



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF HUBBARD
TRUMBULL COUNTY**

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

City of Hubbard
Trumbull County
P.O. Box 307
220 West Liberty Street
Hubbard, Ohio 44425

We have audited the financial statements of City of Hubbard as of and for the year ended December 31, 2001, and have issued our report thereon dated June 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Hubbard's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated June 17, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Hubbard's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City of Hubbard in a separate letter dated June 17, 2002.

This report is intended for the information and use of the audit committee, management, and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 17, 2002

CITY OF HUBBARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

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, 2001

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MICHAEL C. VILLANO, CPA
AUDITOR

June 17, 2002

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

The Comprehensive Annual Financial Report (CAFR) of the City of Hubbard, Ohio, (the "City") for the fiscal year ended December 31, 2001, is hereby presented. As required by State of Ohio law, general purpose local governments presenting a CAFR are required to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). Accordingly, this report has been prepared in accordance with GAAP as set forth by the Governmental Accounting Standards Board (GASB).

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 the management of the City, and in particular, the City Auditor's Office. To provide a reasonable basis for making these assertions, management of the City 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. And as such, the City's internal control structure has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed representations are accurate in all material respects and are presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities and status have been included.

The CAFR is presented in the following three sections:

1. *Introductory Section* — This section introduces the reader to the report and contains a title page, table of contents, this transmittal letter, an organizational chart of the City government, a list of principal City officials, and the 2000 City of Hubbard Certificate of Achievement for Excellence in Financial Reporting. This section is unaudited.
2. *Financial Section* — This section includes the general purpose financial statements (GPFS), the combining and individual fund and account group financial statements and schedules, as well as the report of independent accountants on these financial statements and schedules. The GPFS are the City's basic financial statements and provide an overview for the users who require less detailed information than is contained in the remaining portions of the report. Additional detail relative to the GPFS is provided with the combining and individual fund and account group statements and schedules.
3. *Statistical Section* — This section, which is unaudited, presents selected financial, economic, and demographic information relative to the City, generally presented on a multi-year basis.

REPORTING ENTITY

For financial reporting purposes, the City includes all funds, account groups, agencies, boards, commissions, and departments for which the City is financially accountable. The City is the only governmental unit in the reporting entity; it has no component units.

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

The City participates in the Municipal Energy Services Agency which is an Intergovernmental Joint Venture Agreement which is described further in Note 2A of the GPFS.

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 Ohio Municipal Electric Generation Agency Joint Ventures (OMEGA JV1 and OMEGA JV5) are described and discussed further in Note 2A of the GPFS.

The City has entered into a contractual agreement with Hubbard Township (the "Township") and the Hubbard Volunteer Fire Department, Inc. (HVFD) to provide fire protection services to the citizens of the City and the Township. The City and the Township share equally (fifty percent) in the cost of operating the HVFD. The City's share of costs is reported as a separate special revenue fund in the City's GPFS. The contractual agreement with the HVFD is further described in Note 2A of the GPFS.

In the December 2001, the City entered into a contractual agreement with Hubbard Township forming the Hubbard Township-City of Hubbard Joint Economic Development District (J.E.D.D.). The J.E.D.D. is a means to facilitate economic growth, create jobs, and expand overall employment opportunities within the City and Township without the need for land annexation. The City's participation is classified as a joint venture with equity interest and is further described in Note 2A of the GPFS.

A complete discussion of the City's reporting entity is provided in Note 2 of the GPFS.

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 of 8,284 with direct proxemic access to Interstate 80, United States Route 62, and 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 20,000 people—Warren, Youngstown, Niles, and Sharon, 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 administrating 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 monthly bank reconciliations.

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.

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 11,700 manufacturing plants, 12,500 wholesale distribution centers, and 46 Fortune 500 industrial, service, and corporate world headquarters. The residents greatly benefit from and have easy 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 experiences economic growth and expansion despite the transition of workforce demographics.

During 2001, the economic condition of the City satisfied expectations despite the overall national economic recession. Although extensive lay-offs in the manufacturing sector occurred during 2001, the City collected \$961,723 in local income taxes. Following the September 11, 2001, terrorist attacks, a much greater economic impact was anticipated with regard to income tax collections and investment earnings on idle funds—the actual impact experienced was not as severe as the anticipated effect.

In an effort to encourage business ventures to enter into long-term commitments within the City, the City actively participates in the Enterprise Zone Program sponsored by Trumbull County and the State of Ohio. Since 1983, Trumbull County has assisted businesses expand or locate within the County through the use of this aggressive economic development program. The Enterprise Zone Program permits ad valorem property tax abatements for new real and personal property. Trumbull County's Enterprise Zone is one of the largest and most successful in the State of Ohio with over 100 agreements in seventeen local communities. During 2001, the City of Hubbard participated with three Enterprise Zone Agreements for businesses located within the City.

The United States Can Company, the City's second largest employer, participated in an Enterprise Zone Agreement with the City and County by pledging creation of 25 new jobs and a personal property investment commitment of \$2,500,000. In 2001, US Can created 6 new jobs, in addition to the 20 previously created under the agreement, and made actual personal property investments of \$3,844,313. J.P. Marsh and Company created 6 new jobs under an Enterprise Zone Agreement with investments of \$368,000 in the construction and improvements to real property.

Lighting Products, Inc., an Enterprise Zone Program participant since August 2000, initially pledged to create 157 new jobs and agreed to invest \$6,225,000 in their project. Based upon the 2001 review of Lighting Products' agreement, 39 employees had been transferred from their Mentor, Ohio facility, and 17 new jobs were created. In addition, the company's plan to invest an additional \$5,225,000 over three years in real/personal property at the site yielded a real property renovation investments of \$1,111,040 and personal property investments of \$1,726,650 during 2001.

In addition to the City's participation in the Enterprise Zone Program sponsored by Trumbull County, 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 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.

Following the creation of the J.E.D.D., plans were announced by Flying J, Inc. of Ogden, Utah to locate an \$8.5 million travel plaza and service center within the district. Flying J began in 1968 as a small petroleum marketing company with four local gas stations. Today, Flying J is ranked 46th among *Forbes'* 500 largest privately owned companies with 2001 sales exceeding \$4.2 billion nationwide. The company services its 149 travel plazas and fuel centers throughout the United States and Canada with over 10,000 employees. Project planning continued throughout 2001 and construction of the facility is anticipated to begin in the summer of 2002.

In addition to efforts to promote commercial development within the City, residential expansion also contributes to the City's economic vitality. Since 1998, the City gained approximately 93 new housing units comprised largely of single-family homes and condos ranging in value from \$100,000 to over \$250,000. Current single-family home construction is primarily based in four new subdivisions—Eastwood Meadows, Jerry Drive, Timberpoint, and Woodland Ridge. Likewise, development of condo and villa communities continued with new units constructed in the Timberpoint development. During 2001, the City has also experienced six units of commercial construction and renovation. The largest commercial development project was the construction of a new CVS Pharmacy with a market value of \$2.792 million.

Beyond the commercial and residential development within the City, zoning issues were finalized with regard to annexation of 153.633 acres now known as Pine Lakes Golf Course. Restoration of the Powell Estate on the property neared completion in 2001, and will re-open as Julia's Bed and Breakfast. The golf course construction and rehabilitation continued during 2001 with two new golf holes opening. Preliminary plans were reviewed for the proposed residential and condominium development slated to be known as Pine Lakes Estates. Construction and development on the project is anticipated to continue for seven to ten years.

Also, adjacent to Pine Lakes Golf Course the City authorized annexation of 7.108 acres of land including the Bell Wick Bowling Alley.

In order to better illustrate the number of building permits (including commercial, industrial, both remodeling and new construction) and estimated value of the construction over the past five years, the following table has been compiled (for further detail see Statistical Section pages S18-S19):

<u>Year</u>	<u>Number of Permits</u>	<u>Approximate Value</u>
2001	21	\$ 3,088,000
2000	24	2,940,408
1999	32	2,962,000
1998	29	2,993,130
1997	22	1,944,500

Aside from commercial and residential development, the City has also engaged in localized utility rehabilitation projects in order to provide improved service and quality control. The City Water and Electric Departments engaged in various rebuild and waterline replacement projects throughout 2001 to insure the highest quality service for the utilities' new as well as existing customers.

The residential and commercial growth throughout the City and surrounding area support a positive economic trend which is expected to continue into the future.

MAJOR INITIATIVES – CURRENT AND FUTURE PROJECTS

Throughout 2001, a number of projects were initiated enabling the City to operate with increased efficiency as well as compete for commercial and industrial development promoting an atmosphere conducive for job retention and growth.

PUBLIC SAFETY

Underscoring the City administration's commitment to making public safety our number one priority, the City's Department of Public Safety continued its effort to improve the quality of equipment for its safety forces. During 2001, Sergeant James Taafe secured one of two Local Law Enforcement Block grants awarded in the State of Ohio by the Office of Criminal Justice Services. The grant enabled the City to purchase and install various new pieces of computer equipment for expansion of the City's Ohio Incident Based Reporting System (OIBRS). Also, the Department of Public Safety sponsored several training programs to enhance the officer's skills in various areas of public safety.

In July 2001, the Hubbard Volunteer Fire Department, in conjunction with Hubbard Township and the City of Hubbard, placed into service a new Sutphen fire engine.

PUBLIC WORKS

Expanding the commitment to public safety, the installation of a fourth severe weather emergency warning system on the east side of the City was completed during the Summer of 2001. The warning system is located at Triangle Drive in the City's Fourth Ward. This site was selected due to the densely populated Hubbard Estates area. The City maintains three other emergency warning systems located at the fire station, Street Department, Hubbard High School.

The City engaged in an annual street resurfacing program focusing resources in areas of the community where streets required rehabilitation and resurfacing to prevent further damage. In 2001, the City sponsored a paving program that improved the Gulf View Heights neighborhood along Acacia Drive, Juniper Drive, Palmetto Drive, Buckeye Drive, Dogwood Drive, and Maple Leaf Drive. In addition to these streets, the City also paved a portion of Fifth Avenue as well as Corll Street and Princeton Avenue. A total of 1.43 miles of roadway were paved at a cost of \$64,172.42 paid from City revenues and \$19,131.90 paid through Federal Community Development Block Grant (CDBG) program monies.

Storm water improvement projects continued with the replacement of damaged storm sewers in the Fairchild Drive neighborhood.

UTILITY SERVICE

The goals of the City Utility Service departments are improving service and increasing quality while controlling costs. During 2001, various programs were undertaken to achieve these objectives.

The City Light Department completed engineering and construction of three-phase rebuild work on North Main Street to convert the Truck World complex service from underground to overhead lines. This project was initiated due to significant deterioration of the underground infrastructure and continual interruptions throughout the service area. Also, the Department completed single-phase overhead rebuilds along Christian Avenue to repair deteriorated facilities and provide increased load capacities. Engineering and construction was completed of three-phase underground feeder line extensions to service new villas in the Timberpoint Development.

In order to insure a more stable electrical system, financing and engineering for the construction of 5.5 megawatts of electric generation capacity began in late 2001. This additional capacity will have the capability of servicing nearly 1/3 of the entire City's load. The project is anticipated to be completed during the summer of 2002.

During 2001, the Light Department completed the installation of a second 23KV delivery point on Caroline Avenue for increased citywide system reliability.

The City Water Department engaged in a variety of projects during 2001 to improve quality and efficiency of water service throughout the City. The Myron Street Waterline Replacement Project was finalized in October 2001 completing replacement of 3,915 feet of 12" water main distribution line and 150 feet of 8" service lines. The project cost was paid with a \$151,528 grant and a \$157,713 loan through the Ohio Public Works Commission Issue II program and the City of Hubbard Water Department paid the remaining \$138,934 of project costs as a local match. The City also secured over \$900,000 in Issue II funding for the upgrade and replacement of the North Main Street water main.

In June 2001, the City opened its newly constructed Water Department storage and operations building. The facility was built on City's public works and utility service center property located at 820 North Main Street. The building features over 5,000 square feet of office, storage, and garage space housing the City's Water Department.

The Water Department completed several valve replacements throughout the community as well as installation of over 20 new fire hydrants. Also during the year, the Water Department installed three new water meter pits for servicing the sprinkler system at Hubbard High School as well as repairing 42 water breaks and completion of various new water taps throughout the City and Township service areas.

The City of Hubbard Sewer Department upgraded sanitary sewer service on West Water Street with the replacement of 200 feet of sewer main repairing separated tile and eliminating root infiltration. Also, sewer mains were repaired along Hillcrest Street, Oak Knoll Drive, Parkview Drive, South Main Street, and North Main Street.

In order to improve waste water treatment plant efficiency and capacity, grit channel and collectors were rebuilt. Also, a new polymer feeder was installed as well as rebuilding of plant effluent pumps and blowers. A new sampler was installed in the MCC room. Further, new air lines and filtration systems were installed in the clarifier bunker. These upgrades will aid in the continued operation of the plant while meeting or exceeding the standards as required by the Ohio Environmental Protection Agency for the processing and treatment of waste water.

GENERAL GOVERNMENT

In 2001 the City introduced a Direct Debit payment program for acceptance of utility payments as well as Direct Deposit for payroll. Both programs have experienced participation far exceeding initial expectations. In addition to offering new payment alternatives in the Utility Billing Division, the City also introduced a redesigned utility bill. The new form increases customer privacy, expedites processing, and enables the United States Postal Service to automate sorting.

FINANCIAL INFORMATION

BASIS OF ACCOUNTING

The City's accounting system is organized on the basis of fund or account groups, each of which is considered a distinct, self-balancing accounting entity. Although the City maintains its day to day accounting records on a cash basis, the City has prepared its CAFR for the year ended December 31, 2001, on a modified accrual basis of accounting for the governmental and agency funds, and on an accrual basis for proprietary funds according to GAAP. The modified accrual basis of accounting recognizes revenue when measurable and available and expenditures when goods or services are received. The accrual basis of accounting recognizes revenue when measurable and available and expenditures when incurred. The basis of accounting for the City's various funds and account groups is fully described in Note 2C of the GPFS.

INTERNAL CONTROL

The City is committed to the highest standards of integrity and excellence in its financial reporting and accounting procedures. In order to maintain a high level of confidence in the City's financial reporting system, management believes that internal controls provide reasonable assurance that assets are safeguarded, transactions are recorded and reported appropriately, and policies are followed. The concept of reasonable assurance recognizes that the cost of a control procedure should not exceed the benefit derived from its implementation. As a part of the City's control structure, management continually promotes internal control consciousness throughout the organization.

BUDGETARY CONTROL

The annual appropriation ordinance, or budget, serves as the foundation for the City's financial planning and control. In June of each year, the City Auditor provides each department an estimate of revenue receipts for the following fiscal year. All departments of the City are then required to submit requests for appropriation to the City Auditor by the first week of August. The City Auditor uses these requests as a starting point for developing a proposed budget. A complete budget proposal and revenue forecast is presented to City Council for their review prior to September 30th. The Council holds public hearings with regard to each department's proposed budget and the final budget is adopted by December 31st—the close of the City's fiscal year. Periodically, Council operates for the first three months of the budgetary year on a temporary budget, passing the final budget by the March 30th statutory deadline. However, this practice is limited for use during periods of uncertain and adverse

budgetary conditions. Generally, the City adopts its final budget prior to December 31st of the preceding budgetary year. The appropriated budget is prepared by fund, function (i.e. security of persons and property), department (i.e. police), and line item (i.e. salaries). This is known as the legal level of budgetary control. Any changes in appropriations outside of the legal level of budgetary control require the approval of Council by an appropriation amendment ordinance. Budget-to-actual comparisons are provided in this report for all funds for which an appropriated annual budget has been adopted by City Council.

The City uses a fully automated accounting system. In order to maintain proper budgetary control, all expenditures are subjected to the controls afforded by the purchasing procedure. Purchase requisitions are submitted to the City Auditor's Office by department heads following approval by the Service or Safety Director; the purchase order is generated encumbering the necessary funds; revenue resources are certified as available and properly appropriated for expense by the City Auditor; the purchase order is released to the vendor. Those purchase requisitions which, if issued as a purchase order, exceed the available line item appropriations authorized are rejected until additional resources are secured. A computerized appropriation system enables the City Auditor's office to ascertain the status of a department's appropriations prior to authorizing additional purchases from a particular line item. Encumbrances do not lapse at year-end and are included as expenditures in the current budget year (non-GAAP budgetary basis). Additional information regarding the City's budgetary accounting controls can be found in the Note 2D of the GPFS.

Virtually all general government services of the City (i.e. administration, street construction and maintenance, cemetery, police and fire protection) have been financed with resources from the general fund and special revenue funds. Utility operations are financed with resources generated by their respective enterprise funds.

General fund revenues include property taxes, 65% of net City income tax collections, shared intergovernmental taxes, inheritance taxes, allocations of investment earnings, and other revenues provided by the residents of the City. The special revenue funds used for general services include property taxes for fire protection and intergovernmental as well as intragovernmental revenues for streets.

GENERAL GOVERNMENT FUNCTIONS

The following schedule presents a summary of revenue by source for the fiscal year ended December 31, 2001 for all governmental fund types (governmental fund types are comprised of the general, special revenue, and capital projects funds). Also presented are the amounts and percentages of increases and decreases in relation to revenues by source for the year ended December 31, 2000.

<u>Revenue by Source</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Increase or (Decrease)</u>	<u>Percent Change</u>
Municipal Income Tax	\$ 952,071	38.12%	\$ 994,671	38.04%	\$ (42,600)	-4.28%
Property and Other	316,350	12.67%	316,478	12.10%	(128)	-0.04%
Local Taxes						
Charges for Services	300	0.00%	300	0.01%	-	0.0%
Licenses, Permits, and Fees	52,631	2.11%	36,407	1.39%	16,224	44.56%
Fines and Forfeitures	70,669	2.83%	51,310	1.96%	19,359	37.73%
Intergovernmental	726,369	29.08%	705,513	26.99%	20,856	2.96%
Investment Income	340,155	13.62%	441,245	16.88%	(101,090)	-22.91%
Other	39,220	1.57%	68,590	2.63%	(29,370)	-42.82%
Total Revenues	<u>\$ 2,497,765</u>	100.00%	<u>\$ 2,614,514</u>	100.00%	<u>\$ (116,749)</u>	-4.47%

Municipal income tax, property and other taxes, and intergovernmental revenues are the major components of the City's general government revenues and represent \$1,994,790 or 79.87% and \$2,016,662 or 77.12% of fiscal 2001 and 2000 revenues respectively. Property and other local taxes include real estate taxes and personal property taxes.

The \$42,600 or 4.28% decrease in municipal income tax collections was primarily due to national economic downturn as well as the local impact of increased unemployment and joblessness as well as increasing numbers of retirees living within the City.

The decrease of \$128 or 0.04% in property and other local taxes is a result of the slight increase in delinquent property taxes due to the County at the end of 2001.

Charges for services are composed of fees charged by the Mayor for marriages. During 2001, the Mayor performed the same number of weddings as in 2000.

Licenses, Permits and Fees increased by \$16,224 or 44.56% in 2001 because of continued growth in zoning permit requests for residential construction in various housing developments throughout the City as well as the large commercial construction projects at the Hubbard Public Library, CVS Pharmacy, and Kelley-Robb Funeral Home.

The \$19,359 or 37.73% growth of revenue from Fines and Forfeitures was a result of significantly more citations and cases processed by the City of Hubbard Mayor's Court during 2001.

Intergovernmental revenues are primarily comprised of State and local grants, local government and local government revenue assistance funds, motor vehicle taxes, license taxes, inheritance taxes, and other State shared revenues designed to assist the City with major operations for the general benefit of the residents of the City. Intergovernmental revenues increased by \$20,856 or 2.96% from 2000 to 2001 due to the City's receipt of an Ohio Office of Criminal Justice Services Local Law Enforcement Block Grant in the amount of \$5,950. Also, the City received increased allocations of local government and local government revenue assistance monies from Trumbull County during 2001.

The City did not have any special assessments during the reporting year.

Investment income decreased in 2001 by \$101,090 or 22.91% over 2000 investment earnings due to drastic cuts in interest rates by the Federal Reserve Bank throughout the year—especially the aggressive monetary policy actions following the September 11, 2001, terrorist attacks.

The decrease of \$29,370 or 42.82% in Other Miscellaneous Revenues was the result of the Bureau of Workers Compensation discontinuance of its premium reimbursement program in the 2001 policy year.

The following schedule presents a summary of expenditures by function for the fiscal year ended December 31, 2001 for all governmental fund types (governmental fund types are comprised of the general, special revenue, and capital projects funds). Also presented are the amounts and percentages of increases and decreases in relation to expenditures by function for the year ended December 31, 2000.

<u>Expenditures by Function</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Increase or (Decrease)</u>	<u>Percent Change</u>
<i>Current:</i>						
General Government	\$ 339,749	13.50%	\$ 348,155	13.30%	\$ (8,406)	-2.41%
Security of Persons and Property	1,374,984	54.66%	1,324,594	50.57%	50,390	3.80%
Public Health and Welfare	29,314	1.17%	27,857	1.06%	1,457	5.23%
Transportation	515,212	20.48%	502,597	19.19%	12,615	2.51%
Community Environment	1,600	0.06%	3,445	0.13%	(1,845)	-53.56%
Leisure Time Activities	26,500	1.05%	29,427	1.12%	(2,927)	-9.95%
Economic Development	-	0.00%	200	0.01%	(200)	-100.00%
Other	983	0.04%	985	0.04%	(2)	-0.20%
Capital Outlay	211,397	8.40%	362,308	13.83%	(150,911)	-41.65%
<i>Debt Service:</i>						
Principal Retirement	6,335	0.25%	17,646	0.67%	(11,311)	-64.10%
Interest and Fiscal Charges	9,697	0.39%	2,224	0.08%	7,473	336.02%
Total Expenditures	<u>\$ 2,515,771</u>	100.00%	<u>\$ 2,619,438</u>	100.00%	<u>\$ (103,667)</u>	-3.96%

General government, security of persons and property, and transportation are the major components of the City's expenditures and represent \$2,229,945 or 88.64% and \$2,175,346 or 83.05% of fiscal 2001 and 2000 expenditures respectively.

