

JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF HUBBARD
TRUMBULL COUNTY

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

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

To City Council:

We have audited the financial statements of the City of Hubbard as of and for the year ended December 31, 2000, and have issued our report thereon dated June 18, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 the 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 of the City of Hubbard in a separate letter dated June 18, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 18, 2001.

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.

Jim Petro
Auditor of State

June 18, 2001

CITY OF HUBBARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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INTRODUCTORY SECTION

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CITY OF HUBBARD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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MICHAEL C. VILLANO, CPA
AUDITOR

June 18, 2001

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

The first Comprehensive Annual Financial Report (CAFR) of the City of Hubbard, Ohio, (the "City") for the fiscal year ended December 31, 2000, 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, 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, and a list of principal City officials. 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 20 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.

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 3.18 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 of Hubbard, Ohio.

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 1868. Policymaking and legislative authority are vested in the Mayor and City Council, respectively. The City Council is responsible, among other things, for all legislative activities including passing ordinances and resolutions, adopting the annual appropriation ordinance (budget), and appointing legislative committees. The Mayor is elected at-large to serve a four-year term. The Mayor is responsible for administering the policies and ordinances adopted by the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads 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 State Statutes affecting the particular office. These officials, elected to four-year terms, are the City Auditor, Treasurer, and Law Director.

The City 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 City 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 City 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 metropolitan area is primarily in the manufacturing sector and within that sector largely in the automobile and steel industries. Since 1983, there have been overall decreases in manufacturing sector employment and increased employment in the non-manufacturing sector. However, the City continues to experience economic growth and expansion despite the transition of workforce demographics.

During 2000, the economic condition of the City exceeded all expectations despite the loss of our largest employer, Delphi Automotive Systems Plant 42. The Hubbard Delphi Automotive Systems plant maintained staffing of 714 persons in the City, with over \$200,000 of annual City income tax withholding. Since the closing of Delphi Plant 42, the City has worked in conjunction with Governor Taft's Regional Economic Development Office in Youngstown as well as Trumbull County Commissioners to secure a new tenant for the facility.

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 2000, 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 2000, US Can created 20 new jobs and made actual personal property investments of \$3,844,313. J.P. Marsh and Company created 17 jobs under an Enterprise Zone Agreement with investments of \$368,000 in the construction and improvements to real property.

In October of 2000, the City of Hubbard welcomed Lighting Products, Inc. a division of ATC Lighting and Plastics headquartered in Geneva, Ohio. Lighting Products used an Enterprise Zone Agreement as part of a package to relocate their Mentor, Ohio, facility to the City with the purchase of the former Delphi Automotive Systems facility. As part of the agreement, Lighting Products agreed to invest \$6,225,000 in the project. Further, Lighting Products pledged to create 135 new jobs within 3 years in addition to retaining the current workforce of 35 employees. The total workforce is expected to result in \$3,243,217 of annual gross payroll at the facility. The company plans to invest an additional \$5,225,000 over three years in real/personal property at the site. The company engages in manufacturing assembly operations for interior lights and exterior aerodynamic lights for use in automobiles, motorcycles, buses, and heavy and light duty trucks. ATC and Lighting Products

manufacture the interior and exterior light assemblies for the following major customers: Paccar (Peterbilt and Kenworth), Harley Davidson, General Motors, Navistar, Freightliner, Chrysler, and Ford.

In addition to aggressive efforts to promote commercial development within the City, residential expansion also contributes significantly to the City's economic vitality. Since 1998, the City gained approximately 78 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 communities continued with new units constructed at the Stone Grove and Timberpoint condominium communities. During this period the City has also experienced seven units of commercial construction and renovation.

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>
2000	24	\$ 2,940,408
1999	32	2,962,000
1998	29	2,993,130
1997	22	1,944,500
1996	15	1,929,000

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, waterline looping, and waterline replacement projects throughout 2000 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 promote a positive economic trend which is expected to continue into the future.

MAJOR INITIATIVES – CURRENT AND FUTURE PROJECTS

Throughout 2000, 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. Three new state of the art police patrol units were placed into service during late 2000. The units are equipped to promote officer safety and rugged durability with a space age polymer roll bar prisoner cage. The cage maximizes officer security while transporting prisoners as well as increases the vehicle's structural integrity in the event of a rollover collision—thus limiting passenger injury. The patrol units also are equipped with strobe lighting systems to promote visibility and officer safety during traffic stops.

The Police Department implemented a new policy and procedure manual that explicitly details the operational procedures of the department and the manner in which officers are to conduct their business as peace officer representatives of the City.

In an effort to meet the ever-changing needs of the City, an application has been made with the United States Department of Agriculture Community Facilities Grant/Loan Program for a police facility rehabilitation/construction project. Preliminary assessments of the project have been examined in order to improve the efficiency of the Police Department as well as to provide service operations from a highly functional facility.

The City, in conjunction with Hubbard Township, also entered into a contract with the Sutphen Corporation for the purchase of a new fire engine. The new engine is expected to be placed into service by mid-summer 2001.

PUBLIC WORKS

Expanding the commitment to public safety as well as making the safety of our children a priority, the installation of a severe weather emergency warning system on the west side of the City was completed during the Summer of 2000. The warning system is located on Hubbard Exempted Village School District property at Hubbard High School. This site was selected due to the nearby student populations at the high school and middle school as well as the extensive residential population in the surrounding area. The City's two other existing warning systems located at the fire station and the Street Department were retrofitted with radio controlled devices to insure uninterrupted working order in the event of severe weather.

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 2000, the City sponsored a paving program that improved the neighborhoods along East Water Street, Waugh Drive, Saul Drive, Caroline Avenue, and Hager Street. A total of 1.90 miles of roadway was paved at a cost of \$73,430.10 paid from City revenues and \$26,300.12 paid through Federal Community Development Block Grant (CDBG) program monies. Also, the City Recreation Department paved 23,396.38 ft² of parking lot at Jones Field at a cost of \$8,800.00.

Storm water drainage improvement projects continued with the dredging and cleaning of target flooding areas of Little Yankee Creek and drainage channels behind the Parish Avenue neighborhood.

UTILITY SERVICE

The goals of the City Utility Service departments are improving service and increasing quality while controlling costs. During 2000, various programs were undertaken to achieve these objectives.

The City Light Department completed engineering and construction of single-phase URD line extensions to service new construction on Oakcrest Drive and Timberpoint Boulevard in the Timberpoint Development as well as new residential development on Jerry Drive extension. The removal of a 23KV transformer and related equipment at the Caroline Avenue substation was also completed.

Engineering and right of way acquisitions were completed for a three-phase overhead rebuild along North Main Street to the intersection of Truck World Boulevard. Currently, the Truck World area is serviced by three phase underground facilities. It is anticipated that the overhead rebuild will be completed by June 2001.

In order to improve service reliability and worker safety, the Parkview Drive overhead line was rebuilt and relocated during 2000. The service line was moved from the ravine to the roadside in order to facilitate ease of maintenance and minimized service interruption.

During 2000, the Light Department also completed engineering and facilities/system impact study with Ohio Edison to provide a second 23KV delivery point on Caroline Avenue for increased citywide system reliability. It is anticipated that the project will begin construction in the summer of 2001.

The City Water Department engaged in a variety of projects during 2000 to improve quality and efficiency of water service throughout the City. The Waterline Looping Project Phase II was finalized in June 2000 completing water distribution system line looping in the Westview Avenue/Parish Avenue, Wheeler Street/School Street, Helen Drive/South Main Street, and East Liberty Street/Creed Avenue services areas. The project cost was paid with an \$83,590.87 grant through the Ohio Public Works Commission Issue II program and the City of Hubbard Water Department paid the remaining \$37,555.32 of project costs as a local match. The City also secured over \$400,000 in Issue II funding for the upgrade and replacement of the Myron Street water main during 2000.

The Water Department completed the engineering and installation of 1,000 feet of a six-inch water main and two fire hydrants along Hughes Avenue to service Harding Park. A zinc-orthophosphate feeder system was also installed at the Christian Avenue water standpipe as well as the rebuild of a booster pump. Also during 2000, five valves were replaced in the distribution system as well as preliminary construction of a new Water Department Storage Building and Office at the public works and utility service centers on North Main Street.

The City of Hubbard Sewer Department upgraded sanitary sewer service on Water Street with the replacement of 140 feet of sewer main repairing separated tile and eliminating root infiltration. Also, 100 feet of sewer main were replaced on West Park Avenue repairing a dropped pipe and pipe separation. Several components of the South Main Street Lift Station were rebuilt

including various pumps and the addition of an auto-dial alarm system that automatically notifies department employees of a lift station failure.

In order to improve waste water treatment plant efficiency and capacity, a plant effluent pump was rebuilt. Also, the influent aeration trough was cleaned by removing grit and debris which improves flow and allows for increased accuracy on influent meters. Cracked fins were replaced and motors rebuilt on the blowers resulting in increased efficiency of the plant by improving waste water treatment by allowing ample oxygen to promote helpful bacteria growth.

GENERAL GOVERNMENT

General government services were improved during 2000 with the replacement of computer hardware and software upgrades at the municipal building. These upgrades enable to City to increase processing volume in a quality conscious atmosphere.

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, 2000, 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, investment earnings allocations, 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, 2000 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, 1999.

<u>Revenue by Source</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Increase or (Decrease)</u>	<u>Percent Change</u>
Municipal Income Tax	\$ 994,671	38.04%	\$ 1,003,790	38.99%	\$ (9,119)	-0.91%
Property and Other Local Taxes	316,478	12.10%	267,959	10.41%	48,519	18.11%
Charges for Services	300	0.01%	380	0.01%	(80)	-21.05%
Licenses, Permits, and Fees	36,407	1.39%	34,563	1.34%	1,844	5.34%
Fines and Forfeitures	51,310	1.96%	65,779	2.56%	(14,469)	-22.00%
Intergovernmental	705,513	26.99%	861,076	33.45%	(155,563)	-18.07%
Investment Income	441,245	16.88%	295,810	11.49%	145,435	49.17%
Other	68,590	2.63%	45,035	1.75%	23,555	52.30%
Total Revenues	\$ 2,614,514	100.00%	\$ 2,574,392	100.00%	\$ 40,122	1.56%

Municipal income tax, property and other taxes, and intergovernmental revenues are the major components of the City's general government revenues and represent \$2,016,662 or 77.12% and \$2,132,825 or 82.85% of fiscal 2000 and 1999 revenues respectively. Property and other local taxes include real estate taxes and personal property taxes.

The \$9,119 or 0.91% decrease in municipal income tax collections was primarily due to the loss of the largest employer located within the City of Hubbard—Delphi Automotive Systems Plant 42.

The increase of \$48,519 or 18.11% in property and other local taxes is a result of the County re-appraisal of properties in 1999, which was collected and distributed during 2000.

Charges for services are composed of fees charged by the Mayor for marriages. During 2000, fewer requests for marriages by the Mayor were made, thus resulting in the 21.05% reduction in charges for service collected.

Licenses, Permits and Fees increased by \$1,844 or 5.34% in 2000 because of consistent growth in zoning permit requests for residential construction in various housing developments throughout the City.

The \$14,469 or 22.0% loss of revenue from Fines and Forfeitures was a result of fewer citations and cases processed by the City of Hubbard Mayor's Court during 2000.

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 decreased from 1999 to 2000 due to the expiration of a COPS Universal Hiring Program grant. In addition, the City incurred a reduction in the amount of Liquor and Beer Permits from \$14,894 in 1999 to \$8,903 in 2000.

The City did not have any special assessments during the 2000 reporting year.

Investment income increased in 2000 by \$145,435 or 49.17% over 1999 investment earnings due to an increase in both interest rates and unexpended fund balances.

The increase of \$23,555 or 52.3% in Other Miscellaneous Revenues was the result of a Bureau of Workers Compensation Premium reimbursement for the 2000 policy year. The City received a total BWC premium surplus refund of \$62,224.

