-
64,321	-
22,910	-
-	146,800
1,900,000	-
420,000	-
111,564	-
55,964	-
14,883	-
<u>3,142,551</u>	<u>146,800</u>
49,101	-
1,316,115	-
1,501,791	-
646,849	-
149,951	-
<u>3,663,807</u>	<u>-</u>
<u>6,806,358</u>	<u>146,800</u>
7,584,255	-
6,324,376	23,714
<u>13,908,631</u>	<u>\$ 23,714</u>
(61,322)	
<u>\$ 13,847,309</u>	

CITY OF HUBBARD, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Business-type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>	<u>Nonmajor</u>
Operating revenues:				
Charges for services	\$ 1,167,486	\$ 1,283,559	\$ 5,794,525	\$ 129,478
Tap-in fees.	10,380	-	-	-
Other.	145	14,844	6,458	16,533
Total operating revenues	<u>1,178,011</u>	<u>1,298,403</u>	<u>5,800,983</u>	<u>146,011</u>
Operating expenses:				
Personal services	482,589	470,755	1,019,860	-
Contract services	126,311	543,968	4,064,029	74,374
Materials and supplies	85,749	41,586	230,920	-
Other	-	-	-	10,721
Depreciation	256,670	159,366	306,803	-
Total operating expenses.	<u>951,319</u>	<u>1,215,675</u>	<u>5,621,612</u>	<u>85,095</u>
Operating income (loss)	<u>226,692</u>	<u>82,728</u>	<u>179,371</u>	<u>60,916</u>
Nonoperating revenues (expenses):				
Interest expense and fiscal charges	(121,773)	(113,046)	(72,240)	-
Investment in joint ventures	-	-	63,028	-
Nonoperating expenses	-	-	(218,350)	-
Nonoperating revenues	-	-	28,124	-
Total nonoperating revenues (expenses)	<u>(121,773)</u>	<u>(113,046)</u>	<u>(199,438)</u>	<u>-</u>
Income (loss) before contributions.	104,919	(30,318)	(20,067)	60,916
Capital contributions	40,791	20,010	-	-
Changes in net assets	145,710	(10,308)	(20,067)	60,916
Net assets at beginning of year	<u>4,718,408</u>	<u>3,632,470</u>	<u>5,164,602</u>	<u>216,900</u>
Net assets at end of year.	<u>\$ 4,864,118</u>	<u>\$ 3,622,162</u>	<u>\$ 5,144,535</u>	<u>\$ 277,816</u>

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

Changes in net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 8,375,048	\$ 956,299
10,380	-
37,980	-
<u>8,423,408</u>	<u>956,299</u>
1,973,204	-
4,808,682	1,086,480
358,255	-
10,721	-
722,839	-
<u>7,873,701</u>	<u>1,086,480</u>
<u>549,707</u>	<u>(130,181)</u>
(307,059)	-
63,028	-
(218,350)	-
28,124	-
<u>(434,257)</u>	<u>-</u>
115,450	(130,181)
<u>60,801</u>	<u>-</u>
176,251	(130,181)
	<u>153,895</u>
	<u>\$ 23,714</u>
<u>(33,545)</u>	
<u>\$ 142,706</u>	

CITY OF HUBBARD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Electric	Nonmajor
Cash flows from operating activities:				
Cash received from customers	\$ 1,166,649	\$ 1,284,335	\$ 5,748,472	\$ 128,536
Cash received from tap in fees	10,380	9,459	-	-
Cash received from other operations.	145	-	11,745	16,533
Cash payments for personal services	(471,975)	(494,690)	(961,919)	-
Cash payments for contract services	(142,948)	(547,406)	(4,004,522)	(78,830)
Cash payments for materials and supplies	(83,027)	(57,323)	(163,954)	-
Cash payments for other expenses.	-	-	-	(10,721)
Net cash provided by (used in) operating activities.	<u>479,224</u>	<u>194,375</u>	<u>629,822</u>	<u>55,518</u>
Cash flows from noncapital financing activities:				
Cash received from capital contributions	25,038	20,010	-	-
Cash received from property and other taxes	-	-	27,972	-
Cash payments for joint venture expenses	-	-	(218,350)	-
Net cash provided by (used in) noncapital financing activities	<u>25,038</u>	<u>20,010</u>	<u>(190,378)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(114,039)	-	-	-
Principal retirement on bond anticipation notes	(405,000)	-	-	-
Principal retirement on loans	(5,872)	(126,794)	-	-
Principal retirement on notes	-	-	(2,011,500)	-
Principal retirement on capital leases	(21,881)	-	-	-
Sale of notes.	-	-	1,900,000	-
Note issuance costs.	-	-	(14,181)	-
Interest and fiscal charges.	(92,808)	(113,046)	(73,333)	-
Net cash used in capital and related financing activities	<u>(639,600)</u>	<u>(239,840)</u>	<u>(199,014)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(135,338)	(25,455)	240,430	55,518
Cash and cash equivalents at beginning of year	866,022	905,970	3,505,453	209,527
Cash and cash equivalents at end of year	<u>\$ 730,684</u>	<u>\$ 880,515</u>	<u>\$ 3,745,883</u>	<u>\$ 265,045</u>

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 8,327,992	\$ 811,714
19,839	-
28,423	-
(1,928,584)	-
(4,773,706)	(1,063,826)
(304,304)	-
(10,721)	-
<u>1,358,939</u>	<u>(252,112)</u>
45,048	-
27,972	-
(218,350)	-
<u>(145,330)</u>	<u>-</u>
(114,039)	-
(405,000)	-
(132,666)	-
(2,011,500)	-
(21,881)	-
1,900,000	-
(14,181)	-
(279,187)	-
<u>(1,078,454)</u>	<u>-</u>
135,155	(252,112)
5,486,972	278,005
<u>\$ 5,622,127</u>	<u>\$ 25,893</u>

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CITY OF HUBBARD, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	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)	\$ 226,692	\$ 82,728	\$ 179,371	\$ 60,916
Adjustments:				
Depreciation	256,670	159,366	306,803	-
Changes in assets and liabilities:				
Decrease (increase) in materials and supplies inventory	827	(16,471)	58,570	-
Increase in accounts receivable.	(837)	(4,609)	(40,766)	(942)
Decrease in prepayments.	3,489	1,012	1,000	336
Increase (decrease) in accounts payable	60	(3,716)	69,707	(4,792)
Increase (decrease) in accrued wages and benefits.	3,039	(1,933)	7,090	-
Increase in due to other governments.	3,458	2,457	6,670	-
Decrease in retainage payable.	(14,869)	-	-	-
Increase (decrease) in compensated absences payable	695	(24,459)	41,377	-
Increase in claims payable	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 479,224</u>	<u>\$ 194,375</u>	<u>\$ 629,822</u>	<u>\$ 55,518</u>

Non-cash transactions:

During 2009, the Sewer fund received \$15,753 in capital contributions from governmental funds.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 549,707	\$ (130,181)
722,839	-
42,926	-
(47,154)	(144,585)
5,837	-
61,259	-
8,196	-
12,585	-
(14,869)	-
17,613	-
-	22,654
<u>\$ 1,358,939</u>	<u>\$ (252,112)</u>

CITY OF HUBBARD, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2009

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 7,533	\$ 775
Receivables:		
Real and other taxes.	-	27,768
Due from other governments	-	1,789
	<u>7,533</u>	<u>30,332</u>
Total assets.	<u>7,533</u>	<u>\$ 30,332</u>
Liabilities:		
Due to other governments	-	\$ 29,557
Deposits held and due to others.	-	775
	<u>-</u>	<u>30,332</u>
Total liabilities	<u>-</u>	<u>\$ 30,332</u>
Net assets:		
Held in trust for other purposes	<u>7,533</u>	
Total net assets	<u>\$ 7,533</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF HUBBARD, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

	Private Purpose Trust
Additions:	
Interest	\$ 16
Total additions	16
Changes in net assets	16
Net assets at beginning of year	7,517
Net assets at end of year	\$ 7,533

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, 2009

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) guidance 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 guidance 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 this FASB guidance. The City's significant accounting policies are described below.

A. Reporting Entity

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

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

JOINTLY GOVERNED ORGANIZATIONS

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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 2009, the Board waived the \$500 annual contribution. The City has an ongoing financial responsibility to fund the District. Upon termination of the contractual agreement, any property, assets and obligations of the District shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party.

Eagle Joint Fire District (District) - The Eagle Joint Fire District is a jointly governed organization pursuant to the Ohio Revised Code 505.371. The District was formed in 2008 and consists of the City of Hubbard and Hubbard Township. The District Board consists of a Trustee from the City, a Trustee from the Township and three residents of the District. Each year a new resident is appointed by the City in odd numbered years and by the Township in even numbered years. Revenues are generated from fire district levies. During 2009, the City contributed \$57,505 to the District.

JOINT VENTURE WITH EQUITY INTEREST

Ohio Municipal Electric Generation Agency Joint Ventures (OMEGA JV1-OMEGA JV5) The City's Electric Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. Title to these six diesel-powered generating units was transferred to the 21 municipal electric systems from American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Each member has a contract which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. In accordance with the joint venture agreement, the City remitted \$5,524 to the joint venture for 2009. 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.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2009, 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, which acts as the joint venture's agent. During 1993 and 2001, AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates on behalf of the Financing Participants of OMEGA JV5. The 2001 certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004, the 1993 certificates were refunded by issuing 2004 beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric enterprise fund. The City's net investment to date in OMEGA JV5 was \$222,170 at December 31, 2009. Complete financial statements for OMEGA JV5 may be obtained from AMP 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, 2009:

	<u>OMEGA JV1</u>	<u>OMEGA JV5</u>
Total assets	\$ 561,473	\$ 158,895,569
Total liabilities	74,861	148,162,742
Members equity	486,612	10,732,827
Total revenues	150,590	25,037,472
Total expenses	141,459	22,009,370
Special item - distribution to participants	-	(1,254,196)
Change in net assets	9,131	1,773,906

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

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

Equity interest in OMEGA JV1	\$ 18,443
Equity interest in OMEGA JV5	<u>222,170</u>
 Total investment in joint ventures	 <u>\$ 240,613</u>

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

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

B. Basis of Presentation - Fund Accounting

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

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

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

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

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

C. Fund Accounting

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

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) grants and other resources whose use is restricted to a particular purpose; and the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

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

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

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

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

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

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

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Basis of Accounting

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

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

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2009, are recorded as deferred revenue.

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

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

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

F. Budgetary Data

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

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31. Further amendments may be made during the year if money from a new revenue source is received or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificate of estimated resources issued during 2009.

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

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

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

G. Health Care

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

H. Cash and Investments

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

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

During 2009, investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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

The City has invested funds in STAR Ohio during 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2009.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2009, interest revenue credited to the general fund amounted to \$234,364 which includes \$225,608 assigned from other City funds.

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

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

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

I. Inventories of Materials and Supplies

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

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

Inventory consists of expendable supplies held for consumption.

J. Capital Assets

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

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

K. Compensated Absences

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

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

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

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

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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

L. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2009 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

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

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

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

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

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

N. Accrued Liabilities and Long-Term Obligations

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

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

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

O. Interfund Balances

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

P. Interfund Activity

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

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

Q. Fund Balance Reserves

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

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

R. Estimates

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

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements. During 2009, the City received \$15,753 and \$45,048 in capital contributions from governmental funds and grants restricted to capital purchases, respectively.

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

T. Net Assets

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

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

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2009.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2009, the City has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", and GASB Statement No. 57 "Other Postemployment Benefit (OPEB) Measurements by Agent Employers and Agent Multiple-Employers".

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the City.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the City.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the City.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the City.

B. Restatement of Net Assets and Fund Balance

A prior period adjustment is required to correct the overstatement of contracts payable reported in the Issue II Jones stormwater project fund (a nonmajor capital project fund) at December 31, 2008 due to an error in the prior year. The prior period adjustment had the following effect on fund balances/net assets previously reported:

	Other Governmental Funds	Total Governmental Funds
Fund balance as previously reported	\$ 603,618	\$ 1,125,889
Contracts payable adjustment	42,169	42,169
Restated fund balance at December 31, 2008	\$ 645,787	\$ 1,168,058
	Governmental Activities	
Net assets as previously reported	\$ 2,615,442	
Contracts payable adjustment	42,169	
Restated net assets at December 31, 2008	\$ 2,657,611	

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Cash on Hand

At year end, the City had \$800 in undeposited cash on hand which is included on the financial statements of the City as part of "cash in segregated accounts".

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At December 31, 2009, the carrying amount of all City deposits was \$6,218,066. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2009, \$5,837,673 of the City’s bank balance of \$6,219,899 was exposed to custodial risk as discussed below, while \$382,226 was covered by the FDIC.

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

C. Investments

As of December 31, 2009, 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	\$ 5,040	\$ 5,040

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: STAR Ohio carries a rating of AAA by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City’s investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 5,040	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,218,066
Investments	5,040
Cash on hand	800
Total	<u>\$ 6,223,906</u>
<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 593,471
Business type activities	5,622,127
Private-purpose trust funds	7,533
Agency funds	775
Total	<u>\$ 6,223,906</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2009, 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	\$ 505,803
Nonmajor special revenue	256,674
Nonmajor capital projects	89,106
Total	<u>\$ 851,583</u>

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

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

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

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 was 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 2009-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Hubbard. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2009 was \$3.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real property tax	\$ 112,532,910
Personal property tax	101,410
Public utility tax	600,040
Total assessed valuation	\$ 113,234,360

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, 2009. Income tax revenue for 2009 was \$1,881,642 in the general fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2009, consisted of taxes, accounts (billings for user charged services), special assessments and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2009.