General government expenditures decreased due to the focus on spending reductions as a component of budget stabilization. Security of persons and property and transportation expenditures increased primarily due to contractual wage increases of 3%. General government expenditures also reflect the City's completion of its 2001 financial audit and first year CAFR for a total cost to the general fund of \$29,202 in 2001 and \$21,601 in 2000. Also, a contribution of \$7,500 was made to the Hubbard Union Cemetery to aid with the cost of developing a new section of the cemetery.

Security of persons and property expenditures increased due to contractual 3% wages increases and the advancement of two police officers to the third hourly wage level tier of the union contract.

Transportation costs increased primarily due to the 3% wage increase resulting from the current union contract. Also, in September 2001 the City paid a contractual three-year retirement buy-out for a retirement of a Street Department employee. The Street Department's cost of the Public Employees Retirement System service credit buy-out totaled \$16,279.

Community environment experienced a \$1,845 or 53.56% decrease in expenditures due to legal fees for zoning litigation which occurred, and were paid, in 2000.

Expenditures decreased for leisure time activities during 2001 due to fewer maintenance and repair projects in the Recreation Department.

Capital expenditures decreased by \$150,911 or 41.65% in 2001 due to fewer capital acquisitions. The City made final payment of \$33,837 to the Sutphen Corporation in June 2001 upon delivery of the new fire engine. The decrease can also be attributed to expenditures in 2000 relating to the City's deposit on the construction of the fire engine of \$105,750 as well as the purchase of two new police cars at a cost of \$40,930. However, in 2001, the City incurred expenditures of \$64,172 paid to Diorio Paving for the 2001 street resurfacing program and \$19,132 expenditure to Butch & McCree Paving for the CDBG street resurfacing program.

GENERAL FUND

General fund revenues under the modified accrual basis of accounting totaled \$2,054,788 during 2001. The primary sources of revenue to the general fund were income taxes, investment income, and intergovernmental revenues which amounted to \$1,698,706 or 82.67% of total revenue.

General fund expenditures under the modified accrual basis of accounting totaled \$1,600,512 during 2001. General government and security of persons and property functions accounted for \$339,749 or 21.23% and \$1,233,732 or 77.08% of general fund expenditures, respectively.

General fund other financing sources and uses include \$35 in proceeds from the sale of fixed assets. During 2001, the general fund made operating transfers out of \$402,372 to various funds.

General fund balance increased \$53,289 from \$883,713 at December 31, 2000 to \$937,002 at December 31, 2001. The General fund balance at December 31, 2000, was restated due to the implementation of GASB Statements No. 33 and 36 (see Note 3A of the GPFS for further detail).

SPECIAL REVENUE FUNDS

Revenue receipts in the special revenue funds totaled \$423,845 during 2001. Of this total, property and other taxes and intergovernmental revenues represent \$88,331 or 20.84% and \$299,011 or 70.55%, respectively. Property and other tax revenues increased by \$156 from \$88,175 in 2000 to \$88,331 in 2001 primarily due to new residential development throughout the City. Intergovernmental revenues consist primarily of shared license and gasoline excise taxes from both the State of Ohio and Trumbull County to be used for the repair of local roads and state highways located within the corporation limits of the City. The intergovernmental revenues are comprised primarily of State and Federal grants for the security of persons and property in the form of United States Department of Justice Community Oriented Policing (COPS) Universal Hiring Program grant and State of Ohio Office of Criminal Justice Services Ohio Incident Based Reporting System (OIBRS) Local Law Enforcement Block Grant (LLEBG).

Special revenue fund expenditures under the modified accrual basis of accounting totaled \$777,174 during 2001. Special revenue incurred costs for transportation, security of persons and property, and capital outlays amounting to \$515,212 or 66.29%, \$141,252 or 18.18%, and \$73,312 or 9.43%, of total special revenue fund expenditures respectively during 2001.

Special revenue funds' other financing sources and uses include \$600 in proceeds from the sale of fixed assets. The special revenue funds received operating transfers in of \$316,448.

The implementation of GASB Statements No. 33 and No. 36 had an effect on the special revenue fund balance as previously reported at December 31, 2000. This restatement is described in further detail in Note 3A of the GPFS.

CAPITAL PROJECTS FUNDS

The primary sources of revenue for capital projects funds are income tax allocations and State and Federal grants. During 2001, the capital projects funds received \$19,132 of CDBG formula funds spent on behalf of the City by Trumbull County. Capital outlay expenditures totaled \$138,085.

Capital projects funds received operating transfers in of \$85,924 comprised of general fund transfers and income tax allocations.

ENTERPRISE FUNDS

The City operates and maintains three municipal utilities—electric, water, and sewer. The electric distribution system serves approximately 3,958 customers throughout the City and surrounding Township areas. The City is a member of American Municipal Power of Ohio (AMP-Ohio) who acts as the electric supplier for its 90 member municipal electric systems in Ohio, Pennsylvania, and West Virginia. The electric distribution system is comprised of 50.82 miles of conductor that provide the 159,380 kilowatt hours of daily average electric system consumption.

The City also operates a municipal water distribution system that serves approximately 3,568 water customers throughout the City and Township. Since the City does not own or operate a water treatment plant, water supply is purchased in bulk from the Consumers Pennsylvania Water Company which is treated at their Shenango Reservoir treatment plant. The City consumes an average of 1.09 million gallons per day. The treatment facility produces an average of 10.2 million gallons per day. The City services its water distribution territory with 50.1 miles of water lines ranging in size from ¾" to 20" in diameter. The oldest portions of the distribution system were installed over 90 years ago. Substantial upgrades and repairs were made to the system during the 1990's as well as during 2001.

In addition to electric and water systems, the City operates and maintains a sanitary sewer collection and treatment system that serves approximately 3,239 customers in its service area. The system contains 29.51 miles of sewer lines ranging in size from 4" to 42" in diameter. The current system was originally constructed in 1932 and incurred significant rehabilitations in 1953 and 1988—at which time a new treatment plant and main interceptor lines were reconstructed. The current system processes 2.12 million gallons of sanitary sewage per day.

The City's enterprise operations reported operating income and net income of \$597,434 and \$520,857, respectively, for the year ended December 31, 2001. Retained earnings for the enterprise funds increased \$520,857 from \$6,971,118 at December 31, 2000 to \$7,491,975 at December 31, 2001. Total fund equity for the electric, water, sewer, and guarantee trust funds at December 31, 2001 were \$4,487,474, \$1,434,385, \$1,486,573, and \$83,543, respectively.

INTERNAL SERVICE FUNDS

These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis.

The City maintains one internal service fund to account for the City's self-insured hospitalization plan used to provide health insurance and medical benefits to employees of the City. In 2001, the City changed its method of estimating claims payable for the self-insurance program. This change in estimate required a restatement of retained earnings as previously reported at December 31, 2001, (see Note 3B of the GPFS for detail). During 2001, the fund had operating revenues of \$472,472 and operating expenses of \$531,151. The fund's net loss of \$58,679 decreased total fund equity from \$366,258 at December 31, 2000 to \$307,579 at December 31, 2001.

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee capacity, or as an agent, for individuals, private organizations, other governmental units, and/or other funds. The fiduciary funds maintained by the City are three non-expendable trust funds and two agency funds.

During 2001, the non-expendable trust funds received \$85 of investment earnings increasing total combined fund equity from \$8,908 at December 31, 2000 to \$8,993 at December 31, 2001.

At December 31, 2001 assets held in the agency funds totaled \$1,888.

GENERAL FIXED ASSETS

The general fixed assets of the City as of December 31, 2001 total \$2,717,063 and include all fixed assets of the City except those recorded in the proprietary funds. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets. Infrastructure is not reported in the general fixed assets account group.

GENERAL LONG-TERM OBLIGATIONS

The general long-term obligations account group is used to account for all long-term obligations of the City except those accounted for in a proprietary fund. At December 31, 2001, the City had \$265,485 in general long-term obligations outstanding. The December 31, 2001, general long-term obligation balance of \$265,485 is comprised of \$258,678 in compensated absences and \$6,807 in capital lease obligation payable.

PENSION PLANS

Full-time uniformed employees of the City participate in the Ohio Police and Firemen's Disability Pension Fund (OPFDPF), a cost sharing multiple employer defined benefit pension plan. The City's required contributions for pension obligations to the OPFDPF for the years ended December 31, 2001, 2000, and 1999 were \$120,312, \$117,524, and \$108,107, respectively.

All other full-time and part-time employees of the City participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system created by the State of Ohio. The City's required contributions for pension obligations to PERS for the years ended December 31, 2001, 2000, and 1999 were \$227,550, \$177,199, and \$192,870, respectively. These pension plans are described further in Notes 17 and 18 of the GPFS.

DEBT ADMINISTRATION

Various debt obligations existed at December 31, 2001 for the City. During fiscal year 2000, the City entered into two loan agreements with the Second National Bank of Warren, Ohio, for the purchase of a fire truck and two new police cars. The \$105,750 fire truck loan was repaid in full and a new loan agreement with Sky Bank was executed for \$87,000 in November 2001. The Fire District special revenue fund will repay the \$87,000 loan with revenues derived from a 1-mill special voted property tax levy for the purpose of supporting the fire department. The operating revenues of the General fund support the debt associated with the second loan. At December 31, 2001, the fire truck loan had an outstanding principal balance of \$87,000, and the police car loan had a \$13,882 balance.

Also outstanding at December 31, 2001, was a general obligation note of the Street Construction special revenue fund. This debt was issued in May 1998 for the acquisition of a new dump truck for the Street Department. At December 31, 2001, the Street Construction general obligation note had an outstanding principal balance of \$4,990.

The City's other long-term obligations are reported in the enterprise funds. These include \$19,646 in general obligation notes for the purchase of water meters, \$4,830,000 in sewer system mortgage revenue refunding bonds used to partially fund the construction of the City's waste water treatment plant, \$424,898 in Ohio Public Works Commission loans for the construction of a sanitary sewer lift station and force main as well as replacement and looping of waterlines, \$2,100,000 in one-year renewable notes for the construction of 5.5 megawatts of backup electric generation capacity, and a \$2,290,520 Ohio Water Development Authority loan used to construct the City's main water transmission line. These obligations are being repaid through enterprise operations and are intended to be self-supporting through such utility operations.

The City's sewer system mortgage revenue refunding bonds are rated *Aaa* by Moody's Investor Services and *AAA* by Standard and Poor's Rating Service.

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 2001, 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, 2001, the City maintained \$761,089 in U.S. Government money market mutual funds, \$289,706 in STAR Ohio, \$3,694,791 in repurchase agreements, \$11,726 in segregated savings accounts, and \$5,095,200 in certificates of deposit. Investment income from primary investment activities amounted to \$333,356 for 2001 compared to \$411,116 for 2000.

The City's cash management account average monthly balance in 2001 was \$3,445,228 with an average monthly yield of 4.06%. The City's three certificate of deposit investments ended 2001 with balances of \$2,038,097, \$2,037,671, and \$1,019,432, earning monthly compounded interest of 4.51%, 2.50%, 4.60%, with annual percentage yields of 4.60%, 2.53% and 4.70%, respectively. 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 the Ohio Government Risk Management Plan carried through the Love 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 as well as \$1,000,000 for uninsured/underinsured motorists. Real property and contents are insured by blanket coverage in the amount of \$17,044,986. General liability, public officials, and law enforcement professional liability insurances provide for \$5,000,000 per occurrence with \$7,000,000 aggregate coverage. There is no per occurrence deductible for general liability coverage and a \$2,500 deductible for both public officials and law enforcement professional 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, stop-loss insurance is carried with coverage of \$37,500 per individual and an aggregate amount of \$342,153. The City's risk management programs are further discussed in Note 16 of the GPFS.

OTHER INFORMATION

INDEPENDENT AUDIT

Included in this report is an unqualified audit opinion rendered on the City's GPFS as of and for the year ended December 31, 2001, by our auditor, State of Ohio, Jim Petro, Auditor of State. The City is not required to participate in the Federal single audit program.

City management intends to continue to subject the GPFS to an annual independent audit as part of the preparation of the Comprehensive Annual Financial Report (CAFR). The auditor's report on the GPFS and combining and individual fund statements and schedules are included in the financial section of this report. The annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

USE OF THE REPORT

The report is published to provide City Council and administration, as well as our citizens and other interested persons, detailed information concerning the financial condition of the City with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report serve as a guide in formulating policies and in conducting the City's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of the City's various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Use of this report by the various officials and departments of the City is encouraged when furnishing information pertaining to the City and its associated activities. Copies of this report are available in the City Auditor's Office for public inspection.

SUBMISSION TO THE CERTIFICATE OF ACHIEVEMENT PROGRAM

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, 2000. This was the first 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.

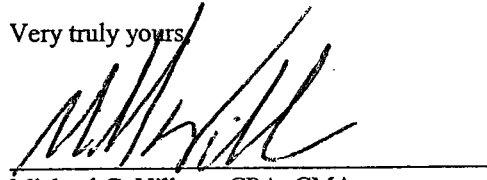
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and this report will be submitted to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The presentation of this Comprehensive Annual Financial Report would not have been possible without the continued commitment of City Council and its Finance Committee, City officials, and departments. The expertise of Steven Julian, CPA and Carrie Simmons of Trimble, Julian, & Grube, Inc. continues to insure the successful preparation of this report. Also, sincere appreciation is extended to David A. Hines, *Trumbull County Auditor*, and his staff, particularly Adrian Biviano, CPA, *Chief Deputy Auditor*, Mark DelFrate, CPA, and Marie Woloszyn. A very special thanks to Patty Tahos and Joseph Smith for their creative contributions to this CAFR.

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, Joyce Schiraldi, and Daisy Evans—your professionalism and enthusiasm continues to be a great source and inspiration and is always appreciated.

Very truly yours,



Michael C. Villano, CPA, CMA
Auditor of City

CITY OF HUBBARD, OHIO
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2001

ELECTED OFFICIALS

Executive Branch

Mayor	George P. Praznik
Auditor	Michael C. Villano
Treasurer	Marsha A. Ruha
Law Director	Gary M. Gilmartin

Legislative Branch

Council Member – Council President	John D. Darko
Council Member – 1 st Ward	Bonnie L. Viele
Council Member – 2 nd Ward	John R. Marshall
Council Member – 3 rd Ward	Lisha A. Baumiller
Council Member – 4 th Ward	John G. LaCivita
Council Member – At-Large	David A. Bolchalk
Council Member – At-Large	Douglas L. Rohrer
Council Member – At-Large	William J. Williams

APPOINTED OFFICIALS

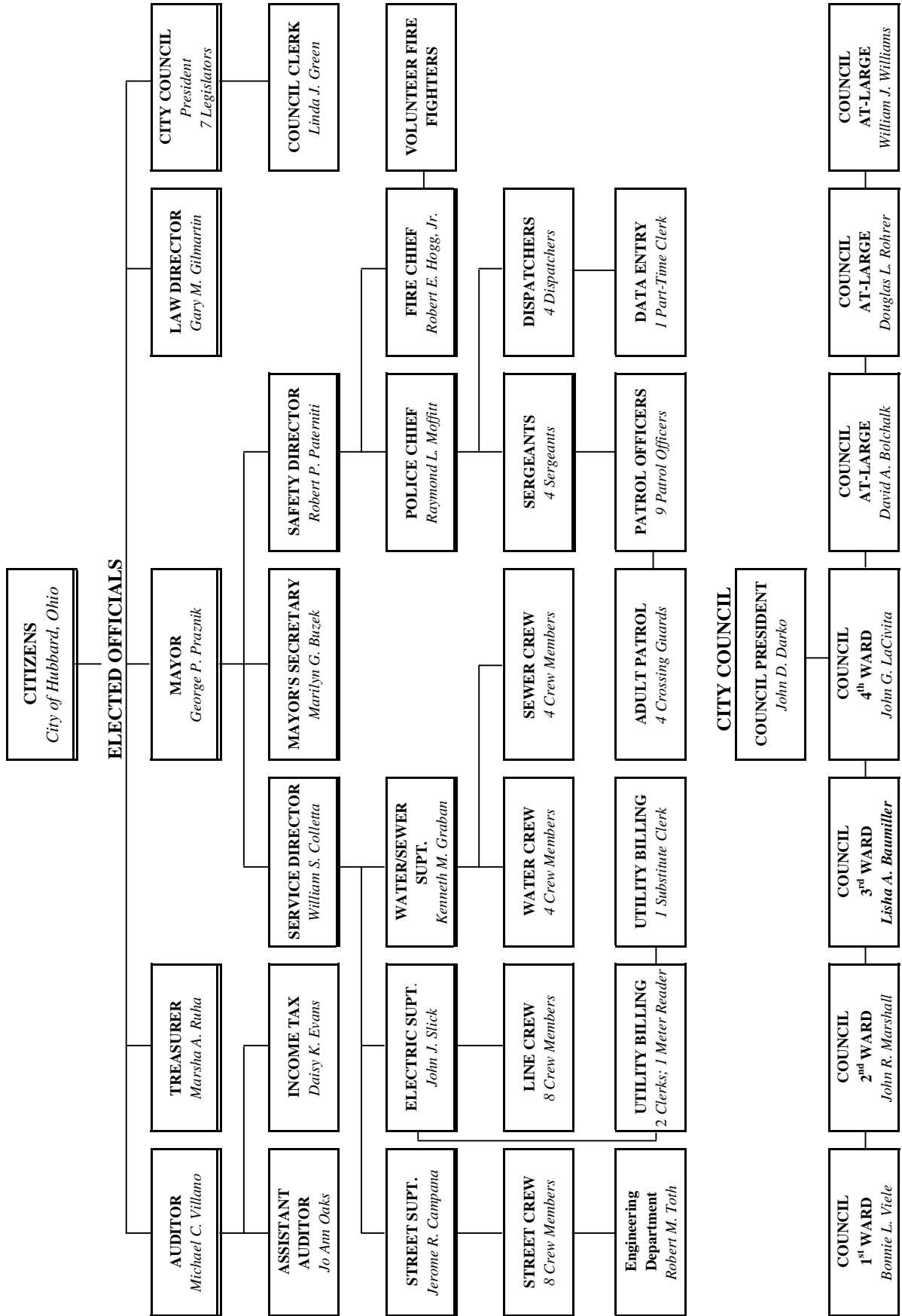
Department of Public Service

Director of Public Service	William S. Colletta
Street Superintendent	Jerome R. Campana
Water/Waste Water Superintendent	Kenneth M. Graban
Electric Superintendent	John J. Slick

Department of Public Safety

Director of Public Safety	Robert P. Paterniti
Police Chief	Raymond L. Moffitt
Fire Chief	Robert E. Hogg, Jr.

CITY OF HUBBARD, OHIO
ORGANIZATIONAL CHART
 December 31, 2001



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, 2000

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.