The following schedule presents a summary of expenditures by function for the fiscal year ended December 31, 2000 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, 1999.

<u>Expenditures by Function</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Increase or (Decrease)</u>	<u>Percent Change</u>
<i>Current:</i>						
General Government	\$ 348,155	13.29%	\$ 286,517	12.42%	\$ 61,638	21.51%
Security of Persons and Property	1,324,594	50.57%	1,208,958	52.45%	115,636	9.56%
Public Health and Welfare	27,857	1.06%	24,135	1.05%	3,722	15.42%
Transportation	502,597	19.19%	474,008	20.56%	28,589	6.03%
Community Environment	3,445	0.13%	650	0.03%	2,795	430.00%
Leisure Time Activities	29,427	1.12%	37,891	1.64%	(8,464)	-22.34%
Economic Development	200	0.01%	1,157	0.05%	(957)	-82.71%
Other	985	0.04%	10,517	0.46%	(9,532)	-90.63%
Capital Outlay	362,308	13.83%	244,004	10.59%	118,304	48.48%
<i>Debt Service:</i>						
Principal Retirement	17,646	0.67%	13,277	0.58%	4,369	32.91%
Interest and Fiscal Charges	2,224	0.09%	4,006	0.17%	(1,782)	-44.48%
Total Expenditures	\$ 2,619,438	100.00%	\$ 2,305,120	100.00%	\$ 314,318	13.64%

General government, security of persons and property, and transportation are the major components of the City's expenditures and represent \$2,175,346 or 83.05% and \$1,969,483 or 85.44% of fiscal 2000 and 1999 expenditures respectively.

General government, security of persons and property, and transportation expenditures increased in part by union contract wage increases of 3%. General government expenditures also reflect the City's completion of its 1998-1999 biennial financial audit and first year GAAP conversion for a total cost to the general fund of \$21,601 in 2000 and \$9,315 in 1999. 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. Also included as a general government expenditure in 2000 was \$1,376 for a scrap tire collection program funded by a grant from the Geauga-Trumbull Solid Waste Management District.

Security of persons and property expenditures increased due to increased prices for gasoline and the advancement of two police officers to the second 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, during December 2000 severe winter weather resulted in increased overtime and purchases of road salt and ice control mix. Community environment experienced a \$2,795 increase in expenditures due to legal fees associated with a pending litigation related to a zoning matter.

Expenditures decreased for leisure time activities during 2000 due to fewer maintenance and repair projects in the Recreation department.

The decrease of \$9,532 in Other Expenditures is primarily due to fewer requests for income tax refunds from the City during 2000.

Capital expenditures increased by \$118,304 in 2000 due to the upgrades of computers in the municipal offices, the down payment of \$105,750 for a new fire engine, the purchase of two new police cars at a cost of \$40,930, the expenditures related to the 2000 street resurfacing and CDBG street resurfacing programs amounting to \$110,257, as well as various other minor capital improvement projects.

GENERAL FUND

General fund revenues under the modified accrual basis of accounting totaled \$2,150,952 during 2000. The primary sources of revenue to the general fund were income taxes, investment income, and intergovernmental revenues which amounted to \$1,807,790 or 84.05% of total revenue.

General fund expenditures under the modified accrual basis of accounting totaled \$1,619,623 during 2000. General government and security of persons and property functions accounted for \$348,155 or 21.50% and \$1,213,130 or 74.90% of general fund expenditures, respectively.

General fund other financing sources and uses include \$100 in proceeds from the sale of fixed assets, and \$20,456 in proceeds from capital lease transactions. During 2000, the general fund made operating transfers out of \$531,726 to various funds.

General fund balance increased \$22,106 from \$831,533 at December 31, 1999 to \$853,639 at December 31, 2000.

SPECIAL REVENUE FUNDS

Revenue receipts in the special revenue funds totaled \$437,239 during 2000. Of this total, property and other taxes and intergovernmental revenues represent \$88,175 or 20.17% and \$302,834 or 69.26%, respectively. Property and other tax revenues increased by \$6,620 from \$81,555 in 1999 to \$88,175 in 2000 primarily due to a reappraisal of property values as well as 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 Community Assistance Team grant.

Special revenue fund expenditures under the modified accrual basis of accounting totaled \$868,348 during 2000. Special revenue incurred costs for transportation, security of persons and property, and capital outlays amounting to \$502,597 or 57.88%, \$111,464 or 12.84%, and \$210,385 or 24.23%, of total special revenue fund expenditures respectively during 2000.

Special revenue funds' other financing sources and uses include \$1,000 in proceeds from the sale of fixed assets. The special revenue funds received operating transfers in of \$362,714 and made operating transfers out of \$6,422 due to the City's closing of the Community Development Block Grant (CDBG) Revolving Loan Fund.

CAPITAL PROJECTS FUNDS

The primary sources of revenue for capital projects funds are income tax allocations and State and Federal grants. During 2000, the capital projects funds received \$26,300 of CDBG formula funds spent on behalf of the City by Trumbull County. Capital outlay expenditures totaled \$131,467.

Capital projects funds received operating transfers in of \$175,434 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 3,900 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 46.9 miles of conductor that provide the 156,357 kilowatt hours of daily average electric system consumption.

The City also operates a municipal water distribution system that serves approximately 3,560 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 1.1 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.

In addition to electric and water systems, the City operates and maintains a sanitary sewer collection and treatment system that serves approximately 3,225 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 2.1 million gallons of sanitary sewage per day.

The City's enterprise operations reported operating income and net income of \$911,613 and \$635,066, respectively, for the year ended December 31, 2000. Retained earnings for the enterprise funds increased \$635,066 from \$6,336,052 at December 31, 1999 to \$6,971,118 at December 31, 2000. Total fund equity for the electric, water, sewer, and guarantee trust funds at December 31, 2000 were \$4,414,223, \$1,081,375, \$1,392,553, and \$82,967, 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. During 2000, the fund had operating revenues of \$491,846 and operating expenses of \$412,955. The fund's net income of \$78,891 increased total fund equity from \$324,155 at December 31, 1999 to \$403,046 at December 31, 2000.

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 2000, the non-expendable trust funds received \$177 of investment earnings increasing total combined fund equity from \$8,731 at December 31, 1999 to \$8,908 at December 31, 2000.

At December 31, 2000 assets held in the agency funds totaled \$1,346.

GENERAL FIXED ASSETS

The general fixed assets of the City as of December 31, 2000 total \$2,483,565 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, 2000, the City had \$275,630 in general long-term obligations outstanding. The December 31, 2000, general long-term obligation balance of \$275,630 is comprised of \$262,488 in compensated absences and \$13,142 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, 2000, 1999, and 1998 were \$177,524, \$108,107, and \$97,145, 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, 2000, 1999, and 1998 were \$177,199, \$192,870, and \$190,819, respectively. These pension plans are described further in Notes 17 and 18 of the GPFS.

DEBT ADMINISTRATION

Various debt obligations existed at December 31, 2000 for the City. On November 13, 2000, and November 22, 2000, the City entered into loan agreements with the Second National Bank of Warren, Ohio, borrowing \$105,750 for the down payment on a new fire engine and \$27,000 for the acquisition of two police cars, respectively. The \$105,750 loan is an obligation of the Fire District special revenue fund and will be repaid with revenues derived from a 1-mill special voted property tax levied for the purpose of supporting the fire department. The second loan, an obligation of the general fund, is intended to be supported by the revenues received by the general fund.

Also outstanding at December 31, 2000, 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, 2000, the Street Construction general obligation note had an outstanding principal balance of \$19,374.

The City's other long-term obligations are reported in the enterprise funds. These include \$78,579 in general obligation notes for the purchase of water meters, \$5,065,000 in sewer system mortgage revenue refunding bonds used to partially fund the construction of the City's waste water treatment plant, \$337,376 in Ohio Public Works Commission loans for the construction of a sanitary sewer lift station and force main as well as looping of waterlines, and a \$2,353,390 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 2000, the City's cash resources were limited to bank deposits, repurchase agreements, 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, 2000, the City maintained \$724,383 in U.S. Government money market mutual funds, \$1,449,450 in STAR Ohio, and \$5,785,087 in repurchase agreements. Investment income from primary investment activities amounted to \$411,116 for 2000 compared to \$288,641 for 1999. The average daily balance in 2000 was \$7,052,736 with an average monthly yield of 6.20%. 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 \$16,629,986. 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 \$32,500 per individual and an aggregate amount of \$330,053.

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, 2000, 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) awards a Certificate of Achievement for Excellence in Financial Reporting to public entities that conform to their rigorous reporting standards. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. We believe this report, our first CAFR, conforms to the Certificate of Achievement program requirements and as such, it will be submitted to the GFOA to determine its eligibility for a Certificate of Achievement.

ACKNOWLEDGEMENTS

In an effort to extend the City's mission of continuous improvement, it has been an honor to contribute to the City's first CAFR. It is of utmost importance to remember that nothing of value is ever accomplished by a single individual. Accordingly, many individuals deserve recognition for their efforts in making this vision a reality.

Undoubtedly, I appreciate the commitment of City Council and its Finance Committee, City officials, and departments. Ultimately, their cooperation and assistance pertaining to the endeavors of the City have contributed to the successful presentation of this CAFR. An expression of gratitude is extended to Steven Julian, CPA and Carrie Simmons of Trimble, Julian, & Grube, Inc. for their expertise, patience, and meticulous attention to detail during the preparation of this report. Likewise, sincere appreciation is extended to David Hiñes, *Trumbull County Auditor*, and his staff, particularly Adrian Biviano, CPA, *Chief Deputy Auditor*, Mark DeFrate, CPA, and Marie Woloszyn who provided substantial assistance with the preparation of the statistical section of this report. Also, I wish to thank Peter D. Woodlock, Ph.D., CPA, Helen M. Savage, Ph.D., CMA, and Raymond J. Shaffer, DBA, CPA, of the Williamson College of Business Administration Department of Accounting and Finance at Youngstown State University for their commitment to the business education and accounting communities as well as their encouragement to pursue this project. Special thanks to Robin Zambrini and Monica Stefanick of *The Hubbard Press* and Joseph R. Smith for their contributions to this CAFR's cover.

Lastly, and certainly most importantly, the accomplishment of this project would not have been possible without the tireless effort, commitment, and dedicated service of the Auditor's Office staff—Jo Ann Oaks, Joyce Schiraldi, and Daisy Evans—your energy, professionalism, and enthusiasm is greatly valued and always appreciated. All other contributions of time and effort are equally regarded as this first ever CAFR of the City is presented—thank you all for a job well done.