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

Governmental activities:

Income taxes	\$ 476,468
Real and other taxes	402,651
Accounts	175,777
Special assessments	9,554
Due from other governments	287,784

Business-type activities:

Real and other taxes	3,203
Accounts	717,041

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 9 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/09</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 597,871	\$ -	\$ -	\$ 597,871
Total capital assets, not being depreciated	<u>597,871</u>	<u>-</u>	<u>-</u>	<u>597,871</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	608,277	-	-	608,277
Buildings and improvements	1,976,052	321,899	-	2,297,951
Furniture and equipment	629,564	-	-	629,564
Vehicles	1,461,416	-	-	1,461,416
Infrastructure	5,399,007	-	-	5,399,007
Total capital assets, being depreciated	<u>10,074,316</u>	<u>321,899</u>	<u>-</u>	<u>10,396,215</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(185,916)	(31,117)	-	(217,033)
Buildings and improvements	(565,807)	(44,520)	-	(610,327)
Furniture and equipment	(401,709)	(49,602)	-	(451,311)
Vehicles	(1,123,123)	(75,816)	-	(1,198,939)
Infrastructure	(3,274,324)	(273,520)	-	(3,547,844)
Total accumulated depreciation	<u>(5,550,879)</u>	<u>(474,575)</u>	<u>-</u>	<u>(6,025,454)</u>
Total capital assets being depreciated, net	<u>4,523,437</u>	<u>(152,676)</u>	<u>-</u>	<u>4,370,761</u>
Governmental activities capital assets, net	<u>\$ 5,121,308</u>	<u>\$ (152,676)</u>	<u>\$ -</u>	<u>\$ 4,968,632</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:

General government	\$ 12,409
Security of persons and property	116,878
Transportation	341,870
Leisure time activity	<u>3,418</u>
Total depreciation expense - governmental activities	<u>\$ 474,575</u>

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 9 - CAPITAL ASSETS - (Continued)

B. Business-type activities capital asset activity for the year ended December 31, 2009 was as follows:

<u>Business-type activities:</u>	Balance <u>12/31/08</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/09</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 180,423	\$ -	\$ -	\$ 180,423
Construction in progress	<u>769,922</u>	<u>43,824</u>	<u>(371,725)</u>	<u>442,021</u>
Total capital assets, not being depreciated	<u>950,345</u>	<u>43,824</u>	<u>(371,725)</u>	<u>622,444</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	320,582	-	-	320,582
Buildings and improvements	4,489,003	371,725	-	4,860,728
Furniture and equipment	5,885,369	-	-	5,885,369
Vehicles	992,089	-	-	992,089
Infrastructure	<u>13,983,288</u>	<u>7,394</u>	<u>-</u>	<u>13,990,682</u>
Total capital assets, being depreciated	<u>25,670,331</u>	<u>379,119</u>	<u>-</u>	<u>26,049,450</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(166,298)	(12,030)	-	(178,328)
Buildings and improvements	(2,250,805)	(118,257)	-	(2,369,062)
Furniture and equipment	(4,199,238)	(214,240)	-	(4,413,478)
Vehicles	(655,201)	(62,930)	-	(718,131)
Infrastructure	<u>(5,068,964)</u>	<u>(315,382)</u>	<u>-</u>	<u>(5,384,346)</u>
Total accumulated depreciation	<u>(12,340,506)</u>	<u>(722,839)</u>	<u>-</u>	<u>(13,063,345)</u>
Total capital assets, being depreciated, net	<u>13,329,825</u>	<u>(343,720)</u>	<u>-</u>	<u>12,986,105</u>
Business-type activities capital assets, net	<u>\$ 14,280,170</u>	<u>\$ (299,896)</u>	<u>\$ (371,725)</u>	<u>\$ 13,608,549</u>

Depreciation expense was charged to the enterprise funds as follows:

<u>Business-type activities:</u>	
Water	\$ 159,366
Sewer	256,670
Electric	<u>306,803</u>
Total depreciation expense - business-type activities	<u>\$ 722,839</u>

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 10 - VACATION AND SICK LEAVE LIABILITY

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

Upon termination of City service, a fully vested employee is entitled to a percentage of accumulated sick leave based on years of service. At December 31, 2009, vested benefits for vacation leave for governmental fund type employees, totaled \$99,625 and vested benefits for sick leave, totaled \$128,104. For proprietary fund types, vested benefits for vacation leave totaled \$71,123 and vested benefits for sick leave totaled \$149,951 at December 31, 2009. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 11 - CAPITAL LEASES

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

The amount in governmental activities of \$120,186 represents the present value of the minimum lease payments at the time of acquisition and the amount of \$120,186 represents the present value of the minimum lease payments at the time of acquisition for the sewer fund. As of December 31, 2009, accumulated depreciation was \$22,535 in governmental activities, resulting in a carrying value of \$97,651. A corresponding liability was recorded in the governmental activities long-term obligations. As of December 31, 2009, accumulated depreciation was \$97,651 in the sewer fund, resulting in a carrying value of \$22,535. A corresponding liability was recorded in the sewer fund. Principal payments in 2009 totaled \$21,882 in governmental activities and \$21,881 in the sewer enterprise fund.

The following is a schedule of the future long-term minimum lease payments by fund required under the capital lease agreements and the present value of the minimum lease payments as of December 31, 2009:

Year Ending December 31, 2009	<u>Governmental Funds</u>		<u>Enterprise</u>
	<u>General</u>	<u>Street Construction and Maintenance</u>	<u>Sewer</u>
2010	\$ 13,147	\$ 13,148	\$ 26,294
2011	13,147	13,147	26,295
2012	13,147	13,147	26,295
Total	39,441	39,442	78,884
Less: amount representing interest	(3,436)	(3,437)	(6,873)
Present value of net minimum lease payments	<u>\$ 36,005</u>	<u>\$ 36,005</u>	<u>\$ 72,011</u>

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - LONG-TERM OBLIGATIONS

A. The City's long term obligations at December 31, 2009 were as follows:

	Interest	Balance			Balance	Amounts
<u>Governmental activities:</u>	<u>Rate</u>	<u>12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/09</u>	<u>Due in</u>
						<u>One Year</u>
Compensated absences		\$ 225,575	\$ 103,614	\$ (101,460)	\$ 227,729	\$ 99,625
Capital lease obligation		93,892	-	(21,882)	72,010	22,910
General obligation bonds	2.6-3.7%	<u>3,990,000</u>	-	<u>(390,000)</u>	<u>3,600,000</u>	<u>400,000</u>
Total long-term obligations, governmental activities		<u>\$ 4,309,467</u>	<u>\$ 103,614</u>	<u>\$ (513,342)</u>	<u>\$ 3,899,739</u>	<u>\$ 522,535</u>
 <u>Business-type activities:</u>						
<u>Refunding BAN:</u>						
Sewer System - 2007	4.00-4.13%	\$ 2,195,000	\$ -	\$ (405,000)	\$ 1,790,000	\$ 420,000
 <u>OPWC Loans:</u>						
Sewer Issue II Lift Station	0.00%	123,332	-	(5,872)	117,460	11,746
Waterline Looping	0.00%	68,155	-	(3,251)	64,904	6,491
Waterline Replacement	0.00%	104,391	-	(3,869)	100,522	7,732
N. Main Waterline	0.00%	<u>434,924</u>	-	<u>(14,997)</u>	<u>419,927</u>	<u>29,995</u>
Total OPWC Loans		<u>730,802</u>	-	<u>(27,989)</u>	<u>702,813</u>	<u>55,964</u>
 <u>OWDA Loan:</u>						
Transmission Waterlines	6.58%	<u>1,718,032</u>	-	<u>(104,677)</u>	<u>1,613,355</u>	<u>111,564</u>
 <u>Other Long-Term Obligations</u>						
Compensated absences		203,461	113,240	(95,627)	221,074	71,123
Capital lease obligation		<u>93,892</u>	-	<u>(21,881)</u>	<u>72,011</u>	<u>22,910</u>
Total long-term obligations, business-type activities		<u>297,353</u>	<u>113,240</u>	<u>(117,508)</u>	<u>293,085</u>	<u>94,033</u>
Total long-term obligations, business-type activities		<u>\$ 4,941,187</u>	<u>\$ 113,240</u>	<u>\$ (655,174)</u>	4,399,253	<u>\$ 681,561</u>
					Add: Unamortized premium on bond issuance	20,707
					Less: Unamortized deferred charges on refundings	<u>(74,592)</u>
					Total reported on the statement of net assets	<u>\$ 4,345,368</u>

Capital lease obligations are described in Note 11.

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

- B.** On February 15, 2007, the City issued \$2,980,000 in bond anticipation notes (BANs) to refund outstanding sewer system revenue bonds. This refunded debt is considered defeased (in-substance) and, accordingly, has been removed from the statement of net assets. The balance of the refunded BAN at December 31, 2009 is \$1,790,000. The BANs have an interest rate of 4.00 - 4.13% and will mature in the year 2013.

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

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2,980,000 in Series 2007 sewer refunding BANs. Proceeds of the sewer refunding BANs were used to refund the outstanding balance of previously issued Series 1997 sewer revenue bonds. The Series 2007 sewer refunding BANs are payable solely from sewer customer net revenues and are payable through 2013. Annual principal and interest payments on the bonds are expected to require less than 99.99 percent of net revenues. The total principal and interest remaining to be paid on the Series 2007 sewer refunding BANs is \$1,975,176. Principal and interest paid for the current year and total customer net revenues were \$493,394 and \$483,362, respectively.

The City has entered into four debt financing arrangements through the Ohio Public Works Commission (OPWC) to fund a lift station replacement, waterline looping project and waterline replacements. The amounts due to the OPWC are payable solely from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2009, the City has outstanding borrowings of \$117,460, \$64,904, \$100,522 and \$419,927 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, 2009, the City has outstanding borrowings of \$1,613,355. 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, 2009 was \$3,600,000.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ending December 31,	General Obligation Capital Acquisition Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 400,000	\$ 123,523	\$ 523,523	\$ 55,964	\$ -	\$ 55,964
2011	415,000	111,323	526,323	55,964	-	55,964
2012	425,000	98,042	523,042	55,964	-	55,964
2013	440,000	84,017	524,017	55,963	-	55,963
2014	455,000	69,058	524,058	55,963	-	55,963
2015 - 2019	1,465,000	108,265	1,573,265	279,818	-	279,818
2020 - 2023	-	-	-	143,177	-	143,177
	<u>\$ 3,600,000</u>	<u>\$ 594,228</u>	<u>\$ 4,194,228</u>	<u>\$ 702,813</u>	<u>\$ -</u>	<u>\$ 702,813</u>

Year Ending December 31,	Sewer System Refunding BAN			OWDA Loan		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 420,000	\$ 72,194	\$ 492,194	\$ 111,564	\$ 106,159	\$ 217,723
2011	435,000	55,394	490,394	118,905	98,818	217,723
2012	460,000	37,994	497,994	126,729	90,994	217,723
2013	475,000	19,594	494,594	135,068	82,655	217,723
2014	-	-	-	143,956	73,767	217,723
2015 - 2019	-	-	-	874,959	213,657	1,088,616
2020 - 2021	-	-	-	102,174	6,688	108,862
Total	<u>\$ 1,790,000</u>	<u>\$ 185,176</u>	<u>\$ 1,975,176</u>	<u>\$ 1,613,355</u>	<u>\$ 672,738</u>	<u>\$ 2,286,093</u>

NOTE 13 - SHORT-TERM OBLIGATIONS

During 2008, the City issued a \$2,011,500 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 November 11, 2009. On November 10, 2009, the City issued an additional \$1,900,000 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 2009:

	Interest Rate	Balance 12/31/08	Additions	Reductions	Balance 12/31/09
<u>Revenue Anticipation Notes</u>					
Electric System Improvements	3.75%	\$ 2,011,500	\$ -	\$ (2,011,500)	\$ -
Electric System Improvements	2.25%	-	1,900,000	-	1,900,000
Total		<u>\$ 2,011,500</u>	<u>\$ 1,900,000</u>	<u>\$ (2,011,500)</u>	<u>\$ 1,900,000</u>

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 14 - RISK MANAGEMENT

A. Comprehensive

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2009, the City was insured through the Argonaut Insurance Group for all property and equipment, general liability, wrongful acts, law enforcement, public official, employment practices, automobile, employee dishonesty, money and securities, inland marine, EDP and umbrella liability. The insurance plan was purchased through Victor Buck Insurance Agency. The City has transferred risk of loss to the insurance carrier to the extent of the limits below.

<u>Type of Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
Property and Equipment Breakdown	\$29,980,000	\$1,000
General liability:		
Per occurrence	1,000,000	0
Aggregate	3,000,000	0
Law enforcement liability/wrongful acts:		
Per occurrence	1,000,000	10,000
Aggregate	2,000,000	0
Public official liability/wrongful acts:		
Per occurrence	1,000,000	10,000
Aggregate	2,000,000	0
Employment Practices Liability	1,000,000	1,000
Automobile:		
Liability	1,000,000	0
Comprehensive	0	500
Collision	0	500
Employee Dishonesty	250,000	500
Money and Securities	5,000	500
Inland Marine - scheduled	914,500	500
EDP	359,000	500
Umbrella Liability	5,000,000	10,000
Inland Marine - hired/leased	200,000	2,500

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 plus a \$25,000 annual aggregating specific; 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 \$146,800 reported in the Internal Service Fund at December 31, 2009, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by FASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The entire claims liability is expected to be paid within the current year.

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 14 - RISK MANAGEMENT - (Continued)

Changes in the fund's liability during 2009 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>
2009	\$ 124,146	\$ 1,086,480	\$ (1,063,826)	\$ 146,800
2008	121,903	770,564	(768,321)	124,146

C. Workers' Compensation

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

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

NOTE 15 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

CITY OF HUBBARD, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 15 - PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The City's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63% of covered payroll.

The City's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008 and 2007 were \$154,324, \$143,530 and \$164,541, respectively; 92.07% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2009, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers for the year ended December 31, 2009, 2008 and 2007 were \$98,712, \$98,907 and \$99,588, respectively. The full amount has been contributed for 2009, 2008 and 2007.

NOTE 16 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.00% of covered payroll (17.63% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$111,164, \$143,530 and \$108,340, respectively; 92.07% has been contributed for 2009 and 100% has been contributed for 2008 and 2007.

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

B. Ohio Police and Fire Pension Fund

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

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

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

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers for the year ended December 31, 2009, 2008 and 2007 were \$52,260, \$52,363 and \$52,687, respectively. The full amount has been contributed for 2009, 2008 and 2007.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);

CITY OF HUBBARD, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

3. 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.