Timothy A. Erwin
President

Jeffrey L. Esser
Executive Director

FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City of Hubbard
Trumbull County
P.O. Box 307
220 West Liberty Street
Hubbard, Ohio 44425

To City Council:

We have audited the accompanying general-purpose financial statements of the City of Hubbard, Trumbull County, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Hubbard, Trumbull County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

During the year ended December 31, 2001, the City adopted Governmental Accounting Statement No. 33.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 17, 2002

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

CITY OF HUBBARD, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
<u>Assets and Other Debits</u>					
Assets:					
Equity in pooled cash and cash equivalents . . .	\$717,324	\$138,242	\$58,977	\$7,529,085	\$362,080
Equity in pooled cash and cash equivalents - nonexpendable trust fund.	-	-	-	-	-
Cash in segregated accounts.	159	350	-	501	5,936
Receivables (net of allowances for uncollectibles):					
Income taxes	249,268	-	-	-	-
Real and other taxes	261,673	108,975	-	2,785	-
Accounts.	2,106	1,718	-	597,892	106
Accrued interest	5,718	-	-	-	-
Notes	-	-	-	24,636	-
Due from other governments	303,032	180,096	-	-	-
Prepayments	9,638	59	-	14,690	-
Materials and supplies inventory	8,074	16,818	-	528,370	-
Investment in joint ventures	-	-	-	149,820	-
Restricted assets:					
Cash with fiscal agent	-	-	-	761,089	-
Property, plant and equipment (net of accumulated depreciation where applicable)	-	-	-	8,096,857	-
Other Debits:					
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-
Total assets and other debits	<u>\$1,556,992</u>	<u>\$446,258</u>	<u>\$58,977</u>	<u>\$17,705,725</u>	<u>\$368,122</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Trust and Agency			
\$1,888	\$ -	\$ -	\$8,807,596
8,993	-	-	8,993
-	-	-	6,946
-	-	-	249,268
-	-	-	373,433
-	-	-	601,822
-	-	-	5,718
-	-	-	24,636
-	-	-	483,128
-	-	-	24,387
-	-	-	553,262
-	-	-	149,820
-	-	-	761,089
-	2,717,063	-	10,813,920
-	-	265,485	265,485
<u>\$10,881</u>	<u>\$2,717,063</u>	<u>\$265,485</u>	<u>\$23,129,503</u>

- Continued

CITY OF HUBBARD, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 DECEMBER 31, 2001

	Governmental Fund Types			Proprietary Fund Types	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service
<u>Liabilities, Equity and Other Credits</u>					
Liabilities:					
Accounts payable	\$11,586	\$17,204	\$ -	\$293,480	\$ -
Retainage payable	-	-	-	5,752	-
Accrued wages and benefits	25,644	10,545	-	35,201	-
Compensated absences payable	5,620	616	-	132,469	-
Accrued interest payable	-	-	-	28,047	-
Deferred revenue	480,415	248,367	-	-	-
Claims payable	-	-	-	-	60,543
Due to other governments	82,843	15,529	-	53,737	-
Deposits held and due to others.	-	-	-	-	-
Notes payable	-	4,990	-	2,119,646	-
Loans payable	13,882	87,000	-	-	-
Mortgage revenue bond payable	-	-	-	4,830,000	-
OWDA loan payable	-	-	-	2,290,520	-
OPWC loans payable	-	-	-	424,898	-
Capital lease obligation	-	-	-	-	-
Total liabilities	<u>619,990</u>	<u>384,251</u>	<u>-</u>	<u>10,213,750</u>	<u>60,543</u>
Equity and Other Credits:					
Investment in general fixed assets	-	-	-	-	-
Retained earnings:					
Reserved	-	-	-	761,089	-
Unreserved	-	-	-	6,730,886	307,579
Fund balances:					
Reserved for encumbrances	13,755	-	-	-	-
Reserved for prepayments.	9,638	59	-	-	-
Reserved for materials and supplies inventory	8,074	16,818	-	-	-
Reserved for principal endowment	-	-	-	-	-
Unreserved-undesignated	905,535	45,130	58,977	-	-
Total equity and other credits	<u>937,002</u>	<u>62,007</u>	<u>58,977</u>	<u>7,491,975</u>	<u>307,579</u>
Total liabilities, equity and other credits.	<u>\$1,556,992</u>	<u>\$446,258</u>	<u>\$58,977</u>	<u>\$17,705,725</u>	<u>\$368,122</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
	\$ -	\$ -	\$322,270
	-	-	5,752
	-	-	71,390
	-	258,678	397,383
	-	-	28,047
	-	-	728,782
	-	-	60,543
	-	-	152,109
1,888	-	-	1,888
-	-	-	2,124,636
-	-	-	100,882
-	-	-	4,830,000
-	-	-	2,290,520
-	-	-	424,898
-	-	6,807	6,807
<u>1,888</u>	<u>-</u>	<u>265,485</u>	<u>11,545,907</u>
-	2,717,063	-	2,717,063
-	-	-	761,089
-	-	-	7,038,465
-	-	-	13,755
-	-	-	9,697
-	-	-	24,892
3,837	-	-	3,837
5,156	-	-	1,014,798
<u>8,993</u>	<u>2,717,063</u>	<u>-</u>	<u>11,583,596</u>
<u>\$10,881</u>	<u>\$2,717,063</u>	<u>\$265,485</u>	<u>\$23,129,503</u>

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CITY OF HUBBARD, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Revenues:				
Income taxes	\$952,071	\$ -	\$ -	\$952,071
Property and other taxes	228,019	88,331	-	316,350
Charges for services.	300	-	-	300
Licenses, permits and fees	52,631	-	-	52,631
Fines and forfeitures	69,923	746	-	70,669
Intergovernmental.	408,226	299,011	19,132	726,369
Investment income	338,409	1,746	-	340,155
Other	5,209	34,011	-	39,220
	<u>2,054,788</u>	<u>423,845</u>	<u>19,132</u>	<u>2,497,765</u>
Expenditures:				
Current:				
General government.	339,749	-	-	339,749
Security of persons and property	1,233,732	141,252	-	1,374,984
Public health and welfare	12,974	16,340	-	29,314
Transportation	-	515,212	-	515,212
Community environment	1,600	-	-	1,600
Leisure time activity	3,569	22,931	-	26,500
Other	-	983	-	983
Capital outlay	-	73,312	138,085	211,397
Debt service:				
Principal retirement	6,335	-	-	6,335
Interest and fiscal charges	2,553	7,144	-	9,697
	<u>1,600,512</u>	<u>777,174</u>	<u>138,085</u>	<u>2,515,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>454,276</u>	<u>(353,329)</u>	<u>(118,953)</u>	<u>(18,006)</u>
Other financing sources (uses):				
Proceeds from sale of fixed assets.	35	600	-	635
Operating transfers in	-	316,448	85,924	402,372
Operating transfers out	(402,372)	-	-	(402,372)
	<u>(402,337)</u>	<u>317,048</u>	<u>85,924</u>	<u>635</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	51,939	(36,281)	(33,029)	(17,371)
Fund balances, January 1 (restated).	883,713	93,033	92,006	1,068,752
Increase in reserve for inventory.	1,350	5,255	-	6,605
Fund balances, December 31	<u>\$937,002</u>	<u>\$62,007</u>	<u>\$58,977</u>	<u>\$1,057,986</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CITY OF HUBBARD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Income taxes	\$961,723	\$961,723	\$0	\$ -	\$ -	\$ -
Property and other taxes	228,506	228,506	0	118,273	88,430	(29,843)
Charges for services	300	300	0	-	-	-
Licenses, permits and fees	52,631	52,631	0	-	-	-
Fines and forfeitures	69,923	69,923	0	746	746	0
Intergovernmental	329,610	329,610	0	296,797	296,797	0
Investment income	332,691	332,691	0	1,746	1,746	0
Other	25,850	25,850	0	41,666	41,666	0
Total revenues	<u>2,001,234</u>	<u>2,001,234</u>	<u>0</u>	<u>459,228</u>	<u>429,385</u>	<u>(29,843)</u>
Expenditures:						
Current:						
General government	357,467	352,342	5,125	-	-	-
Security of persons and property	1,247,955	1,246,608	1,347	128,818	127,376	1,442
Public health and welfare	12,980	12,974	6	16,345	16,340	5
Transportation	-	-	-	529,181	529,074	107
Community environment	14,105	14,100	5	-	-	-
Leisure time activity	3,515	3,510	5	24,030	24,002	28
Other	-	-	-	985	983	2
Capital outlay	-	-	-	73,333	73,312	21
Debt service:						
Principal retirement	13,118	13,118	0	120,135	120,134	1
Interest and fiscal charges	1,574	1,574	0	7,147	7,144	3
Total expenditures	<u>1,650,714</u>	<u>1,644,226</u>	<u>6,488</u>	<u>899,974</u>	<u>898,365</u>	<u>1,609</u>
Excess (deficiency) of revenues over (under) expenditures	350,520	357,008	6,488	(440,746)	(468,980)	(28,234)
Other financing sources (uses):						
Proceeds of loans	-	-	-	87,000	87,000	0
Proceeds from sale of fixed assets	35	35	0	600	600	0
Operating transfers in	691,326	691,326	0	316,448	316,448	0
Operating transfers out	(1,093,699)	(1,093,698)	1	-	-	-
Total other financing sources (uses)	<u>(402,338)</u>	<u>(402,337)</u>	<u>1</u>	<u>404,048</u>	<u>404,048</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(51,818)	(45,329)	6,489	(36,698)	(64,932)	(28,234)
Fund balances, January 1	738,052	738,052	0	162,575	162,575	0
Prior year encumbrances appropriated.	7,736	7,736	0	40,599	40,599	0
Fund balances, December 31.	<u>\$693,970</u>	<u>\$700,459</u>	<u>\$6,489</u>	<u>\$166,476</u>	<u>\$138,242</u>	<u>(\$28,234)</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Capital Projects			Total (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$961,723	\$961,723	\$0
-	-	-	346,779	316,936	(29,843)
-	-	-	300	300	0
-	-	-	52,631	52,631	0
-	-	-	70,669	70,669	0
19,132	19,132	0	645,539	645,539	0
-	-	-	334,437	334,437	0
23	23	0	67,539	67,539	0
<u>19,155</u>	<u>19,155</u>	<u>0</u>	<u>2,479,617</u>	<u>2,449,774</u>	<u>(29,843)</u>
-	-	-	357,467	352,342	5,125
-	-	-	1,376,773	1,373,984	2,789
-	-	-	29,325	29,314	11
-	-	-	529,181	529,074	107
-	-	-	14,105	14,100	5
-	-	-	27,545	27,512	33
-	-	-	985	983	2
138,132	138,085	47	211,465	211,397	68
-	-	-	133,253	133,252	1
-	-	-	8,721	8,718	3
<u>138,132</u>	<u>138,085</u>	<u>47</u>	<u>2,688,820</u>	<u>2,680,676</u>	<u>8,144</u>
<u>(118,977)</u>	<u>(118,930)</u>	<u>47</u>	<u>(209,203)</u>	<u>(230,902)</u>	<u>(21,699)</u>
-	-	-	87,000	87,000	0
-	-	-	635	635	0
85,924	85,924	0	1,093,698	1,093,698	0
-	-	-	(1,093,699)	(1,093,698)	1
<u>85,924</u>	<u>85,924</u>	<u>0</u>	<u>87,634</u>	<u>87,635</u>	<u>1</u>
(33,053)	(33,006)	47	(121,569)	(143,267)	(21,698)
91,983	91,983	0	992,610	992,610	0
-	-	-	48,335	48,335	0
<u>\$58,930</u>	<u>\$58,977</u>	<u>\$47</u>	<u>\$919,376</u>	<u>\$897,678</u>	<u>(\$21,698)</u>

CITY OF HUBBARD, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating revenues:				
Charges for services	\$6,665,253	\$448,719	\$ -	\$7,113,972
Investment earnings	-	-	85	85
Other operating revenues	78,477	23,753	-	102,230
Total operating revenues	<u>6,743,730</u>	<u>472,472</u>	<u>85</u>	<u>7,216,287</u>
Operating expenses:				
Personal services	1,503,225	-	-	1,503,225
Contractual services	3,562,378	531,151	-	4,093,529
Materials and supplies	491,676	-	-	491,676
Depreciation	569,093	-	-	569,093
Other operating expenses	19,924	-	-	19,924
Total operating expenses	<u>6,146,296</u>	<u>531,151</u>	<u>-</u>	<u>6,677,447</u>
Operating income (loss)	<u>597,434</u>	<u>(58,679)</u>	<u>85</u>	<u>538,840</u>
Nonoperating revenues (expenses):				
Investment earnings	39,197	-	-	39,197
Property and other taxes	11,761	-	-	11,761
Gain on sale of fixed assets	100	-	-	100
Intergovernmental	151,528	-	-	151,528
Investment in joint venture	49,237	-	-	49,237
Interest and fiscal charges	(424,191)	-	-	(424,191)
Total nonoperating revenues (expenses)	<u>(172,368)</u>	<u>-</u>	<u>-</u>	<u>(172,368)</u>
Net income (loss) before contributions	425,066	(58,679)	85	366,472
Capital contributions	95,791	-	-	95,791
Net income (loss)	<u>520,857</u>	<u>(58,679)</u>	<u>85</u>	<u>462,263</u>
Retained earnings/fund balance, January 1 (restated)	<u>6,971,118</u>	<u>366,258</u>	<u>8,908</u>	<u>7,346,284</u>
Retained earnings/fund balance, December 31	<u>\$7,491,975</u>	<u>\$307,579</u>	<u>\$8,993</u>	<u>\$7,808,547</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CITY OF HUBBARD, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	
Cash flows from operating activities:				
Cash received from customers	\$6,719,528	\$460,893	\$ -	\$7,180,421
Cash received from other operations	324,040	23,753	-	347,793
Cash payments for personal services	(1,499,495)	-	-	(1,499,495)
Cash payments for contract services	(3,572,471)	(533,008)	-	(4,105,479)
Cash payments for materials and supplies	(604,071)	-	-	(604,071)
Cash payments for other operating expenses	(238,597)	-	-	(238,597)
Net cash provided by (used in) operating activities	<u>1,128,934</u>	<u>(48,362)</u>	<u>-</u>	<u>1,080,572</u>
Cash flows from noncapital financing activities:				
Cash received from property and other taxes	11,359	-	-	11,359
Cash received from operating grants	151,528	-	-	151,528
Transfers in from other funds	432,318	-	-	432,318
Transfers out to other funds	(432,318)	-	-	(432,318)
Net cash provided by noncapital financing activities	<u>162,887</u>	<u>-</u>	<u>-</u>	<u>162,887</u>
Cash flows from capital and related financing activities:				
Proceeds of loans	105,759			105,759
Proceeds of notes	2,100,000			2,100,000
Acquisition of capital assets	(761,175)	-	-	(761,175)
Gain on sale of fixed assets	100	-	-	100
Principal retirement	(375,040)	-	-	(375,040)
Interest and fiscal charges	(424,357)	-	-	(424,357)
Net cash provided by capital and related financing activities	<u>645,287</u>	<u>-</u>	<u>-</u>	<u>645,287</u>
Cash flows from investing activities:				
Principal received on internal notes	73,317			73,317
Interest received	39,197	-	85	39,282
Net cash provided by investing activities	<u>112,514</u>	<u>-</u>	<u>85</u>	<u>112,599</u>
Net increase (decrease) in cash and cash equivalents	2,049,622	(48,362)	85	2,001,345
Cash and cash equivalents, January 1	<u>6,241,053</u>	<u>416,378</u>	<u>8,908</u>	<u>6,666,339</u>
Cash and cash equivalents, December 31.	<u><u>\$8,290,675</u></u>	<u><u>\$368,016</u></u>	<u><u>\$8,993</u></u>	<u><u>\$8,667,684</u></u>

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CITY OF HUBBARD, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$597,434	(\$58,679)	\$85	\$538,840
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation.	569,093	-	-	569,093
Interest reported as operating income.	-	-	(85)	(85)
Changes in assets and liabilities:				
Increase in materials and supplies inventory.	(90,935)	-	-	(90,935)
Decrease in accounts receivable	48,950	8,565	-	57,515
Increase in prepayments	(7,145)	-	-	(7,145)
Decrease in due from other governments	32,421	-	-	32,421
Decrease in due from other funds	744	-	-	744
Decrease in accounts payable	(23,537)	-	-	(23,537)
Increase in accrued wages and benefits	1,891	-	-	1,891
Increase in compensated absences payable	3,442	-	-	3,442
Decrease in due to other governments.	(2,680)	-	-	(2,680)
Decrease in due to other funds.	(744)	-	-	(744)
Increase in claims payable.	-	1,752	-	1,752
Net cash provided by (used in) operating activities	<u>\$1,128,934</u>	<u>(\$48,362)</u>	<u>\$ -</u>	<u>\$1,080,572</u>
Noncash investing, capital and financing activities:				
Contributions of fixed assets from other funds	\$95,791	\$ -	\$ -	\$95,791

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2001

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 and fire), public health, municipal court, highways and streets, public improvements, community development (planning and zoning), water, sewers, sanitation, parks and recreation, and general administrative services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the City's GPFS 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 GPFS to be misleading or incomplete. Based upon the foregoing criteria, the City has no component units. The City has entered into a contractual agreement with Hubbard Township (the "Township") and the Hubbard Volunteer Fire Department, Inc. (HVFD) to provide fire protection services to the citizens of the City and the Township. The HVFD is a legally separate not-for-profit corporation. City Council does have representation on the Fire District Board, however, this does not represent a voting majority of the Board.

The City and the Township share equally (fifty percent) in the cost of operations of the HVFD. The City's share of these costs are accounted for as a separate special revenue fund in the City's GPFS. The following organizations are described due to their relationship to the City:

JOINTLY GOVERNED ORGANIZATION

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 joint venture unless and until it avails itself of the services of the joint venture.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

JOINT VENTURES WITH EQUITY INTEREST

Hubbard Township-City of Hubbard Joint Economic Development District (J.E.D.D.) - 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 J.E.D.D. 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 J.E.D.D., a representative of persons working within the J.E.D.D., 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 J.E.D.D.'s operation reserve fund to provide for administrative costs and expenses of the Board. The City has an ongoing financial responsibility to fund the J.E.D.D. Upon termination of the contractual agreement, any property, assets and obligations of the J.E.D.D. shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party.

Ohio Municipal Electric Generation Agency Joint Ventures (OMEGA JV1-OMEGA JV5) The City's Electric Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. Title to these six diesel-powered generating units was transferred to the 21 municipal electric systems from American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Each member has a contract which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. The units performed at an excellent availability during 2001 to complete a successful year of operation for OMEGA JV1. In accordance with the joint venture agreement, the City remitted \$6,182 to the joint venture for 2001.

The City's Electric Enterprise Fund also participated in a joint venture agreement with 41 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5) for the purpose of acquiring, constructing and installing a 42 megawatt hydroelectric generating facility along with related transmission facilities and fossil-fired backup electric generation facilities. The facility is located at the Belleville Locks and Dam on the Ohio River.

The OMEGA JV5 is managed by AMP-Ohio and acts as the joint venture's agent. The participants are obligated by the joint venture agreement to remit monthly for those costs incurred by using electricity generated by the joint venture and a portion of the \$153,415,000 certificates of beneficial interest debt that was issued to construct the facility. In accordance with the joint venture agreement, the City remitted \$396,202 to the joint venture for 2001. Construction of the facility began in 1996 and was completed in 1999.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

The following is a summary of audited financial information of OMEGA JV1 and OMEGA JV5 as of the year ended December 31, 2001:

	<u>OMEGA JV1</u>	<u>OMEGA JV5</u>
Total Assets	\$438,297	\$204,820,927
Total Liabilities	18,256	198,352,327
Members Equity	420,041	6,468,600
Total Revenues	153,725	23,585,104
Total Expenses	209,326	21,601,718
Excess Income over (under) Expenses	(55,601)	1,983,386

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

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

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

Equity interest in OMEGA JV1	\$ 15,920
Equity interest in OMEGA JV5	<u>133,900</u>
Total investment in joint ventures	<u>\$149,820</u>

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

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

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

B. Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of fund or account groups, each of which is considered a separate account entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate. The various funds are summarized by type in the GPFS.

A fund is defined as a fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

GOVERNMENTAL FUNDS:

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types.

General Fund - This fund accounts for the general operating revenues and expenditures of the City not recorded elsewhere.

Special Revenue Funds - These funds are used to account for specific governmental revenues (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Capital Projects Funds - These funds are used to account for the acquisition or construction of major capital assets other than those financed by proprietary funds.

PROPRIETARY FUNDS:

The proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund - This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

FIDUCIARY FUNDS:

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include nonexpendable trust funds and agency funds. The nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds.

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

ACCOUNT GROUPS:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to present the general fixed assets of the City utilized in its general operations, exclusive of those accounted for in the enterprise funds. General fixed assets include land, buildings, building improvements, computer equipment, vehicles, and furniture and equipment owned by the City.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the City, except that accounted for in the proprietary funds.

C. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. 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 are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Governmental and agency funds use the modified accrual basis of accounting. Proprietary and nonexpendable trust funds use the accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the reporting of expenses and expenditures.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal 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: interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fines and forfeitures, fees and rentals.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance year 2002 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On the modified accrual basis of accounting, receivables that will not be collected within the available period have also 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. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

D. Budgetary Data

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

TAX BUDGET

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

ESTIMATED RESOURCES

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenues. The Commission certifies its actions to the City by September 1. As part of this certification the City receives an Official Certificate of Estimated Resources, the "Certificate," which states the projected revenue of each fund.

On or about January 1, the Certificate is amended to include any unencumbered fund balances at December 31. Further amendments may be made during the year if money from a new revenue source is received or if actual receipts exceed current estimates. The amounts set forth as "revised budget" revenues and other financing sources in the combined statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types represent estimates from the final amended official Certificate issued during 2001.

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 measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be amended during the year, provided that total fund appropriations do not exceed current estimated resources, as certified. Supplemental appropriations were legally enacted by Council during the year.

Amounts shown as "revised budget" expenditures and other financing uses in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types represent the original appropriated budget and all supplemental appropriations.

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 from 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.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

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. The encumbered appropriation balance is carried over for the subsequent year's expenditures and need not be reappropriated.

ENCUMBRANCES

As a part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as a reduction of fund balance on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP-basis, encumbrances outstanding at year-end are reported as reservations of fund balances to indicate that a portion of fund balance has been segregated for expenditure on vendor performance.

E. 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 combined balance sheet.

During fiscal year 2001, investments were limited to repurchase agreements, U.S. government money market mutual funds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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

The City has invested funds in STAR Ohio during fiscal 2001. 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 combine. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2001.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During fiscal 2001, interest revenue credited to the general fund amounted to \$338,409 which includes \$306,920 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 combined balance sheet as "Cash in Segregated Accounts" since it is not required to be deposited into the City treasury.

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

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

For purpose of presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of one year or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than one year are reported as investments.

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

F. 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 made.

G. Inventories of Materials and Supplies

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in the proprietary funds when used. The total of inventories at year end is reported as a reservation of fund balance in the governmental funds because it does not represent available, spendable resources.

H. Property, Plant, Equipment, and Depreciation

1. *General Fixed Assets Account Group*

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and disposals during the year in the general fixed assets account group. The City follows a policy of not capitalizing infrastructure, which is defined as assets that are immovable and of value only to the City, (i.e., roads, bridges, etc.). No depreciation is recognized for assets in the account group. Interest on debt issued to construct general fixed assets is not capitalized in the account group. The City has established a capitalization threshold of \$500 for general fixed assets.

2. *Proprietary Fund Fixed Assets*

Property, plant, and equipment reflected in the proprietary funds are stated at cost (or estimated historical cost) and updated for the cost of additions and disposals during the year. Contributed fixed assets are recorded at their fair market value as of the date donated. Depreciation and amortization have been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life</u>
Autos and trucks	4
Machinery, equipment, furniture and fixtures	5-20
Building improvements	15
Sewer and water treatment plants and buildings	20-40
Other buildings	40
Sewer and water mains	20

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

The City also capitalizes the cost of major renovations which extend the useful life of an asset or which enable it to perform new or more valuable services. Interest on tax exempt debt issued to construct enterprise fund fixed assets is capitalized, net of interest earned on the proceeds of such debt. The City has established a capitalization threshold of \$500 for proprietary fixed assets.

I. 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 accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service or any employee with at least twenty (20) years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates. Payment of vacation and sick leave recorded in the general long-term obligations account group is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and sick leave when such payments become due.

Accumulated vacation and sick leave of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave benefits for employees meeting the above requirements who are paid from proprietary funds are recorded as an expense when earned, and the liability for unused amounts is shown as a fund liability.