Very truly yours,



Michael C. Villano, CPA, CMA
Auditor of City

CITY OF HUBBARD, OHIO
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2000

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	Robert R. DeJulio
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

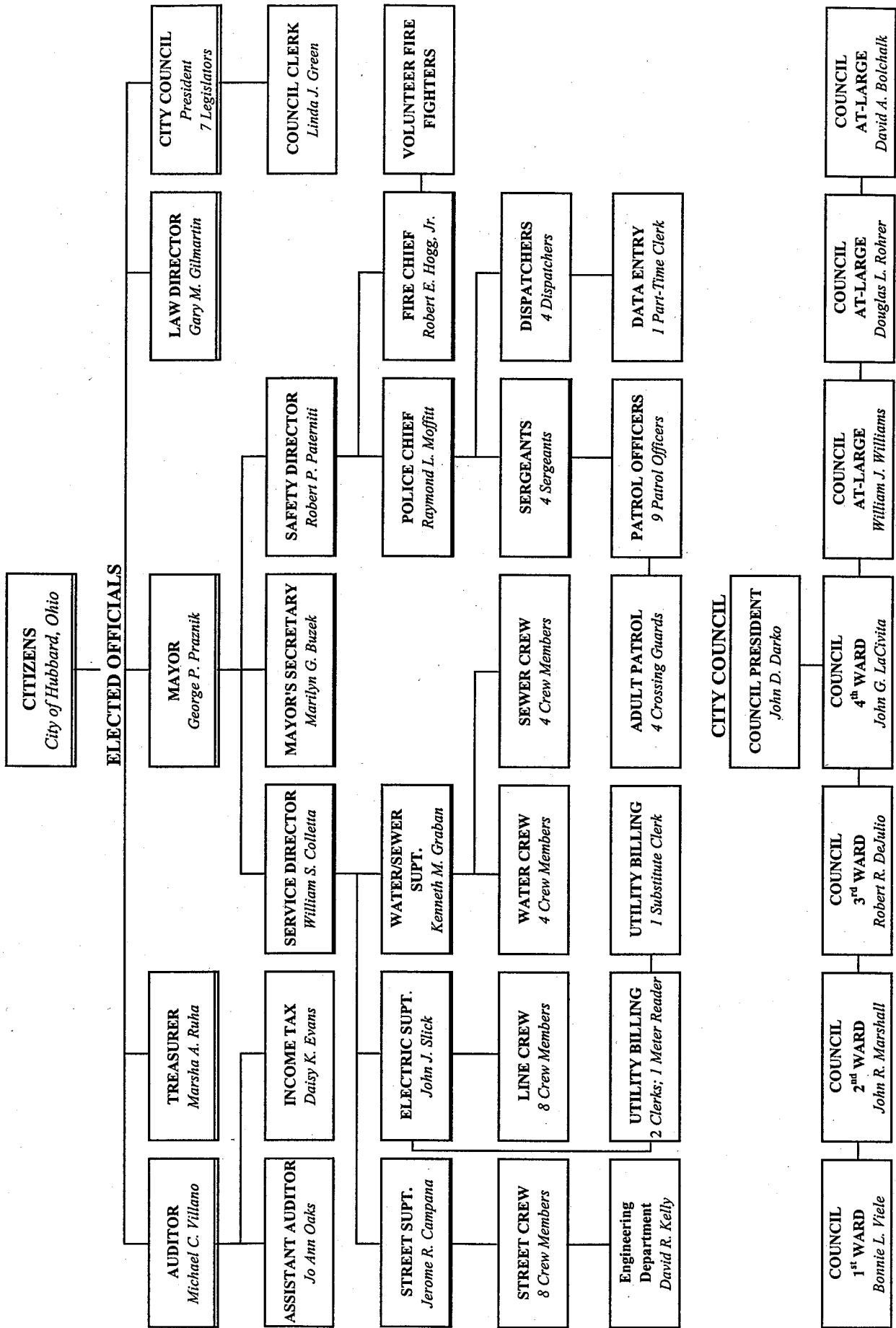
Department of Public Service

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, 2000



FINANCIAL SECTION

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
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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 W. 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, 2000, 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 generally accepted auditing standards 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, 2000, 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 generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2001 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.

Our audit was performed for the purpose of forming 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 purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected 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 18, 2001

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

CITY OF HUBBARD, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	<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 . . .	\$745,788	\$203,174	\$91,983	\$5,516,170	\$414,051
Equity in pooled cash and cash equivalents - nonexpendable trust fund.					
Cash in segregated accounts.	115	350		500	2,327
Receivables (net of allowances for uncollectibles):					
Income taxes	207,758				
Real and other taxes	270,935	104,255			
Accounts.	214	841		646,842	8,671
Notes				97,953	
Due from other funds				744	
Due from other governments	64,490	27,290	23	32,421	
Prepayments	5,944			7,545	
Materials and supplies inventory	6,724	11,563		437,435	
Investment in joint ventures				100,583	
Restricted assets:					
Cash with fiscal agent				724,383	
Property, plant and equipment (net of accumulated depreciation where applicable).				7,803,232	
Other Debits:					
Amount to be provided for retirement of general long-term obligations					
Total assets and other debits	<u>\$1,301,968</u>	<u>\$347,473</u>	<u>\$92,006</u>	<u>\$15,367,808</u>	<u>\$425,049</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	
\$1,346			\$6,972,512
8,908			8,908 3,292
			207,758 375,190 656,568 97,953 744 124,224 13,489 455,722 100,583
			724,383
	\$2,483,565		10,286,797
		\$275,630	275,630
<u>\$10,254</u>	<u>\$2,483,565</u>	<u>\$275,630</u>	<u>\$20,303,753</u>

CITY OF HUBBARD, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000

	<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>Liabilities, Equity and Other Credits</u>					
Liabilities:					
Accounts payable	\$18,435	\$11,614		\$317,017	
Accrued wages and benefits	25,207	15,533		33,310	
Compensated absences payable	5,012	1,665		129,027	
Accrued interest payable				28,213	
Deferred revenue	286,367	103,000			
Claims payable					\$22,003
Due to other funds				744	
Due to other governments	86,308	16,080		54,034	
Deposits held and due to others.					
Notes payable.		19,374		78,579	
Loans payable.	27,000	105,750			
Mortgage revenue bond payable				5,065,000	
OWDA loan payable				2,353,390	
OPWC loans payable				337,376	
Capital lease obligation.					
Total liabilities	<u>448,329</u>	<u>273,016</u>		<u>8,396,690</u>	<u>22,003</u>
Equity and Other Credits:					
Investment in general fixed assets					
Retained earnings:					
Reserved				724,383	
Unreserved				6,246,735	
Fund balances:					
Reserved for encumbrances	1,777	36,024			
Reserved for prepayments.	5,944				
Reserved for materials and supplies inventory	6,724	11,563			
Reserved for principal endowment					
Unreserved-undesignated	839,194	26,870	\$92,006		403,046
Total equity and other credits	<u>853,639</u>	<u>74,457</u>	<u>92,006</u>	<u>6,971,118</u>	<u>403,046</u>
Total liabilities, equity and other credits.	<u>\$1,301,968</u>	<u>\$347,473</u>	<u>\$92,006</u>	<u>\$15,367,808</u>	<u>\$425,049</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	
			\$347,066
			74,050
		\$262,488	398,192
			28,213
			389,367
			22,003
			744
			156,422
\$1,346			1,346
			97,953
			132,750
			5,065,000
			2,353,390
			337,376
		13,142	13,142
1,346		275,630	9,417,014
	\$2,483,565		2,483,565
			724,383
			6,246,735
			37,801
			5,944
			18,287
3,837			3,837
5,071			1,366,187
8,908	2,483,565		10,886,739
\$10,254	\$2,483,565	\$275,630	\$20,303,753

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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, 2000**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Revenues:				
Income taxes	\$994,671			\$994,671
Property and other taxes	228,303	\$88,175		316,478
Charges for services	300			300
Licenses, permits and fees	36,407			36,407
Fines and forfeitures	50,575	735		51,310
Intergovernmental	376,379	302,834	\$26,300	705,513
Investment income	436,740	4,505		441,245
Other	27,577	40,990	23	68,590
Total revenue	2,150,952	437,239	26,323	2,614,514
Expenditures:				
Current:				
General government	348,155			348,155
Security of persons and property	1,213,130	111,464		1,324,594
Public health and welfare	12,771	15,086		27,857
Transportation		502,597		502,597
Community environment	3,445			3,445
Leisure time activity	3,403	26,024		29,427
Economic development		200		200
Other		985		985
Capital outlay	20,456	210,385	131,467	362,308
Debt service:				
Principal retirement	17,646			17,646
Interest and fiscal charges	617	1,607		2,224
Total expenditures	1,619,623	868,348	131,467	2,619,438
Excess (deficiency) of revenues over (under) expenditures	531,329	(431,109)	(105,144)	(4,924)
Other financing sources (uses):				
Proceeds from sale of fixed assets	100	1,000		1,100
Proceeds of capital lease transactions	20,456			20,456
Operating transfers in		362,714	175,434	538,148
Operating transfers out	(531,726)	(6,422)		(538,148)
Total other financing sources (uses)	(511,170)	357,292	175,434	21,556
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	20,159	(73,817)	70,290	16,632
Fund balances, January 1	831,533	144,836	21,716	998,085
Increase in reserve for inventory	1,947	3,438		5,385
Fund balances, December 31	\$853,639	\$74,457	\$92,006	\$1,020,102

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, 2000

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Income taxes	\$961,289	\$961,289	\$0			
Property and other taxes	225,041	225,041	0	\$86,920	\$86,920	\$0
Charges for services	300	300	0			
Licenses, permits and fees	36,407	36,407	0			
Fines and forfeitures	50,575	50,575	0	735	735	0
Intergovernmental	501,529	501,529	0	302,844	302,844	0
Investment income	436,740	436,740	0	4,505	4,505	0
Other	4,758	4,758	0	32,498	32,498	0
Total revenues	2,216,639	2,216,639	0	427,502	427,502	0
Expenditures:						
Current:						
General government	367,349	358,374	8,975			
Security of persons and property	1,256,618	1,252,469	4,149	131,091	127,259	3,832
Public health and welfare	12,772	12,771	1	15,235	15,136	99
Transportation				491,634	491,265	369
Community environment	3,450	3,445	5			
Leisure time activity	3,440	3,434	6	24,927	24,904	23
Economic development				200	200	0
Other				990	985	5
Capital outlay				246,787	245,633	1,154
Debt service:						
Principal retirement				13,548	13,548	0
Interest and fiscal charges				1,612	1,607	5
Total expenditures	1,643,629	1,630,493	13,136	926,024	920,537	5,487
Excess (deficiency) of revenues over (under) expenditures	573,010	586,146	13,136	(498,522)	(493,035)	5,487
Other financing sources (uses):						
Proceeds of loans	27,000	27,000	0	105,750	105,750	0
Proceeds from sale of fixed assets	100	100	0	1,000	1,000	0
Operating transfers in	572,155	572,155	0	362,714	362,714	0
Operating transfers (out)	(1,103,881)	(1,103,881)	0	(6,422)	(6,422)	0
Total other financing sources (uses)	(504,626)	(504,626)	0	463,042	463,042	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	68,384	81,520	13,136	(35,480)	(29,993)	5,487
Fund balances, January 1	625,412	625,412	0	176,119	176,119	0
Prior year encumbrances appropriated.	31,120	31,120	0	16,449	16,449	0
Fund balances, December 31.	\$724,916	\$738,052	\$13,136	\$157,088	\$162,575	\$5,487

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)
			\$961,289	\$961,289	\$0
			311,961	311,961	0
			300	300	0
			36,407	36,407	0
			51,310	51,310	0
\$26,300	\$26,300	\$0	830,673	830,673	0
			441,245	441,245	0
			37,256	37,256	0
<u>26,300</u>	<u>26,300</u>	<u>0</u>	<u>2,670,441</u>	<u>2,670,441</u>	<u>0</u>
			367,349	358,374	8,975
			1,387,709	1,379,728	7,981
			28,007	27,907	100
			491,634	491,265	369
			3,450	3,445	5
			28,367	28,338	29
			200	200	0
			990	985	5
131,470	131,467	3	378,257	377,100	1,157
			13,548	13,548	0
			1,612	1,607	5
<u>131,470</u>	<u>131,467</u>	<u>3</u>	<u>2,701,123</u>	<u>2,682,497</u>	<u>18,626</u>
<u>(105,170)</u>	<u>(105,167)</u>	<u>3</u>	<u>(30,682)</u>	<u>(12,056)</u>	<u>18,626</u>
			132,750	132,750	0
			1,100	1,100	0
175,434	175,434	0	1,110,303	1,110,303	0
			(1,110,303)	(1,110,303)	0
<u>175,434</u>	<u>175,434</u>	<u>0</u>	<u>133,850</u>	<u>133,850</u>	<u>0</u>
70,264	70,267	3	103,168	121,794	18,626
21,716	21,716	0	823,247	823,247	0
0	0	0	47,569	47,569	0
<u>\$91,980</u>	<u>\$91,983</u>	<u>\$3</u>	<u>\$973,984</u>	<u>\$992,610</u>	<u>\$18,626</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, 2000**