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ (78,149)
Net adjustment for revenue accruals	48,487
Net adjustment for expenditure accruals	<u>(17,855)</u>
GAAP basis	<u><u>\$ (47,517)</u></u>

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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, 2009.

B. Litigation

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

NOTE 19 - OPERATING LEASE

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

The following is a schedule of future minimum lease payments:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2010	\$ 6,180
2011	6,180
2012	6,180
2013	<u>4,292</u>
Total - Present value of minimum lease payments	<u><u>\$ 22,832</u></u>

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

General Fund

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

Special Revenue Funds

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

Nonmajor Special Revenue Fund

Indigent Drivers Fund

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

Enforcement and Education

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

Fire District

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

State Highway

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

Maple Grove Cemetery

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

Recreation

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

Drug and Law Enforcement

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

Range Fund

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

Escrow Account

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

Police Pension

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

CITY OF HUBBARD, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)**

Nonmajor Special Revenue Funds (Continued)

Street Construction and Maintenance

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

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.

Meadowland Stormwater Project

To account for stormwater capital improvements.

West Liberty Sidewalk Project

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

CDBG Sidewalk Project

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

FEMA Flood Grant

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

Nonmajor Permanent Fund

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

Sugar Grove Trust Fund

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

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 1,969,586	\$ 1,880,504	\$ 1,880,504	\$ -
Property and other taxes	273,284	260,924	260,924	-
Charges for services	1,194	1,140	1,140	-
Licenses and permits	108,212	103,318	103,318	-
Fines and forfeitures	36,653	34,995	34,995	-
Intergovernmental	256,321	244,728	244,728	-
Investment income	245,466	234,364	234,364	-
Other	55,668	53,151	53,151	-
Total revenues	<u>2,946,384</u>	<u>2,813,124</u>	<u>2,813,124</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Postage				
Contractual services	472	502	500	2
Total postage	<u>472</u>	<u>502</u>	<u>500</u>	<u>2</u>
Income tax				
Personal services	57,777	61,113	60,772	341
Contractual services	5,420	5,733	5,701	32
Materials and supplies.	2,836	3,000	2,983	17
Capital outlay	4,701	4,973	4,945	28
Other	22,809	24,126	23,991	135
Total income tax	<u>93,543</u>	<u>98,945</u>	<u>98,392</u>	<u>553</u>
Mayor				
Personal services	26,996	28,555	28,395	160
Contractual services	6,720	7,108	7,068	40
Materials and supplies.	2,106	2,227	2,215	12
Capital outlay	3,036	3,211	3,193	18
Total mayor.	<u>38,858</u>	<u>41,101</u>	<u>40,871</u>	<u>230</u>
Council				
Personal services	13,750	14,544	14,463	81
Contractual services	16,563	17,519	17,421	98
Materials and supplies.	477	505	502	3
Total council	<u>30,790</u>	<u>32,568</u>	<u>32,386</u>	<u>182</u>
Council Clerk				
Personal services	2,825	2,988	2,971	17
Materials and supplies.	3,246	3,433	3,414	19
Capital outlay	149	158	157	1
Total council clerk	<u>6,220</u>	<u>6,579</u>	<u>6,542</u>	<u>37</u>
Auditor				
Personal services	34,773	36,780	36,575	205
Contractual services	5,478	5,794	5,762	32
Materials and supplies.	4,035	4,268	4,244	24
Capital outlay	6,771	7,162	7,122	40
Total auditor	<u>51,057</u>	<u>54,004</u>	<u>53,703</u>	<u>301</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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Treasurer				
Personal services	\$ 3,567	\$ 3,773	\$ 3,752	\$ 21
Contractual services	450	476	473	3
Materials and supplies.	315	333	331	2
Capital outlay	169	179	178	1
Total treasurer.	<u>4,501</u>	<u>4,761</u>	<u>4,734</u>	<u>27</u>
Law director				
Personal services	8,279	8,757	8,708	49
Contractual services	5,696	6,025	5,991	34
Materials and supplies.	903	955	950	5
Capital outlay	164	174	173	1
Total law director.	<u>15,042</u>	<u>15,911</u>	<u>15,822</u>	<u>89</u>
Service director				
Personal services	20,458	21,639	21,518	121
Contractual services	43,339	45,841	45,585	256
Materials and supplies.	1,249	1,321	1,314	7
Total service director	<u>65,046</u>	<u>68,801</u>	<u>68,417</u>	<u>384</u>
Engineer				
Personal services	22,287	23,574	23,442	132
Contractual services	1,823	1,928	1,917	11
Materials and supplies.	523	553	550	3
Capital outlay	815	862	857	5
Total engineer	<u>25,448</u>	<u>26,917</u>	<u>26,766</u>	<u>151</u>
County auditor fees				
Contractual services	10,269	10,862	10,801	61
Total county auditor fees.	<u>10,269</u>	<u>10,862</u>	<u>10,801</u>	<u>61</u>
State examiners fees				
Contractual services	20,719	21,915	21,793	122
Total state examiners fees	<u>20,719</u>	<u>21,915</u>	<u>21,793</u>	<u>122</u>
Total general government.	<u>361,965</u>	<u>382,866</u>	<u>380,727</u>	<u>2,139</u>
Security of persons and property:				
Police				
Personal services	1,370,706	1,449,856	1,441,755	8,101
Contractual services	112,540	119,038	118,373	665
Materials and supplies.	43,521	46,034	45,777	257
Capital outlay	18,250	19,304	19,196	108
Total police.	<u>1,545,017</u>	<u>1,634,232</u>	<u>1,625,101</u>	<u>9,131</u>
Civil service				
Contractual services	1,335	1,412	1,404	8
Total civil service.	<u>1,335</u>	<u>1,412</u>	<u>1,404</u>	<u>8</u>
Total security of persons and property .	<u>1,546,352</u>	<u>1,635,644</u>	<u>1,626,505</u>	<u>9,139</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public health and welfare:				
County health district				
Contractual services	\$ 13,996	\$ 14,804	\$ 14,721	\$ 83
Total county health district.	13,996	14,804	14,721	83
Total public health and welfare	13,996	14,804	14,721	83
Community environment:				
Planning and zoning				
Contractual services	380	402	400	2
Total planning and zoning	380	402	400	2
Total community environment.	380	402	400	2
Leisure time activity:				
Recreation				
Contractual services	1,356	1,434	1,426	8
Materials and supplies	2,387	2,525	2,511	14
Total recreation.	3,743	3,959	3,937	22
Total leisure time activity	3,743	3,959	3,937	22
Debt service:				
Principal retirement.	10,402	11,002	10,941	61
Interest and fiscal charges	2,338	2,473	2,459	14
Total debt service	12,740	13,475	13,400	75
Total expenditures	1,939,176	2,051,150	2,039,690	11,460
Excess of revenues over expenditures.	1,007,208	761,974	773,434	11,460
Other financing uses:				
Transfers out	(809,618)	(856,367)	(851,583)	4,784
Total other financing uses	(809,618)	(856,367)	(851,583)	4,784
Net change in fund balance.	197,590	(94,393)	(78,149)	16,244
Fund balance at beginning of year	<u>277,674</u>	<u>277,674</u>	<u>277,674</u>	<u>-</u>
Fund balance at end of year	<u>\$ 475,264</u>	<u>\$ 183,281</u>	<u>\$ 199,525</u>	<u>\$ 16,244</u>

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 152,971	\$ 212,867	\$ 1,715	\$ 367,553
Cash in segregated accounts	350	-	-	350
Receivables (net of allowances of uncollectibles):				
Real and other taxes	41,652	-	-	41,652
Accounts.	400	-	-	400
Due from other governments	185,458	-	-	185,458
Prepayments.	100	-	-	100
Materials and supplies inventory.	21,156	-	-	21,156
Total assets	\$ 402,087	\$ 212,867	\$ 1,715	\$ 616,669
Liabilities:				
Accounts payable	\$ 5,703	\$ -	\$ -	\$ 5,703
Accrued wages and benefits	22,175	-	-	22,175
Due to other governments	17,112	-	-	17,112
Deferred revenue.	126,821	-	-	126,821
Unearned revenue	35,895	-	-	35,895
Total liabilities	207,706	-	-	207,706
Fund Balances:				
Fund balances:				
Reserved for prepaids	100	-	-	100
Reserved for materials and supplies inventory . .	21,156	-	-	21,156
Reserved for perpetual care	-	-	840	840
Unreserved, undesignated, reported in:				
Special revenue funds	173,125	-	-	173,125
Capital projects funds	-	212,867	-	212,867
Permanent fund.	-	-	875	875
Total fund balances	194,381	212,867	1,715	408,963
Total liabilities and fund balances	\$ 402,087	\$ 212,867	\$ 1,715	\$ 616,669

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and other taxes	\$ 30,683	\$ -	\$ -	\$ -	\$ 30,683
Charges for services	2,555	-	-	-	2,555
Fines and forfeitures	1,092	-	-	-	1,092
Intergovernmental	402,897	-	70,530	-	473,427
Investment income	1,037	-	3,005	3	4,045
Other	8,531	-	207	-	8,738
Total revenues	446,795	-	73,742	3	520,540
Expenditures:					
Current:					
Security of persons and property.	35,461	-	-	-	35,461
Public health and welfare	12,261	-	-	-	12,261
Transportation	587,503	-	-	-	587,503
Leisure time activity.	29,046	-	-	-	29,046
Capital outlay.	-	-	406,498	-	406,498
Debt Service:					
Principal retirement	10,941	390,000	-	-	400,941
Interest and fiscal charges	2,209	135,028	-	-	137,237
Total expenditures	677,421	525,028	406,498	-	1,608,947
Excess (deficiency) of revenues over (under) expenditures	(230,626)	(525,028)	(332,756)	3	(1,088,407)
Other financing sources:					
Transfers in	256,674	505,803	89,106	-	851,583
Total other financing sources	256,674	505,803	89,106	-	851,583
Net change in fund balances	26,048	(19,225)	(243,650)	3	(236,824)
Fund balances at beginning of year, restated . . .	168,333	19,225	456,517	1,712	645,787
Fund balances at end of year	\$ 194,381	\$ -	\$ 212,867	\$ 1,715	\$ 408,963

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	<u>Indigent Drivers Fund</u>	<u>Enforcement and Education</u>	<u>State Highway</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 5,871	\$ 4,928	\$ 28,068
Cash in segregated accounts.	-	-	-
Receivables (net of allowances for uncollectibles):			
Real and other taxes	-	-	-
Accounts	-	-	-
Due from other governments	-	-	13,469
Prepayments	-	-	-
Materials and supplies inventory	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 5,871</u>	<u>\$ 4,928</u>	<u>\$ 41,537</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-
Due to other governments	-	-	-
Deferred revenue.	-	-	8,936
Unearned revenue.	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>8,936</u>
Fund Balances:			
Reserved for prepaids.	-	-	-
Reserved for materials and supplies inventory	-	-	-
Unreserved, undesignated reported in:			
Special revenue funds	5,871	4,928	32,601
Total fund balances	<u>5,871</u>	<u>4,928</u>	<u>32,601</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances.	<u>\$ 5,871</u>	<u>\$ 4,928</u>	<u>\$ 41,537</u>

Maple Grove Cemetery	Recreation	Drug and Law Enforcement	Range Fund	Escrow Account
\$ 7,958	\$ 57,422	\$ 5,674	\$ 14,466	\$ 395
-	-	-	-	-
-	-	-	-	-
-	-	-	400	-
-	100	-	-	-
-	-	-	-	-
-	44	-	-	-
<u>\$ 7,958</u>	<u>\$ 57,566</u>	<u>\$ 5,674</u>	<u>\$ 14,866</u>	<u>\$ 395</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	44	-	-	-
7,958	57,522	5,674	14,866	395
<u>7,958</u>	<u>57,566</u>	<u>5,674</u>	<u>14,866</u>	<u>395</u>
<u>\$ 7,958</u>	<u>\$ 57,566</u>	<u>\$ 5,674</u>	<u>\$ 14,866</u>	<u>\$ 395</u>

Continued

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2009

	Police Pension	Street Construction and Maintance	Totals
Assets:			
Equity in pooled cash and cash equivalents	\$ 14,039	\$ 14,150	\$ 152,971
Cash in segregated accounts.	-	350	350
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	41,652	-	41,652
Accounts	-	-	400
Due from other governments	2,684	169,205	185,458
Prepayments	-	100	100
Materials and supplies inventory	-	21,112	21,156
Total assets	\$ 58,375	\$ 204,917	\$ 402,087
Liabilities:			
Accounts payable	\$ -	\$ 5,703	\$ 5,703
Accrued wages and benefits	-	22,175	22,175
Due to other governments	-	17,112	17,112
Deferred revenue.	7,666	110,219	126,821
Unearned revenue.	35,895	-	35,895
Total liabilities	43,561	155,209	207,706
Fund Balances:			
Reserved for prepaids.	-	100	100
Reserved for materials and supplies inventory	-	21,112	21,156
Unreserved, undesignated reported in:			
Special revenue funds	14,814	28,496	173,125
Total fund balances	14,814	49,708	194,381
Total liabilities and fund balances.	\$ 58,375	\$ 204,917	\$ 402,087

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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, 2009

	Indigent Drivers Fund	Enforcement and Education	Fire District
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ 744
Charges for services	-	-	-
Fines and forfeitures	592	-	-
Intergovernmental	-	-	-
Investment income.	-	-	-
Other.	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues	 <u>592</u>	 <u>-</u>	 <u>744</u>
 Expenditures:			
Current:			
Security of persons and property	-	-	744
Public health and welfare.	-	-	-
Transportation	-	-	-
Leisure time activity	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges.	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures.	 <u>-</u>	 <u>-</u>	 <u>744</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>592</u>	 <u>-</u>	 <u>-</u>
 Other financing sources:			
Transfers in.	<u>-</u>	<u>-</u>	<u>-</u>
 Total other financing sources.	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net change in fund balances	 592	 -	 -
 Fund balances at beginning of year	 <u>5,279</u>	 <u>4,928</u>	 <u>-</u>
 Fund balances at end of year.	 <u>\$ 5,871</u>	 <u>\$ 4,928</u>	 <u>\$ -</u>