J. Long-Term Obligations

Long-term obligations for mortgage revenue bonds, OWDA loans, OPWC loans, capital lease obligations, vested sick and vacation leave, and any claims or judgement that are expected to be paid from the governmental funds are shown in the general long-term obligations account group, while those expected to be paid from proprietary funds are shown as a liability of those funds.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

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

K. Contributions of Capital

Contributions of capital in proprietary funds arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions received in 2001 have been recorded as revenue in the enterprise funds.

L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers. Intrafund transfers have been eliminated for GAAP reporting.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund balances, related to changes for goods and services rendered, are reflected as "due to/from other funds."

See Note 5 for an analysis of the City's interfund transactions.

M. Fund Balance/Retained Earnings Reserves

Reserved fund balances/retained earnings 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 and proprietary funds are available for use within the specific purposes of the funds.

The City reports amounts representing material and supplies inventory, principal endowment, prepayments, and encumbrances outstanding as reservations of fund balance in the governmental funds.

The City reports amounts representing assets being held by a trustee to service principal and interest debt service in a bond reserve as a reservation of retained earnings in the enterprise funds. These amounts are required to be maintained by the trustee in accordance with the bond indenture.

N. Estimates

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

O. Total Columns on General Purpose Financial Statements

Total columns on the GPFS are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle

GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, and GASB Statement No. 36, Recipient Reporting for Certain Shared Nonexchange Revenues, were implemented during fiscal 2001. These statements pertain to the financial reporting of certain types of revenue received by the City for which no value is given in return, including derived tax revenues, imposed nonexchange transactions, government-mandated nonexchange transactions and voluntary nonexchange transactions. The adoption of this statement had the following effect on fund balances as previously reported by the City at December 31, 2000.

	<u>General</u>	<u>Special Revenue</u>
Fund balance as previously reported	\$853,639	\$74,457
GASB Statement No. 33 and No. 36 Implementation	<u>30,074</u>	<u>18,576</u>
Restated fund balance as of January 1, 2001	<u>\$883,713</u>	<u>\$93,033</u>

B. Restatement of Retained Earnings

The City changed its method of estimating claims payable for the self-insurance program. The effect of this change had the following effect on retained earnings as previously reported by the City at December 31, 2000.

	<u>Internal Service</u>
Retained earnings as previously reported	\$403,046
Restatement for change in estimate	<u>(36,788)</u>
Restated retained earnings as of January 1, 2001	<u>\$366,258</u>

C. Deficit Fund Balances

The following funds had deficit fund balances at December 31, 2001:

	<u>Deficit Fund Balance</u>
<u>Special Revenue Funds:</u>	
Cops Grant	\$ 1,423
Fire District	31,021

These funds complied with Ohio state law, which does not permit a cash basis deficit at year end.

The deficit fund balance in the COPS Grant special revenue fund is caused by accruing a liability for wage benefit and pension obligations in accordance with GAAP. This deficit will be eliminated by intergovernmental revenues and other resources not recognized at December 31.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The deficit fund balance in the Fire District special revenue fund is primarily caused by the recognition of a loan payable as a fund liability rather than as an "other financing source." This deficit will be eliminated as resources are provided for the retirement of the loan by intergovernmental revenues and other subsidies not recognized and recorded at December 31.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

As of December 31, 2001 the City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the Combined Balance Sheet as "Equity in Pooled Cash and Cash Equivalents".

Legal Requirements: Statutes require the classification of moneys held by the City into three categories. Category 1 consists of "active" moneys, those moneys required to be kept in a "cash" or "near-cash" status for immediate use by the City. Such moneys must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" moneys, those moneys not required for use within the current two year period of designation of depositories. Inactive moneys may be deposited or invested only as certificates of deposit maturing not later than the end of the current designation of depositories.

Category 3 consists of "interim" moneys, those moneys which are not needed for immediate use but which will be needed before the end of the current period of depositories. Interim moneys may be invested or deposited in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
3. Repurchase agreements in the securities enumerated above;
4. Interim deposits in the eligible institutions applying for interim moneys;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Notwithstanding the foregoing requirements, the City may invest any moneys not required to be used for a period of six months in the following classes of investments:

1. Bonds or other obligations of the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Discount notes of the Federal National Mortgage Association;
3. Bonds issued by the Home Owners' Loan Corporation;
4. Bonds of the State of Ohio; and
5. Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest, or coupons.

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 treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys 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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand: At year-end, the City had \$1,010 in undeposited cash on hand which is included on the Balance Sheet of the City as part of "Cash in Segregated Accounts".

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

Deposits: At year-end, the carrying amount of the City's deposits, including cash in segregated accounts and certificates of deposit, was \$4,838,028 and the bank balance, including cash in segregated accounts and certificates of deposit, was \$5,128,091. Of the bank balance:

1. \$103,515 was covered by federal deposit insurance; and
2. \$5,024,576 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by a third party trustee, pursuant to Ohio Revised Code Section 135.181, in collateralized pools securing all public funds on deposits with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Investments: The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. Investments in STAR Ohio and U.S. government money market mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category			Reported Amount	Fair Value
	1	2	3		
Repurchase Agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,694,791</u>	\$3,694,791	\$3,694,791
STAR Ohio				289,706	289,706
U.S. Government Money Market Mutual Funds				<u>761,089</u>	<u>761,089</u>
Total Investments				<u>\$4,745,586</u>	<u>\$4,745,586</u>

The classification of cash and cash equivalents on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 9,584,624	\$ 0
Investments of the Cash Management Pool:		
U.S. Government Money		
Market Mutual Funds	(761,089)	761,089
Repurchase Agreement	(3,694,791)	3,694,791
STAR Ohio	(289,706)	289,706
Cash on Hand	<u>(1,010)</u>	<u>-</u>
GASB Statement No. 3	<u>\$ 4,838,028</u>	<u>\$4,745,586</u>

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 5 - INTERFUND TRANSACTIONS

The following is a summarized breakdown of the City's operating transfers for 2001:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$402,372
<u>Special Revenue Funds</u>		
Street	267,403	-
Maple Grove Cemetery	13,000	-
Recreation	35,139	-
Local Law Enforcement Block Grant	<u>906</u>	<u>-</u>
Total Special Revenue Funds	<u>316,448</u>	<u>-</u>
<u>Capital Projects Fund</u>		
Capital Improvement	<u>85,924</u>	<u>-</u>
Total	<u>\$402,372</u>	<u>\$402,372</u>

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied on January 1 in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years with a triennial update. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable June 20. In certain instances, State statute permits earlier or later payment dates to be established.

Taxpayers (other than public utilities) become liable for tangible personal property taxes on January 1st of the current calendar year based on tax rates determined in the preceding year and assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-City taxpayers are due September 20. Single City taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law personal property taxes do not attach as a lien on the personal property. Public utility real and tangible personal property taxes collected in one calendar year are levied on January 1 in the preceding calendar year on assessed values determined as of January 1 of the preceding year, the lien date.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 6 - PROPERTY TAXES - (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. The full rate for all City operations for the year ended December 31, 2001, was \$3.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property located in the City, upon which taxes for 2000 were collected, are as follows:

<u>Category</u>	<u>Assessed Value</u>
Residential/Agricultural	\$ 76,912,540
Commercial/Industrial	<u>13,515,530</u>
Total real estate	<u>90,428,070</u>
Public utility - real	19,350
Public utility - personal	<u>2,030,000</u>
Total public utility	<u>2,049,350</u>
Tangible personal property	<u>7,779,366</u>
Grand total	<u><u>\$100,256,786</u></u>

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2001. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2001 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue."

NOTE 7 - LOCAL INCOME TAX

The one 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, 2001. Income tax revenue for 2001 was \$952,071.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2001, consisted of taxes, notes, accrued interest, accounts (billings for user charged services), and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the combined balance sheet. Receivables have been recorded to the extent eligibility requirements have been met by year-end and the amounts are measurable.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 8 - RECEIVABLES (Continued)

A summary of the principal items of receivables follows:

<u>Fund/Description</u>	<u>Amount</u>
<u>General Fund</u>	
Income taxes	\$249,268
Real and other taxes	261,673
Accounts	2,106
Accrued interest	5,718
Intergovernmental	303,032
<u>Special Revenue Funds</u>	
Real and other taxes	108,975
Accounts	1,718
Intergovernmental	180,096
<u>Enterprise Funds</u>	
Real and other taxes	2,785
Accounts	597,892
Notes	24,636
<u>Internal Service Funds</u>	
Accounts	106

NOTE 9 - FIXED ASSETS

A. Proprietary Fixed Assets

A summary of the proprietary fixed assets at December 31, 2001, follows:

	<u>Water</u>	<u>Electric</u>	<u>Sewer</u>	<u>Total</u>
Land and improvements	\$ 3,610	\$ 6,771	\$ 11,491	\$ 21,872
Buildings and improvements	688,172	68,163	3,905,676	4,662,011
Furniture and equipment	75,977	306,402	2,718,797	3,101,176
Vehicles	66,963	374,251	111,045	552,259
Water and sewer lines	2,778,295	-	2,749,295	5,527,590
Construction in progress	322,865	-	-	322,865
Less: accumulated depreciation	<u>(718,304)</u>	<u>(463,221)</u>	<u>(4,909,391)</u>	<u>(6,090,916)</u>
Total net assets	<u>\$3,217,578</u>	<u>\$ 292,366</u>	<u>\$ 4,586,913</u>	<u>\$ 8,096,857</u>

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 9 - FIXED ASSETS - (Continued)

B. General Fixed Assets

A summary of the changes in general fixed assets during 2001 follows:

	Balance at 1/1/01	Additions	Deletions	Balance at 12/31/01
Land and improvements	\$ 303,400	\$ -	\$ -	\$ 303,400
Buildings and improvements	588,026	-	-	588,026
Furniture and equipment	626,422	66,345	(17,316)	675,451
Vehicles	965,717	189,419	(4,950)	1,150,186
Total fixed assets	\$2,483,565	\$255,764	\$(22,266)	\$2,717,063

NOTE 10 - VACATION AND SICK LEAVE LIABILITY

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the general long-term obligations account group to the extent they were not paid using current expendable available resources. Vacation and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund.

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2001, vested benefits for vacation leave for governmental fund type employees, net of amounts paid using current expendable available resources, totaled \$73,382 and vested benefits for sick leave, net of amounts paid using current expendable available resources, totaled \$185,296. For proprietary fund types, vested benefits for vacation leave totaled \$63,505 and vested benefits for sick leave totaled \$68,964 at December 31, 2001. 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 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the City has entered into a capitalized leases for two vehicles and, in the current year, the City entered into a capital lease for an additional vehicle. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined GPFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment has been capitalized in the general fixed assets account group in the amount of \$20,456. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2001 totaled \$6,335 in the general fund.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2001.

<u>Year Ending December 31</u>	<u>Equipment</u>
2002	<u>\$7,314</u>
Total minimum lease payments	7,314
Less: amount representing interest	<u>(507)</u>
Present value of future minimum lease payment	<u>\$6,807</u>

The City does not have capitalized lease obligations after fiscal year 2002.

NOTE 12 - LONG-TERM OBLIGATIONS

A. General Long-Term Obligations

The City's general long-term obligations at year-end consist of the following:

	<u>Balance Outstanding 1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/01</u>
Compensated absences	\$262,488	\$ -	\$ (3,810)	\$258,678
Capital lease obligation	<u>13,142</u>	<u>-</u>	<u>(6,335)</u>	<u>6,807</u>
Total general long-term obligations	<u>\$275,630</u>	<u>\$ -</u>	<u>\$(10,145)</u>	<u>\$265,485</u>

Compensated absences are presented net of actual increases and decreases due to the practicality of determining these values. The benefits will be paid from the fund from which the employee is paid. Capital lease obligation will be paid from the general fund.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

B. Enterprise Fund Obligations

The City had the following mortgage revenue bonds and long-term loans and notes payable outstanding at year-end related to enterprise fund operations:

	<u>Interest Rates</u>	<u>Balance Outstanding 1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/01</u>
<u>Mortgage Revenue Bond</u>					
Sewer System - 1997	4.00-5.45%	<u>\$5,065,000</u>	<u>\$ -</u>	<u>\$(235,000)</u>	<u>\$4,830,000</u>
<u>OPWC Loans</u>					
Sewer Issue II					
Lift Station	0.00%	\$ 217,301	\$ -	\$ (11,747)	\$ 205,554
Waterline Looping	0.00%	120,075	-	(6,490)	113,585
Waterline Replacement	0.00%	<u>0</u>	<u>105,759</u>	<u>-</u>	<u>105,759</u>
Total OPWC Loans		<u>\$ 337,376</u>	<u>\$105,759</u>	<u>\$(18,237)</u>	<u>\$ 424,898</u>
<u>OWDA Loan</u>					
Transmission Waterlines	6.58%	<u>\$2,353,390</u>	<u>\$ -</u>	<u>\$(62,870)</u>	<u>\$2,290,520</u>
Total Enterprise Fund Obligations		<u>\$7,755,766</u>	<u>\$105,759</u>	<u>\$(316,107)</u>	<u>\$7,545,418</u>

On June 18, 1997, the City issued \$5,800,000 general obligation sewer system refunding bonds (Mortgage Revenue Bonds). The bonds bear interest at rates ranging from 4.0 percent to 5.45 percent per annum and mature at various installments through November 15, 2015. Property and revenues of the sewage system have been pledged to repay this debt. A portion of the proceeds of the bonds were used for the advance refunding of the 1987 and 1992 sewer system revenue bonds. The proceeds were used to purchase SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The 1987 series bonds were fully redeemed on May 15, 1998. The 1992 series bonds will be redeemed through various debt service payments concluding November 15, 2002. The monies held in trust as a result of the advance refundings and the corresponding refunded bonds are not included in the City's Financial Statements since the bonds are defeased and not considered a liability of the City. The principal balance of the general obligation sewer system refunding bonds (Mortgage Revenue Bonds) at December 31, 2001 was \$4,830,000.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

As part of the bond indenture, Second National Bank was established as the Trustee (paying agent) for the City Sewer System Revenue Refunding Bonds (Mortgage Revenue Bonds), Series 1997. The City is maintaining at Second National Bank the following account balances at December 31, 2001.

1. Sewer Bond Service Fund Account - \$131,294 (which is utilized to account for the principal and interest activity).
2. Sewer Bond Reserve Fund Account - \$629,795 (which is required by the indenture).

These monies have been invested in U.S. government money market mutual funds and are reported on the combined balance sheet as "Restricted Assets - Cash with Fiscal Agent".

The City has entered into three debt financing arrangements through the Ohio Public Works Commission (OPWC) to fund a lift station replacement, waterline looping project and a waterline replacement. 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, 2001, the City has outstanding borrowings of \$205,554, \$113,585 and \$105,759 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, 2001, the City has outstanding borrowings of \$2,290,520. The loan agreement requires semi-annual payments based on the actual amount loaned.

The following is the summary of the City's future annual debt service and interest requirements for enterprise fund obligations:

Year Ending December 31,	Mortgage Revenue Bond			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 245,000	\$ 252,473	\$ 497,473	\$ 23,524	\$ -	\$ 23,524
2003	260,000	240,835	500,835	23,524	-	23,524
2004	270,000	228,355	498,355	23,524	-	23,524
2005	285,000	215,260	500,260	23,524	-	23,524
2006	295,000	201,295	496,295	23,524	-	23,524
2007-2011	1,720,000	765,000	2,485,000	117,622	-	117,622
2012-2016	1,755,000	245,523	2,000,523	117,622	-	117,622
2017-2019	-	-	-	72,034	-	72,034
	<u>\$4,830,000</u>	<u>\$2,148,741</u>	<u>\$6,978,741</u>	<u>\$424,898</u>	<u>\$ -</u>	<u>\$424,898</u>

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	OWDA Loan		
	Principal	Interest	Total
2002	\$ 67,007	\$ 150,716	\$ 217,723
2003	71,416	146,307	217,723
2004	76,116	141,607	217,723
2005	81,124	136,599	217,723
2006	86,461	131,262	217,723
2007-2011	525,511	563,105	1,088,616
2012-2016	722,704	365,912	1,088,616
2017-2020	<u>660,181</u>	<u>101,849</u>	<u>762,030</u>
	<u>\$2,290,520</u>	<u>\$1,737,357</u>	<u>\$4,027,877</u>

NOTE 13 - NOTES PAYABLE

- A. At December 31, 2001, the City had \$24,636 of internal City of Hubbard notes outstanding. These notes represent amounts borrowed from other funds of the City. These notes are structured in essentially the same manner as note agreements with outside institutions. The Electric enterprise fund loaned the monies to the respective funds and has reported "notes receivable" on the combined balance sheet for the principal amounts due at December 31, 2001.

The City had the following internal notes payable at December 31, 2001:

	Interest Rate	Issue Date	Maturity Date	Balance Outstanding 12/31/01
<u>Special Revenue Funds</u>				
<i>General Obligation Notes</i>				
Street Construction	6.00%	5/31/98	5/1/02	<u>\$ 4,990</u>
<u>Enterprise Funds</u>				
<i>General Obligation Notes</i>				
Water	5.25%	4/21/97	4/21/02	<u>\$19,646</u>

The City had the following internal note activity for fiscal year 2001:

	Balance Outstanding 1/1/01	Additions	Reductions	Balance Outstanding 12/31/01
<u>Special Revenue Funds</u>				
<i>General Obligation Notes</i>				
Street Construction	<u>\$19,374</u>	<u>\$ -</u>	<u>\$(14,384)</u>	<u>\$ 4,990</u>
<u>Enterprise Funds</u>				
<i>General Obligation Notes</i>				
Water	<u>\$78,579</u>	<u>\$ -</u>	<u>\$(58,933)</u>	<u>\$19,646</u>

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 13 - NOTES PAYABLE - (Continued)

The following is a summary of the City's future annual debt service and interest requirements for the internal City of Hubbard notes:

Year Ending December 31,	<u>Street Construction Note</u>			<u>Water Note</u>			Total Payments
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2002	<u>\$4,990</u>	<u>\$62</u>	<u>\$5,052</u>	<u>\$19,646</u>	<u>\$215</u>	<u>\$19,861</u>	<u>\$24,913</u>

- B.** On December 27, 2001, the City issued a \$2,100,000 electric system improvements note through American Municipal Power of Ohio. The note will be used to provide interim financing for the acquisition and installation of diesel generators for use in the City's electric system. This revenue bond anticipation note, which is a liability of the Electric fund, is due within one year. The following is a summary of the note activity for fiscal year 2001:

	<u>Interest Rate</u>	<u>Balance Outstanding 1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/01</u>
<u>Revenue Bond Anticipation Note</u>					
Electric System Improvements	2.15%	<u>\$ 0</u>	<u>\$2,100,000</u>	<u>\$ -</u>	<u>\$2,100,000</u>

NOTE 14 - LOANS PAYABLE

During fiscal year 2000, the City entered into two loan agreements with Second National Bank to finance the purchase of a new fire truck and two new police cars. During fiscal year 2001, the City paid the \$105,750 loan in full from the Fire District special revenue fund and entered into a loan agreement with Sky Bank for \$87,000 to finance the purchase of the fire truck. The proceeds of the loan were received in the Fire District special revenue fund. The principal and interest payments of the two loans outstanding at December 31, 2001, will be paid out of the Fire District special revenue fund and the general fund. The City had the following loan activity in fiscal year 2001:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance Outstanding 1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/01</u>
<u>General Fund</u>							
<u>Loan Payable</u>							
Police Cars	5.75%	11/22/00	11/22/02	<u>\$ 27,000</u>	<u>\$ -</u>	<u>\$ (13,118)</u>	<u>\$13,882</u>
<u>Special Revenue Fund</u>							
<u>Loan Payable</u>							
Fire Truck	5.75%	11/12/00	11/28/01	\$105,750	\$ -	\$(105,750)	\$ 0
Fire Truck	4.69%	11/27/01	11/27/05	<u>0</u>	<u>87,000</u>	<u>-</u>	<u>87,000</u>
				<u>\$105,750</u>	<u>\$87,000</u>	<u>\$(105,750)</u>	<u>\$87,000</u>

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 14 - LOANS PAYABLE - (Continued)

The following is a summary of the City's future annual debt service and interest requirements for the loans payable:

Year Ending December 31,	General Fund - Police Cars			Special Revenue Funds - Fire Truck			Total Payments
	Principal	Interest	Total	Principal	Interest	Total	
2002	\$13,882	\$809	\$14,691	\$20,234	\$3,779	\$24,013	\$ 38,704
2003	-	-	-	21,214	2,799	24,013	24,013
2004	-	-	-	22,235	1,778	24,013	24,013
2005	-	-	-	23,317	696	24,013	24,013
Total	<u>\$13,882</u>	<u>\$809</u>	<u>\$14,691</u>	<u>\$87,000</u>	<u>\$9,052</u>	<u>\$96,052</u>	<u>\$110,743</u>

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers. These enterprise funds include Water, Sewer, Electric, and the Guarantee Trust. Segment information for the year ended December 31, 2001 was as follows:

	Sewer	Water	Electric	Guarantee Trust	Total
Operating revenues	\$1,240,071	\$1,406,962	\$4,076,197	\$20,500	\$ 6,743,730
Operating expenses before depreciation	546,450	1,024,749	3,986,080	19,924	5,577,203
Depreciation expense	370,318	120,767	78,008	-	569,093
Operating income	323,303	261,446	12,109	576	597,434
Net income	94,020	353,010	73,251	576	520,857
Operating grants	-	151,528	-	-	151,528
Additions to property, plant and equipment	27,928	702,694	132,096	-	862,718
Net working capital	1,981,614	771,207	6,173,769	83,543	9,010,133
Total assets	6,629,539	4,072,170	6,920,473	83,543	17,705,725
Bonds and other long term liabilities payable from operating revenues	5,035,554	2,509,864	-	-	7,545,418
Total liabilities	5,142,966	2,637,785	2,432,999	-	10,213,750
Total equity	1,486,573	1,434,385	4,487,474	83,543	7,491,975
Encumbrances at 12/31/01	94	106,438	-	-	106,532

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - 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 2001, the City was insured through the Ohio Government Risk Management Plan for all property, general liability, wrongful acts, law enforcement, automobile, bond, crime, inland marine and EDP liability. The insurance plan was purchased through the Love 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	\$17,044,986	\$1,000
General liability:		
Per occurrence	5,000,000	0
Aggregate	7,000,000	0
Wrongful acts/Law Enforcement:		
Per occurrence	5,000,000	2,500
Aggregate	7,000,000	2,500
Automobile:		
Comprehensive	5,000,000	250
Collision	5,000,000	0
Bond	50,000	0
Crime	10,000	0
Inland Marine	707,766	250
EDP	287,711	250
Computer Equipment	10,000	100

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 GPFS. 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 \$37,500 per participant and an aggregate amount of \$342,153; annual claims above such amount are paid for by 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 \$60,543 reported in the Internal Service Fund at December 31, 2001, is based on the requirements of GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, as amended by FASB Statement No. 30 Risk Financing Omnibus, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - RISK MANAGEMENT - (Continued)

Changes in the fund's liability during 2001 is 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>
2001	\$58,791	\$534,760	\$(533,008)	\$60,543
2000	57,628	403,039	(401,876)	58,791

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 17 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All City full-time employees, other than uniformed employees, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system created by the State of Ohio. The PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2001 was 8.5% for employees other than law enforcement. In January 2001, House Bill 416 divided the PERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The employer contribution rate for employees other than law enforcement was 13.55% of covered payroll; 9.25% was the portion used to fund pension obligations for 2001. The employer contribution rate for law enforcement and public safety divisions was 16.70% of covered payroll; 12.40% was the portion used to fund pension obligations for 2001. The City's contributions for pension obligations to the PERS for the years ended December 31, 2001, 2000, and 1999 were \$227,550, \$177,199, and \$192,870, respectively; 100% has been contributed for years 2001, 2000 and 1999.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

Full-time uniformed employees of the City participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. The 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 Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0% for police officers and firefighters, respectively. The City's contributions for pension obligations to the OP&F for the years ended December 31, 2001, 2000, and 1999 were \$120,312, \$117,524, and \$108,107, respectively; 76.42% has been contributed for 2001 and 100% for the years 2000 and 1999. \$28,366, representing the unpaid contributions for 2001, is recorded as a liability within the general fund.