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating revenues:				
Charges for services	\$7,014,839	\$457,743		\$7,472,582
Investment earnings			\$177	177
Other operating revenues	17,600	34,103		51,703
Total operating revenues	7,032,439	491,846	177	7,524,462
Operating expenses:				
Personal services	1,407,106			1,407,106
Contractual services	3,643,239	412,955		4,056,194
Materials and supplies	519,282			519,282
Depreciation	551,199			551,199
Total operating expenses	6,120,826	412,955		6,533,781
Operating income	911,613	78,891	177	990,681
Nonoperating revenues (expenses):				
Intergovernmental	12,260			12,260
Interest and fiscal charges	(440,750)			(440,750)
Investment earnings	52,899			52,899
Loss on sale of fixed assets	(1,562)			(1,562)
Investment in joint venture	35,991			35,991
Other nonoperating revenue	81,438			81,438
Other nonoperating expense	(16,823)			(16,823)
Total nonoperating revenues (expenses)	(276,547)			(276,547)
Net income	635,066	78,891	177	714,134
Retained earnings/fund balance, January 1	6,336,052	324,155	8,731	6,668,938
Retained earnings/fund balance, December 31.	\$6,971,118	\$403,046	\$8,908	\$7,383,072

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, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Cash flows from operating activities:				
Cash received from customers	\$7,004,991	\$450,133		\$7,455,124
Cash received from other operations	17,600	34,103		51,703
Cash payments for personal services	(1,398,473)			(1,398,473)
Cash payments for contract services	(3,643,604)	(411,792)		(4,055,396)
Cash payments for materials and supplies	(562,320)			(562,320)
Net cash provided by operating activities	1,418,194	72,444		1,490,638
Cash flows from noncapital financing activities:				
Cash received from operating grants	12,260			12,260
Cash received from nonoperating activities	267,017			267,017
Cash used for nonoperating expenses	(235,496)			(235,496)
Transfers in from other funds	312,000			312,000
Transfers out to other funds	(312,000)			(312,000)
Net cash provided by noncapital financing activities	43,781			43,781
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(152,492)			(152,492)
Gain on sale of fixed assets	150			150
Principal retirement	(361,159)			(361,159)
Interest and fiscal charges	(441,431)			(441,431)
Net cash used in capital and related financing activities	(954,932)			(954,932)
Cash flows from investing activities:				
Principal received on internal notes	72,481			72,481
Interest received	52,899		\$177	53,076
Net cash provided by investing activities	125,380		177	125,557
Net increase in cash and cash equivalents	632,423	72,444	177	705,044
Cash and cash equivalents, January 1	5,608,630	343,934	8,731	5,961,295
Cash and cash equivalents, December 31	<u>\$6,241,053</u>	<u>\$416,378</u>	<u>\$8,908</u>	<u>\$6,666,339</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$911,613	\$78,891	\$177	\$990,681
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	551,199			551,199
Interest reported as operating income			(177)	(177)
Changes in assets and liabilities:				
Increase in materials and supplies inventory	(56,517)			(56,517)
Increase in accounts receivable	(10,580)	(7,610)		(18,190)
Increase in prepayments	(3,970)			(3,970)
Decrease in due from other funds	732			732
Decrease in retainage payable	(4,309)			(4,309)
Increase in accounts payable	14,446			14,446
Increase in accrued wages and benefits	15,762			15,762
Decrease in compensated absences payable	(11,874)			(11,874)
Increase in due to other governments	11,692			11,692
Increase in claims payable		1,163		1,163
Net cash provided by operating activities	<u>\$1,418,194</u>	<u>\$72,444</u>	<u>\$0</u>	<u>\$1,490,638</u>

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

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CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

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 political 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 and its charter. 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, 2000**

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

JOINT VENTURE WITH EQUITY INTEREST

Ohio Municipal Electric Generation Agency Joint Ventures (OMEGA JV1-OMEGA JV5) The City's Electric Enterprise Fund participates in a joint venture agreement with 20 other municipal electric systems who have formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV1) for the purpose of providing electric power and energy to its participants on a cooperative basis. Title to these six diesel-powered generating units was transferred to the 21 municipal electric systems from American Municipal Power-Ohio, Incorporated (AMP-Ohio), a non-profit trade association and wholesale power supplier for most of Ohio's 85 municipal electric systems. Each member has a contract which provides for AMP-Ohio to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. The units performed at an excellent availability during 2000 to complete a successful year of operation for OMEGA JV1. In accordance with the joint venture agreement, the City remitted \$7,033 to the joint venture for 2000.

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 \$405,838 to the joint venture for 2000. Construction of the facility began in 1996 and was completed in 1999.

The following is a summary of audited financial information of OMEGA JV1 and OMEGA JV5 as of the year ended December 31, 2000:

	<u>OMEGA JV1</u>	<u>OMEGA JV5</u>
Total Assets	\$402,822	\$231,008,207
Total Liabilities	24,448	226,841,907
Members Equity	378,374	4,166,300
Total Revenues	176,756	22,557,871
Total Expenses	192,506	20,970,135
Excess Income over (under) Expenses	(15,750)	1,587,736

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

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

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	\$ 14,340
Equity interest in OMEGA JV5	<u>86,243</u>
Total investment in joint ventures	<u>\$100,583</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>

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.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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.

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:

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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 modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the sixty days after year-end to be used to pay liabilities of the current year.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income taxes withheld by employers, interest on investments, estate taxes, and intergovernmental revenues (including motor vehicle license fees, gasoline tax, local government assistance, and fines and forfeitures). Other revenues including: licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue if they are deemed to be both measurable and available. Property taxes measurable as of December 31, 2000 and delinquent property taxes, whose availability is indeterminate and which are not intended to finance current year activities, have been recorded as deferred revenue.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recognized when the related liability is expected to be liquidated with expendable available financial resources with the following exceptions: general long-term obligation principal and interest is reported only when paid; and the costs of accumulated unpaid vacation and sick leave are reported in the period due rather than in the period earned by employees.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and the nonexpendable trust funds. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable.

The accounting and financial 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 generally are 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.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

All proprietary funds and nonexpendable trust funds are accounted for on the 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.

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 2000.

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.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

BUDGETED LEVEL OF EXPENDITURES

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority 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.

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 2000, 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 2000. 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, 2000.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

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 2000, interest revenue credited to the general fund amounted to \$436,740 which includes \$390,127 assigned from other City funds, and interest revenue credited to the Street Construction special revenue fund amounted to \$4,285 which includes \$1,647 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.

For purpose of presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months 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 three months 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.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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

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.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

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. Intergovernmental Revenues

Unrestricted intergovernmental revenues received on the basis of entitlement are recorded as receivables and revenues when the entitlement occurs (to the extent they are intended to finance the current fiscal year). Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Intergovernmental receivables are reported as revenue if they are both measurable and available and intended to finance fiscal 2000 operations. Intergovernmental receivables that are measurable as of December 31, 2000, but are intended to finance 2000 operations, whose availability is indeterminable, have been recorded as deferred revenue.

K. 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.

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.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

The following funds had deficit fund balances at December 31, 2000:

	<u>Deficit Fund Balance</u>
<u>Special Revenue Funds:</u>	
Cops Grant	\$1,337
Fire District	1,699

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.

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.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

As of December 31, 2000 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.

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

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

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 \$965 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, was \$(250,790) and the bank balance, including cash in segregated accounts, was \$103,335. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero-balance" nature of the City's bank accounts. The negative carrying amount of deposits is due to the sweeping of monies into overnight repurchase agreements which are reported as "investments". The entire bank balance was covered by federal depository insurance.

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.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

	<u>Category</u>			<u>Reported Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase Agreements	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$5,785,087</u>	\$5,785,087	\$5,785,087
STAR Ohio				1,449,450	1,449,450
U.S. Government Money					
Market Mutual Funds				<u>724,383</u>	<u>724,383</u>
Total Investments				<u>\$7,958,920</u>	<u>\$7,958,920</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:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 7,709,095	\$ 0
Investments of the Cash Management Pool:		
U.S. Government Money		
Market Mutual Funds	(724,383)	724,383
Repurchase Agreement	(5,785,087)	5,785,087
STAR Ohio	(1,449,450)	1,449,450
Cash on Hand	(965)	---
GASB Statement No. 3	<u>\$ (250,790)</u>	<u>\$7,958,920</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the City's operating transfers for 2000:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ ---	\$531,726
<u>Special Revenue Funds</u>		
Street	311,504	---
Maple Grove Cemetery	16,000	---
Recreation	35,210	---
Community Development Block Grant	<u>---</u>	<u>6,422</u>
Total Special Revenue Funds	<u>362,714</u>	<u>6,422</u>
<u>Capital Projects Funds</u>		
Capital Improvement	<u>175,434</u>	<u>---</u>
Total	<u>\$538,148</u>	<u>\$538,148</u>

B. Interfund balances at December 31, related to charges for goods and services rendered, consist of the following amounts due to and from other funds:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Enterprise Funds</u>		
Electric	\$269	\$ ---
Water	248	---
Sewer	227	---
Guarantee Trust	<u>---</u>	<u>744</u>
Total	<u>\$744</u>	<u>\$744</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.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 6 - PROPERTY TAXES - (Continued)

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.

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, 2000, 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	\$75,436,700
Commercial/Industrial	<u>13,192,900</u>
Total real estate	<u>88,629,600</u>
Public utility - real	18,380
Public utility - personal	<u>2,192,400</u>
Total public utility	<u>2,210,780</u>
Tangible personal property	<u>7,223,222</u>
Grand total	<u>\$98,063,602</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, 2000. 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 2000 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. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2000. Income tax revenue for 2000 was \$994,671.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 8 - RECEIVABLES

Receivables at December 31, 2000, consisted of taxes, notes, 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 that they are both measurable and available at December 31, 2000, as well as intended to finance fiscal 2000 operations.

A summary of the principal items of receivables follows:

<u>Fund/Description</u>	<u>Amount</u>
<u>General Fund</u>	
Income taxes	\$207,758
Real and other taxes	270,935
Intergovernmental	64,490
<u>Special Revenue Funds</u>	
Real and other taxes	104,255
Accounts	841
Intergovernmental	27,290
<u>Enterprise Funds</u>	
Accounts	646,842
Intergovernmental	32,421
Notes	97,953
<u>Internal Service Funds</u>	
Accounts	8,671

NOTE 9 - FIXED ASSETS

A. Proprietary Fixed Assets

A summary of the proprietary fixed assets at December 31, 2000, 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	333,661	68,163	3,905,676	4,307,500
Furniture and equipment	63,833	200,788	2,690,869	2,955,490
Vehicles	53,789	347,769	111,045	512,603
Water and sewer lines	2,778,295	0	2,749,295	5,527,590
Less: accumulated depreciation	<u>(597,537)</u>	<u>(385,213)</u>	<u>(4,539,073)</u>	<u>(5,521,823)</u>
Total net assets	<u>\$2,635,651</u>	<u>\$ 238,278</u>	<u>\$4,929,303</u>	<u>\$ 7,803,232</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 9 - FIXED ASSETS - (Continued)

B. General Fixed Assets

A summary of the changes in general fixed assets during 2000 follows:

	<u>Balance at</u> <u>1/1/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/00</u>
Land and improvements	\$ 303,400	\$ ---	\$ ---	\$ 303,400
Buildings and improvements	588,026	---	---	588,026
Furniture and equipment	576,597	68,261	(18,436)	626,422
Vehicles	<u>725,054</u>	<u>256,106</u>	<u>(15,443)</u>	<u>965,717</u>
 Total fixed assets	 <u>\$2,193,077</u>	 <u>\$324,367</u>	 <u>\$(33,879)</u>	 <u>\$2,483,565</u>

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, 2000, vested benefits for vacation leave for governmental fund type employees, net of amounts paid using current expendable available resources, totaled \$87,494 and vested benefits for sick leave, net of amounts paid using current expendable available resources, totaled \$187,042. For proprietary fund types, vested benefits for vacation leave totaled \$68,493 and vested benefits for sick leave totaled \$60,534 at December 31, 2000. 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 \$61,684. 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 2000 totaled \$17,646 in the general fund.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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, 2002.