State Highway	Maple Grove Cemetery	Recreation	Drug and Law Enforcement	Range Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	2,555	-	-	-
-	-	-	100	400
30,425	-	-	-	-
586	-	-	-	-
-	446	1,200	-	2,540
<u>31,011</u>	<u>3,001</u>	<u>1,200</u>	<u>100</u>	<u>2,940</u>
-	-	-	-	3,310
-	12,261	-	-	-
33,200	-	-	-	-
-	-	29,046	-	-
-	-	-	-	-
-	-	-	-	-
<u>33,200</u>	<u>12,261</u>	<u>29,046</u>	<u>-</u>	<u>3,310</u>
<u>(2,189)</u>	<u>(9,260)</u>	<u>(27,846)</u>	<u>100</u>	<u>(370)</u>
<u>25,000</u>	<u>-</u>	<u>35,642</u>	<u>-</u>	<u>-</u>
<u>25,000</u>	<u>-</u>	<u>35,642</u>	<u>-</u>	<u>-</u>
22,811	(9,260)	7,796	100	(370)
9,790	17,218	49,770	5,574	15,236
<u>\$ 32,601</u>	<u>\$ 7,958</u>	<u>\$ 57,566</u>	<u>\$ 5,674</u>	<u>\$ 14,866</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, 2009

	<u>Escrow Account</u>	<u>Police Pension</u>	<u>Street Construction and Maintance</u>	<u>Totals</u>
Revenues:				
Property and other taxes	\$ -	\$ 29,939	\$ -	\$ 30,683
Charges for services	-	-	-	2,555
Fines and forfeitures	-	-	-	1,092
Intergovernmental	-	5,454	367,018	402,897
Investment income.	-	-	451	1,037
Other.	-	-	4,345	8,531
Total revenues	-	35,393	371,814	446,795
Expenditures:				
Current:				
Security of persons and property	-	31,407	-	35,461
Public health and welfare.	-	-	-	12,261
Transportation	-	-	554,303	587,503
Leisure time activity	-	-	-	29,046
Debt service:				
Principal retirement	-	-	10,941	10,941
Interest and fiscal charges.	-	-	2,209	2,209
Total expenditures.	-	31,407	567,453	677,421
Excess (deficiency) of revenues over (under) expenditures	-	3,986	(195,639)	(230,626)
Other financing sources:				
Transfers in.	-	-	196,032	256,674
Total other financing sources.	-	-	196,032	256,674
Net change in fund balances	-	3,986	393	26,048
Fund balances at beginning of year	395	10,828	49,315	168,333
Fund balances at end of year.	\$ 395	\$ 14,814	\$ 49,708	\$ 194,381

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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 100	\$ 567	\$ 567	\$ -
Total revenues	<u>100</u>	<u>567</u>	<u>567</u>	<u>-</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	<u>100</u>	<u>25</u>	<u>(25)</u>	<u>50</u>
Total security of persons and property . .	<u>100</u>	<u>25</u>	<u>(25)</u>	<u>50</u>
Total expenditures	<u>100</u>	<u>25</u>	<u>(25)</u>	<u>50</u>
Net change in fund balance	-	542	592	50
Fund balance at beginning of year	<u>5,279</u>	<u>5,279</u>	<u>5,279</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,279</u>	<u>\$ 5,821</u>	<u>\$ 5,871</u>	<u>\$ 50</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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 4,928	\$ 4,928	\$ 4,928	\$ -
Fund balance at end of year.	<u>\$ 4,928</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes.	\$ -	\$ 1,744	\$ 744	\$ (1,000)
Total revenues.	-	1,744	744	(1,000)
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	56,761	57,505	57,505	-
Total security of persons and property . .	56,761	57,505	57,505	-
Total expenditures	56,761	57,505	57,505	-
Net change in fund balance.	(56,761)	(55,761)	(56,761)	(1,000)
Fund balance at beginning of year	56,761	56,761	56,761	-
Fund balance at end of year.	\$ -	\$ 1,000	\$ -	\$ (1,000)

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 15,096	\$ 28,185	\$ 28,185	\$ -
Investment income.	314	586	586	-
Total revenues	<u>15,410</u>	<u>28,771</u>	<u>28,771</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Materials and supplies.	<u>24,000</u>	<u>33,200</u>	<u>33,200</u>	<u>-</u>
Total transportation.	<u>24,000</u>	<u>33,200</u>	<u>33,200</u>	<u>-</u>
Total expenditures	<u>24,000</u>	<u>33,200</u>	<u>33,200</u>	<u>-</u>
Deficiency of revenues under expenditures . .	<u>(8,590)</u>	<u>(4,429)</u>	<u>(4,429)</u>	<u>-</u>
Other financing sources:				
Transfers in.	<u>13,390</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources.	<u>13,390</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance.	4,800	20,571	20,571	-
Fund balance at beginning of year.	<u>7,497</u>	<u>7,497</u>	<u>7,497</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 12,297</u>	<u>\$ 28,068</u>	<u>\$ 28,068</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAPLE GROVE CEMETERY
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charge for services	\$ 15,751	\$ 2,555	\$ 2,555	\$ -
Other	2,749	446	446	-
Total revenues	<u>18,500</u>	<u>3,001</u>	<u>3,001</u>	<u>-</u>
Expenditures:				
Current:				
Public health and welfare				
Personal services	7,135	7,072	7,066	6
Contractual services.	3,483	3,453	3,450	3
Materials and supplies.	<u>1,762</u>	<u>1,747</u>	<u>1,745</u>	<u>2</u>
Total public health and welfare	<u>12,380</u>	<u>12,272</u>	<u>12,261</u>	<u>11</u>
Total expenditures	<u>12,380</u>	<u>12,272</u>	<u>12,261</u>	<u>11</u>
Net change in fund balance.	6,120	(9,271)	(9,260)	11
Fund balance at beginning of year	<u>17,218</u>	<u>17,218</u>	<u>17,218</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 23,338</u>	<u>\$ 7,947</u>	<u>\$ 7,958</u>	<u>\$ 11</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,140	\$ 1,200	\$ 1,200	\$ -
Total revenues	<u>1,140</u>	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Expenditures:				
Current:				
Leisure time activity				
Personal services	33,726	19,801	19,794	7
Contractual services	4,231	2,483	2,483	-
Materials and supplies	4,203	2,467	2,467	-
Capital outlay	7,345	4,311	4,311	-
Total leisure time activity	<u>49,505</u>	<u>29,062</u>	<u>29,055</u>	<u>7</u>
Total expenditures	<u>49,505</u>	<u>29,062</u>	<u>29,055</u>	<u>7</u>
Deficiency of revenues under expenditures . .	<u>(48,365)</u>	<u>(27,862)</u>	<u>(27,855)</u>	<u>7</u>
Other financing sources:				
Transfers in	33,860	35,642	35,642	-
Total other financing sources	<u>33,860</u>	<u>35,642</u>	<u>35,642</u>	<u>-</u>
Net change in fund balance	(14,505)	7,780	7,787	7
Fund balance at beginning of year	<u>49,635</u>	<u>49,635</u>	<u>49,635</u>	<u>-</u>
Fund balance at end of year	<u>\$ 35,130</u>	<u>\$ 57,415</u>	<u>\$ 57,422</u>	<u>\$ 7</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG AND LAW ENFORCEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 50	\$ 200	\$ 200	\$ -
Total revenues	<u>50</u>	<u>200</u>	<u>200</u>	<u>-</u>
Expenditures:				
Current:				
Security of persons and property				
Other	250	-	-	-
Total security of persons and property . .	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	(200)	200	200	-
Fund balance at beginning of year	<u>5,474</u>	<u>5,474</u>	<u>5,474</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,274</u>	<u>\$ 5,674</u>	<u>\$ 5,674</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RANGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 500	\$ 2,540	\$ 2,540	\$ -
Total revenues	<u>500</u>	<u>2,540</u>	<u>2,540</u>	<u>-</u>
Expenditures:				
Current:				
Security of persons and property				
Contract services	2,719	2,000	2,000	-
Capital outlay	<u>1,781</u>	<u>1,310</u>	<u>1,310</u>	<u>-</u>
Total security of persons and property. . .	<u>4,500</u>	<u>3,310</u>	<u>3,310</u>	<u>-</u>
Total expenditures	<u>4,500</u>	<u>3,310</u>	<u>3,310</u>	<u>-</u>
Net change in fund balance.	(4,000)	(770)	(770)	-
Fund balance at beginning of year	<u>15,236</u>	<u>15,236</u>	<u>15,236</u>	
Fund balance at end of year.	<u>\$ 11,236</u>	<u>\$ 14,466</u>	<u>\$ 14,466</u>	<u>\$ -</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, 2009

	<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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 35,507	\$ 34,987	\$ 34,987	\$ -
Intergovernmental	407	400	400	-
Total revenues	<u>35,914</u>	<u>35,387</u>	<u>35,387</u>	<u>-</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services	<u>25,000</u>	<u>31,408</u>	<u>31,407</u>	<u>1</u>
Total security of persons and property. . .	<u>25,000</u>	<u>31,408</u>	<u>31,407</u>	<u>1</u>
Total expenditures	<u>25,000</u>	<u>31,408</u>	<u>31,407</u>	<u>1</u>
Net change in fund balance.	10,914	3,979	3,980	1
Fund balance at beginning of year	<u>10,059</u>	<u>10,059</u>	<u>10,059</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 20,973</u>	<u>\$ 14,038</u>	<u>\$ 14,039</u>	<u>\$ 1</u>

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 369,064	\$ 339,387	\$ 339,387	\$ -
Investment income	490	451	451	-
Other	1,773	1,630	1,630	-
Total revenues.	<u>371,327</u>	<u>341,468</u>	<u>341,468</u>	<u>-</u>
Expenditures:				
Current:				
Transportation.				
Personal services.	478,958	481,745	477,987	3,758
Contractual services	18,255	18,361	18,218	143
Materials and supplies.	36,713	36,927	36,639	288
Capital outlay	7,824	7,869	7,808	61
Total transportation.	<u>541,750</u>	<u>544,902</u>	<u>540,652</u>	<u>4,250</u>
Debt service:				
Principal retirement	10,941	10,941	10,941	-
Interest and fiscal charges	2,259	2,209	2,209	-
Total expenditures	<u>554,950</u>	<u>558,052</u>	<u>553,802</u>	<u>4,250</u>
Deficiency of revenues under expenditures	<u>(183,623)</u>	<u>(216,584)</u>	<u>(212,334)</u>	<u>4,250</u>
Other financing sources:				
Transfers in.	213,173	196,032	196,032	-
Total other financing sources	<u>213,173</u>	<u>196,032</u>	<u>196,032</u>	<u>-</u>
Net change in fund balance	29,550	(20,552)	(16,302)	4,250
Fund balance at beginning of year	<u>30,452</u>	<u>30,452</u>	<u>30,452</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,002</u>	<u>\$ 9,900</u>	<u>\$ 14,150</u>	<u>\$ 4,250</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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Debt Service:				
Principal retirement	\$ 389,979	\$ 390,000	\$ 390,000	\$ -
Interest and fiscal charges.	135,021	135,028	135,028	-
Total debt service	<u>525,000</u>	<u>525,028</u>	<u>525,028</u>	<u>-</u>
Total expenditures.	<u>525,000</u>	<u>525,028</u>	<u>525,028</u>	<u>-</u>
Deficiency of revenues under expenditures. . .	<u>(525,000)</u>	<u>(525,028)</u>	<u>(525,028)</u>	<u>-</u>
Other financing sources:				
Transfers in.	<u>525,000</u>	<u>505,803</u>	<u>505,803</u>	<u>-</u>
Total other financing sources.	<u>525,000</u>	<u>505,803</u>	<u>505,803</u>	<u>-</u>
Net change in fund balance.	-	(19,225)	(19,225)	-
Fund balance at beginning of year	<u>19,225</u>	<u>19,225</u>	<u>19,225</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 19,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2009

	Capital Improvement	FEMA Flood Grant	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 212,485	\$ 382	\$ 212,867
Total assets.	212,485	382	212,867
Fund Balances:			
Unreserved, undesignated, reported in:			
Capital projects funds	212,485	382	212,867
Total fund balances	212,485	382	212,867
Total liabilities and fund balances.	212,485	382	212,867

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Obligation Bond Construction	Capital Improvement	Meadowland Stormwater Project
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 34,878
Investment income.	3,005	-	-
Other.	207	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	3,212	-	34,878
	<hr/>	<hr/>	<hr/>
Expenditures:			
Capital outlay	358,051	6,000	34,878
	<hr/>	<hr/>	<hr/>
Total expenditures	358,051	6,000	34,878
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	(354,839)	(6,000)	-
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Transfers in	-	89,106	-
	<hr/>	<hr/>	<hr/>
Total other financing sources.	-	89,106	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(354,839)	83,106	-
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year, restated	354,839	129,379	-
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ -	\$ 212,485	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