NOTE 18 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. Health care funding is on a pay-as-you-go basis. The Ohio Revised Code provides statutory authority for employer contributions. The PERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2001 employer contribution rate for local government employers was 13.55% of covered payroll; 4.30% was the portion that was used to fund health care for the year. The law enforcement employer rate for 2001 was 16.70% of covered payroll; 4.30% was the portion used to fund health care for the year.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the PERS. The City's contribution actually made to fund postemployment benefits was \$90,264.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

As of December 31, 2000 (the latest information available), the unaudited estimated net assets available for future OPEB payments were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively, at December 31, 2000 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 2000 (the latest information available), was 411,076.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 18 - POSTEMPLOYMENT BENEFITS - (Continued)

In January 2001, House Bill 416 divided the PERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continue to contribute at 9.0%. The employer contribution rate for both the law enforcement and public safety divisions is 16.70%.

Law enforcement officer benefits permit age and service retirement at an earlier age with a different formula than that for PERS members not covered under this division.

Additional information on the PERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the PERS December 31, 2001, Comprehensive Annual Financial Report.

B. Ohio Police and Fire Pension Fund

The OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers. The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.0% and 7.25% of covered payroll in 2000 and 2001, respectively. The allocation is 7.75% in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 2000 (the latest information available), is 12,853 for police officers and 10,037 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$46,320. OP&F's total health care expenses for the year ending December 31, 2000 (the latest information available), was \$106,160,054, which was net of member contributions of \$5,657,431.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

The City's budgetary process is based upon accounting for transactions on a cash basis. The differences between the cash basis (budget basis) and the modified accrual basis (GAAP basis) are that revenues are recorded when actually received (budget) as opposed to when susceptible to accrual (GAAP) and the expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, the City reflects outstanding encumbrances as expenditures on the budgetary basis of accounting. Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

**EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER/(UNDER) EXPENDITURES AND OTHER USES**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Budget Basis	\$ (45,329)	\$ (64,932)	\$ (33,006)
Adjustments:			
Net Adjustment for Revenue Accruals	53,554	(5,540)	(23)
Net Adjustment for Expenditure Accruals	26,849	121,191	-
Net adjustment for Other Financing Sources/ (Uses) Accruals	-	(87,000)	-
Encumbrances	<u>16,865</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 51,939</u>	<u>\$ (36,281)</u>	<u>\$ (33,029)</u>

NOTE 20 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2001.

B. Litigation

There is one case pending (since 1999) against the City. In the opinion of the City Law Director, any potential liability would not have a material effect on the GPFS.

**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP FINANCIAL
STATEMENTS AND SCHEDULES**

CITY OF HUBBARD, OHIO

GENERAL FUND

The general fund is used to account for all financial resources of the City except as required to be accounted for in another fund. The major revenue sources are municipal income taxes, property taxes, investment earnings and state and local government receipts. It is the operating fund of the City.

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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Income taxes	\$961,723	\$961,723	\$0
Property and other taxes	228,506	228,506	0
Charges for services	300	300	0
Licenses, permits and fees	52,631	52,631	0
Fines and forfeitures	69,923	69,923	0
Intergovernmental	329,610	329,610	0
Investment income	332,691	332,691	0
Other	25,850	25,850	0
Total revenues	<u>2,001,234</u>	<u>2,001,234</u>	<u>0</u>
Expenditures:			
Current:			
General government:			
Postage			
Contractual services	3,000	0	3,000
Total postage	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Income tax			
Personal services	47,613	46,115	1,498
Contractual services	28,128	28,128	0
Materials and supplies.	3,870	3,870	0
Capital outlay	3,638	3,638	0
Total income tax	<u>83,249</u>	<u>81,751</u>	<u>1,498</u>
Mayor			
Personal services	29,655	29,637	18
Contractual services	7,246	7,244	2
Materials and supplies.	1,780	1,774	6
Capital outlay	4,610	4,591	19
Total mayor.	<u>43,291</u>	<u>43,246</u>	<u>45</u>
Council			
Personal services	10,305	10,296	9
Contractual services	9,235	9,222	13
Materials and supplies.	995	990	5
Capital outlay	140	140	0
Total council	<u>20,675</u>	<u>20,648</u>	<u>27</u>
Council Clerk			
Personal services	3,260	3,249	11
Contractual services	390	382	8
Materials and supplies.	3,675	3,665	10
Capital outlay	1,090	1,088	2
Total council clerk.	<u>8,415</u>	<u>8,384</u>	<u>31</u>
Auditor			
Personal services	26,955	26,941	14
Contractual services	4,105	4,096	9
Materials and supplies.	6,435	6,390	45
Capital outlay	11,780	11,769	11
Total auditor	<u>49,275</u>	<u>49,196</u>	<u>79</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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Treasurer			
Personal services	\$3,325	\$3,316	\$9
Contractual services	1,765	1,759	6
Materials and supplies.	400	398	2
Capital outlay	1,425	1,421	4
Total treasurer.	<u>6,915</u>	<u>6,894</u>	<u>21</u>
Law director			
Personal services	10,090	10,079	11
Contractual services	2,420	2,416	4
Materials and supplies.	3,005	2,999	6
Capital outlay	1,225	1,222	3
Total law director.	<u>16,740</u>	<u>16,716</u>	<u>24</u>
Service director			
Personal services	17,975	17,955	20
Contractual services	49,320	49,296	24
Materials and supplies.	1,170	1,168	2
Total service director	<u>68,465</u>	<u>68,419</u>	<u>46</u>
Engineer			
Personal services	18,105	18,088	17
Contractual services	2,475	2,467	8
Materials and supplies.	266	264	2
Capital outlay	3,442	3,403	39
Total engineer	<u>24,288</u>	<u>24,222</u>	<u>66</u>
County auditor fees			
Contractual services	3,665	3,664	1
Total county auditor fees.	<u>3,665</u>	<u>3,664</u>	<u>1</u>
State examiners fees			
Contractual services	29,489	29,202	287
Total state examiners fees	<u>29,489</u>	<u>29,202</u>	<u>287</u>
Total general government	<u>357,467</u>	<u>352,342</u>	<u>5,125</u>
Security of persons and property:			
Police			
Personal services	1,102,285	1,101,400	885
Contractual services	81,267	81,142	125
Materials and supplies.	34,697	34,362	335
Capital outlay	29,056	29,054	2
Total police.	<u>1,247,305</u>	<u>1,245,958</u>	<u>1,347</u>
Civil service			
Contractual services	650	650	0
Total civil service.	<u>650</u>	<u>650</u>	<u>0</u>
Total security of persons and property .	<u>1,247,955</u>	<u>1,246,608</u>	<u>1,347</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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Public health and welfare:			
County health district			
Contractual services	\$12,980	\$12,974	\$6
Total county health district.	<u>12,980</u>	<u>12,974</u>	<u>6</u>
Total public health and welfare	<u>12,980</u>	<u>12,974</u>	<u>6</u>
Community environment:			
Planning and zoning			
Contractual services	13,580	13,578	2
Total planning and zoning	<u>13,580</u>	<u>13,578</u>	<u>2</u>
War memorial			
Materials and supplies.	525	522	3
Total war memorial.	<u>525</u>	<u>522</u>	<u>3</u>
Total community environment.	<u>14,105</u>	<u>14,100</u>	<u>5</u>
Leisure time activity:			
Recreation			
Contractual services	3,515	3,510	5
Total recreation.	<u>3,515</u>	<u>3,510</u>	<u>5</u>
Total leisure time activity.	<u>3,515</u>	<u>3,510</u>	<u>5</u>
Debt service:			
Principal retirement.	13,118	13,118	0
Interest and fiscal charges	1,574	1,574	0
Total debt service	<u>14,692</u>	<u>14,692</u>	<u>0</u>
Total expenditures	<u>1,650,714</u>	<u>1,644,226</u>	<u>6,488</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>350,520</u>	<u>357,008</u>	<u>6,488</u>
Other financing sources (uses):			
Proceeds from sale of fixed assets	35	35	0
Operating transfers in.	691,326	691,326	0
Operating transfers out	(1,093,699)	(1,093,698)	1
Total other financing sources (uses)	<u>(402,338)</u>	<u>(402,337)</u>	<u>1</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(51,818)</u>	<u>(45,329)</u>	<u>6,489</u>
Fund balance, January 1	738,052	738,052	0
Prior year encumbrances appropriated	7,736	7,736	0
Fund balance, December 31.	<u><u>\$693,970</u></u>	<u><u>\$700,459</u></u>	<u><u>\$6,489</u></u>

CITY OF HUBBARD, 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:

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 and Mayor's Court fines received from DUI arrests to be used for enforcement and education and for DUI housing reimbursements pursuant to Ohio Revised Code Section 4511.191.

Community Assistance Team Grant

To account for grant monies received to be used for the operation of a juvenile diversion program.

Local Law Enforcement Block Grant

To account for grant monies received from the State of Ohio Criminal Justice Services Local Law Enforcement Block Grant (LLEBG) program enabling the City of upgrade computer hardware and software used for Ohio Incident Based Reporting System (OIBRS) police reports.

COPS Grant

To account for United States Department of Justice monies received and personnel expenses related to the COPS Universal Hiring Program grant.

Fire District

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

Street Construction and Maintenance

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

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.

CITY OF HUBBARD, OHIO

SPECIAL REVENUE FUNDS (Continued)

Escrow Account

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

Police Pension

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

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
 DECEMBER 31 2001

	<u>Indigent Drivers Fund</u>	<u>Enforcement and Education</u>	<u>Community Assistance Team Grant</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$1,825	\$4,407	\$ -
Cash in segregated accounts	-	-	-
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	-	-
Accounts	-	-	-
Due from other governments	-	-	-
Prepayments	-	-	-
Materials and supplies inventory	-	-	-
Total assets	<u>1,825</u>	<u>4,407</u>	<u>-</u>
Liabilities:			
Accounts payable	-	-	-
Accrued wages and benefits	-	-	-
Compensated absences payable	-	-	-
Deferred revenue.	-	-	-
Due to other governments	-	-	-
Notes payable	-	-	-
Loans payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:			
Reserved for prepayments.	-	-	-
Reserved for materials and supplies inventory	-	-	-
Unreserved:			
Undesignated.	1,825	4,407	-
Total fund equity	<u>1,825</u>	<u>4,407</u>	<u>-</u>
Total liabilities and fund equity.	<u>\$1,825</u>	<u>\$4,407</u>	<u>\$ -</u>

Local Law Enforcement Block Grant	COPS Grant	Fire District	Street Construction and Maintenance	State Highway
\$815	\$ -	\$68,678	\$450	\$7,354
-	-	-	350	-
-	-	76,265	-	-
-	-	-	1,568	-
-	-	31,424	126,000	10,214
-	-	-	53	-
-	-	-	16,561	-
<u>815</u>	<u>-</u>	<u>176,367</u>	<u>144,982</u>	<u>17,568</u>
-	-	16,464	708	-
-	1,237	-	9,308	-
-	-	-	616	-
-	-	103,924	92,152	7,470
-	186	-	14,684	-
-	-	-	4,990	-
-	-	87,000	-	-
<u>-</u>	<u>1,423</u>	<u>207,388</u>	<u>122,458</u>	<u>7,470</u>
-	-	-	53	-
-	-	-	16,561	-
<u>815</u>	<u>(1,423)</u>	<u>(31,021)</u>	<u>5,910</u>	<u>10,098</u>
<u>815</u>	<u>(1,423)</u>	<u>(31,021)</u>	<u>22,524</u>	<u>10,098</u>
<u>\$815</u>	<u>\$ -</u>	<u>\$176,367</u>	<u>\$144,982</u>	<u>\$17,568</u>

Continued

CITY OF HUBBARD, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31 2001

	<u>Maple Grove Cemetery</u>	<u>Recreation</u>	<u>Drug and Law Enforcement</u>
Assets:			
Equity in pooled cash and cash equivalents	\$16,548	\$26,394	\$4,633
Cash in segregated accounts	-	-	-
Receivables (net of allowances for uncollectibles):			
Real and other taxes	-	-	-
Accounts	-	-	-
Due from other governments	-	-	-
Prepayments	-	6	-
Materials and supplies inventory	-	257	-
Total assets	<u>16,548</u>	<u>26,657</u>	<u>4,633</u>
Liabilities:			
Accounts payable	-	32	-
Accrued wages and benefits	-	-	-
Compensated absences payable	-	-	-
Deferred revenue	-	-	-
Due to other governments	-	659	-
Notes payable	-	-	-
Loans payable	-	-	-
Total liabilities	<u>-</u>	<u>691</u>	<u>-</u>
Fund Equity:			
Reserved for prepayments	-	6	-
Reserved for materials and supplies inventory	-	257	-
Unreserved:			
Undesignated	16,548	25,703	4,633
Total fund equity	<u>16,548</u>	<u>25,966</u>	<u>4,633</u>
Total liabilities and fund equity	<u>\$16,548</u>	<u>\$26,657</u>	<u>\$4,633</u>

Range Fund	Escrow Account	Police Pension	Totals
\$3,496	\$395	\$3,247	\$138,242
-	-	-	350
-	-	32,710	108,975
150	-	-	1,718
-	-	12,458	180,096
-	-	-	59
-	-	-	16,818
<u>3,646</u>	<u>395</u>	<u>48,415</u>	<u>446,258</u>
-	-	-	17,204
-	-	-	10,545
-	-	-	616
-	-	44,821	248,367
-	-	-	15,529
-	-	-	4,990
-	-	-	87,000
<u>-</u>	<u>-</u>	<u>44,821</u>	<u>384,251</u>
-	-	-	59
-	-	-	16,818
<u>3,646</u>	<u>395</u>	<u>3,594</u>	<u>45,130</u>
<u>3,646</u>	<u>395</u>	<u>3,594</u>	<u>62,007</u>
<u>\$3,646</u>	<u>\$395</u>	<u>\$48,415</u>	<u>\$446,258</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31 2001

	Indigent Drivers Fund	Enforcement and Education	Community Assistance Team Grant
	<hr/>	<hr/>	<hr/>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Fines and forfeitures	250	496	-
Intergovernmental	-	-	13,152
Investment income.	-	-	-
Other.	-	-	-
Total revenues	<hr/> 250	<hr/> 496	<hr/> 13,152
 Expenditures:			
Current:			
Security of persons and property.	-	-	13,152
Public health and welfare.	-	-	-
Transportation	-	-	-
Leisure time activity	-	-	-
Other.	-	-	-
Capital outlay	-	-	-
Debt service:			
Interest and fiscal charges	-	-	-
Total expenditures.	<hr/> -	<hr/> -	<hr/> 13,152
 Excess (deficiency) of revenues over (under) expenditures	<hr/> 250	<hr/> 496	<hr/> -
 Other financing sources (uses):			
Proceeds from sale of fixed assets	-	-	-
Operating transfers in.	-	-	-
Total other financing sources (uses).	<hr/> -	<hr/> -	<hr/> -
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<hr/> 250	<hr/> 496	<hr/> -
 Fund balances, January 1 (restated)	1,575	3,911	-
Increase in reserve for inventory.	-	-	-
Fund balances, December 31	<hr/> <hr/> \$1,825	<hr/> <hr/> \$4,407	<hr/> <hr/> \$ -

Local Law Enforcement Block Grant	COPS Grant	Fire District	Street Construction and Maintenance	State Highway
\$ -	\$ -	\$61,994	\$ -	\$ -
-	-	-	-	-
5,950	25,000	2,550	233,431	18,928
-	-	-	1,582	164
-	-	22,720	1,764	-
<u>5,950</u>	<u>25,000</u>	<u>87,264</u>	<u>236,777</u>	<u>19,092</u>
-	25,086	66,001	-	-
-	-	-	-	-
-	-	-	503,125	12,087
-	-	-	-	-
-	-	983	-	-
6,041	-	43,229	15,091	-
-	-	6,373	771	-
<u>6,041</u>	<u>25,086</u>	<u>116,586</u>	<u>518,987</u>	<u>12,087</u>
<u>(91)</u>	<u>(86)</u>	<u>(29,322)</u>	<u>(282,210)</u>	<u>7,005</u>
-	-	-	600	-
906	-	-	267,403	-
<u>906</u>	<u>-</u>	<u>-</u>	<u>268,003</u>	<u>-</u>
815	(86)	(29,322)	(14,207)	7,005
-	(1,337)	(1,699)	31,733	3,093
-	-	-	4,998	-
<u>\$815</u>	<u>(\$1,423)</u>	<u>(\$31,021)</u>	<u>\$22,524</u>	<u>\$10,098</u>

Continued

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31 2001

	<u>Maple Grove Cemetery</u>	<u>Recreation</u>	<u>Drug and Law Enforcement</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Intergovernmental	-	-	-
Investment income.	-	-	-
Other.	5,415	1,112	150
Total revenues	<u>5,415</u>	<u>1,112</u>	<u>150</u>
 Expenditures:			
Current:			
Security of persons and property.	-	-	725
Public health and welfare.	16,340	-	-
Transportation	-	-	-
Leisure time activity	-	22,931	-
Other	-	-	-
Capital outlay	-	8,951	-
Debt service:			
Interest and fiscal charges	-	-	-
Total expenditures.	<u>16,340</u>	<u>31,882</u>	<u>725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,925)</u>	<u>(30,770)</u>	<u>(575)</u>
 Other financing sources (uses):			
Proceeds from sale of fixed assets	-	-	-
Operating transfers in.	13,000	35,139	-
Total other financing sources (uses).	<u>13,000</u>	<u>35,139</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	2,075	4,369	(575)
 Fund balances, January 1 (restated)	14,473	21,340	5,208
Increase in reserve for inventory.	-	257	-
Fund balances, December 31	<u><u>\$16,548</u></u>	<u><u>\$25,966</u></u>	<u><u>\$4,633</u></u>

Range Fund	Escrow Account	Police Pension	Totals
\$ -	\$ -	\$26,337	\$88,331
-	-	-	746
-	-	-	299,011
-	-	-	1,746
2,850	-	-	34,011
2,850	-	26,337	423,845
2,247	-	34,041	141,252
-	-	-	16,340
-	-	-	515,212
-	-	-	22,931
-	-	-	983
-	-	-	73,312
-	-	-	7,144
2,247	-	34,041	777,174
603	-	(7,704)	(353,329)
-	-	-	600
-	-	-	316,448
-	-	-	317,048
603	-	(7,704)	(36,281)
3,043	395	11,298	93,033
-	-	-	5,255
<u>\$3,646</u>	<u>\$395</u>	<u>\$3,594</u>	<u>\$62,007</u>