<u>Year Ending December 31</u>	<u>Equipment</u>
2001	\$ 7,314
2002	<u>7,314</u>
Total minimum lease payments	14,628
Less: amount representing interest	<u>(1,486)</u>
Present value of future minimum lease payment	<u>\$13,142</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 1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/00</u>
Compensated absences	\$191,536	\$70,952	\$ ---	\$262,488
Capital lease obligation payable	<u>10,332</u>	<u>20,456</u>	<u>(17,646)</u>	<u>13,142</u>
Total general long-term obligations	<u>\$201,868</u>	<u>\$91,408</u>	<u>\$(17,646)</u>	<u>\$275,630</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 obligations will be paid from the general fund.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

B. Enterprise Fund Obligations

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

	<u>Interest Rates</u>	<u>Balance Outstanding 1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/00</u>
<u>Mortgage Revenue Bond</u>					
Sewer System - 1997	4.00-5.45%	<u>\$5,290,000</u>	<u>\$ ---</u>	<u>\$(225,000)</u>	<u>\$5,065,000</u>
<u>OPWC Loans</u>					
Sewer Issue II					
Lift Station	0.00%	\$ 229,048	\$ ---	\$ (11,747)	\$ 217,301
Waterline Looping	0.00%	<u>126,565</u>	<u>---</u>	<u>(6,490)</u>	<u>120,075</u>
Total OPWC Loans		<u>\$ 355,613</u>	<u>\$ ---</u>	<u>\$(18,237)</u>	<u>\$ 337,376</u>
<u>OWDA Loan</u>					
Transmission Waterlines	6.58%	<u>\$2,412,379</u>	<u>\$ ---</u>	<u>\$(58,989)</u>	<u>\$2,353,390</u>
Total Enterprise Fund Obligations		<u>\$8,057,992</u>	<u>\$ ---</u>	<u>\$(302,226)</u>	<u>\$7,755,766</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, 2000 was \$5,065,000.

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, 2000.

1. Sewer Bond Service Fund Account - \$121,280 (which is utilized to account for the principal and interest activity).
2. Sewer Bond Reserve Fund Account - \$603,103 (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".

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

The City has entered into two debt financing arrangements through the Ohio Public Works Commission (OPWC) to fund a lift station replacement and a waterline looping project. 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, 2000, the City has outstanding borrowings of \$120,075 and \$217,301 in the water and sewer funds, respectively. 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, 2000, the City has outstanding borrowings of \$2,353,390. 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:

<u>Year Ending December 31,</u>	<u>Mortgage Revenue Bond</u>			<u>OPWC Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 235,000	\$ 263,282	\$ 498,282	\$ 18,237	\$ ---	\$ 18,237
2002	245,000	252,473	497,473	18,237	---	18,237
2003	260,000	240,835	500,835	18,237	---	18,237
2004	270,000	228,355	498,355	18,237	---	18,237
2005	285,000	215,260	500,260	18,237	---	18,237
2006-2010	1,635,000	849,939	2,484,939	91,182	---	91,182
2011-2015	2,135,000	361,881	2,496,881	91,182	---	91,182
2016-2019	---	---	---	63,827	---	63,827
	<u>\$5,065,000</u>	<u>\$2,412,025</u>	<u>\$7,477,025</u>	<u>\$337,376</u>	<u>\$ 0</u>	<u>\$337,376</u>

<u>Year Ending December 31,</u>	<u>OWDA Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 62,870	\$ 154,853	\$ 217,723
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
2006-2010	493,067	595,549	1,088,616
2011-2015	678,085	410,531	1,088,616
2016-2020	823,705	156,050	979,755
	<u>\$2,353,390</u>	<u>\$1,892,212</u>	<u>\$4,245,602</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 13 - NOTES PAYABLE

The City had the following notes payable at December 31, 2000:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance Outstanding 12/31/00</u>
<u>Special Revenue Funds</u>				
<i>General Obligation Notes</i>				
Street Construction	6.00%	5/31/98	5/1/02	<u>\$19,374</u>
<u>Enterprise Funds</u>				
<i>General Obligation Notes</i>				
Water	5.25%	4/21/97	4/21/02	<u>\$78,579</u>

The City had the following note activity for fiscal year 2000:

	<u>Balance Outstanding 1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/00</u>
<u>Special Revenue Funds</u>				
<i>General Obligation Notes</i>				
Street Construction	<u>\$ 32,922</u>	<u>\$ ---</u>	<u>\$(13,548)</u>	<u>\$19,374</u>
<u>Enterprise Funds</u>				
<i>General Obligation Notes</i>				
Water	<u>\$137,512</u>	<u>\$ ---</u>	<u>\$(58,933)</u>	<u>\$78,579</u>

All notes outstanding at December 31, 2000 are internal City of Hubbard notes that 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, 2000.

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

<u>Year Ending December 31,</u>	<u>Street Construction Note</u>			<u>Water Note</u>			<u>Total Payments</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2001	\$14,384	\$771	\$15,155	\$58,934	\$2,707	\$61,641	\$ 76,796
2002	<u>4,990</u>	<u>62</u>	<u>5,052</u>	<u>19,645</u>	<u>215</u>	<u>19,860</u>	<u>24,912</u>
	<u>\$19,374</u>	<u>\$833</u>	<u>\$20,207</u>	<u>\$78,579</u>	<u>\$2,922</u>	<u>\$81,501</u>	<u>\$101,708</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 14 - LOANS PAYABLE

During fiscal year 2000, the City entered into two loan agreements with Second National Bank. The City received proceeds of \$105,750 into the Fire District special revenue fund to finance the purchase of a new fire truck and proceeds of \$27,000 was received in the general fund to finance the purchase of two new police cars. The principal and interest payments 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 2000:

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

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

<u>Year Ending December 31,</u>	<u>General Fund - Police Cars</u>			<u>Special Revenue Funds - Fire Truck</u>			<u>Total Payments</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2001	\$13,118	\$1,574	\$14,692	\$ 18,825	\$ 6,165	\$ 24,990	\$ 39,682
2002	13,882	809	14,691	19,922	5,068	24,990	39,681
2003	---	---	---	21,084	3,906	24,990	24,990
2004	---	---	---	22,305	2,685	24,990	24,990
2005	---	---	---	23,614	1,376	24,990	24,990
Total	<u>\$27,000</u>	<u>\$2,383</u>	<u>\$29,383</u>	<u>\$105,750</u>	<u>\$19,200</u>	<u>\$124,950</u>	<u>\$154,333</u>

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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, 2000 was as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Guarantee Trust</u>	<u>Total</u>
Operating revenues	\$1,512,445	\$1,243,654	\$4,258,740	\$17,600	\$7,032,439
Operating expenses before depreciation	1,025,254	604,306	3,940,067	---	5,569,627
Depreciation expense	113,338	369,083	68,778	---	551,199
Operating income	373,853	270,265	249,895	17,600	911,613
Net income	246,891	73,835	313,563	777	635,066
Additions to property, plant and equipment	39,373	9,737	103,382	---	152,492
Net working capital	1,021,922	1,068,650	4,029,797	82,967	6,203,336
Total assets	3,737,660	6,791,828	4,754,403	83,917	15,367,808
Bonds and other long term liabilities payable from operating revenues	2,552,044	5,282,301	---	---	7,834,345
Total equity	1,081,375	1,392,553	4,414,223	82,967	6,971,118
Encumbrances at 12/31/00	217,372	47,159	259,437	---	523,968

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

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 2000, 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	\$16,629,985	\$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	6,000,000	2,500
Automobile		
Comprehensive	5,000,000	250
Collision	5,000,000	0
Bond	50,000	0
Crime	10,000	0
Inland Marine	704,487	250
EDP	274,577	250
Computer Fraud	20,000	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 \$32,500 per participant and an aggregate amount of \$330,053; 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 \$22,003 reported in the Internal Service Fund at December 31, 2000, 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, 2000**

NOTE 16 - RISK MANAGEMENT - (Continued)

Changes in the fund's liability during 2000 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>
2000	\$20,840	\$403,039	\$(401,876)	\$22,003
1999	\$22,481	\$372,262	\$(373,903)	\$20,840

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 2000 was 8.5 percent for employees other than law enforcement. Law enforcement employees contribute 9.0 percent of covered salary. The PERS Retirement Board instituted a temporary employee contribution rate rollback for calendar year 2000. The rate rollback was 20% for local government divisions and 6% for law enforcement divisions. The employer contribution rate for employees other than law enforcement was 10.84 percent of covered payroll; 6.54 percent was the portion used to fund pension obligations for 2000. The employer contribution rate for law enforcement employees was 15.70 percent of covered payroll; 11.40 percent was the portion used to fund pension obligations for 2000. The City's contributions for pension obligations to the PERS for the years ended December 31, 2000, 1999, and 1998 were \$177,199, \$192,870, and \$190,819, respectively; 100 percent has been contributed for years 2000, 1999 and 1998.

CITY OF HUBBARD, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

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 by Ohio Revised Code Chapter 742. 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 the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary, while the City is required to contribute 19.5 percent and 24.0 percent for police officers and firefighters, respectively. The City's contributions for pension obligations to the OP&F for the years ended December 31, 2000, 1999, and 1998 were \$177,524, \$108,107, and \$97,145, respectively; 85 percent has been contributed for 2000 and 100 percent for the years 1999 and 1998. \$27,310, representing the unpaid contributions for 2000, is recorded as a liability within the general fund.

NOTE 18 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

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. The Ohio Revised Code provides statutory authority for employer contributions. Health care funding and accounting is on a pay-as-you-go basis. The employer contribution rate was rolled back for the year 2000. The 2000 employer contribution rate for local employers was 10.84% of covered payroll; 4.2% was the portion that was used to fund health care. The law enforcement employer rate for 2000 was 15.7% of covered payroll; 4.30% was the portion used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The City's contribution actually made to fund postemployment benefits was \$68,656.

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, 1999 (the last information available), the unaudited estimated net assets available for future OPEB payments were \$10,805.50 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively, at December 31, 1999 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 1999 (the latest information available) was 401,339.

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 18 - POSTEMPLOYMENT BENEFITS - (Continued)

During 2000, the PERS Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for both the state and local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

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, 2000, 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 percent and 7.25 percent of covered payroll in 1999 and 2000, respectively. 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, 1999 (the latest information available), is 12,467 for police officers and 9,807 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$66,039. The OP&F total health care expenses for the year ending December 31, 1999 (the latest information available), was \$95.005 million which was net of member contributions of \$5.518 million.

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:

CITY OF HUBBARD, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

**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	\$ 81,520	\$(29,993)	\$70,267
Adjustments:			
Net Adjustment for Revenue Accruals	(65,687)	9,737	23
Net Adjustment for Expenditure Accruals	3,134	11,590	---
Net adjustment for Other Financing Sources/ (Uses) Accruals	(6,544)	(105,750)	---
Encumbrances	<u>7,736</u>	<u>40,599</u>	<u>---</u>
GAAP Basis	<u>\$ 20,159</u>	<u>\$(73,817)</u>	<u>\$70,290</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, 2000.

B. Litigation

Claims and lawsuits are pending against the City. In the opinion of the City Prosecuting Attorney, any potential liability would not have a material effect on the GPFS.