West Liberty Sidewalk Project	FEMA Flood Grant	Total
\$ 35,652	\$ -	\$ 70,530
-	-	3,005
-	-	207
<u>35,652</u>	<u>-</u>	<u>73,742</u>
<u>7,569</u>	<u>-</u>	<u>406,498</u>
<u>7,569</u>	<u>-</u>	<u>406,498</u>
<u>28,083</u>	<u>-</u>	<u>(332,756)</u>
<u>-</u>	<u>-</u>	<u>89,106</u>
<u>-</u>	<u>-</u>	<u>89,106</u>
<u>28,083</u>	<u>-</u>	<u>(243,650)</u>
<u>(28,083)</u>	<u>382</u>	<u>456,517</u>
<u><u>\$ -</u></u>	<u><u>\$ 382</u></u>	<u><u>212,867</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 CONSTRUCTION
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 5,613	\$ 3,005	\$ 3,005	\$ -
Other	387	207	207	-
Total revenues.	<u>6,000</u>	<u>3,212</u>	<u>3,212</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	<u>355,000</u>	<u>358,051</u>	<u>358,051</u>	<u>-</u>
Total capital outlay	<u>355,000</u>	<u>358,051</u>	<u>358,051</u>	<u>-</u>
Total expenditures.	<u>355,000</u>	<u>358,051</u>	<u>358,051</u>	<u>-</u>
Net change in fund balance.	(349,000)	(354,839)	(354,839)	-
Fund balance at beginning of year	<u>354,839</u>	<u>354,839</u>	<u>354,839</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,839</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)
CAPITAL IMPROVEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay				
Capital outlay	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Total capital outlay	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures.	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Deficiency of revenues under expenditures. . .	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Other financing sources:				
Transfers in.	<u>90,000</u>	<u>89,106</u>	<u>89,106</u>	<u>-</u>
Total other financing sources.	<u>90,000</u>	<u>89,106</u>	<u>89,106</u>	<u>-</u>
Net change in fund balance.	75,000	74,106	74,106	-
Fund balance at beginning of year	<u>138,379</u>	<u>138,379</u>	<u>138,379</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 213,379</u>	<u>\$ 212,485</u>	<u>\$ 212,485</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MEADOWLAND STORMWATER PROJECT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 49,962	\$ 77,047	\$ 77,047	\$ -
Total revenues.	<u>49,962</u>	<u>77,047</u>	<u>77,047</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	<u>49,962</u>	<u>77,047</u>	<u>77,047</u>	<u>-</u>
Total capital outlay	<u>49,962</u>	<u>77,047</u>	<u>77,047</u>	<u>-</u>
Total expenditures.	<u>49,962</u>	<u>77,047</u>	<u>77,047</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)
WEST LIBERTY SIDEWALK PROJECT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 150,000	\$ 35,652	\$ 35,652	\$ -
Total revenues.	<u>150,000</u>	<u>35,652</u>	<u>35,652</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	<u>75,672</u>	<u>35,652</u>	<u>35,652</u>	<u>-</u>
Total capital outlay	<u>75,672</u>	<u>35,652</u>	<u>35,652</u>	<u>-</u>
Total expenditures.	<u>75,672</u>	<u>35,652</u>	<u>35,652</u>	<u>-</u>
Net change in fund balance.	74,328	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 74,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CDBG SIDEWALK PROJECT
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 34,000	\$ -	\$ -	\$ -
Total revenues.	<u>34,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay				
Capital outlay	34,000	-	-	-
Total capital outlay	<u>34,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures.	<u>34,000</u>	<u>-</u>	<u>-</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, 2009

	<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	\$ 382	\$ -	\$ -	\$ -
Total capital outlay	<u>382</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures.	<u>382</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	<u>(382)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>382</u>	<u>382</u>	<u>382</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 382</u>	<u>\$ 382</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUGAR GROVE TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment earnings	\$ 7	\$ 3	\$ 3	\$ -
Total revenues	<u>7</u>	<u>3</u>	<u>3</u>	<u>-</u>
Net change in fund balance.	7	3	3	-
Fund balance at beginning of year	<u>1,712</u>	<u>1,712</u>	<u>1,712</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,719</u>	<u>\$ 1,715</u>	<u>\$ 1,715</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

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

Enterprise Funds

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

Major Enterprise Funds

Sewer Fund

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

Water Fund

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

Electric Fund

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

Nonmajor Enterprise Fund

Guarantee Trust Fund

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

Stormwater Fund

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

Nonmajor Internal Service Fund

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

Employees Health

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

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009

	<u>Guarantee Trust</u> <u>Fund</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 142,689	\$ 122,356	\$ 265,045
Receivables (net of allowance for uncollectibles):			
Accounts	-	12,771	12,771
Total current assets	<u>142,689</u>	<u>135,127</u>	<u>277,816</u>
Total assets.	<u>142,689</u>	<u>135,127</u>	<u>277,816</u>
Net assets:			
Unrestricted	<u>142,689</u>	<u>135,127</u>	<u>277,816</u>
Total net assets	<u>\$ 142,689</u>	<u>\$ 135,127</u>	<u>\$ 277,816</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Guarantee Trust Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ -	\$ 129,478	\$ 129,478
Other	16,533	-	16,533
Total operating revenues	<u>16,533</u>	<u>129,478</u>	<u>146,011</u>
Operating expenses:			
Contract services	-	74,374	74,374
Other.	10,721	-	10,721
Total operating expenses	<u>10,721</u>	<u>74,374</u>	<u>85,095</u>
Change in net assets.	5,812	55,104	60,916
Net assets at beginning of year	<u>136,877</u>	<u>80,023</u>	<u>216,900</u>
Net assets at end of year.	<u>\$ 142,689</u>	<u>\$ 135,127</u>	<u>\$ 277,816</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Guarantee Trust</u> <u>Fund</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ -	\$ 128,536	\$ 128,536
Cash received from other operating revenues	16,533	-	16,533
Cash payments for contract services.	-	(78,830)	(78,830)
Cash payments for other operating expenses	<u>(10,721)</u>	<u>-</u>	<u>(10,721)</u>
Net cash provided by operating activities.	<u>5,812</u>	<u>49,706</u>	<u>55,518</u>
Net increase in cash and cash equivalents.	5,812	49,706	55,518
Cash and cash equivalents at beginning of year.	<u>136,877</u>	<u>72,650</u>	<u>209,527</u>
Cash and cash equivalents at end of year.	<u><u>\$ 142,689</u></u>	<u><u>\$ 122,356</u></u>	<u><u>\$ 265,045</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income.	\$ 5,812	\$ 55,104	\$ 60,916
Changes in assets and liabilities:			
Increase in accounts receivable	-	(942)	(942)
Decrease in prepayments.	-	336	336
Decrease in accounts payable	<u>-</u>	<u>(4,792)</u>	<u>(4,792)</u>
Net cash provided by operating activities.	<u><u>\$ 5,812</u></u>	<u><u>\$ 49,706</u></u>	<u><u>\$ 55,518</u></u>

CITY OF HUBBARD, OHIO

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

SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,223,916	\$ 1,166,649	\$ 1,166,649	\$ -
Tap-in fees.	10,889	10,380	10,380	-
Other operating revenues	157	145	145	-
Total operating revenues	1,234,962	1,177,174	1,177,174	-
Operating expenses:				
Personal services.	560,351	495,735	471,975	23,760
Contractual services	149,399	132,171	125,836	6,335
Materials and supplies	98,574	87,207	83,027	4,180
Capital outlay	186,926	165,371	157,445	7,926
Total operating expenses	995,250	880,484	838,283	42,201
Operating income.	239,712	296,690	338,891	42,201
Nonoperating revenues (expenses):				
Intergovernmental revenues.	25,038	25,038	25,038	-
Debt service:				
Principal retirement	(410,872)	(410,872)	(410,872)	-
Interest and fiscal charges	(88,397)	(88,395)	(88,395)	-
Total nonoperating revenues (expenses)	(474,231)	(474,229)	(474,229)	-
Net change in fund equity.	(234,519)	(177,539)	(135,338)	42,201
Fund equity at beginning of year.	866,022	866,022	866,022	-
Fund equity at end of year	\$ 631,503	\$ 688,483	\$ 730,684	\$ 42,201

CITY OF HUBBARD, OHIO

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

WATER FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,369,198	\$ 1,284,335	\$ 1,284,335	\$ -
Other operating revenues	242,193	227,182	227,182	-
Total operating revenues	<u>1,611,391</u>	<u>1,511,517</u>	<u>1,511,517</u>	<u>-</u>
Operating expenses:				
Personal services.	565,016	494,785	494,690	95
Contractual services	625,227	547,510	547,406	104
Materials and supplies.	54,487	47,714	47,705	9
Capital outlay	10,985	9,620	9,618	2
Other operating expenses	248,675	217,764	217,723	41
Total operating expenses	<u>1,504,390</u>	<u>1,317,393</u>	<u>1,317,142</u>	<u>251</u>
Operating income.	<u>107,001</u>	<u>194,124</u>	<u>194,375</u>	<u>251</u>
Nonoperating revenues (expenses):				
Intergovernmental revenues	21,332	20,010	20,010	-
Debt service:				
Principal retirement.	(126,794)	(126,794)	(126,794)	-
Interest and fiscal charges	(113,046)	(113,046)	(113,046)	-
Total nonoperating revenues (expenses)	<u>(218,508)</u>	<u>(219,830)</u>	<u>(219,830)</u>	<u>-</u>
Net change in fund equity.	(111,507)	(25,706)	(25,455)	251
Fund equity at beginning of year.	<u>905,670</u>	<u>905,670</u>	<u>905,670</u>	<u>-</u>
Fund equity at end of year	<u>\$ 794,163</u>	<u>\$ 879,964</u>	<u>\$ 880,215</u>	<u>\$ 251</u>

CITY OF HUBBARD, OHIO

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

ELECTRIC FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,898,382	\$ 5,748,672	\$ 5,748,672	\$ -
Other operating revenues	12,051	11,745	11,745	-
Total operating revenues	5,910,433	5,760,417	5,760,417	-
Operating expenses:				
Personal services.	1,215,475	1,018,142	961,983	56,159
Contractual services	5,010,500	4,197,040	3,965,539	231,501
Materials and supplies.	207,158	173,525	163,954	9,571
Capital outlay	49,175	41,191	38,919	2,272
Total operating expenses	6,482,308	5,429,898	5,130,395	299,503
Operating income (loss).	(571,875)	330,519	630,022	299,503
Nonoperating revenues (expenses):				
Note issuance.	1,949,481	1,900,000	1,900,000	-
Note issuance costs	(17,918)	(15,009)	(14,181)	828
Debt service:				
Principal retirement.	(2,011,500)	(2,011,500)	(2,011,500)	-
Interest and fiscal charges	(291,683)	(291,683)	(291,683)	-
Property and other taxes.	28,700	27,972	27,972	-
Total nonoperating revenues (expenses).	(342,920)	(390,220)	(389,392)	828
Net change in fund equity.	(914,795)	(59,701)	240,630	300,331
Fund equity at beginning of year.	3,505,253	3,505,253	3,505,253	-
Fund equity at end of year	\$ 2,590,458	\$ 3,445,552	\$ 3,745,883	\$ 300,331

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GUARANTEE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Other operating revenues	\$ 20,000	\$ 16,533	\$ 16,533	\$ -
Total operating revenues	<u>20,000</u>	<u>16,533</u>	<u>16,533</u>	<u>-</u>
Operating expenses:				
Other	<u>20,000</u>	<u>10,725</u>	<u>10,721</u>	<u>4</u>
Total operating expenses	<u>20,000</u>	<u>10,725</u>	<u>10,721</u>	<u>4</u>
Net change in fund equity.	-	5,808	5,812	4
Fund equity at beginning of year.	<u>136,877</u>	<u>136,877</u>	<u>136,877</u>	<u>-</u>
Fund equity at end of year	<u>\$ 136,877</u>	<u>\$ 142,685</u>	<u>\$ 142,689</u>	<u>\$ 4</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORMWATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 125,000	\$ 128,536	\$ 128,536	\$ -
Total operating revenues	<u>125,000</u>	<u>128,536</u>	<u>128,536</u>	<u>-</u>
Operating expenses:				
Contractual services	74,934	51,819	51,816	3
Capital outlay	<u>39,066</u>	<u>27,016</u>	<u>27,014</u>	<u>2</u>
Total operating expenses	<u>114,000</u>	<u>78,835</u>	<u>78,830</u>	<u>5</u>
Net change in fund equity.	11,000	49,701	49,706	5
Fund equity at beginning of year.	<u>72,650</u>	<u>72,650</u>	<u>72,650</u>	<u>-</u>
Fund equity at end of year	<u>\$ 83,650</u>	<u>\$ 122,351</u>	<u>\$ 122,356</u>	<u>\$ 5</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEES HEALTH
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 720,000	\$ 811,714	\$ 811,714	\$ -
Total operating revenues	<u>720,000</u>	<u>811,714</u>	<u>811,714</u>	<u>-</u>
Operating expenses:				
Contractual services	<u>700,000</u>	<u>1,064,000</u>	<u>1,063,826</u>	<u>174</u>
Total operating expenses	<u>700,000</u>	<u>1,064,000</u>	<u>1,063,826</u>	<u>174</u>
Net change in fund equity.	20,000	(252,286)	(252,112)	174
Fund equity at beginning of year.	<u>278,005</u>	<u>278,005</u>	<u>278,005</u>	<u>-</u>
Fund equity at end of year	<u>\$ 298,005</u>	<u>\$ 25,719</u>	<u>\$ 25,893</u>	<u>\$ 174</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, 2009

	Mizner Trust	Hultz Trust	Total Private Purpose Trust
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,786	\$ 5,747	\$ 7,533
Total assets	\$ 1,786	\$ 5,747	\$ 7,533
 Net assets:			
Held in trust for other purposes	1,786	5,747	7,533
Total net assets.	\$ 1,786	\$ 5,747	\$ 7,533

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Mizner Trust</u>	<u>Hultz Trust</u>	<u>Totals</u>
Additions:			
Investment earnings	\$ 3	\$ 13	\$ 16
Total additions	<u>3</u>	<u>13</u>	<u>16</u>
Changes in net assets	3	13	16
Net assets at beginning of year.	<u>1,783</u>	<u>5,734</u>	<u>7,517</u>
Net assets at end of year	<u>\$ 1,786</u>	<u>\$ 5,747</u>	<u>\$ 7,533</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance</u> <u>1/1/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2009</u>
Mayor's Court				
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,215	\$ -	\$ 1,440	\$ 775
Total assets.	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ 1,440</u>	<u>\$ 775</u>
Liabilities:				
Deposits held and due to others	\$ 2,215	\$ -	\$ 1,440	\$ 775
Total liabilities	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ 1,440</u>	<u>\$ 775</u>
 Hubbard Union Cemetery				
Assets:				
Receivables (net of allowances for uncollectibles):				
Real and other taxes	27,819	-	51	27,768
Due from other governments	1,577	212	-	1,789
Total assets.	<u>\$ 29,396</u>	<u>\$ 212</u>	<u>\$ 51</u>	<u>\$ 29,557</u>
Liabilities:				
Due to other governments	\$ 29,396	\$ 212	\$ 51	\$ 29,557
Total liabilities	<u>\$ 29,396</u>	<u>\$ 212</u>	<u>\$ 51</u>	<u>\$ 29,557</u>
 Total Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,215	\$ -	\$ 1,440	\$ 775
Receivables (net of allowances for uncollectibles):				
Real and other taxes	27,819	-	51	27,768
Due from other governments	1,577	212	-	1,789
Total assets.	<u>\$ 31,611</u>	<u>\$ 212</u>	<u>\$ 1,491</u>	<u>\$ 30,332</u>
Liabilities:				
Due to other governments	\$ 29,396	\$ 212	\$ 51	\$ 29,557
Deposits held and due to others	2,215	-	1,440	775
Total liabilities	<u>\$ 31,611</u>	<u>\$ 212</u>	<u>\$ 1,491</u>	<u>\$ 30,332</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MIZNER TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Investment earnings	\$ 7	\$ 3	\$ 3	\$ -
Total operating revenues	<u>7</u>	<u>3</u>	<u>3</u>	<u>-</u>
Net change in fund equity.	7	3	3	-
Fund equity at beginning of year.	<u>1,783</u>	<u>1,783</u>	<u>1,783</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,790</u>	<u>\$ 1,786</u>	<u>\$ 1,786</u>	<u>\$ -</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HULTZ TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Investment earnings	\$ 20	\$ 13	\$ 13	\$ -
Total operating revenues	<u>20</u>	<u>13</u>	<u>13</u>	<u>-</u>
Net change in fund equity.	20	13	13	-
Fund equity at beginning of year.	<u>5,734</u>	<u>5,734</u>	<u>5,734</u>	<u>-</u>
Fund equity at end of year	<u>\$ 5,754</u>	<u>\$ 5,747</u>	<u>\$ 5,747</u>	<u>\$ -</u>