CITY OF HUBBARD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$250	\$250	\$0
Total revenues	<u>250</u>	<u>250</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	250	250	0
Fund balance, January 1	1,575	1,575	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u><u>\$1,825</u></u>	<u><u>\$1,825</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$496	\$496	\$0
Total revenues	<u>496</u>	<u>496</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	496	496	0
Fund balance, January 1	3,911	3,911	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u><u>\$4,407</u></u>	<u><u>\$4,407</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY ASSISTANCE TEAM GRANT
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$13,152	\$13,152	\$0
Total revenues	<u>13,152</u>	<u>13,152</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Contractual services	13,152	13,152	0
Total security of persons and property . .	<u>13,152</u>	<u>13,152</u>	<u>0</u>
Total expenditures	<u>13,152</u>	<u>13,152</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balance, January 1	0	0	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL LAW ENFORCEMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,950	\$5,950	\$0
Total revenues	<u>5,950</u>	<u>5,950</u>	<u>0</u>
Expenditures:			
Capital outlay			
Capital outlay	6,041	6,041	0
Total capital outlay	<u>6,041</u>	<u>6,041</u>	<u>0</u>
Total expenditures	<u>6,041</u>	<u>6,041</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(91)</u>	<u>(91)</u>	<u>0</u>
Other financing sources (uses):			
Operating transfers in	906	906	0
Total other financing sources (uses)	<u>906</u>	<u>906</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	815	815	0
Fund balance, January 1	0	0	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u><u>\$815</u></u>	<u><u>\$815</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COPS GRANT
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	25,000	25,000	\$0
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	25,000	25,000	0
Total security of persons and property . .	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balance, January 1	0	0	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes.	\$62,064	\$62,064	\$0
Other.	23,948	23,948	0
Total revenues.	<u>86,012</u>	<u>86,012</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Contractual services.	47,361	45,932	1,429
Materials and supplies	6,285	6,279	6
Total security of persons and property . .	<u>53,646</u>	<u>52,211</u>	<u>1,435</u>
Other			
Contractual services	985	983	2
Total other	<u>985</u>	<u>983</u>	<u>2</u>
Capital outlay			
Capital outlay	43,237	43,229	8
Total capital outlay	<u>43,237</u>	<u>43,229</u>	<u>8</u>
Debt service			
Principal retirement	105,750	105,750	0
Interest and fiscal charges.	6,375	6,373	2
Total debt service.	<u>112,125</u>	<u>112,123</u>	<u>2</u>
Total expenditures	<u>209,993</u>	<u>208,546</u>	<u>1,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(123,981)</u>	<u>(122,534)</u>	<u>1,447</u>
Other financing sources (uses):			
Proceeds of loans	87,000	87,000	0
Total other financing sources (uses)	<u>87,000</u>	<u>87,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(36,981)</u>	<u>(35,534)</u>	<u>1,447</u>
Fund balance, January 1	68,964	68,964	0
Prior year encumbrances appropriated . .	<u>35,248</u>	<u>35,248</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$67,231</u></u>	<u><u>\$68,678</u></u>	<u><u>\$1,447</u></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, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$233,743	\$233,743	\$0
Investment income.	1,582	1,582	0
Other.	6,791	6,791	0
Total revenues.	<u>242,116</u>	<u>242,116</u>	<u>0</u>
Expenditures:			
Current:			
Transportation			
Personal services	458,647	458,574	73
Contractual services	22,015	21,999	16
Materials and supplies	33,322	33,306	16
Total transportation.	<u>513,984</u>	<u>513,879</u>	<u>105</u>
Capital outlay			
Capital outlay	15,100	15,091	9
Total capital outlay	<u>15,100</u>	<u>15,091</u>	<u>9</u>
Debt service			
Principal retirement	14,385	14,384	1
Interest and fiscal charges.	772	771	1
Total debt service.	<u>15,157</u>	<u>15,155</u>	<u>1</u>
Total expenditures	<u>544,241</u>	<u>544,125</u>	<u>115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(302,125)</u>	<u>(302,009)</u>	<u>116</u>
Other financing sources (uses):			
Proceeds from sale of fixed assets	600	600	0
Operating transfers in	267,403	267,403	0
Total other financing sources (uses)	<u>268,003</u>	<u>268,003</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(34,122)</u>	<u>(34,006)</u>	<u>116</u>
Fund balance, January 1	29,917	29,917	0
Prior year encumbrances appropriated	4,539	4,539	0
Fund balance, December 31.	<u>\$334</u>	<u>\$450</u>	<u>\$116</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$18,952	\$18,952	\$0
Investment income.	164	164	0
Total revenues	<u>19,116</u>	<u>19,116</u>	<u>0</u>
Expenditures:			
Current:			
Transportation			
Contractual services	15,197	15,195	2
Total transportation.	<u>15,197</u>	<u>15,195</u>	<u>2</u>
Total expenditures	<u>15,197</u>	<u>15,195</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	3,919	3,921	2
Fund balance, January 1	2,621	2,621	0
Prior year encumbrances appropriated . .	812	812	0
Fund balance, December 31.	<u><u>\$7,352</u></u>	<u><u>\$7,354</u></u>	<u><u>\$2</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, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other	\$5,415	\$5,415	\$0
Total revenues	<u>5,415</u>	<u>5,415</u>	<u>0</u>
Expenditures:			
Current:			
Public health and welfare			
Personal services	1,655	1,653	2
Contractual services.	14,420	14,418	2
Materials and supplies	270	269	1
Total public health and welfare.	<u>16,345</u>	<u>16,340</u>	<u>5</u>
Total expenditures	<u>16,345</u>	<u>16,340</u>	<u>5</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,930)</u>	<u>(10,925)</u>	<u>5</u>
Other financing sources (uses):			
Operating transfers in	13,000	13,000	0
Total other financing sources (uses)	<u>13,000</u>	<u>13,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	2,070	2,075	5
Fund balance, January 1	14,473	14,473	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u><u>\$16,543</u></u>	<u><u>\$16,548</u></u>	<u><u>\$5</u></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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Other	\$2,062	\$2,062	\$0
Total revenues	<u>2,062</u>	<u>2,062</u>	<u>0</u>
Expenditures:			
Current:			
Leisure time activity			
Personal services	18,185	18,175	10
Contractual services	2,795	2,787	8
Materials and supplies	3,050	3,040	10
Total leisure time activity	<u>24,030</u>	<u>24,002</u>	<u>28</u>
Capital outlay			
Capital outlay	8,955	8,951	4
Total capital outlay	<u>8,955</u>	<u>8,951</u>	<u>4</u>
Total expenditures	<u>32,985</u>	<u>32,953</u>	<u>32</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,923)</u>	<u>(30,891)</u>	<u>32</u>
Other financing sources (uses):			
Operating transfers in	35,139	35,139	0
Total other financing sources (uses)	<u>35,139</u>	<u>35,139</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,216	4,248	32
Fund balance, January 1	22,146	22,146	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u><u>\$26,362</u></u>	<u><u>\$26,394</u></u>	<u><u>\$32</u></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, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other	150	150	\$0
Total revenues	<u>150</u>	<u>150</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Other	725	725	0
Total security of persons and property	<u>725</u>	<u>725</u>	<u>0</u>
Total expenditures	<u>725</u>	<u>725</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(575)	(575)	0
Fund balance, January 1	5,208	5,208	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$4,633</u></u>	<u><u>\$4,633</u></u>	<u><u>\$0</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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Other	\$3,300	\$3,300	\$0
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			0
Contractual services	2,250	2,247	3
Total security of persons and property.	<u>2,250</u>	<u>2,247</u>	<u>3</u>
Total expenditures	<u>2,250</u>	<u>2,247</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	1,050	1,053	3
Fund balance, January 1	2,443	2,443	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u><u>\$3,493</u></u>	<u><u>\$3,496</u></u>	<u><u>\$3</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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Fund balance, January 1	\$395	\$395	\$0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$395</u>	<u>\$395</u>	<u>\$0</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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$56,209	\$26,366	(\$29,843)
Total revenues	<u>56,209</u>	<u>26,366</u>	<u>(29,843)</u>
Expenditures:			
Current:			
Security of persons and property			
Contractual services	34,045	34,041	4
Total security of persons and property. . .	<u>34,045</u>	<u>34,041</u>	<u>4</u>
Total expenditures	<u>34,045</u>	<u>34,041</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	22,164	(7,675)	(29,839)
Fund balance, January 1	10,922	10,922	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u><u>\$33,086</u></u>	<u><u>\$3,247</u></u>	<u><u>(\$29,839)</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes.	\$118,273	\$88,430	(\$29,843)
Fines and forfeitures.	746	746	0
Intergovernmental.	296,797	296,797	0
Investment income	1,746	1,746	0
Other.	41,666	41,666	0
Total revenues.	<u>459,228</u>	<u>429,385</u>	<u>(29,843)</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	25,000	25,000	0
Contractual services	96,808	95,372	1,436
Materials and supplies	6,285	6,279	6
Other	725	725	0
Total security of persons and property.	<u>128,818</u>	<u>127,376</u>	<u>1,442</u>
Public health and welfare			
Personal services	1,655	1,653	2
Contractual services	14,420	14,418	2
Materials and supplies	270	269	1
Total public health and welfare	<u>16,345</u>	<u>16,340</u>	<u>5</u>
Transportation			
Personal services	458,647	458,574	73
Contractual services	37,212	37,194	18
Materials and supplies	33,322	33,306	16
Total transportation.	<u>529,181</u>	<u>529,074</u>	<u>107</u>
Leisure time activity			
Personal services	18,185	18,175	10
Contractual services	2,795	2,787	8
Materials and supplies	3,050	3,040	10
Total leisure time activity	<u>24,030</u>	<u>24,002</u>	<u>28</u>
Other			
Contractual services	985	983	2
Total other	<u>985</u>	<u>983</u>	<u>2</u>
Capital outlay			
Capital outlay	73,333	73,312	21
Total capital outlay	<u>73,333</u>	<u>73,312</u>	<u>21</u>
Debt service:			
Principal retirement.	120,135	120,134	1
Interest and fiscal charges	7,147	7,144	3
Total debt service	<u>127,282</u>	<u>127,278</u>	<u>4</u>
Total expenditures	<u>899,974</u>	<u>898,365</u>	<u>1,609</u>

Continued

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over (under) expenditures	(\$440,746)	(\$468,980)	(\$28,234)
Other financing sources (uses):			
Proceeds of loans	87,000	87,000	0
Proceeds from sale of fixed assets	600	600	0
Operating transfers in	316,448	316,448	0
Total other financing sources (uses)	<u>404,048</u>	<u>404,048</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	(36,698)	(64,932)	(28,234)
Fund balances, January 1	162,575	162,575	0
Prior year encumbrances appropriated	<u>40,599</u>	<u>40,599</u>	<u>0</u>
Fund balances, December 31	<u><u>\$166,476</u></u>	<u><u>\$138,242</u></u>	<u><u>(\$28,234)</u></u>

CITY OF HUBBARD, OHIO

CAPITAL PROJECTS FUNDS

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of all capital project funds:

Capital Improvement

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

CDBG Street Resurfacing

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

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
 DECEMBER 31 2001

	<u>Capital Improvement</u>	<u>CDBG Street Resurfacing</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$58,977	\$ -	\$58,977
Total assets	<u>58,977</u>	<u>-</u>	<u>58,977</u>
Fund Equity:			
Unreserved - undesignated	58,977	-	58,977
Total fund equity.	<u>58,977</u>	<u>-</u>	<u>58,977</u>
Total liabilities and fund equity	<u>58,977</u>	<u>\$ -</u>	<u>58,977</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31 2001

	<u>Capital Improvement</u>	<u>CDBG Street Resurfacing</u>	<u>Total</u>
Revenues:			
Intergovernmental	\$ -	\$19,132	\$19,132
Total revenues	<u>-</u>	<u>19,132</u>	<u>19,132</u>
 Expenditures:			
Capital outlay	118,953	19,132	138,085
Total expenditures	<u>118,953</u>	<u>19,132</u>	<u>138,085</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(118,953)</u>	<u>-</u>	<u>(118,953)</u>
 Other financing sources (uses):			
Operating transfers in	85,924	-	85,924
Total other financing sources (uses)	<u>85,924</u>	<u>-</u>	<u>85,924</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(33,029)</u>	<u>-</u>	<u>(33,029)</u>
 Fund balances, January 1	<u>92,006</u>	<u>-</u>	<u>92,006</u>
Fund balances, December 31.	<u><u>\$58,977</u></u>	<u><u>\$ -</u></u>	<u><u>\$58,977</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, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Other	\$23	\$23	\$0
Total revenues.	<u>23</u>	<u>23</u>	<u>0</u>
Expenditures:			
Capital outlay			
Capital outlay	119,000	118,953	47
Total capital outlay	<u>119,000</u>	<u>118,953</u>	<u>47</u>
Total expenditures.	<u>119,000</u>	<u>118,953</u>	<u>47</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(118,977)</u>	<u>(118,930)</u>	<u>47</u>
Other financing sources (uses):			
Operating transfers in.	85,924	85,924	0
Total other financing sources (uses)	<u>85,924</u>	<u>85,924</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(33,053)</u>	<u>(33,006)</u>	<u>47</u>
Fund balance, January 1	91,983	91,983	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u><u>\$58,930</u></u>	<u><u>\$58,977</u></u>	<u><u>\$47</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CDBG STREET RESURFACING
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$19,132	\$19,132	\$0
Total revenues	<u>19,132</u>	<u>19,132</u>	<u>0</u>
Expenditures:			
Capital outlay			
Capital outlay	19,132	19,132	0
Total capital outlay	<u>19,132</u>	<u>19,132</u>	<u>0</u>
Total expenditures	<u>19,132</u>	<u>19,132</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, January 1	0	0	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$19,132	\$19,132	\$0
Other	23	23	0
Total revenues	<u>19,155</u>	<u>19,155</u>	<u>0</u>
Expenditures:			
Capital outlay			
Capital outlay	138,132	138,085	47
Total capital outlay	<u>138,132</u>	<u>138,085</u>	<u>47</u>
Total expenditures	<u>138,132</u>	<u>138,085</u>	<u>47</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(118,977)</u>	<u>(118,930)</u>	<u>47</u>
Other financing sources (uses):			
Operating transfers in	85,924	85,924	0
Total other financing sources (uses)	<u>85,924</u>	<u>85,924</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(33,053)</u>	<u>(33,006)</u>	<u>47</u>
Fund balances, January 1	91,983	91,983	0
Prior year encumbrances appropriated	0	0	0
Fund balances, December 31	<u>\$58,930</u>	<u>\$58,977</u>	<u>\$47</u>

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CITY OF HUBBARD, OHIO

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:

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.

Guarantee Trust

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

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31 2001

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>
Assets:			
Equity in pooled cash			
and cash equivalents.	\$1,170,477	\$720,687	\$5,554,378
Cash in segregated accounts	301	-	200
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	1,006	-	1,779
Notes	101,984	110,522	385,386
Due from other governments	-	-	24,636
Prepayments.	3,565	6,767	4,358
Materials and supplies inventory	4,204	16,616	507,550
Investment in joint ventures	-	-	149,820
Restricted assets:			
Cash with fiscal agent	761,089	-	-
Property, plant and equipment			
(net of accumulated depreciation)	4,586,913	3,217,578	292,366
Total assets	<u>6,629,539</u>	<u>4,072,170</u>	<u>6,920,473</u>
Liabilities:			
Accounts payable	8,450	55,676	229,354
Retainage payable	-	5,752	-
Accrued wages and benefits	7,138	9,765	18,298
Compensated absences payable	47,697	26,776	57,996
Accrued interest payable.	27,392	28	627
Due to other governments	16,735	10,278	26,724
Notes payable	-	19,646	2,100,000
Mortgage revenue bond payable	4,830,000	-	-
OWDA loan payable.	-	2,290,520	-
OPWC loans payable	205,554	219,344	-
Total liabilities.	<u>5,142,966</u>	<u>2,637,785</u>	<u>2,432,999</u>
Fund Equity:			
Retained earnings:			
Reserved.	761,089	-	-
Unreserved.	725,484	1,434,385	4,487,474
Total fund equity	<u>1,486,573</u>	<u>1,434,385</u>	<u>4,487,474</u>
Total liabilities and fund equity	<u>\$6,629,539</u>	<u>\$4,072,170</u>	<u>\$6,920,473</u>

Guarantee Trust	Totals
\$83,543	\$7,529,085
-	501
-	2,785
-	597,892
-	24,636
-	14,690
-	528,370
-	149,820
-	761,089
-	8,096,857
<u>83,543</u>	<u>17,705,725</u>
-	293,480
-	5,752
-	35,201
-	132,469
-	28,047
-	53,737
-	2,119,646
-	4,830,000
-	2,290,520
-	424,898
<u>-</u>	<u>10,213,750</u>
-	761,089
<u>83,543</u>	<u>6,730,886</u>
<u>83,543</u>	<u>7,491,975</u>
<u>\$83,543</u>	<u>\$17,705,725</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31 2001

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>
Operating revenues:			
Charges for services	\$1,219,540	\$1,403,992	\$4,041,721
Other operating revenues	20,531	2,970	34,476
Total operating revenues	<u>1,240,071</u>	<u>1,406,962</u>	<u>4,076,197</u>
Operating expenses:			
Personal services	376,912	377,414	748,899
Contractual services	79,914	561,643	2,920,821
Materials and supplies	89,624	85,692	316,360
Depreciation	370,318	120,767	78,008
Other operating expenses	-	-	-
Total operating expenses	<u>916,768</u>	<u>1,145,516</u>	<u>4,064,088</u>
Operating income	<u>323,303</u>	<u>261,446</u>	<u>12,109</u>
Nonoperating revenues (expenses):			
Investment earnings	36,706	1,720	771
Property and other taxes	-	-	11,761
Gain on sale of fixed assets	100	-	-
Intergovernmental	-	151,528	-
Investment in joint venture	-	-	49,237
Interest and fiscal charges	(266,089)	(157,475)	(627)
Total nonoperating revenues (expenses)	<u>(229,283)</u>	<u>(4,227)</u>	<u>61,142</u>
Net income before contributions	94,020	257,219	73,251
Capital contributions	-	95,791	-
Net income	94,020	353,010	73,251
Retained earnings, January 1	<u>1,392,553</u>	<u>1,081,375</u>	<u>4,414,223</u>
Retained earnings, December 31	<u>\$1,486,573</u>	<u>\$1,434,385</u>	<u>\$4,487,474</u>

Guarantee Trust	Totals
\$ -	\$6,665,253
20,500	78,477
<u>20,500</u>	<u>6,743,730</u>
-	1,503,225
-	3,562,378
-	491,676
-	569,093
19,924	19,924
<u>19,924</u>	<u>6,146,296</u>
576	597,434
-	39,197
-	11,761
-	100
-	151,528
-	49,237
-	(424,191)
-	<u>(172,368)</u>
576	425,066
-	95,791
576	520,857
82,967	6,971,118
<u>\$83,543</u>	<u>\$7,491,975</u>

CITY OF HUBBARD, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$1,222,859	\$1,222,859	\$0
Other operating revenues	28,886	28,886	0
Total operating revenues	<u>1,251,745</u>	<u>1,251,745</u>	<u>0</u>
Operating expenses:			
Personal services	423,293	378,776	44,517
Contractual services	83,545	83,503	42
Materials and supplies	79,943	79,910	33
Capital outlay	45,100	44,938	162
Total operating expenses	<u>631,881</u>	<u>587,127</u>	<u>44,754</u>
Operating income	<u>619,864</u>	<u>664,618</u>	<u>44,754</u>
Nonoperating revenues (expenses):			
Proceeds from sale of fixed assets	100	100	0
Debt service:			
Principal retirement	(246,750)	(246,747)	3
Interest and fiscal charges	(266,815)	(266,797)	18
Total nonoperating revenues (expenses)	<u>(513,465)</u>	<u>(513,444)</u>	<u>21</u>
Net income before operating transfers	106,399	151,174	44,775
Operating transfers in	48,000	48,000	0
Operating transfers out	<u>(48,000)</u>	<u>(48,000)</u>	<u>0</u>
Net income	106,399	151,174	44,775
Retained earnings, January 1	972,050	972,050	0
Prior year encumbrances appropriated	47,159	47,159	0
Retained earnings, December 31	<u>\$1,125,608</u>	<u>\$1,170,383</u>	<u>\$44,775</u>

CITY OF HUBBARD, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$1,412,328	\$1,412,328	\$0
Other operating revenues	228,422	228,422	0
Total operating revenues	<u>1,640,750</u>	<u>1,640,750</u>	<u>0</u>
Operating expenses:			
Personal services	378,285	378,238	47
Contractual services	1,241,721	1,241,553	168
Materials and supplies	78,475	78,427	48
Capital outlay	53,048	53,036	12
Other operating expenses	217,725	217,723	2
Total operating expenses	<u>1,969,254</u>	<u>1,968,977</u>	<u>277</u>
Operating loss	<u>(328,504)</u>	<u>(328,227)</u>	<u>277</u>
Nonoperating revenues (expenses):			
Investment earnings	1,720	1,720	0
Proceeds of loans	105,759	105,759	0
Intergovernmental revenues	151,528	151,528	0
Debt service:			
Principal retirement	(128,305)	(128,293)	12
Interest and fiscal charges	(157,563)	(157,560)	3
Total nonoperating revenues (expenses)	<u>(26,861)</u>	<u>(26,846)</u>	<u>15</u>
Net loss before operating transfers	(355,365)	(355,073)	292
Operating transfers in	120,000	120,000	0
Operating transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>0</u>
Net loss	(355,365)	(355,073)	292
Retained earnings, January 1	751,950	751,950	0
Prior year encumbrances appropriated	217,372	217,372	0
Retained earnings, December 31	<u>\$613,957</u>	<u>\$614,249</u>	<u>\$292</u>