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

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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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Income taxes	\$961,289	\$961,289	\$0
Property and other taxes	225,041	225,041	0
Charges for services	300	300	0
Licenses, permits and fees	36,407	36,407	0
Fines and forfeitures	50,575	50,575	0
Intergovernmental	501,529	501,529	0
Investment income	436,740	436,740	0
Other	4,758	4,758	0
Total revenues	<u>2,216,639</u>	<u>2,216,639</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	44,289	44,289	0
Contractual services	25,473	26,099	(626)
Materials and supplies	4,039	4,039	0
Capital outlay	6,625	6,625	0
Total income tax	<u>80,426</u>	<u>81,052</u>	<u>(626)</u>
Mayor			
Personal services	27,322	27,290	32
Contractual services	10,224	8,611	1,613
Materials and supplies	3,090	3,080	10
Capital outlay	3,650	3,647	3
Total mayor	<u>44,286</u>	<u>42,628</u>	<u>1,658</u>
Council			
Personal services	8,825	8,811	14
Contractual services	9,650	9,607	43
Materials and supplies	625	611	14
Capital outlay	150	150	0
Total council	<u>19,250</u>	<u>19,179</u>	<u>71</u>
Council Clerk			
Personal services	2,595	2,579	16
Contractual services	200	193	7
Materials and supplies	1,390	1,384	6
Capital outlay	875	873	2
Total council clerk	<u>5,060</u>	<u>5,029</u>	<u>31</u>

Continued

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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Auditor			
Personal services	\$25,100	\$25,045	\$55
Contractual services	5,015	5,004	11
Materials and supplies.	6,595	6,299	296
Capital outlay	14,415	13,463	952
Total auditor	<u>51,125</u>	<u>49,811</u>	<u>1,314</u>
Treasurer			
Personal services	3,165	3,142	23
Contractual services	3,425	3,411	14
Materials and supplies.	906	566	340
Capital outlay	925	874	51
Total treasurer.	<u>8,421</u>	<u>7,993</u>	<u>428</u>
Law director			
Personal services	9,255	9,242	13
Contractual services	1,555	1,551	4
Materials and supplies.	2,030	2,016	14
Capital outlay	875	874	1
Total law director.	<u>13,715</u>	<u>13,683</u>	<u>32</u>
Service director			
Personal services	21,230	21,209	21
Contractual services	53,446	50,825	2,621
Materials and supplies.	1,500	1,441	59
Total service director	<u>76,176</u>	<u>73,475</u>	<u>2,701</u>
Engineer			
Personal services	13,260	13,225	35
Contractual services	2,495	2,416	79
Materials and supplies.	365	359	6
Capital outlay	16,180	16,173	7
Total engineer	<u>32,300</u>	<u>32,173</u>	<u>127</u>
County auditor fees			
Contractual services	6,760	6,750	10
Total county auditor fees.	<u>6,760</u>	<u>6,750</u>	<u>10</u>
State examiners fees			
Contractual services	26,830	26,601	229
Total state examiners fees	<u>26,830</u>	<u>26,601</u>	<u>229</u>
Total general government	<u>367,349</u>	<u>358,374</u>	<u>8,975</u>
Security of persons and property:			
Police			
Personal services	1,046,417	1,046,305	112
Contractual services	75,010	74,574	436
Materials and supplies.	45,427	43,089	2,338
Capital outlay	87,472	86,210	1,262
Total police.	<u>1,254,326</u>	<u>1,250,178</u>	<u>4,148</u>

Continued

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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Civil service			
Contractual services	\$2,172	\$2,171	\$1
Materials and supplies.	120	120	0
Total civil service.	<u>2,292</u>	<u>2,291</u>	<u>1</u>
Total security of persons and property .	<u>1,256,618</u>	<u>1,252,469</u>	<u>4,149</u>
Public health and welfare:			
County health district			
Contractual services	12,772	12,771	1
Total county health district.	<u>12,772</u>	<u>12,771</u>	<u>1</u>
Total public health and welfare	<u>12,772</u>	<u>12,771</u>	<u>1</u>
Community environment:			
Planning and zoning			
Contractual services	3,120	3,119	1
Total planning and zoning	<u>3,120</u>	<u>3,119</u>	<u>1</u>
War memorial			
Materials and supplies.	330	326	4
Total war memorial.	<u>330</u>	<u>326</u>	<u>4</u>
Total community environment.	<u>3,450</u>	<u>3,445</u>	<u>5</u>
Leisure time activity:			
Recreation			
Contractual services	3,440	3,434	6
Total recreation.	<u>3,440</u>	<u>3,434</u>	<u>6</u>
Total leisure time activity	<u>3,440</u>	<u>3,434</u>	<u>6</u>
Total expenditures	<u>1,643,629</u>	<u>1,630,493</u>	<u>13,136</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>573,010</u>	<u>586,146</u>	<u>13,136</u>
Other financing sources (uses):			
Proceeds of loans.	27,000	27,000	0
Proceeds from sale of fixed assets	100	100	0
Operating transfers in.	572,155	572,155	0
Operating transfers out	<u>(1,103,881)</u>	<u>(1,103,881)</u>	<u>0</u>
Total other financing sources (uses) . .	<u>(504,626)</u>	<u>(504,626)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses .	68,384	81,520	13,136
Fund balance, January 1	625,412	625,412	0
Prior year encumbrances appropriated .	<u>31,120</u>	<u>31,120</u>	<u>0</u>
Fund balance, December 31.	<u>\$724,916</u>	<u>\$738,052</u>	<u>\$13,136</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.

Police Pension

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

Community Assistance Team Grant

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

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.

Community Development Block Grant

To account for grant monies enabling the City to make low interest loans for the development of small business under the guidelines of the Federal Community Development Block Grant (CDBG) program.

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.

CITY OF HUBBARD, OHIO

SPECIAL REVENUE FUNDS (Continued)

Range Fund

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

Escrow Account

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

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CITY OF HUBBARD, OHIO

**COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2000**

	Indigent Drivers Fund	Enforcement and Education	Police Pension
Assets:			
Equity in pooled cash and cash equivalents	\$1,575	\$3,911	\$10,922
Cash in segregated accounts			
Receivables (net of allowances for uncollectibles):			
Real and other taxes			31,262
Accounts			
Due from other governments			
Materials and supplies inventory			
Total assets	<u>1,575</u>	<u>3,911</u>	<u>42,184</u>
Liabilities:			
Accounts payable			
Accrued wages and benefits			
Compensated absences payable			
Deferred revenue			30,886
Due to other governments			
Notes payable			
Loans payable			
Total liabilities			<u>30,886</u>
Fund Equity:			
Reserved for encumbrances			
Reserved for materials and supplies inventory			
Unreserved:			
Undesignated	1,575	3,911	11,298
Total fund equity	<u>1,575</u>	<u>3,911</u>	<u>11,298</u>
Total liabilities and fund equity	<u>\$1,575</u>	<u>\$3,911</u>	<u>\$42,184</u>

<u>COPS Grant</u>	<u>Fire District</u>	<u>Street Construction and Maintenance</u>	<u>State Highway</u>	<u>Maple Grove Cemetery</u>
	\$104,212	\$34,456 350	\$3,433	\$14,473
	72,993	241		
	1,634	23,330	1,376	
		11,563		
	<u>178,839</u>	<u>69,940</u>	<u>4,809</u>	<u>14,473</u>
	2,674	4,748	3,108	
\$1,163		14,370		
	72,114	1,665		
174		15,234		
		19,374		
	<u>105,750</u>			
<u>1,337</u>	<u>180,538</u>	<u>55,391</u>	<u>3,108</u>	
	35,212	11,563		812
(1,337)	(36,911)	2,986	1,701	13,661
(1,337)	(1,699)	14,549	1,701	14,473
<u>\$0</u>	<u>\$178,839</u>	<u>\$69,940</u>	<u>\$4,809</u>	<u>\$14,473</u>

Continued

CITY OF HUBBARD, OHIO

**COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2000**

	<u>Recreation</u>	<u>Drug and Law Enforcement</u>	<u>Range Fund</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$22,146	\$5,208	\$2,443
Cash in segregated accounts			
Receivables (net of allowances for uncollectibles):			
Real and other taxes.			
Accounts			600
Due from other governments	950		
Materials and supplies inventory			
Total assets	<u>23,096</u>	<u>5,208</u>	<u>3,043</u>
 Liabilities:			
Accounts payable	1,084		
Accrued wages and benefits			
Compensated absences payable			
Deferred revenue.			
Due to other governments	672		
Notes payable			
Loans payable			
Total liabilities	<u>1,756</u>		
 Fund Equity:			
Reserved for encumbrances			
Reserved for materials and supplies inventory			
Unreserved:			
Undesignated.	21,340	5,208	3,043
Total fund equity	<u>21,340</u>	<u>5,208</u>	<u>3,043</u>
Total liabilities and fund equity.	<u>\$23,096</u>	<u>\$5,208</u>	<u>\$3,043</u>

Escrow Account	Totals
\$395	\$203,174 350
	104,255 841 27,290 11,563
<u>395</u>	<u>347,473</u>
	11,614 15,533 1,665 103,000 16,080 19,374 105,750
	<u>273,016</u>
	36,024 11,563
<u>395</u>	<u>26,870</u>
<u>395</u>	<u>74,457</u>
<u>\$395</u>	<u>\$347,473</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, 2000**

	<u>Indigent Drivers Fund</u>	<u>Enforcement and Education</u>	<u>Police Pension</u>
Revenues:			
Property and other taxes			\$26,337
Fines and forfeitures	\$300	\$435	
Intergovernmental			
Investment income			
Other			142
Total revenues	<u>300</u>	<u>435</u>	<u>26,479</u>
Expenditures:			
Current:			
Security of persons and property			20,455
Public health and welfare			
Transportation			
Leisure time activity			
Economic development			
Other			
Capital outlay			
Debt service:			
Interest and fiscal charges			
Total expenditures			<u>20,455</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300</u>	<u>435</u>	<u>6,024</u>
Other financing sources (uses):			
Proceeds from sale of fixed assets			
Operating transfers in			
Operating transfers out			
Total other financing sources (uses)			
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	300	435	6,024
Fund balances, January 1	1,275	3,476	5,274
Increase (decrease) in reserve for inventory			
Fund balances, December 31	<u>\$1,575</u>	<u>\$3,911</u>	<u>\$11,298</u>

Community Assistance Team Grant	COPS Grant	Fire District	Street Construction and Maintenance	State Highway
		\$61,838		
\$24,885	\$25,000		\$233,978	\$18,971
			4,285	220
		22,157	7,322	1,000
<u>24,885</u>	<u>25,000</u>	<u>83,995</u>	<u>245,585</u>	<u>20,191</u>
24,885	25,579	38,856		
			478,834	23,763
		985		
		110,526	81,381	
			1,607	
<u>24,885</u>	<u>25,579</u>	<u>150,367</u>	<u>561,822</u>	<u>23,763</u>
0	(579)	(66,372)	(316,237)	(3,572)
			1,000	
			311,504	
			<u>312,504</u>	
0	(579)	(66,372)	(3,733)	(3,572)
0	(758)	64,673	14,672	5,273
			3,610	
<u>\$0</u>	<u>(\$1,337)</u>	<u>(\$1,699)</u>	<u>\$14,549</u>	<u>\$1,701</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, 2000