STATISTICAL SECTION

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CITY OF HUBBARD, OHIO
STATISTICAL SECTION

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

<u>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 11
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property	S 12 - S 22
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 23 - S 27
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 28 - S 30
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 31 - S 36

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 SEVEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 1,296,622	\$ 1,037,416	\$ 877,729	\$ 768,312
Restricted for:				
Debt service	-	19,225	35,823	-
Capital projects	212,867	475,955	509,490	512,009
Perpetual Care	1,715	1,712	1,706	1,697
Other projects	280,779	255,927	449,163	532,518
Unrestricted	<u>726,241</u>	<u>825,207</u>	<u>946,327</u>	<u>847,942</u>
Total governmental activities net assets	<u>\$ 2,518,224</u>	<u>\$ 2,615,442</u>	<u>\$ 2,820,238</u>	<u>\$ 2,662,478</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 7,584,255	\$ 7,598,587	\$ 6,769,792	\$ 6,139,069
Unrestricted	<u>6,263,054</u>	<u>6,106,016</u>	<u>6,033,788</u>	<u>7,330,144</u>
Total business-type activities net assets	<u>\$ 13,847,309</u>	<u>\$ 13,704,603</u>	<u>\$ 12,803,580</u>	<u>\$ 13,469,213</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 8,880,877	\$ 8,636,003	\$ 7,647,521	\$ 6,907,381
Restricted for:				
Debt service	-	19,225	35,823	-
Capital projects	212,867	475,955	509,490	512,009
Perpetual Care	1,715	1,712	1,706	1,697
Other projects	280,779	255,927	449,163	532,518
Unrestricted	<u>6,989,295</u>	<u>6,931,223</u>	<u>6,980,115</u>	<u>8,178,086</u>
Total primary government net assets	<u>\$ 16,365,533</u>	<u>\$ 16,320,045</u>	<u>\$ 15,623,818</u>	<u>\$ 16,131,691</u>

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

<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 2,400,517	\$ 3,401,113	\$ 3,267,003
-	-	-
-	49,055	283,437
1,691	1,686	-
508,157	359,758	296,035
619,911	482,053	831,708
<u>\$ 3,530,276</u>	<u>\$ 4,293,665</u>	<u>\$ 4,678,183</u>
\$ 5,452,270	\$ 5,457,562	\$ 5,448,545
7,453,760	6,922,756	7,317,278
<u>\$ 12,906,030</u>	<u>\$ 12,380,318</u>	<u>\$ 12,765,823</u>
\$ 7,852,787	\$ 8,858,675	\$ 8,715,548
-	-	-
-	49,055	283,437
1,691	1,686	-
508,157	359,758	296,035
8,073,671	7,404,809	8,148,986
<u>\$ 16,436,306</u>	<u>\$ 16,673,983</u>	<u>\$ 17,444,006</u>

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

Expenses:	2009	2008	2007	2006
Governmental Activities				
General Government	\$ 411,218	\$ 449,327	\$ 390,097	\$ 436,931
Security of Persons and Property	1,875,313	1,984,690	1,910,720	2,009,360
Public Health and Welfare	26,982	26,921	29,075	32,313
Transportation	999,817	988,755	1,158,612	2,257,686
Community Environment	400	491	320	485
Leisure Time Activity	36,897	40,509	43,205	75,190
Other	-	1,064	13,112	34,549
Interest and Fiscal Charges	148,925	154,920	164,929	174,312
Total Governmental Activities Expenses	3,499,552	3,646,677	3,710,070	5,020,826
Business-Type Activities				
Sewer	1,080,758	1,237,180	1,357,918	1,275,270
Water	1,337,741	1,441,479	1,504,407	1,422,711
Electric	5,929,061	5,376,280	6,024,667	5,895,874
Guarantee Trust	10,721	9,826	15,470	33,914
Stormwater	74,374	6,573	-	-
Total Business-Type Activities Expenses	8,432,655	8,071,338	8,902,462	8,627,769
Total Primary Government Expenses	\$ 11,932,207	\$ 11,718,015	\$ 12,612,532	\$ 13,648,595
Program Revenues:				
Governmental Activities				
Charges for Services:				
General Government	\$ 15,331	\$ 7,099	\$ 8,902	\$ 7,540
Security of Persons and Property	33,804	44,886	44,127	39,762
Public Health and Welfare	3,001	6,255	3,100	-
Transportation	-	-	-	-
Operating Grants and Contributions:				
Security of Persons and Property	-	2,361	-	-
Transportation	397,542	391,905	341,274	385,966
Leisure Time Activity	1,200	1,100	-	-
Capital Grants and Contributions:				
General Government	-	-	-	-
Transportation	70,737	258,842	266,508	634,506
Total Governmental Activities Program Revenues	521,615	712,448	663,911	1,067,774
Business-Type Activities				
Charges for Services:				
Sewer	1,177,866	1,208,214	1,216,611	1,185,838
Water	1,283,559	1,399,952	1,341,883	1,470,741
Electric	5,857,553	5,630,963	5,303,784	5,298,829
Stormwater	129,478	86,596	-	-
Operating Grants and Contributions:				
Sewer	-	-	22,372	-
Water	-	-	-	-
Electric	-	333,896	118,655	131,348
Capital Grants and Contributions:				
Sewer	25,038	-	-	-
Water	20,010	-	-	-
Electric	-	-	-	-
Total Business-Type Activities Program Revenues	8,493,504	8,659,621	8,003,305	8,086,756
Total Primary Government Program Revenues	9,015,119	9,372,069	8,667,216	9,154,530

2005	2004	2003
\$ 424,353	\$ 421,107	\$ 350,765
1,676,512	1,695,597	1,572,403
24,434	30,823	35,187
1,658,724	981,678	971,326
7,092	1,963	4,524
40,871	43,797	36,301
11,567	1,222	1,008
117,638	-	1,408
<u>3,961,191</u>	<u>3,176,187</u>	<u>2,972,922</u>
1,249,276	1,309,146	1,386,623
1,454,211	1,301,547	1,368,214
5,466,799	5,130,725	4,387,184
26,915	24,290	18,038
-	-	-
<u>8,197,201</u>	<u>7,765,708</u>	<u>7,160,059</u>
\$ 12,158,392	\$ 10,941,895	\$ 10,132,981
\$ 8,573	\$ 12,375	\$ 5,977
43,328	60,623	37,417
-	-	5,000
-	6,233	-
-	4,886	3,193
369,284	327,474	291,007
100	1,282	1,472
-	38,269	250,452
48,562	281,414	47,162
<u>469,847</u>	<u>732,556</u>	<u>641,680</u>
1,213,632	1,227,361	1,239,766
1,490,852	1,479,650	1,445,216
5,772,406	4,457,308	4,221,233
-	-	-
-	-	-
7,275	-	-
16,459	-	-
-	-	2,388
-	-	1,426
-	-	6,702
<u>8,500,624</u>	<u>7,164,319</u>	<u>6,916,731</u>
<u>8,970,471</u>	<u>7,896,875</u>	<u>7,558,411</u>

CITY OF HUBBARD, OHIO

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense) Revenue				
Governmental Activities	(2,977,937)	(2,934,229)	(3,046,159)	(3,953,052)
Business-Type Activities	<u>60,849</u>	<u>588,283</u>	<u>(899,157)</u>	<u>(541,013)</u>
Total Primary Government Net (Expense)/Revenue	<u>\$ (2,917,088)</u>	<u>\$ (2,345,946)</u>	<u>\$ (3,945,316)</u>	<u>\$ (4,494,065)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property & Other Local Taxes Levied For:				
General Purposes	\$ 260,424	\$ 277,464	\$ 280,457	\$ 282,386
Fire District	744	54,873	67,728	67,329
Police Pension	29,876	32,015	32,303	36,171
Income Taxes Levied For:				
General Purposes	1,882,307	1,919,527	2,065,938	2,003,345
Grants and Entitlements not Restricted to Specific Programs	258,833	259,335	297,586	269,572
Investment Earnings	234,367	322,216	343,869	374,067
Miscellaneous	187,752	122,163	116,038	159,726
Transfers	(15,753)	-	-	(16,715)
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>2,838,550</u>	<u>2,987,593</u>	<u>3,203,919</u>	<u>3,175,881</u>
Business-Type Activities				
Other Local Taxes	28,124	31,692	30,818	30,835
Investment Earnings	-	24	151,766	-
Investment in Joint Ventures	-	-	-	-
Miscellaneous	37,980	22,864	50,940	40,085
Transfers	15,753	-	-	16,715
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business- Type Activities	<u>81,857</u>	<u>54,580</u>	<u>233,524</u>	<u>87,635</u>
Total Primary Government	<u>2,920,407</u>	<u>3,042,173</u>	<u>3,437,443</u>	<u>3,263,516</u>
Change in Net Assets				
Governmental Activities	(139,387)	53,364	157,760	(777,171)
Business-Type Activities	<u>142,706</u>	<u>642,863</u>	<u>(665,633)</u>	<u>(453,378)</u>
Total Primary Government Change in Net Assets	<u>\$ 3,319</u>	<u>\$ 696,227</u>	<u>\$ (507,873)</u>	<u>\$ (1,230,549)</u>

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

<u>2005</u>	<u>2004</u>	<u>2003</u>
(3,491,344)	(2,443,631)	(2,331,242)
<u>303,423</u>	<u>(601,389)</u>	<u>(243,328)</u>
\$ (3,187,921)	\$ (3,045,020)	\$ (2,574,570)

\$ 250,018	\$ 248,159	\$ 239,943
64,331	64,546	62,439
33,096	32,065	27,683
1,679,734	1,090,187	1,055,837
242,416	349,959	479,298
280,567	207,831	207,265
165,862	121,405	92,888
11,931	(55,039)	(23,180)
-	-	417,061
<u>2,727,955</u>	<u>2,059,113</u>	<u>2,559,234</u>

49,146	70,249	25,049
67,284	17,365	7,239
-	15,983	14,586
117,790	57,248	193,896
(11,931)	55,039	23,180
-	-	515,620
<u>222,289</u>	<u>215,884</u>	<u>779,570</u>
<u>2,950,244</u>	<u>2,274,997</u>	<u>3,338,804</u>

(763,389)	(384,518)	227,992
<u>525,712</u>	<u>(385,505)</u>	<u>536,242</u>
\$ (237,677)	\$ (770,023)	\$ 764,234

CITY OF HUBBARD, OHIO

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues				
Income taxes	\$ 1,881,642	\$ 1,903,813	\$ 2,066,829	\$ 1,990,560
Property and other taxes	291,650	359,375	373,245	379,138
Charges for services	3,694	6,838	4,114	-
Licenses and permits	129,145	61,469	59,310	74,180
Fines and forfeitures	36,087	45,966	51,844	47,249
Intergovernmental	737,184	902,129	901,667	1,263,002
Investment income	238,409	337,452	343,869	374,067
Other	64,340	65,451	56,728	85,599
Total revenues	<u>3,382,151</u>	<u>3,682,493</u>	<u>3,857,606</u>	<u>4,213,795</u>
Expenditures				
Current:				
General government	387,286	427,787	358,967	348,047
Security of persons and property	1,673,262	1,869,652	1,731,009	1,658,970
Public health and welfare	26,982	26,921	29,075	32,313
Transportation	587,503	709,113	642,092	547,210
Community environment	400	491	320	485
Leisure time activity	32,983	52,500	36,461	46,400
Economic development	-	-	-	-
Other	-	1,064	13,112	34,549
Capital outlay	406,498	580,905	476,320	3,299,634
Debt service:				
Principal retirement	411,882	406,294	370,000	360,000
Interest and fiscal charges	139,696	145,668	155,657	165,018
Bond issuance cost	-	-	-	-
Total expenditures	<u>3,666,492</u>	<u>4,220,395</u>	<u>3,813,013</u>	<u>6,492,626</u>
Excess of revenues over (under) expenditures	(284,341)	(537,902)	44,593	(2,278,831)
Other Financing Sources (Uses)				
Transfers in	851,583	876,330	1,014,731	963,441
Transfers (out)	(851,583)	(876,330)	(1,014,731)	(980,156)
Sale of bonds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital lease transaction	-	120,186	-	-
Total other financing sources (uses)	<u>-</u>	<u>120,186</u>	<u>-</u>	<u>(16,715)</u>
Net change in fund balances	<u>\$ (284,341)</u>	<u>\$ (417,716)</u>	<u>\$ 44,593</u>	<u>\$ (2,295,546)</u>
Capital expenditures	321,899	459,888	219,793	1,412,328
Debt service as a percentage of noncapital expenditures	16.49%	14.68%	14.63%	10.33%