CITY OF HUBBARD, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$4,084,340	\$4,084,340	\$0
Other operating revenues	46,232	46,232	0
Total operating revenues	<u>4,130,572</u>	<u>4,130,572</u>	<u>0</u>
Operating expenses:			
Personal services	742,540	742,481	59
Contractual services	2,942,830	2,929,686	13,144
Materials and supplies	216,648	215,390	1,258
Capital outlay	330,539	317,806	12,733
Total operating expenses	<u>4,232,557</u>	<u>4,205,363</u>	<u>27,194</u>
Operating loss	<u>(101,985)</u>	<u>(74,791)</u>	<u>27,194</u>
Nonoperating revenues:			
Investment earnings	771	771	0
Property and other taxes	11,359	11,359	0
Proceeds of notes	2,100,000	2,100,000	0
Total nonoperating revenues	<u>2,112,130</u>	<u>2,112,130</u>	<u>0</u>
Net income before operating transfers	2,010,145	2,037,339	27,194
Operating transfers in	264,318	264,318	0
Operating transfers out	<u>(264,320)</u>	<u>(264,318)</u>	<u>2</u>
Net income	2,010,143	2,037,339	27,196
Retained earnings, January 1	3,282,238	3,282,238	0
Prior year encumbrances appropriated	259,437	259,437	0
Retained earnings, December 31	<u>\$5,551,818</u>	<u>\$5,579,014</u>	<u>\$27,196</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GUARANTEE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Other operating revenues	20,500	20,500	\$0
Total operating revenues	<u>20,500</u>	<u>20,500</u>	<u>0</u>
Operating income.	<u>20,500</u>	<u>20,500</u>	<u>0</u>
Operating expenses:			
Other operating expenses	20,875	20,874	1
Total operating expenses	<u>20,875</u>	<u>20,874</u>	<u>1</u>
Net loss.	(375)	(374)	1
Retained earnings, January 1	83,917	83,917	0
Prior year encumbrances appropriated.	0	0	0
Retained earnings, December 31.	<u>\$83,542</u>	<u>\$83,543</u>	<u>\$1</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$6,719,527	\$6,719,527	\$0
Other operating revenues	324,040	324,040	0
Total operating revenues	<u>7,043,567</u>	<u>7,043,567</u>	<u>0</u>
Operating expenses:			
Personal services	1,544,118	1,499,495	44,623
Contractual services	4,268,096	4,254,742	13,354
Materials and supplies	375,066	373,727	1,339
Capital outlay	428,687	415,780	12,907
Other operating expenses	238,600	238,597	3
Total operating expenses	<u>6,854,567</u>	<u>6,782,341</u>	<u>72,226</u>
Operating income	<u>189,000</u>	<u>261,226</u>	<u>72,226</u>
Nonoperating revenues (expenses):			
Investment earnings	2,491	2,491	0
Property and other taxes	11,359	11,359	0
Proceeds of loans	105,759	105,759	0
Proceeds of notes	2,100,000	2,100,000	0
Proceeds from sale of fixed assets	100	100	0
Intergovernmental revenues	151,528	151,528	0
Debt service:			
Principal retirement	(375,055)	(375,040)	15
Interest and fiscal charges	(424,378)	(424,357)	21
Total nonoperating revenues (expenses)	<u>1,571,804</u>	<u>1,571,840</u>	<u>36</u>
Net income before operating transfers	1,760,804	1,833,066	72,262
Operating transfers in	432,318	432,318	0
Operating transfers out	<u>(432,320)</u>	<u>(432,318)</u>	<u>2</u>
Net income	1,760,802	1,833,066	72,264
Retained earnings, January 1	5,090,155	5,090,155	0
Prior year encumbrances appropriated	523,968	523,968	0
Retained earnings, December 31	<u>\$7,374,925</u>	<u>\$7,447,189</u>	<u>\$72,264</u>

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CITY OF HUBBARD, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31 2001

	Sewer	Water	Electric
Cash flows from operating activities:			
Cash received from customers	\$1,222,860	\$1,412,328	\$4,084,340
Cash received from other operations	28,886	228,422	46,232
Cash payments for personal services	(378,776)	(378,238)	(742,481)
Cash payments for contractual services.	(83,503)	(559,282)	(2,929,686)
Cash payments for materials and supplies	(96,826)	(106,145)	(401,100)
Cash payments for other expenses	-	(217,723)	-
Net cash provided by (used in) operating activities.	<u>692,641</u>	<u>379,362</u>	<u>57,305</u>
Cash flows from noncapital financing activities:			
Cash received from property and other taxes	-	-	11,359
Cash received from operating grants	-	151,528	-
Transfers in from other funds	48,000	120,000	264,318
Transfers out to other funds	(48,000)	(120,000)	(264,318)
Net cash provided by noncapital financing activities.	<u>-</u>	<u>151,528</u>	<u>11,359</u>
Cash flows from capital and related financing activities:			
Proceeds of loans	-	105,759	-
Proceeds of notes	-	-	2,100,000
Aquisition of capital assets	(27,928)	(601,151)	(132,096)
Gain on sale of fixed assets	100	-	-
Principal retirement	(246,747)	(128,293)	-
Interest and fiscal charges.	(266,797)	(157,560)	-
Net cash provided by (used in) capital and related financing activities.	<u>(541,372)</u>	<u>(781,245)</u>	<u>1,967,904</u>
Cash flows from investing activities:			
Principal payment received on internal notes.	-	-	73,317
Interest received.	36,706	1,720	771
Net cash provided by investing activities	<u>36,706</u>	<u>1,720</u>	<u>74,088</u>
Net increase (decrease) in cash and cash equivalents.	187,975	(248,635)	2,110,656
Cash and cash equivalents, January 1	1,743,892	969,322	3,443,922
Cash and cash equivalents, December 31	<u>\$1,931,867</u>	<u>\$720,687</u>	<u>\$5,554,578</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$323,303	\$261,446	\$12,109
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation.	370,318	120,767	78,008
Changes in assets and liabilities:			
Increase in materials and supplies inventory.	(1,088)	(13,467)	(76,380)
Decrease in accounts receivable	3,135	7,088	38,727
Increase in prepayments	(1,707)	(3,816)	(1,622)
Decrease in due from other governments	8,313	8,729	15,379
Decrease in due from other funds	227	248	269
Increase (decrease) in accounts payable	(9,679)	1,951	(15,603)
Increase (decrease) in accrued wages and benefits	555	(2,077)	3,413
Increase (decrease) in compensated absences payable.	(519)	1,292	2,669
Increase (decrease) in due to other governments.	(217)	(2,799)	336
Decrease in due to other funds	-	-	-
Net cash provided by (used in) operating activities	<u>\$692,641</u>	<u>\$379,362</u>	<u>\$57,305</u>
Noncash investing, capital and financing activities:			
Contributions of fixed assets from other funds	\$ -	\$95,791	\$ -

<u>Guarantee Trust</u>	<u>Totals</u>
\$ -	\$6,719,528
20,500	324,040
0	(1,499,495)
0	(3,572,471)
0	(604,071)
<u>(20,874)</u>	<u>(238,597)</u>
<u>(374)</u>	<u>1,128,934</u>
-	11,359
-	151,528
-	432,318
<u>-</u>	<u>(432,318)</u>
<u>-</u>	<u>162,887</u>
-	105,759
-	2,100,000
-	(761,175)
-	100
-	(375,040)
<u>-</u>	<u>(424,357)</u>
<u>-</u>	<u>645,287</u>
-	73,317
<u>-</u>	<u>39,197</u>
<u>-</u>	<u>112,514</u>
(374)	2,049,622
83,917	6,241,053
<u>\$83,543</u>	<u>\$8,290,675</u>
\$576	\$597,434
-	569,093
-	(90,935)
-	48,950
-	(7,145)
-	32,421
-	744
(206)	(23,537)
-	1,891
-	3,442
-	(2,680)
<u>(744)</u>	<u>(744)</u>
<u>(\$374)</u>	<u>\$1,128,934</u>
\$ -	\$95,791

CITY OF HUBBARD, OHIO

INTERNAL SERVICE FUND

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

Employees Health

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

CITY OF HUBBARD, OHIO

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

EMPLOYEES HEALTH

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$457,284	\$457,284	\$0
Other	23,753	23,753	0
Total operating revenues	<u>481,037</u>	<u>481,037</u>	<u>0</u>
Operating expenses:			
Contractual services	533,510	533,008	502
Total operating expenses	<u>533,510</u>	<u>533,008</u>	<u>502</u>
Net loss.	(52,473)	(51,971)	502
Retained earnings, January 1	401,051	401,051	0
Prior year encumbrances appropriated.	13,000	13,000	0
Retained earnings, December 31.	<u>\$361,578</u>	<u>\$362,080</u>	<u>\$502</u>

CITY OF HUBBARD, OHIO

FIDUCIARY FUNDS

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

Nonexpendable Trust Funds

Nonexpendable trust funds are used to account for money, securities or lands which have been set aside as an investment for City purposes. The income from such a fund may be expended, but the principal must remain intact. Such funds are also identified as nonexpendable trust funds. The following are the City's nonexpendable trust funds:

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).

Mizner Trust Fund

To account for \$500 received in trust on December 12, 1950 for 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 cemetery plots.

Agency Funds

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:

Mayors Court

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

Undistributed Monies

To account for all monies and disbursements of funds held by the City whose rightful owners have not claimed.

CITY OF HUBBARD, OHIO

COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
 DECEMBER 31 2001

	Nonexpendable Trust			Total Agency	Totals
	Sugar Grove Trust	Mizner Trust	Hultz Trust		
Assets:					
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$1,888	\$1,888
Equity in pooled cash and cash equivalents - nonexpendable trust fund	1,670	1,739	5,584	-	8,993
Total assets	<u>1,670</u>	<u>1,739</u>	<u>5,584</u>	<u>1,888</u>	<u>10,881</u>
Liabilities:					
Deposits held and due to others	-	-	-	1,888	1,888
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,888</u>	<u>1,888</u>
Fund Equity:					
Reserved:					
Reserved for principal endowment	837	500	2,500	-	3,837
Unreserved:					
Undesignated	833	1,239	3,084	-	5,156
Total fund equity	<u>1,670</u>	<u>1,739</u>	<u>5,584</u>	<u>-</u>	<u>8,993</u>
Total liabilities and fund equity	<u>\$1,670</u>	<u>\$1,739</u>	<u>\$5,584</u>	<u>\$1,888</u>	<u>\$10,881</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31 2001

	<u>Sugar Grove Trust</u>	<u>Mizner Trust</u>	<u>Hultz Trust</u>	<u>Totals</u>
Operating revenues:				
Investment earnings	\$16	\$16	\$53	\$85
Total operating revenues	<u>16</u>	<u>16</u>	<u>53</u>	<u>85</u>
Net income	16	16	53	85
Fund balances, January 1	<u>1,654</u>	<u>1,723</u>	<u>5,531</u>	<u>8,908</u>
Fund balances, December 31.	<u><u>\$1,670</u></u>	<u><u>\$1,739</u></u>	<u><u>\$5,584</u></u>	<u><u>\$8,993</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUGAR GROVE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Investment earnings	<u>\$16</u>	<u>\$16</u>	<u>\$0</u>
Total operating revenues	<u>16</u>	<u>16</u>	<u>0</u>
 Net income	 16	 16	 0
 Fund balance, January 1	 1,654	 1,654	 0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$1,670</u></u>	<u><u>\$1,670</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO

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

MIZNER TRUST

FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Investment earnings	\$16	\$16	\$0
Total operating revenues	<u>16</u>	<u>16</u>	<u>0</u>
Net income	16	16	0
Fund balance, January 1	1,723	1,723	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u><u>\$1,739</u></u>	<u><u>\$1,739</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Investment earnings	\$53	\$53	\$0
Total operating revenues	<u>53</u>	<u>53</u>	<u>0</u>
Net income	53	53	0
Fund balance, January 1	5,531	5,531	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$5,584</u></u>	<u><u>\$5,584</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Investment earnings	\$85	\$85	\$0
Total operating revenues	<u>85</u>	<u>85</u>	<u>0</u>
Net income	85	85	0
Fund balances, January 1	8,908	8,908	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, December 31	<u><u>\$8,993</u></u>	<u><u>\$8,993</u></u>	<u><u>\$0</u></u>

CITY OF HUBBARD, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31 2001

	<u>Sugar Grove Trust</u>	<u>Mizner Trust</u>	<u>Hultz Trust</u>	<u>Totals</u>
Cash flows from investing activities:				
Interest received	\$16	\$16	\$53	\$85
Net cash provided by investing activities	16	16	53	85
Net increase in cash and cash equivalents	16	16	53	85
Cash and cash equivalents, January 1	1,654	1,723	5,531	8,908
Cash and cash equivalents, December 31	<u>\$1,670</u>	<u>\$1,739</u>	<u>\$5,584</u>	<u>\$8,993</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$16	\$16	\$53	\$85
Adjustments to reconcile operating income to net cash provided by operating activities:				
Interest reported as operating income	<u>(16)</u>	<u>(16)</u>	<u>(53)</u>	<u>(85)</u>
Net cash provided by operating activities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CITY OF HUBBARD, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 DECEMBER 31, 2001

	<u>Balance</u> <u>1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/01</u>
Mayors Court				
Assets:				
Equity in pooled cash and cash equivalents	<u>\$1,200</u>	<u>\$91,319</u>	<u>\$90,834</u>	<u>\$1,685</u>
Total assets.	<u><u>\$1,200</u></u>	<u><u>\$91,319</u></u>	<u><u>\$90,834</u></u>	<u><u>\$1,685</u></u>
Liabilities:				
Deposits held and due to others	<u>\$1,200</u>	<u>\$91,319</u>	<u>\$90,834</u>	<u>\$1,685</u>
Total liabilities	<u><u>\$1,200</u></u>	<u><u>\$91,319</u></u>	<u><u>\$90,834</u></u>	<u><u>\$1,685</u></u>
Unclaimed Monies				
Assets:				
Equity in pooled cash and cash equivalents	<u>\$146</u>	<u>\$211</u>	<u>\$154</u>	<u>\$203</u>
Total assets.	<u><u>\$146</u></u>	<u><u>\$211</u></u>	<u><u>\$154</u></u>	<u><u>\$203</u></u>
Liabilities:				
Deposits held and due to others	<u>\$146</u>	<u>\$211</u>	<u>\$154</u>	<u>\$203</u>
Total liabilities	<u><u>\$146</u></u>	<u><u>\$211</u></u>	<u><u>\$154</u></u>	<u><u>\$203</u></u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	<u>\$1,346</u>	<u>\$91,530</u>	<u>\$90,988</u>	<u>\$1,888</u>
Total assets.	<u><u>\$1,346</u></u>	<u><u>\$91,530</u></u>	<u><u>\$90,988</u></u>	<u><u>\$1,888</u></u>
Liabilities:				
Deposits held and due to others	<u>\$1,346</u>	<u>\$91,530</u>	<u>\$90,988</u>	<u>\$1,888</u>
Total liabilities	<u><u>\$1,346</u></u>	<u><u>\$91,530</u></u>	<u><u>\$90,988</u></u>	<u><u>\$1,888</u></u>

CITY OF HUBBARD, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for all general fixed assets of the City, other than those accounted for in the proprietary funds.

CITY OF HUBBARD, OHIO

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION
DECEMBER 31, 2001

<u>Function</u>	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
General government.	\$256,264	\$394,796	\$224,113	\$ -	\$875,173
Security of persons and property	-	118,896	188,663	855,009	1,162,568
Transportation.	-	27,553	245,143	288,741	561,437
Leisure time activities.	47,136	46,781	-	6,436	100,353
Capital outlay	-	-	17,532	-	17,532
Total general fixed assets.	<u>\$303,400</u>	<u>\$588,026</u>	<u>\$675,451</u>	<u>\$1,150,186</u>	<u>\$2,717,063</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2001

Function	Balance 1/1/01	Additions	Deletions	Balance 12/31/01
General government.	\$857,794	\$25,395	(\$8,016)	\$875,173
Security of persons and property	986,323	176,245	-	1,162,568
Transportation.	521,563	54,124	(14,250)	561,437
Leisure time activities.	100,353	-	-	100,353
Capital outlay	17,532	-	-	17,532
Total general fixed assets	<u>\$2,483,565</u>	<u>\$255,764</u>	<u>(\$22,266)</u>	<u>\$2,717,063</u>

CITY OF HUBBARD, OHIO

SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2001

General Fixed Assets:	
Land and improvements	\$303,400
Buildings and improvements	588,026
Furniture and equipment	675,451
Vehicles	<u>1,150,186</u>
Total General Fixed Assets.	<u><u>\$2,717,063</u></u>
Investment in General Fixed Assets:	
General Fund Revenues	\$1,340,561
Special Revenue Funds Revenues	1,358,970
Capital Projects Funds Revenues.	<u>17,532</u>
Total Investment in General Fixed Assets . . .	<u><u>\$2,717,063</u></u>

STATISTICAL SECTION

In accordance with Governmental Accounting Standards Board Codification Section 2800.13, the City of Hubbard has excluded all statistical tables related to general obligation bonded debt in governmental funds. The City of Hubbard has not issued or carried general obligation bonded debt in the governmental funds in the last ten years, all bonded debt is supported by enterprise fund operations. In accordance with GASB Codification Section 2800.13, the City of Hubbard has presented other appropriate statistical tables that will give the reader a better historical perspective and assist in assessing the current financial status and trends of the City.

CITY OF HUBBARD, OHIO

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

<u>Year</u>	<u>General Government</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Transportation</u>	<u>Community Environment</u>	<u>Leisure Time Activities</u>	<u>Economic Development</u>
2001	\$339,749	\$1,374,984	\$29,314	\$515,212	\$1,600	\$26,500	\$ -
2000	348,155	1,324,594	27,857	502,597	3,445	29,427	200
1999	286,517	1,208,958	24,135	474,008	650	37,891	1,157
1998	349,261	1,152,531	25,028	460,410	514	26,062	-
1997	259,921	1,065,320	31,945	430,680	584	37,788	-
1996	311,547	1,057,480	30,112	522,561	2,408	38,281	-
1995	305,666	865,147	12,524	449,237	1,665	28,332	-
1994	277,687	880,050	26,891	382,916	1,390	31,615	-
1993	309,086	776,354	-	425,536	9,300	36,262	-
1992	275,480	915,536	-	420,626	8,788	28,996	-

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Principal Retirement and Interest and Fiscal Charges amounts are reflected as a combined amount in the Total Debt Service column. Amounts were not able to be separated for these years.

Note: 1999 - 2001 amounts reflect GAAP basis reporting; prior years reflect cash basis accounting.

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

Other	Capital Outlay	Debt Service		Total Debt Service	Total
		Principal Retirement	Interest & Fiscal Charges		
\$983	\$211,397	\$6,335	\$9,697	\$16,032	\$2,515,771
985	362,308	17,646	2,224	19,870	2,619,438
10,517	244,004	13,277	4,006	17,283	2,305,120
-	412,645	27,101	2,201	29,302	2,455,753
-	105,390	79,251	3,643	82,894	2,014,522
-	219,278	112,994	8,370	121,364	2,303,031
-	30,307	406,355	14,556	420,911	2,113,789
-	171,893	149,626	18,420	168,046	1,940,488
-	250,449	(2)	(2)	203,759	2,010,746
-	68,947	(2)	(2)	200,264	1,918,637

CITY OF HUBBARD, OHIO
GENERAL GOVERNMENT REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Year	Income Taxes	Property and Other Taxes	Charges for Services	Licenses, Permits and Fees	Fines and Forfeitures	Intergovernmental
2001	\$952,071	\$316,350	\$300	\$52,631	\$70,669	\$726,369
2000	994,671	316,478	300	36,407	51,310	705,513
1999	1,003,790	267,959	380	34,563	65,779	861,076
1998	1,087,372	242,399	525	13,179	69,551	592,073
1997	1,052,925	244,190	500	9,140	62,179	533,511
1996	980,471	206,181	-	9,360	38,442	648,605
1995	958,890	184,469	-	11,497	37,133	538,523
1994	936,725	162,784	-	12,684	40,101	631,245
1993	898,567	234,510	23,506	11,173	34,239	487,305
1992	822,453	192,248	-	8,520	47,143	450,744

(1) Includes general, special revenue, debt service and capital projects funds.

Note: 1999 - 2001 amounts reflect GAAP basis reporting; prior years reflect cash basis accounting

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

<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
\$340,155	\$39,220	\$2,497,765
441,245	68,590	2,614,514
295,810	45,035	2,574,392
247,179	155,487	2,407,765
208,170	76,428	2,187,043
152,125	96,560	2,131,744
153,794	60,464	1,944,770
124,184	46,869	1,954,592
115,577	79,049	1,883,926
125,027	69,297	1,715,432

CITY OF HUBBARD, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Real Property</u>		<u>Personal Property</u>		<u>Public Utilities</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value (2)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (2)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (2)</u>
2001	\$90,428,070	258,365,914	\$7,779,366	\$31,117,464	\$2,049,350	\$2,328,807
2000	88,629,600	253,227,429	7,223,222	28,892,888	2,210,780	2,512,250
1999 (b)	71,969,610	205,627,457	7,148,928	28,595,712	2,448,470	2,782,352
1998	71,038,050	202,965,857	6,566,022	26,264,088	2,514,520	2,857,409
1997	69,980,770	199,945,057	7,347,863	29,391,452	2,583,920	2,936,273
1996 (a)	61,609,350	176,026,714	8,477,288	33,909,152	2,693,160	3,060,409
1995	60,216,200	172,046,286	7,574,871	30,299,484	2,820,810	3,205,466
1994	59,808,580	170,881,657	7,160,689	28,642,756	2,828,320	3,214,000
1993 (b)	49,396,060	141,131,600	6,809,759	27,239,036	2,773,730	3,151,966
1992	48,673,890	139,068,257	7,338,151	29,352,604	2,768,280	3,145,773

(1) Source: Trumbull County Auditor

(2) This amount is calculated by dividing the assessed value by the assessment percentage. The assessment percentages for 2001 were thirty-five percent (35%) for all real property, eighty-eight (88%) for public utility property and twenty five percent (25%) for tangible personal property.