	Community Development Block Grant	Maple Grove Cemetery	Recreation
Revenues:			
Property and other taxes			
Fines and forfeitures			
Intergovernmental			
Investment income			
Other	\$382	\$4,747	\$2,054
Total revenues	<u>382</u>	<u>4,747</u>	<u>2,054</u>
Expenditures:			
Current:			
Security of persons and property			
Public health and welfare		15,086	
Transportation			
Leisure time activity			26,024
Economic development	200		
Other			
Capital outlay			18,478
Debt service:			
Interest and fiscal charges			
Total expenditures	<u>200</u>	<u>15,086</u>	<u>44,502</u>
Excess (deficiency) of revenues over (under) expenditures	<u>182</u>	<u>(10,339)</u>	<u>(42,448)</u>
Other financing sources (uses):			
Proceeds from sale of fixed assets			
Operating transfers in		16,000	35,210
Operating transfers out	(6,422)		
Total other financing sources (uses)	<u>(6,422)</u>	<u>16,000</u>	<u>35,210</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(6,240)</u>	<u>5,661</u>	<u>(7,238)</u>
Fund balances, January 1	6,240	8,812	28,750
Increase (decrease) in reserve for inventory			(172)
Fund balances, December 31	<u>\$0</u>	<u>\$14,473</u>	<u>\$21,340</u>

Drug and Law Enforcement	Range Fund	Escrow Account	Totals
			\$88,175
			735
			302,834
			4,505
\$1,875	\$1,311		40,990
<u>1,875</u>	<u>1,311</u>		<u>437,239</u>
1,477	212		111,464
			15,086
			502,597
			26,024
			200
			985
			210,385
			1,607
<u>1,477</u>	<u>212</u>		<u>868,348</u>
398	1,099		(431,109)
			1,000
			362,714
			(6,422)
			<u>357,292</u>
398	1,099		(73,817)
4,810	1,944	\$395	144,836
			3,438
<u>\$5,208</u>	<u>\$3,043</u>	<u>\$395</u>	<u>\$74,457</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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Fines and forfeitures	\$300	\$300	\$0
Total revenues	<u>300</u>	<u>300</u>	<u>0</u>
 Excess (deficiency) of revenues over (under) expenditures	 300	 300	 0
 Fund balance, January 1	 1,275	 1,275	 0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$1,575</u></u>	<u><u>\$1,575</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Fines and forfeitures.	\$435	\$435	\$0
Total revenues	<u>435</u>	<u>435</u>	<u>0</u>
 Excess (deficiency) of revenues over (under) expenditures	 435	 435	 0
 Fund balance, January 1	 3,476	 3,476	 0
Prior year encumbrances appropriated . .	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$3,911</u></u>	<u><u>\$3,911</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)
POLICE PENSION
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$25,961	\$25,961	\$0
Other	142	142	0
Total revenues	<u>26,103</u>	<u>26,103</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Contractual services	20,460	20,455	5
Total security of persons and property. . .	<u>20,460</u>	<u>20,455</u>	<u>5</u>
Total expenditures	<u>20,460</u>	<u>20,455</u>	<u>5</u>
Excess (deficiency) of revenues over (under) expenditures	5,643	5,648	5
Fund balance, January 1	5,274	5,274	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$10,917</u>	<u>\$10,922</u>	<u>5</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$24,885	\$24,885	\$0
Total revenues	<u>24,885</u>	<u>24,885</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Contractual services	24,885	24,885	0
Total security of persons and property	<u>24,885</u>	<u>24,885</u>	<u>0</u>
Total expenditures	<u>24,885</u>	<u>24,885</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	<u>0</u>	<u>0</u>	<u>0</u>
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)
COPS GRANT
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
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, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$60,959	\$60,959	\$0
Other	20,877	20,877	0
Total revenues	81,836	81,836	0
Expenditures:			
Current:			
Security of persons and property			
Contractual services	44,760	42,446	2,314
Materials and supplies	14,291	12,784	1,507
Total security of persons and property	59,051	55,230	3,821
Other			
Contractual services	990	985	5
Total other	990	985	5
Capital outlay			
Capital outlay	145,859	145,774	85
Total capital outlay	145,859	145,774	85
Total expenditures	205,900	201,989	3,911
Excess (deficiency) of revenues over (under) expenditures	(124,064)	(120,153)	3,911
Other financing sources (uses):			
Proceeds of loans	105,750	105,750	0
Total other financing sources (uses)	105,750	105,750	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(18,314)	(14,403)	3,911
Fund balance, January 1	75,497	75,497	0
Prior year encumbrances appropriated	7,870	7,870	0
Fund balance, December 31	\$65,053	\$68,964	\$3,911

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, 2000**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$233,987	\$233,987	\$0
Investment income	4,285	4,285	0
Other	575	575	0
Total revenues	238,847	238,847	0
Expenditures:			
Current:			
Transportation			
Personal services	406,973	406,765	208
Contractual services	28,820	28,687	133
Materials and supplies	34,371	34,346	25
Total transportation	470,164	469,798	366
Capital outlay			
Capital outlay	81,392	81,381	11
Total capital outlay	81,392	81,381	11
Debt service			
Principal retirement	13,548	13,548	0
Interest and fiscal charges	1,612	1,607	5
Total debt service	15,160	15,155	5
Total expenditures	566,716	566,334	382
Excess (deficiency) of revenues over (under) expenditures	(327,869)	(327,487)	382
Other financing sources (uses):			
Proceeds from sale of fixed assets	1,000	1,000	0
Operating transfers in	311,504	311,504	0
Total other financing sources (uses)	312,504	312,504	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(15,365)	(14,983)	382
Fund balance, January 1	43,702	43,702	0
Prior year encumbrances appropriated	1,198	1,198	0
Fund balance, December 31	\$29,535	\$29,917	\$382

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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$18,972	\$18,972	\$0
Investment income	220	220	0
Other	1,000	1,000	0
Total revenues	<u>20,192</u>	<u>20,192</u>	<u>0</u>
Expenditures:			
Current:			
Transportation			
Personal services	1,500	1,500	0
Contractual services	19,970	19,967	3
Total transportation	<u>21,470</u>	<u>21,467</u>	<u>3</u>
Total expenditures	<u>21,470</u>	<u>21,467</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	(1,278)	(1,275)	3
Fund balance, January 1	3,896	3,896	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31	<u><u>\$2,618</u></u>	<u><u>\$2,621</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)
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	\$1,367	\$1,367	\$0
Total revenues	<u>1,367</u>	<u>1,367</u>	<u>0</u>
Expenditures:			
Current:			
Economic development			
Other	200	200	0
Total economic development	<u>200</u>	<u>200</u>	<u>0</u>
Total expenditures	<u>200</u>	<u>200</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,167</u>	<u>1,167</u>	<u>0</u>
Other financing sources (uses):			
Operating transfers out	(6,422)	(6,422)	0
Total other financing sources (uses)	<u>(6,422)</u>	<u>(6,422)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(5,255)</u>	<u>(5,255)</u>	<u>0</u>
Fund balance, January 1	5,255	5,255	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
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)
MAPLE GROVE CEMETERY
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Other	\$4,747	\$4,747	\$0
Total revenues	<u>4,747</u>	<u>4,747</u>	<u>0</u>
Expenditures:			
Current:			
Public health and welfare			
Personal services	820	819	1
Contractual services	10,765	10,764	1
Materials and supplies	<u>3,650</u>	<u>3,553</u>	<u>97</u>
Total public health and welfare	<u>15,235</u>	<u>15,136</u>	<u>99</u>
Total expenditures	<u>15,235</u>	<u>15,136</u>	<u>99</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,488)</u>	<u>(10,389)</u>	<u>99</u>
Other financing sources (uses):			
Operating transfers in	16,000	16,000	0
Total other financing sources (uses)	<u>16,000</u>	<u>16,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,512	5,611	99
Fund balance, January 1	8,767	8,767	0
Prior year encumbrances appropriated	95	95	0
Fund balance, December 31	<u>\$14,374</u>	<u>\$14,473</u>	<u>\$99</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	\$1,204	\$1,204	\$0
Total revenues	<u>1,204</u>	<u>1,204</u>	<u>0</u>
Expenditures:			
Current:			
Leisure time activity			
Personal services	16,060	16,053	7
Contractual services	4,127	4,113	14
Materials and supplies	4,740	4,738	2
Total leisure time activity	<u>24,927</u>	<u>24,904</u>	<u>23</u>
Capital outlay			
Capital outlay	19,536	18,478	1,058
Total capital outlay	<u>19,536</u>	<u>18,478</u>	<u>1,058</u>
Total expenditures	<u>44,463</u>	<u>43,382</u>	<u>1,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,259)</u>	<u>(42,178)</u>	<u>1,081</u>
Other financing sources (uses):			
Operating transfers in	35,210	35,210	0
Total other financing sources (uses)	<u>35,210</u>	<u>35,210</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(8,049)</u>	<u>(6,968)</u>	<u>1,081</u>
Fund balance, January 1	21,828	21,828	0
Prior year encumbrances appropriated	7,286	7,286	0
Fund balance, December 31.	<u>\$21,065</u>	<u>\$22,146</u>	<u>\$1,081</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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	\$1,875	\$1,875	\$0
Total revenues	<u>1,875</u>	<u>1,875</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Other	1,480	1,477	3
Total security of persons and property . .	<u>1,480</u>	<u>1,477</u>	<u>3</u>
Total expenditures	<u>1,480</u>	<u>1,477</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	395	398	3
Fund balance, January 1	4,810	4,810	0
Prior year encumbrances appropriated . .	0	0	0
Fund balance, December 31.	<u>\$5,205</u>	<u>\$5,208</u>	<u>\$3</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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Other	711	711	\$0
Total revenues	<u>711</u>	<u>711</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			0
Contractual services	215	212	3
Total security of persons and property.	<u>215</u>	<u>212</u>	<u>3</u>
Total expenditures	<u>215</u>	<u>212</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	496	499	3
Fund balance, January 1	1,944	1,944	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u>\$2,440</u>	<u>\$2,443</u>	<u>\$3</u>

CITY OF HUBBARD, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ESCROW ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<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 BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Property and other taxes	\$86,920	\$86,920	\$0
Fines and forfeitures	735	735	0
Intergovernmental	302,844	302,844	0
Investment income	4,505	4,505	0
Other	32,498	32,498	0
Total revenues	<u>427,502</u>	<u>427,502</u>	<u>0</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	25,000	25,000	0
Contractual services	90,320	87,998	2,322
Materials and supplies	14,291	12,784	1,507
Other	1,480	1,477	3
Total security of persons and property	<u>131,091</u>	<u>127,259</u>	<u>3,832</u>
Public health and welfare			
Personal services	820	819	1
Contractual services	10,765	10,764	1
Materials and supplies	3,650	3,553	97
Total public health and welfare	<u>15,235</u>	<u>15,136</u>	<u>99</u>
Transportation			
Personal services	408,473	408,265	208
Contractual services	48,790	48,654	136
Materials and supplies	34,371	34,346	25
Total transportation	<u>491,634</u>	<u>491,265</u>	<u>369</u>
Leisure time activity			
Personal services	16,060	16,053	7
Contractual services	4,127	4,113	14
Materials and supplies	4,740	4,738	2
Total leisure time activity	<u>24,927</u>	<u>24,904</u>	<u>23</u>
Economic development			
Other	200	200	0
Total economic development	<u>200</u>	<u>200</u>	<u>0</u>
Other			
Contractual services	990	985	5
Total other	<u>990</u>	<u>985</u>	<u>5</u>
Capital outlay			
Capital outlay	246,787	245,633	1,154
Total capital outlay	<u>246,787</u>	<u>245,633</u>	<u>1,154</u>
Debt service:			
Principal retirement	13,548	13,548	0
Interest and fiscal charges	1,612	1,607	5
Total debt service	<u>15,160</u>	<u>15,155</u>	<u>5</u>
Total expenditures	<u>926,024</u>	<u>920,537</u>	<u>5,487</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
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Excess (deficiency) of revenues over (under) expenditures	<u>(\$498,522)</u>	<u>(\$493,035)</u>	<u>\$5,487</u>
Other financing sources (uses):			
Proceeds of loans	105,750	105,750	0
Proceeds from sale of fixed assets	1,000	1,000	0
Operating transfers in	362,714	362,714	0
Operating transfers out	<u>(6,422)</u>	<u>(6,422)</u>	<u>0</u>
Total other financing sources (uses)	<u>463,042</u>	<u>463,042</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	<u>(35,480)</u>	<u>(29,993)</u>	<u>5,487</u>
Fund balances, January 1	176,119	176,119	0
Prior year encumbrances appropriated	16,449	16,449	0
Fund balances, December 31	<u>\$157,088</u>	<u>\$162,575</u>	<u>\$5,487</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, 2000**