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

	2005	2004	2003	2002	2001	2000
\$	1,644,628	\$ 1,085,545	\$ 1,046,519	\$ 1,051,085	\$ 952,071	\$ 994,671
	344,201	341,910	332,576	319,848	316,350	316,478
	-	1,402	1,055	701	300	300
	64,891	59,396	62,054	55,068	52,631	36,407
	51,901	71,596	42,339	55,478	70,669	51,310
	744,611	1,134,403	843,070	557,998	726,369	705,513
	280,567	205,371	207,265	236,390	340,155	441,245
	100,971	73,495	43,004	44,654	39,220	68,590
	<u>3,231,770</u>	<u>2,973,118</u>	<u>2,577,882</u>	<u>2,321,222</u>	<u>2,497,765</u>	<u>2,614,514</u>
	418,976	373,980	327,268	345,965	339,749	348,155
	1,606,577	1,441,982	1,407,963	1,370,521	1,374,984	1,324,594
	24,434	30,823	35,187	27,681	29,314	27,857
	629,992	519,369	538,470	491,493	515,212	502,597
	7,092	1,963	4,524	3,194	1,600	3,445
	32,762	35,878	30,439	29,900	26,500	29,427
	-	-	-	-	-	200
	11,567	1,222	1,008	988	983	985
	2,294,467	713,540	335,718	71,038	211,397	362,308
	-	-	-	6,807	6,335	17,646
	102,390	-	1,555	5,158	9,697	2,224
	124,250	-	-	-	-	-
	<u>5,252,507</u>	<u>3,118,757</u>	<u>2,682,132</u>	<u>2,352,745</u>	<u>2,515,771</u>	<u>2,619,438</u>
	(2,020,737)	(145,639)	(104,250)	(31,523)	(18,006)	(4,924)
	607,083	530,894	823,581	424,204	402,372	538,148
	(595,152)	(585,933)	(846,761)	(424,204)	(402,372)	(538,148)
	5,100,000	-	-	-	-	-
	-	3,375	-	1,300	635	1,100
	-	-	-	-	-	20,456
	<u>5,111,931</u>	<u>(51,664)</u>	<u>(23,180)</u>	<u>1,300</u>	<u>635</u>	<u>21,556</u>
\$	<u>3,091,194</u>	<u>\$ (197,303)</u>	<u>\$ (127,430)</u>	<u>\$ (30,223)</u>	<u>\$ (17,371)</u>	<u>\$ 16,632</u>
	2,294,467	713,540	335,718	71,038	211,397	362,308
	7.66%	0.00%	0.07%	0.52%	0.70%	0.88%

CITY OF HUBBARD, OHIO

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund				
Reserved	\$ 17,209	\$ 17,085	\$ 60,524	\$ 18,471
Unreserved	457,545	505,186	564,771	517,636
Total general fund	<u>\$ 474,754</u>	<u>\$ 522,271</u>	<u>\$ 625,295</u>	<u>\$ 536,107</u>
All Other Governmental Funds				
Reserved	\$ 22,096	\$ 24,435	\$ 29,357	\$ 160,385
Unreserved, reported in:				
Special revenue funds	173,125	144,738	341,174	425,815
Debt service funds	-	19,225	35,823	-
Capital projects funds	212,867	456,517	511,090	375,848
Permanent fund	875	872	866	857
Total all other governmental funds	<u>\$ 408,963</u>	<u>\$ 645,787</u>	<u>\$ 918,310</u>	<u>\$ 962,905</u>

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 17,883	\$ 59,229	\$ 45,155	\$ 28,192	\$ 31,467	\$ 14,445
406,132	329,933	441,823	728,236	905,535	839,194
<u>\$ 424,015</u>	<u>\$ 389,162</u>	<u>\$ 486,978</u>	<u>\$ 756,428</u>	<u>\$ 937,002</u>	<u>\$ 853,639</u>
\$ 1,981,344	\$ 49,049	\$ 13,626	\$ 14,814	\$ 16,877	\$ 47,587
415,755	255,124	222,476	145,394	45,130	26,870
-	-	-	-	-	-
972,593	9,183	176,741	104,707	58,977	92,006
851	846	846	-	-	-
<u>\$ 3,370,543</u>	<u>\$ 314,202</u>	<u>\$ 413,689</u>	<u>\$ 264,915</u>	<u>\$ 120,984</u>	<u>\$ 166,463</u>

CITY OF HUBBARD, OHIO

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

Collection Year	Real Property		Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2009	\$ 112,532,910	321,522,600	\$ 101,410	405,640	\$ 600,040	681,864
2008	112,379,640	321,084,686	2,183,955	8,735,820	661,420	751,614
2007	111,396,820	318,276,629	3,916,830	15,667,320	1,281,270	1,455,989
2006	110,505,450	315,729,857	5,149,762	20,599,048	1,467,660	1,667,795
2005	110,487,880	315,679,657	6,235,795	25,815,880	1,485,230	1,687,761
2004	98,799,000	282,282,857	6,490,903	25,963,612	1,577,660	1,792,795
2003	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	71,969,610	205,627,457	7,148,928	28,595,712	2,448,470	2,782,352

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.

Exemptions		Total			
Real Property	Assessed Value	Total Direct Tax Rate	Estimated Actual Value (1)	%	
\$ 10,596,670	\$ 113,234,360	4.30%	\$ 322,610,104	35.10%	
10,596,670	115,225,015	3.80%	330,572,119	34.86%	
10,526,180	116,594,920	3.80%	335,399,937	34.76%	
10,362,940	117,122,872	3.80%	337,996,701	34.65%	
8,312,500	118,208,905	3.80%	343,183,299	34.44%	
8,267,760	106,867,563	3.80%	310,039,265	34.47%	
8,125,200	106,056,503	3.80%	308,959,148	34.33%	
8,116,100	100,237,436	3.80%	291,790,196	34.35%	
8,097,060	98,063,602	3.80%	284,632,567	34.45%	
6,485,120	81,567,008	3.80%	237,005,521	34.42%	

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				Total Direct Rate
	General Rate	Fire District	Police Pension		
2009	2.80	1.20	0.30		4.30
2008	2.80	0.70	0.30		3.80
2007	2.80	0.70	0.30		3.80
2006	2.80	0.70	0.30		3.80
2005	2.80	0.70	0.30		3.80
2004	2.80	0.70	0.30		3.80
2003	2.80	0.70	0.30		3.80
2002	2.80	0.70	0.30		3.80
2001	2.80	0.70	0.30		3.80
2000	2.80	0.70	0.30		3.80

Tax Year/ Collection Year	Overlapping Rates				
	Trumbull County	Hubbard EVSD	Vocational School	Township (1)	Other (1)
2009	12.30	58.85	2.40	13.15	1.70
2008	11.10	58.45	2.40	14.40	1.20
2007	11.10	58.85	2.40	14.40	1.20
2006	11.10	53.05	2.40	14.40	1.20
2005	10.35	54.20	2.40	14.40	1.20
2004	10.35	54.20	2.40	14.40	1.20
2003	10.35	54.25	2.40	14.40	1.20
2002	10.35	54.35	2.40	14.40	1.20
2001	10.35	49.22	2.40	14.40	1.20
2000	10.35	48.26	2.40	12.65	1.20

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 NINE YEARS AGO

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Valley View Properties, Ltd.	\$ 688,250	1	0.61%
Cocca Development, Ltd.	653,950	2	0.58%
W.B.S. Company	648,940	3	0.58%
Gary D. Mayle	644,000	4	0.57%
Simon-Westview Ltd.	567,880	5	0.50%
McConnell Enterprises	562,810	6	0.50%
Kala Realty Ltd.	528,520	7	0.47%
Ball Corporation	518,250	8	0.46%
Anthony M. Villano	486,770	9	0.43%
SCP	460,290	10	0.41%
Total, Top Ten Principal Real Property Taxpayers	\$ 5,759,660		5.12%
Total City Real Property Assessed Valuation	\$ 112,532,910		

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

CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
PERSONAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO

December 31, 2009

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Bell Telephone Company	\$ 136,100	1	134.21%
New Cingular Wireless LLC	40,010	2	39.45%
New Par	11,100	3	10.95%
SprintCom Inc.	8,700	4	8.58%
Time Warner Cable Digital Phone	4,690	5	4.62%
Allegheny Communications	1,850	6	1.82%
Davel Communications	460	7	0.45%
CSM Wireless	170	8	0.17%
Total, Top Ten Principal Personal Property Taxpayers	\$ 203,080		200.26%
Total City Personal Property Assessed Valuation	\$ 101,410		

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

CITY OF HUBBARD, OHIO

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

December 31, 2009

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Edison	\$ 262,660	1	43.77%
Dominion East Ohio Gas Company	245,670	2	40.94%
Norfolk Southern Combined	82,440	3	13.74%
American Transmission Systems	24,320	4	4.05%
CSX Transportation	7,480	5	1.25%
American Municipal Power	950	6	0.16%
Total, Top Ten Principal Public Utility Taxpayers	<u>\$ 623,520</u>		<u>103.91%</u>
Total City Public Utility Assessed Valuation	<u>\$ 600,040</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

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
2009	\$ 328,321	\$ 308,914	94.09%	\$ 11,492	\$ 320,406	97.59%
2008	396,100	378,326	95.51%	14,387	392,713	99.14%
2007	394,680	374,965	95.00%	11,978	386,943	98.04%
2006	390,400	374,828	96.01%	13,695	388,523	99.52%
2005	377,790	357,559	94.64%	8,756	366,315	96.96%
2004	377,032	366,590	97.23%	11,150	377,740	100.19%
2003	350,748	340,268	97.01%	9,398	349,666	99.69%
2002	334,821	324,767	97.00%	7,381	332,148	99.20%
2001	331,420	320,902	96.83%	5,911	326,813	98.61%
2000	325,641	316,050	97.05%	9,147	325,197	99.86%

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
2009	\$ 771	\$ 555	71.98%	\$ 405	960	124.51%
2008	8,736	8,662	99.15%	258	8,920	102.11%
2007	17,261	17,199	99.64%	526	17,725	102.69%
2006	21,558	21,207	98.37%	532	21,739	100.84%
2005	26,694	26,553	99.47%	384	26,937	100.91%
2004	26,690	26,304	98.55%	580	26,884	100.73%
2003	26,243	26,144	99.62%	310	26,454	100.80%
2002	28,398	29,726	104.68%	379	30,105	106.01%
2001	29,562	30,696	103.84%	1,150	31,846	107.73%
2000	27,448	27,231	99.21%	378	27,609	100.59%

Source: Trumbull County Auditor

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

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CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
INCOME TAX WITHHOLDING
CURRENT YEAR AND NINE YEARS AGO

December 31, 2009				
Taxpayer	Number of Employees	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hubbard Board of Education	490	\$ 168,525	1	8.96%
Ball Aerosol & Specialty Container Corp.	124	58,372	2	3.10%
City of Hubbard, Ohio	95	41,090	3	2.19%
Devine Foods, Inc.	89	19,652	4	1.05%
Greenwood's Hubbard Chevrolet	57	19,165	5	1.02%
Delphi Automotive Systems	67	19,048	6	1.01%
Flying J, Inc.	99	15,167	7	0.81%
Villano Construction Company, Inc.	47	13,553	8	0.72%
Braydich Center for Advanced Dentistry	19	11,405	9	0.61%
State of Ohio	34	11,402	10	0.61%
Total, Top Ten Principal Income Tax Withholders		<u>\$ 377,377</u>		<u>20.07%</u>
Total Income Tax Collections, Year 2009		<u>\$ 1,880,517</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

CITY OF HUBBARD, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN 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
2009	1.50%	\$ 1,880,517	\$ 948,236	50.42%	\$ 133,427	7.10%
2008	1.50%	1,932,541	1,002,855	51.89%	114,793	5.94%
2007	1.50%	2,098,094	1,070,522	51.02%	190,717	9.09%
2006	1.50%	1,923,227	1,035,237	53.83%	161,303	8.39%
2005	1.50%	1,556,973	1,040,315	66.82%	111,685	7.17%
2004	1.00%	1,046,380	629,225	60.13%	65,920	6.30%
2003	1.00%	1,042,971	625,597	59.98%	76,278	7.31%
2002	1.00%	1,066,337	602,454	56.50%	92,300	8.66%
2001	1.00%	961,723	609,894	63.42%	58,858	6.12%
2000	1.00%	961,289	568,144	59.10%	82,872	8.62%

Source: The Regional Income Tax Agency

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	798,854	42.48%
	814,893	42.17%
	836,865	39.89%
	726,687	37.78%
	404,973	26.01%
	351,235	33.57%
	341,097	32.70%
	371,583	34.85%
	292,971	30.46%
	310,273	32.28%

CITY OF HUBBARD, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	Governmental Activities		Business-Type Activities				
	General Obligation Bonds	Capital Lease Obligations	Refunding BAN	Mortgage Revenue Bonds	OWDA Loans	OPWC Loans	Capital Lease Obligations
2009	\$ 3,600,000	\$ 72,010	\$ 1,790,000	\$ -	\$ 1,613,355	\$ 702,813	\$ 72,011
2008	3,990,000	93,892	2,195,000	-	1,718,032	730,802	93,892
2007	4,370,000	-	2,580,000	-	1,816,246	786,765	-
2006	4,740,000	-	-	3,475,000	1,908,397	842,728	-
2005	5,100,000	-	-	3,770,000	1,994,858	898,691	-
2004	-	-	-	4,055,000	2,075,982	954,654	-
2003	-	-	-	4,325,000	2,152,097	1,010,617	-
2002	-	-	-	4,585,000	2,223,513	814,671	-
2001	-	-	-	4,830,000	2,290,520	424,898	-
2000	-	-	-	5,065,000	2,353,390	337,376	-

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.
- (c) Total personal income and percentage of personal income information was unavailable. Bureau of Economic Analysis preliminary data to be released in May 2011 for data year 2009.