(a) Update year

(b) Reappraisal Year

<u>Exemptions</u> <u>Real</u> <u>Property</u>	<u>Assessed</u> <u>Value</u>	<u>Total</u> <u>Estimated</u> <u>Actual Value (2)</u>	<u>Ratio of</u> <u>Assessed to</u> <u>Actual Value</u>
\$8,116,100	\$100,256,786	\$291,812,185	34.36%
8,097,060	98,063,602	284,632,567	34.45%
6,485,120	81,567,008	237,005,521	34.42%
6,581,300	80,118,592	232,087,354	34.52%
6,493,800	79,912,553	232,272,782	34.40%
6,475,170	72,779,798	212,996,275	34.17%
6,498,300	70,611,881	205,551,236	34.35%
6,427,410	69,797,589	202,738,413	34.43%
5,963,510	58,979,549	171,522,602	34.39%
5,984,030	58,780,321	171,566,634	34.26%

CITY OF HUBBARD, OHIO
REAL PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Tax Levy (2)</u>	<u>Current Tax Collections (2)</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections (2)</u>	<u>Total Tax Collections (2)</u>	<u>Ratio of Total Tax Collection to Total Tax Levy</u>
2001	\$331,420	\$320,902	96.8%	\$5,911	\$326,813	98.6%
2000	325,641	316,050	97.1%	9,147	325,197	99.9%
1999	277,567	270,313	97.4%	6,046	276,359	99.6%
1998	274,329	266,165	97.0%	6,672	272,837	99.5%
1997	270,654	264,100	97.6%	7,326	271,426	100.3%
1996	244,349	237,681	97.3%	5,335	243,016	99.5%
1995	182,807	178,547	97.7%	5,152	183,699	100.5%
1994	181,647	177,093	97.5%	4,250	181,343	99.8%
1993	151,292	147,251	97.3%	2,583	149,834	99.0%
1992	159,471	159,364	99.9%	-	159,364	99.9%

(1) Source: Trumbull County Auditor

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

Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy
\$16,726	5.0%
13,859	4.3%
12,903	4.6%
12,373	4.5%
12,188	4.5%
12,664	5.2%
9,037	4.9%
10,291	5.7%
8,961	5.9%
8,024	5.0%

CITY OF HUBBARD, OHIO

PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Tax Levy (2)</u>	<u>Current Tax Collections (2)</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections (2)</u>	<u>Total Tax Collections (2)</u>	<u>Ratio of Total Tax Collection to Total Tax Levy</u>
2001	\$29,562	\$30,696	103.8%	\$1,150	\$31,846	107.7%
2000	27,448	27,231	99.2%	378	27,609	100.6%
1999	27,165	25,879	95.3%	742	26,621	98.0%
1998	24,950	24,264	97.3%	1,057	25,321	101.5%
1997	27,922	27,332	97.9%	921	28,253	101.2%
1996	32,214	31,213	96.9%	1,058	32,271	100.2%
1995	21,967	21,866	99.5%	243	22,109	100.6%
1994	20,765	19,723	95.0%	1,143	20,866	100.5%
1993	19,748	19,736	99.9%	851	20,587	104.2%
1992	22,748	22,779	100.1%	788	23,567	103.6%

(1) Source: Trumbull County Auditor

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

Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy
\$1,215	4.1%
1,163	4.2%
1,426	5.2%
1,610	6.5%
2,198	7.9%
1,814	5.6%
899	4.1%
775	3.7%
1,221	6.2%
1,940	8.5%

CITY OF HUBBARD, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
 (PER \$1,000 OF ASSESSED VALUATION)
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>City of Hubbard</u>	<u>County</u>	<u>School</u>	<u>Vocational School</u>	<u>Township (2)</u>	<u>Other (2)</u>	<u>Total</u>
<u>Taxing District: Hubbard Exempted Village School District</u>							
2000 for 2001	3.80	10.35	54.35	2.40	14.40	1.20	86.50
1999 for 2000	3.80	10.35	48.26	2.40	12.85	1.20	78.86
1998 for 1999	3.80	10.35	49.60	2.40	12.85	1.20	80.20
1997 for 1998	3.80	9.30	49.70	2.40	12.85	1.20	79.25
1996 for 1997	3.80	9.30	49.67	2.40	12.85	0.20	78.22
1995 for 1996	3.80	9.30	50.50	2.40	12.85	0.20	79.05
1994 for 1995	2.90	9.30	51.10	2.40	12.50	0.20	78.40
1993 for 1994	2.90	9.30	51.10	2.40	12.50	0.20	78.40
1992 for 1993	2.90	9.30	52.30	2.40	12.50	0.20	79.60
1991 for 1992	3.10	9.80	41.30	2.40	12.70	0.20	69.50

(1) Source: Trumbull County Treasurer

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

CITY OF HUBBARD, OHIO

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>		<u>Special Assessment Billings</u>	<u>Special Assessment Collections</u>
2001		\$ -	\$ -
2000		-	-
1999		-	-
1998		-	-
1997	(a)	1,237	1,237
1996		-	-
1995		-	-
1994		-	-
1993		-	-
1992		-	-

(1) Source: Trumbull County Auditor

(a) Delinquent charges carried forward and collected from 1987 assessment

CITY OF HUBBARD, OHIO

COMPUTATION OF LEGAL DEBT MARGIN (1)
DECEMBER 31, 2001

	<u>Total Debt Limit (2)</u>	<u>Total Unvoted Debt Limit (3)</u>
Assessed valuation of the City	\$100,256,786	\$100,256,786
Legal debt margin:		
Debt limitation	10,526,963	5,514,123
Debt applicable to limitation		
Total bonded debt	4,830,000	4,830,000
Exemptions:		
Debt supported by enterprise fund operations	(4,830,000)	(4,830,000)
Net Debt applicable to limitation:	<u> -</u>	<u> -</u>
Total legal debt margin (debt limitation minus total debt applicable to limitation)	<u><u>\$10,526,963</u></u>	<u><u>\$5,514,123</u></u>

(1) Computation based upon the provision of Section 133, the Uniform Bond Act of the Ohio Revised Code

(2) The Statutory Total Debt Limitation is calculated as follows:
Ten and one-half percent (10 1/2%) of the assessed valuation

(3) The Direct Limitation on unvoted debt is calculated as follows:
Five and one-half percent (5 1/2%) of the total assessed valuation

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

CITY OF HUBBARD, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2001

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable To the City (1)</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Hubbard (2)	\$ -	100.00%	\$ -
Overlapping:			
Hubbard Township (3)	-	0.00%	-
Hubbard E.V. School District (4)	1,300,000	51.75%	672,710
Trumbull County (5)	19,067,995	3.04%	580,259
Total			<u>\$1,252,969</u>

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

<i>Overlapping Government</i>	<i>2001 Assessed Valuation</i>
City of Hubbard, Ohio	\$100,256,786
Hubbard Township	93,469,527
Hubbard E.V. School District	193,706,963
Trumbull County	3,293,921,703

(2) Source: City of Hubbard, Ohio, City Auditor's Office

(3) Source: Hubbard Township, Ohio, Clerk

(4) Source: Hubbard Exempted Village School District Treasurer's Office

(5) Source: Trumbull County Auditor

CITY OF HUBBARD, OHIO

REVENUE BOND COVERAGE
SEWER AUTHORITY (1)
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (1)	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2001	\$1,251,845	\$602,294	\$649,551	\$235,000	\$263,283	\$498,283	1.30
2000	1,266,022	617,988	648,034	225,000	273,408	498,408	1.30
1999	1,342,451	735,180	607,271	215,000	282,868	497,868	1.22
1998	1,308,646	639,840	668,806	205,000	291,273	496,273	1.35
1997	1,273,382	569,871	703,511	133,750	315,584	449,334	1.57
1996	1,237,677	573,642	664,035	105,000	442,358	547,358	1.21
1995	1,246,438	575,102	671,336	95,000	448,740	543,740	1.23
1994	1,166,798	460,446	706,352	90,000	454,420	544,420	1.30
1993	966,561	479,356	487,205	80,000	459,043	539,043	0.90
1992	893,629	492,527	401,102	45,000	380,088	425,088	0.94

(1) Source: City of Hubbard, Ohio, City Auditor's Office

CITY OF HUBBARD, OHIO

DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2001	8,284	(5)	2,366	6.1%
2000	8,284	\$25,582	2,438	5.3%
1999	7,793	25,022	2,431	5.4%
1998	7,841	24,264	2,430	6.1%
1997	7,982	23,642	2,392	5.8%
1996	8,068	22,655	2,413	6.4%
1995	8,139	23,494	2,376	6.5%
1994	8,233	22,238	2,394	8.0%
1993	8,314	20,657	2,369	8.5%
1992	8,344	18,602	2,374	9.7%

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

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

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

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

(5) Per capita income information unavailable. Bureau of Economic Analysis preliminary data to be released in May 2003 for data year 2001

CITY OF HUBBARD, OHIO

POPULATION AND HOUSING STATISTICS
DECEMBER 31, 2001

	<u>Number</u>	<u>Percent of Total</u>
Total Population	8,284	100.0%
Sex:		
Male	3,918	47.3%
Female	4,366	52.7%
Age:		
Under 5 years	435	5.3%
5 to 9 years	546	6.6%
10 to 14 years	606	7.3%
15 to 19 years	521	6.3%
20 to 24 years	445	5.4%
25 to 34 years	972	11.7%
35 to 44 years	1,195	14.4%
45 to 54 years	1,223	14.8%
55 to 59 years	423	5.1%
60 to 64 years	402	4.9%
65 to 74 years	775	9.4%
75 to 84 years	596	7.2%
85 years and over	145	1.8%
Median age (years)	40.5	
Housing Occupancy		
Total Housing Units	3,666	100.0%
Occupied Housing Units	3,456	94.3%
Vacant Housing Units	210	5.7%
For Seasonal, Recreational, or Occasional Use	14	0.4%
Homeowner Vacancy Rate	13.0%	
Rental Vacancy Rate	11.1%	
Housing Tenure		
Occupied housing units	3,456	100.0%
Owner - Occupied housing units	2,493	72.1%
Renter - Occupied housing units	963	27.9%
Average household size of owner-occupied units	2.60	
Average household size of renter-occupied units	1.87	

(1) Source: United States Bureau of Census Economic and Statistics Administration

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CITY OF HUBBARD, OHIO

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Property Value (1)</u>				<u>Commercial Construction (2)</u>	
	<u>Commercial</u>	<u>Residential</u>	<u>Exemptions</u>	<u>Total</u>	<u>Number of Units</u>	<u>Value</u>
2001	\$38,615,800	\$219,750,114	\$8,116,100	\$266,482,014	6	\$1,228,000
2000	37,694,000	215,533,429	8,097,060	261,324,489	2	390,000
1999	33,246,343	172,381,114	6,485,120	212,112,577	2	400,000
1998	32,261,086	170,704,771	6,581,300	209,547,157	3	393,740
1997	31,876,000	168,069,057	6,493,800	206,438,857	1	59,000
1996	31,264,229	144,762,485	6,475,170	182,501,884	1	500,000
1995	30,731,200	141,315,086	6,498,300	178,544,586	3	273,000
1994	30,634,229	140,247,428	6,427,410	177,309,067	4	167,400
1993	27,332,114	113,799,486	5,963,510	147,095,110	2	34,000
1992	27,346,086	111,722,171	5,984,030	145,052,287	1	75,000

(1) Estimated actual value from pages S 5-6.

(2) Source: City of Hubbard, Ohio, Engineer's Office - Zoning Inspection Department

(3) Federal Deposit Insurance Corporation, Office of Thrift Supervision, Metropolitan National Bank

Residential Construction (2)		
Number of Units	Value	Bank Deposits (3)
15	\$1,860,000	\$125,581,000
22	2,550,408	126,177,000
30	2,562,000	126,415,000
26	2,599,390	128,188,000
21	1,885,500	126,656,000
14	1,429,000	126,391,000
20	1,795,000	125,297,000
33	1,978,300	124,409,000
16	1,258,000	123,353,000
13	822,500	122,776,000

CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
REAL PROPERTY TAX (1)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
McConnell Enterprises	\$769,480	0.85%
Fleisher Realty	616,500	0.68%
Anthony L. Cocca	608,650	0.67%
United States Can Company	578,800	0.64%
WBS Company	553,850	0.61%
Simon-Westview Limited Partnership	523,040	0.58%
Valley View Properties	431,250	0.48%
James P. Marsh	427,720	0.47%
Anthony M. Villano	366,450	0.41%
GPC Land Development	359,800	0.40%
Totals, Top Ten Principal Real Property Taxpayers	<u>\$5,235,540</u>	<u>5.79%</u>
Total City Real Property Assessed Valuation	<u>\$90,428,070</u>	

(1) Source: Trumbull County Auditor

CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
PERSONAL PROPERTY TAX (1)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
United States Can Company	\$2,763,050	35.52%
Greenwood Hubbard Chervolet	1,408,500	18.11%
Devine Foods, Inc.	294,780	3.79%
Time Warner Cable	238,840	3.07%
Rite Aid of Ohio	207,150	2.66%
Patton's IGA Super Center, Inc.	207,040	2.66%
CVS Discount Drug	180,450	2.32%
Gasser Chair Company	172,460	2.22%
Speedway SuperAmerica	87,720	1.13%
N & J Excavating	77,100	0.99%
Totals, Top Ten Principal Personal Property Taxpayers	<u>\$5,637,090</u>	<u>72.47%</u>
Total City Personal Property Assessed Valuation	<u>\$7,779,366</u>	

(1) Source: Trumbull County Auditor

CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX (1)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Ohio Bell Telephone	\$866,660	42.29%
Dominion East Ohio Gas Company	242,480	11.83%
First Energy	207,270	10.11%
Norfolk Southern Combined	149,480	7.29%
American Transmission System	30,750	1.50%
CSX Transportation	22,550	1.10%
Ohio Bell Telephone	7,420	0.36%
American Municipal Power	1,180	0.06%
Intellicall Operator Service	390	0.02%
Davel Communications	140	0.01%
Totals, Top Ten Principal Public Utility Property Taxpayers	<u>\$1,528,320</u>	<u>74.57%</u>
Total City Public Utility Assessed Valuation	<u>\$2,049,350</u>	

(1) Source: Trumbull County Auditor

CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
INCOME TAX WITHHOLDING (1)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Number of Employees</u>	<u>Income Tax Withholding</u>	<u>Percent of Total Tax Collections</u>
Hubbard Exempted Village School District	496	\$94,703	9.85%
United States Can Company	277	84,997	8.84%
Delphi Automotive Systems	117	44,926	4.67%
City of Hubbard, Ohio	90	23,084	7.23%
General Motors Corporation	91	18,731	1.95%
Greenwood's Hubbard Chevrolet	47	14,039	1.46%
Lighting Products, Inc.	112	12,842	1.34%
Patton's IGA Super Center, Inc.	92	12,127	1.26%
Devine Foods, Inc.	62	7,546	0.78%
Gasser Chair Company	30	6,240	0.65%
Totals, Top Ten Principal Income Tax Withholders		<u>\$319,235</u>	<u>38.03%</u>
Total Income Tax Collections, Year 2001		<u>\$961,723</u>	

(1) Source: City of Hubbard, Ohio, Income Tax Administration Division

CITY OF HUBBARD, OHIO

**PRINCIPAL UTILITY CONSUMERS
ELECTRIC (1)
DECEMBER 31, 2001**

<u>Utility Consumer</u>	<u>Annual Consumption</u>	<u>Percent of Total Billed Consumption</u>
United States Can Company	6,034,000	11.62%
Devine Foods, Inc.	1,624,000	3.13%
Patton's IGA Super Center, Inc.	1,609,200	3.10%
Hubbard Square II - Shadow Run Apartments	786,400	1.51%
Hubbard High School	772,320	1.49%
Lighting Products, Inc.	627,000	1.21%
The Globe Restaurant	623,840	1.20%
Reed Middle School	484,800	0.93%
Trumbull Metropolitan Housing Authority	451,680	0.87%
OK KE, Inc.	411,360	0.79%
Totals, Top Ten Principal Electric Utility Consumers	<u>13,424,600</u>	<u>25.85%</u>
Total Billed Consumption for Year (in kilowatt hours)	<u>51,932,304</u>	

(1) Source: City of Hubbard, Ohio, Utility Billing Office

CITY OF HUBBARD, OHIO

PRINCIPAL UTILITY CONSUMERS
WATER/SEWER (1)
DECEMBER 31, 2001

<u>Utility Consumer</u>	<u>Annual Consumption (3)</u>	<u>Percent of Billed Water Consumption</u>	<u>Percent of Billed Sewer Consumption</u>
Ellwood Engineered Casting Company	1,172,000	3.55%	(2)
The Globe Restaurant	569,600	1.72%	1.96%
Hubbard Square II - Shadow Run Apartments	568,400	1.72%	1.96%
Blue Beacon Truck Wash of Hubbard	532,900	1.61%	1.83%
Truck World, Inc.	337,200	1.02%	1.16%
Hubbard Laundromat	322,700	0.98%	1.11%
Guiliano's Restaurant	224,900	0.68%	0.77%
Trumbull Metropolitan Housing Authority	206,000	0.62%	0.71%
Reed Middle School	137,800	0.42%	0.47%
Hubbard Community Pool	134,200	0.41%	0.46%
Uptown Auto Wash	80,000	0.24%	0.28%
Totals, Top Eleven Principal Water/Sewer Utility Consumers	<u>4,285,700</u>	<u>12.97%</u>	<u>10.71%</u>
Total Billed Consumption for Year (in cubic feet)			
Water	33,059,400		
Sewer	29,047,300		

(1) Source: City of Hubbard, Ohio, Utility Billing Office

(2) Customer does not have a city sewer service connection

(3) Measured in cubic feet

CITY OF HUBBARD, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2001

Date of Incorporation	1868
Form of Government	Council/Mayor
Type of Government	Statutory
Number of employees (excluding police)	
Classified	31
Exempt	22
Area in square miles	3.50
City of Hubbard, Ohio facilities and services:	
Center lane miles of streets	29.39
Miles of state highway within the City	7.5
Number of bridges	4
Miles of bridges	0.03
Number of street lights	865
Number of signalized intersections	8
<i>Parks and Recreation:</i>	
City Owned Parks	2
Park acreage	8.15
Volleyball courts	1
Basketball courts	3
Baseball fields	1
Restroom facilities	2
<i>Volunteer Fire Protection:</i>	
Number of stations	1
Number of volunteer officers	6
Number of volunteer fire fighters	22
Number of fire engines	4
Total number of calls answered	143
Number of calls answered within City	63
Number of calls answered within Township	80
Number of inspections conducted	26
<i>Police Protection:</i>	
Number of stations	1
Number of full-time police officers	14
Number of part-time police officers	3
Number of full time-police dispatchers	4
Number of part-time police dispatchers	1
Number of marked patrol units	9
Number of unmarked patrol units	2
Number of calls for service answered	5,588
Number of law violations:	
Physical arrests	407
Traffic citations	1,216
Parking violations	223
<i>Waste Water Pollution Control System:</i>	
Number of Waste Water Treatment Plants	1
Number of Waste Water Treatment Plant employees	5
Miles of sanitary sewers	29.51
Miles of storm sewers	16.25
Number of sanitary sewer lift stations	4
Number of service connections	3,239
Daily average treatment in millions gallons	2,000,000
Maximum daily capacity of treatment plant in gallon	17,000,000

CITY OF HUBBARD, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2001

Water Distribution System:

Number of Water employees	4
Miles of water mains	50.10
Number of water tanks	1
Maximum holding capacity of water tank in gallons	1,000,000
Number of service connections	3,568
Number of fire hydrants	394
Daily average consumption in gallons	1,088,168

Electric System:

Number of Electric employees	13
Total miles of electric service	55.05

Electric 23 KV Transmission System:

Miles of transmission services	4.23
Number of transmission poles	111
Number of sub-stations	3
Line feet of overhead transmission conductor	22,326
Conductor feet of overhead transmission conductor	66,978
Line feet of underground transmission conductor	2,335
Conductor feet of underground transmission conductor	7,005

Electric Distribution System:

Miles of distribution service	50.82
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Overhead Distribution System:

Miles of overhead distribution service	34.73
Number of distribution poles	1,539
Number of pole mount transformers	591
Total line feet of overhead primary conductor	183,388
Total conductor feet of overhead primary conductor	350,489

Single Phase Overhead Distribution System:

Line feet of single-phase conductor	95,965
Conductor feet of two phase primary conductor	95,965

Two Phase Overhead Distribution System:

Line feet of single-phase primary conductor	7,745
Conductor feet of two-phase primary conductor	15,490

Three Phase Overhead Distribution System:

Line feet of three-phase primary conductor	79,678
Conductor feet of three phase primary conductor	239,034
Line/conductor feet of neutral conductor	22,662
Line feet of secondary conductor	166,984
Conductor feet of secondary conductor	345,753

Underground Distribution System:

Miles of underground distribution service	16.09
Number of pad mount single phase transformers	83
Number of pad mount three phase transformers	35
Total line feet of underground primary conductor	84,926
Total conductor feet of underground primary conductor	15,528

Single Phase Underground Distribution System:

Line feet of single-phase primary conductor	27,185
Conductor feet of single-phase primary conductor	15,528

Three Phase Underground Distribution System:

Line feet of three-phase primary conductor	57,741
Conductor feet of three-phase primary conductor	0
Line feet of secondary conductor	15,368
Conductor feet of secondary conductor	15,368

CITY OF HUBBARD, OHIO

MISCELLANEOUS STATISTICS
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Distribution System Service Connections:

Number of residential service connections	3,388
Number of demand residential service connections	59
Number of general service small (commercial) connections	298
Number of general service large (industrial) connections	1
Number of security light connections	212

Distribution System Service Connections:

Daily average gross consumption in kilowatt hours	159,380
Daily average consumption in kilowatt hours-billed to consumers	138,624

Facilities and Services not included in the reporting entity:

Education:

Number of elementary schools	2
Number of elementary school instructors	63
Number of middle schools	1
Number of middle school instructors	53
Number of high schools	1
Number of high school instructors	45

Voter Statistics-Election of November 2000:

Number of registered voters in County	130,377
Number of ballots cast County wide - Last General Election	54,831
Percentage of voters voting throughout the County	42.1%

Number of registered voters in City	5,066
Number of ballots cast City wide - Last General Election	2,996
Percentage of voters voting throughout the City	59.1%

Number of Precincts in County	274
Number of Precincts in City	11



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

CITY OF HUBBARD

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 2, 2002**