	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$	7,850,189	(c)	(c)	8,380	937
	8,821,618	31,911	0.36%	8,400	1,050
	9,553,011	29,314	0.31%	8,420	1,135
	10,966,125	28,859	0.26%	8,415	1,303
	11,763,549	27,720	0.24%	8,400	1,400
	7,085,636	26,859	0.38%	8,380	846
	7,487,714	26,314	0.35%	8,345	897
	7,623,184	25,358	0.33%	8,340	914
	7,545,418	25,326	0.34%	8,329	906
	7,755,766	25,582	0.33%	8,284	936

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
2009	\$ 3,600,000	\$ 3,600,000	1.12%	430
2008	3,990,000	3,990,000	1.21%	475
2007	4,370,000	4,370,000	1.30%	519
2006	4,740,000	4,740,000	1.40%	563
2005	5,100,000	5,100,000	1.49%	607

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

CITY OF HUBBARD, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009

<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)	\$ 3,600,000	100.00%	\$ 3,600,000
Overlapping debt:			
Hubbard Exempted Village School District (4)	175,000	53.04%	92,820
Trumbull County (5)	<u>16,388,024</u>	3.28%	<u>537,527</u>
Total direct and overlapping debt	<u>\$ 20,163,024</u>		<u>\$ 4,230,347</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>2009 Assessed Valuation</u>
City of Hubbard	113,417,200
Hubbard Township	98,620,060
Hubbard E.V. School District	212,042,433
Trumbull County	3,427,858,202

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
2009	\$ 11,889,608	3,600,000	\$ 8,289,608	30.28%
2008	12,098,627	3,990,000	8,108,627	32.98%
2007	12,242,467	4,370,000	7,872,467	35.70%
2006	12,297,902	4,740,000	7,557,902	38.54%
2005	12,411,935	5,100,000	7,311,935	41.09%
2004	11,221,094	-	11,221,094	0.00%
2003	11,135,933	-	11,135,933	0.00%
2002	10,524,931	-	10,524,931	0.00%
2001	10,296,678	-	10,296,678	0.00%
2000	8,564,536	-	8,564,536	0.00%

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>
2009	8,380	(5)	(5)	2,271	n/a
2008	8,400	268,052,400	31,911	2,374	10.9%
2007	8,420	246,823,880	29,314	2,368	6.3%
2006	8,415	242,848,485	28,859	2,384	6.3%
2005	8,400	232,848,000	27,720	2,435	6.8%
2004	8,380	225,078,420	26,859	2,512	6.9%
2003	8,345	219,590,330	26,314	2,306	7.6%
2002	8,340	211,485,720	25,358	2,319	5.8%
2001	8,329	210,940,254	25,326	2,366	6.1%
2000	8,284	211,921,288	25,582	2,438	5.3%

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 was unavailable. Bureau of Economic Analysis preliminary data to be released in May 2011 for data year 2009.

CITY OF HUBBARD, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	December 31, 2009		
	Employees	Rank	Percentage of Total City Employment
Hubbard Board of Education	490	1	42.10%
Ball Aerosol & Specialty Container	124	2	10.65%
Flying J, Inc.	99	3	8.51%
City of Hubbard, Ohio	95	4	8.16%
Devine Foods, Inc.	90	5	7.73%
Love's Travel Stop	86	6	7.39%
Delphi Automotive Systems	70	7	6.01%
Greenwood's Hubbard Chevrolet	57	8	4.90%
State of Ohio	34	9	2.92%
Braydich Center for Advanced Dentistry	19	10	1.63%
Total	1,164		100.00%

Employer	December 31, 2000		
	Employees	Rank	Percentage of Total City Employment
Hubbard Board of Education	492	1	33.36%
United States Can Company	319	2	21.63%
Delphi Automotive Systems	136	3	9.22%
Patton's IGA Supercenter	110	4	7.46%
Devine Foods, Inc.	110	5	7.46%
General Motors Corporation	94	6	6.37%
City of Hubbard, Ohio	88	7	5.97%
Greenwood's Hubbard Chevrolet	58	8	3.93%
Sharon Tube Company	43	9	2.92%
Gasser Chair Company	25	10	1.69%
Total	1,475		100.00%

Source: City of Hubbard, Income Tax Administration Division

CITY OF HUBBARD, OHIO

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

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
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	3.5	5.0	2.0	2.0	2.0	2.0	2.0	1.0	1.5	1.5
Full-Time	14	14	15	15	15	13	13	13	13	13
Police Dispatchers										
Part-Time	2.5	4.0	1.0	1.0	1.0	0.5	1.5	0.0	1.0	1.0
Full-Time	4	4	4	4	4	4	4	4	4	4
Fire										
Volunteer officers	5	5	5	5	5	5	6	6	6	6
Volunteer fire fighters	30	29	28	28	28	26	26	26	28	28
Community Environment										
Engineering	1	1	1	1	1	1	1	1	1	1
Leisure Time Activity										
Recreation	5	5	5	5	4	4	4	4	4	4
Sewer										
Waste Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water										
Water	4	4	5	5	5	4	4	4	4	4
Electric										
Electric	12	12	12	12	12	12	14	14	14	14
Total	104.00	106.00	101.00	101.00	100.00	94.50	98.50	96.00	99.50	99.50

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 TEN YEARS

Function/Program	2009	2008	2007	2006
Security of persons and property				
Police				
Physical arrests	185	203	188	146
Parking violations	214	221	264	334
Traffic citations	730	576	612	680
Traffic accidents	205	233	88	94
Stations	1	1	1	1
Marked patrol units	9	10	10	11
Unmarked patrol units	4	4	3	2
Calls for service answered	9,452	9,660	10,163	6,457
Fire (1)				
Stations	N/A	N/A	1	1
Fire engines	N/A	N/A	4	4
Calls answered	N/A	N/A	143	214
Calls answered within City	N/A	N/A	53	80
Calls answered within Township	N/A	N/A	90	134
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	4	4	3	3
Baseball fields	1	1	1	1
Restroom facilities	1	1	1	1
Transportation				
Center lane miles of streets	29.59	29.59	29.59	29.59
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	894	890	887	887
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	30.46
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	3,297	3,348	3,314	3,287
Daily average treatment in millions gallons	542,000	712,504	678,575	590,731
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	3,660	3,664	3,670	3,619
Number of fire hydrants	386	388	387	383
Daily average consumption in gallons	584,437	931,492	804,212	716,483

2005	2004	2003	2002	2001	2000
361	72	275	298	407	340
404	377	70	275	223	208
657	973	639	741	1,216	864
119	N/A	N/A	N/A	N/A	N/A
1	1	1	1	1	1
11	7	8	7	9	9
2	2	2	3	2	2
6,368	7,069	5,905	5,776	5,588	4,653
1	1	1	1	1	1
4	4	4	4	4	4
196	141	192	142	143	182
74	46	63	57	63	62
122	95	129	85	80	120
N/A	N/A	50	55	26	10
2	2	2	2	2	2
8.15	8.15	8.15	8.15	8.15	8.15
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
1	2	2	2	2	2
29.49	29.39	29.39	29.39	29.39	28.99
7.50	7.50	7.50	7.50	7.50	7.25
4	4	4	4	4	4
0.03	0.03	0.03	0.03	0.03	0.03
885	885	875	865	865	864
8	8	8	8	8	8
1	1	1	1	1	1
30.46	29.66	29.66	29.66	29.51	29.51
16.25	16.25	16.25	16.25	16.25	16.25
4	4	4	4	4	4
3,285	3,285	3,277	3,266	3,239	3,223
587,436	595,021	2,160,000	2,150,000	2,000,000	2,000,000
17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
50.25	50.25	50.25	50.25	50.1	50.1
1	1	1	1	1	1
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
3,613	3,613	3,607	3,605	3,568	3,559
382	382	376	397	394	387
715,572	730,240	961,087	1,090,734	1,088,168	1,115,371

CITY OF HUBBARD, OHIO

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

Function/Program	2009	2008	2007	2006
Electric				
Total miles of electric service	55.15	55.15	55.15	55.15
Electric 23 KV Transmission System				
Miles of transmission services	4.23	4.23	4.23	4.23
Number of transmission poles	114	115	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	7,150	7,150	7,055	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	1,592	1,589	1,585	1,585
Number of pole mount transformers	615	616	614	614
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	9.04	9.04	9.01	9.01
Number of pad mount single phase transformers	85	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	3,402	3,423	3,413	3,478
Number of demand residential service connections	11	11	12	11
Number of general service small (commercial) connections	434	435	463	357
Number of general service large (industrial) connections	1	1	1	1
Number of security light connections	105	228	100	159
Distribution System Service Connections				
Daily average gross consumption in kilowatt hours	163,215	172,808	177,642	182,438
Daily average consumption in kilowatt hours-billed to consumers	138,544	148,154	165,469	162,357

Source: City of Hubbard

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

2005	2004	2003	2002	2001	2000
55.15	55.05	55.05	55.05	55.05	46.90
4.23	4.23	4.23	4.23	4.23	4.69
111	111	111	111	111	111
3	3	3	3	3	3
22,326	22,326	22,326	22,326	22,326	22,435
66,978	66,978	66,978	66,978	66,978	67,305
2,335	2,335	2,335	2,335	2,335	2,335
7,005	7,005	7,005	7,005	7,005	7,005
45.01	45.01	45.01	44.76	50.82	42.21
36.00	36.00	36.00	35.75	35	35
1,585	1,578	1,578	1,576	1,539	1,514
614	613	613	604	591	582
189,144	189,144	189,144	188,744	183,388	179,710
366,019	366,019	366,019	365,619	350,489	339,365
96,834	96,834	96,834	96,434	95,965	96,010
96,834	96,834	96,834	96,434	95,965	96,010
7,745	7,745	7,745	7,745	7,745	7,745
15,490	15,490	15,490	15,490	15,490	15,490
84,565	84,565	84,565	84,565	79,678	75,955
253,696	253,696	253,696	253,695	239,034	227,865
30,060	30,060	30,060	29,660	22,662	36,022
167,421	167,421	167,421	167,421	166,984	166,243
346,193	346,193	346,193	346,193	345,753	347,655
9.01	9.01	9.01	9.01	16.09	8.17
84	84	84	84	83	77
37	37	37	37	35	34
47,703	47,703	47,703	47,553	84,926	43
88,269	88,269	88,269	87,819	15,528	79,900
27,420	27,420	27,420	27,420	27,185	24,730
27,420	27,420	27,420	27,420	15,528	24,730
20,283	20,283	20,283	20,133	57,741	18,390
60,849	60,849	60,849	60,399	0	55,170
15,528	15,528	15,528	15,528	15,368	14,693
15,528	15,528	15,528	15,528	15,368	14,853
3,471	3,454	3,435	3,381	3,388	3,360
11	12	59	59	59	59
357	363	366	326	298	300
1	1	1	1	1	1
157	153	154	217	212	182
182,850	173,423	168,196	165,968	159,380	156,357
161,907	154,197	142,966	142,270	138,624	135,991

CITY OF HUBBARD, OHIO

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

Function/Program	2009	2008	2007	2006	2005
<u>General Government</u>					
Land	597,871	597,871	597,871	597,871	\$ 597,871
Land Improvements	75,791	82,201	88,612	95,022	10,086
Building and Improvements	-	-	-	-	-
Equipment	15,047	21,048	29,475	40,500	37,109
Vehicles	-	-	798	2,395	5,425
Construction in Progress	-	-	98,350	66,963	713,399
	<u>688,709</u>	<u>701,120</u>	<u>815,106</u>	<u>802,751</u>	<u>1,363,890</u>
<u>Security of Persons and Property</u>					
Land	-	-	-	-	-
Land Improvements	174,215	187,133	98,754	105,137	-
Building and Improvements	1,326,774	1,363,312	1,399,849	1,436,387	20,898
Equipment	79,647	105,662	131,678	138,475	20,025
Vehicles	90,708	128,090	133,507	187,045	241,811
	<u>1,671,344</u>	<u>1,784,197</u>	<u>1,763,788</u>	<u>1,867,044</u>	<u>282,734</u>
<u>Transportation</u>					
Land	-	-	-	-	-
Land Improvements	134,643	145,481	156,318	167,156	-
Building and Improvements	347,580	32,953	36,202	39,451	42,906
Equipment	83,559	101,145	118,731	136,317	126,924
Vehicles	169,134	205,812	119,673	150,507	103,969
Infrastructure	1,851,163	2,124,683	2,108,672	2,201,409	2,464,828
	<u>2,586,079</u>	<u>2,610,074</u>	<u>2,539,596</u>	<u>2,694,840</u>	<u>2,738,627</u>
<u>Leisure Time Activity</u>					
Land	-	-	-	-	-
Land Improvements	6,595	7,546	8,497	10,394	6,048
Building and Improvements	13,270	13,980	14,690	15,400	16,110
Equipment	-	-	-	-	-
Vehicles	2,635	4,391	6,148	7,905	9,662
	<u>22,500</u>	<u>25,917</u>	<u>29,335</u>	<u>33,699</u>	<u>31,820</u>
<u>Total Capital Assets, Net</u>					
Land	597,871	597,871	597,871	597,871	597,871
Land Improvements	391,244	422,361	352,181	377,709	16,134
Building and Improvements	1,687,624	1,410,245	1,450,741	1,491,238	79,914
Equipment	178,253	227,855	279,884	315,292	184,058
Vehicles	262,477	338,293	260,126	347,852	360,867
Infrastructure	1,851,163	2,124,683	2,108,672	2,201,409	2,464,828
Construction in Progress	-	-	98,350	66,963	713,399
	<u>\$ 4,968,632</u>	<u>\$ 5,121,308</u>	<u>\$ 5,147,825</u>	<u>\$ 5,398,334</u>	<u>\$ 4,417,071</u>

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

<u>2004</u>	<u>2003</u>
\$ 37,348	\$ 37,348
-	-
36,784	48,480
80,457	79,099
5,590	7,110
-	-
<u>160,179</u>	<u>172,037</u>
179,819	179,819
-	-
6,970	4,594
88,609	89,632
169,100	206,188
<u>444,498</u>	<u>480,233</u>
427,696	427,696
-	-
35,107	23,139
99,696	95,816
47,694	59,181
2,132,056	1,958,617
<u>2,742,249</u>	<u>2,564,449</u>
12,235	12,235
22,440	24,901
7,997	3,998
5,362	5,237
6,152	3,913
<u>54,186</u>	<u>50,284</u>
657,098	657,098
22,440	24,901
86,858	80,211
274,124	269,784
228,536	276,392
2,132,056	1,958,617
-	-
<u>\$ 3,401,112</u>	<u>\$ 3,267,003</u>

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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 30, 2010**