	Capital Improvement	CDBG Street Resurfacing	Total
Assets:			
Equity in pooled cash and cash equivalents	\$91,983		\$91,983
Due from other governments	23		23
Total assets	\$92,006	\$0	\$92,006
Fund Equity:			
Unreserved - undesignated	92,006		92,006
Total fund equity	92,006		92,006
Total liabilities and fund equity	\$92,006	\$0	\$92,006

CITY OF HUBBARD, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Capital Improvement</u>	<u>CDBG Street Resurfacing</u>	<u>Total</u>
Revenues:			
Intergovernmental		\$26,300	\$26,300
Other	\$23		23
Total revenues.	<u>23</u>	<u>26,300</u>	<u>26,323</u>
Expenditures:			
Capital outlay	105,167	26,300	131,467
Total expenditures	<u>105,167</u>	<u>26,300</u>	<u>131,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(105,144)</u>		<u>(105,144)</u>
Other financing sources (uses):			
Operating transfers in	175,434		175,434
Total other financing sources (uses)	<u>175,434</u>		<u>175,434</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	70,290	0	70,290
Fund balances, January 1	21,716	0	21,716
Fund balances, December 31.	<u>\$92,006</u>	<u>\$0</u>	<u>\$92,006</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Expenditures:			
Capital outlay			
Capital outlay	\$105,170	\$105,167	\$3
Total capital outlay	<u>105,170</u>	<u>105,167</u>	<u>3</u>
Total expenditures.	<u>105,170</u>	<u>105,167</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(105,170)</u>	<u>(105,167)</u>	<u>3</u>
Other financing sources (uses):			
Operating transfers in.	175,434	175,434	0
Total other financing sources (uses)	<u>175,434</u>	<u>175,434</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	70,264	70,267	3
Fund balance, January 1	21,716	21,716	0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u>\$91,980</u>	<u>\$91,983</u>	<u>\$3</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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	26,300	\$26,300	\$0
Total revenues	<u>26,300</u>	<u>26,300</u>	<u>0</u>
Expenditures:			
Capital outlay			
Capital outlay	26,300	26,300	0
Total capital outlay	<u>26,300</u>	<u>26,300</u>	<u>0</u>
Total expenditures	<u>26,300</u>	<u>26,300</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 . .	<u>0</u>	<u>0</u>	<u>0</u>
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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$26,300	\$26,300	\$0
Total revenues	<u>26,300</u>	<u>26,300</u>	<u>0</u>
Expenditures:			
Capital outlay			
Capital outlay	131,470	131,467	3
Total capital outlay	<u>131,470</u>	<u>131,467</u>	<u>3</u>
Total expenditures	<u>131,470</u>	<u>131,467</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(105,170)</u>	<u>(105,167)</u>	<u>3</u>
Other financing sources (uses):			
Operating transfers in	175,434	175,434	0
Total other financing sources (uses)	<u>175,434</u>	<u>175,434</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.	70,264	70,267	3
Fund balances, January 1	21,716	21,716	0
Prior year encumbrances appropriated	0	0	0
Fund balances, December 31	<u>\$91,980</u>	<u>\$91,983</u>	<u>\$3</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, 2000**

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>
Assets:			
Equity in pooled cash and cash equivalents	\$1,019,209	\$969,322	\$3,443,722
Cash in segregated accounts	300		200
Receivables (net of allowances for uncollectibles):			
Accounts	105,119	117,610	424,113
Notes			97,953
Due from other funds	227	248	269
Due from other governments	8,313	8,729	15,379
Prepayments	1,858	2,951	2,736
Materials and supplies inventory	3,116	3,149	431,170
Investment in joint ventures			100,583
Restricted assets:			
Cash with fiscal agent	724,383		
Property, plant and equipment (net of accumulated depreciation)	4,929,303	2,635,651	238,278
Total assets.	<u>6,791,828</u>	<u>3,737,660</u>	<u>4,754,403</u>
Liabilities:			
Accounts payable	18,129	53,725	244,957
Accrued wages and benefits	6,583	11,842	14,885
Compensated absences payable	48,216	25,484	55,327
Accrued interest payable	28,100	113	
Due to other funds			
Due to other governments	15,946	13,077	25,011
Notes payable		78,579	
Mortgage revenue bond payable	5,065,000		
OWDA loan payable		2,353,390	
OPWC loans payable	217,301	120,075	
Total liabilities.	<u>5,399,275</u>	<u>2,656,285</u>	<u>340,180</u>
Fund Equity:			
Contributed capital			
Retained earnings:			
Reserved	724,383		
Unreserved	668,170	1,081,375	4,414,223
Total fund equity.	<u>1,392,553</u>	<u>1,081,375</u>	<u>4,414,223</u>
Total liabilities and fund equity.	<u>\$6,791,828</u>	<u>\$3,737,660</u>	<u>\$4,754,403</u>

<u>Guarantee Trust</u>	<u>Totals</u>
\$83,917	\$5,516,170
	500
	646,842
	97,953
	744
	32,421
	7,545
	437,435
	100,583
	724,383
	7,803,232
<u>83,917</u>	<u>15,367,808</u>
206	317,017
	33,310
	129,027
	28,213
744	744
	54,034
	78,579
	5,065,000
	2,353,390
	337,376
<u>950</u>	<u>8,396,690</u>
	724,383
<u>82,967</u>	<u>6,246,735</u>
<u>82,967</u>	<u>6,971,118</u>
<u>\$83,917</u>	<u>\$15,367,808</u>

CITY OF HUBBARD, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>
Operating revenues:			
Charges for services	\$1,243,654	\$1,512,445	\$4,258,740
Other			
Total operating revenues	<u>1,243,654</u>	<u>1,512,445</u>	<u>4,258,740</u>
Operating expenses:			
Personal services	355,659	347,317	704,130
Contractual services	87,615	595,438	2,960,186
Materials and supplies	161,032	82,499	275,751
Depreciation	369,083	113,338	68,778
Total operating expenses	<u>973,389</u>	<u>1,138,592</u>	<u>4,008,845</u>
Operating income	<u>270,265</u>	<u>373,853</u>	<u>249,895</u>
Nonoperating revenues (expenses):			
Intergovernmental		12,260	
Interest and fiscal charges	(276,300)	(164,450)	
Investment earnings	48,793	2,500	1,606
Loss on sale of fixed assets	(542)	(408)	(612)
Investment in joint venture			35,991
Other nonoperating revenue	31,619	23,136	26,683
Other nonoperating expense			
Total nonoperating revenues (expenses)	<u>(196,430)</u>	<u>(126,962)</u>	<u>63,668</u>
Net income	73,835	246,891	313,563
Retained earnings, January 1	<u>1,318,718</u>	<u>834,484</u>	<u>4,100,660</u>
Retained earnings, December 31	<u>\$1,392,553</u>	<u>\$1,081,375</u>	<u>\$4,414,223</u>

Guarantee Trust	Totals
	\$7,014,839
\$17,600	17,600
<u>17,600</u>	<u>7,032,439</u>
	1,407,106
	3,643,239
	519,282
	551,199
	<u>6,120,826</u>
<u>17,600</u>	<u>911,613</u>
	12,260
	(440,750)
	52,899
	(1,562)
	35,991
	81,438
(16,823)	(16,823)
<u>(16,823)</u>	<u>(276,547)</u>
777	635,066
<u>82,190</u>	<u>6,336,052</u>
<u>\$82,967</u>	<u>\$6,971,118</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$1,242,708	\$1,242,708	\$0
Total operating revenues	<u>1,242,708</u>	<u>1,242,708</u>	<u>0</u>
Operating expenses:			
Personal services	450,388	417,113	33,275
Contractual services	90,967	88,684	2,283
Materials and supplies	122,839	112,010	10,829
Capital outlay	49,577	47,840	1,737
Total operating expenses	<u>713,771</u>	<u>665,647</u>	<u>48,124</u>
Operating income	<u>528,937</u>	<u>577,061</u>	<u>48,124</u>
Nonoperating revenues (expenses):			
Proceeds from sale of fixed assets	50	50	0
Other nonoperating revenue	23,264	23,264	0
Debt service:			
Principal retirement	(236,752)	(236,747)	5
Interest and fiscal charges	(276,903)	(276,896)	7
Total nonoperating revenues (expenses)	<u>(490,341)</u>	<u>(490,329)</u>	<u>12</u>
Net income before operating transfers	38,596	86,732	48,136
Operating transfers in	48,000	48,000	0
Operating transfers out	<u>(48,000)</u>	<u>(48,000)</u>	<u>0</u>
Net income	38,596	86,732	48,136
Retained earnings, January 1	833,482	833,482	0
Prior year encumbrances appropriated	51,836	51,836	0
Retained earnings, December 31	<u>\$923,914</u>	<u>\$972,050</u>	<u>\$48,136</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$1,536,565	\$1,536,565	\$0
Total operating revenues	<u>1,536,565</u>	<u>1,536,565</u>	<u>0</u>
Operating expenses:			
Personal services	337,755	337,556	199
Contractual services	797,018	784,918	12,100
Materials and supplies	87,164	84,419	2,745
Capital outlay	47,723	44,712	3,011
Total operating expenses	<u>1,269,660</u>	<u>1,251,605</u>	<u>18,055</u>
Operating income	<u>266,905</u>	<u>284,960</u>	<u>18,055</u>
Nonoperating revenues (expenses):			
Investment earnings	2,500	2,500	0
Proceeds from sale of fixed assets	100	100	0
Intergovernmental revenues	12,260	12,260	0
Other nonoperating revenue	232,130	232,130	0
Other nonoperating expense	(217,723)	(217,723)	0
Debt service:			
Principal retirement	(124,430)	(124,412)	18
Interest and fiscal charges	(164,550)	(164,535)	15
Total nonoperating revenues (expenses)	<u>(259,713)</u>	<u>(259,680)</u>	<u>33</u>
Net income before operating transfers	7,192	25,280	18,088
Operating transfers in	120,000	120,000	0
Operating transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>0</u>
Net income	7,192	25,280	18,088
Retained earnings, January 1	713,348	713,348	0
Prior year encumbrances appropriated	13,322	13,322	0
Retained earnings, December 31	<u>\$733,862</u>	<u>\$751,950</u>	<u>\$18,088</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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Charges for services	\$4,225,565	\$4,225,565	\$0
Total operating revenues	<u>4,225,565</u>	<u>4,225,565</u>	<u>0</u>
Operating expenses:			
Personal services	688,346	688,308	38
Contractual services	3,092,101	3,081,549	10,552
Materials and supplies	273,583	248,869	24,714
Capital outlay	382,427	344,879	37,548
Total operating expenses	<u>4,436,457</u>	<u>4,363,605</u>	<u>72,852</u>
Operating income (loss)	<u>(210,892)</u>	<u>(138,040)</u>	<u>72,852</u>
Nonoperating revenues:			
Investment earnings	1,606	1,606	0
Other nonoperating revenue	11,623	11,623	0
Total nonoperating revenues	<u>13,229</u>	<u>13,229</u>	<u>0</u>
Net loss before operating transfers	(197,663)	(124,811)	72,852
Operating transfers in	144,000	144,000	0
Operating transfers out	<u>(144,000)</u>	<u>(144,000)</u>	<u>0</u>
Net loss	(197,663)	(124,811)	72,852
Retained earnings, January 1	3,290,488	3,290,488	0
Prior year encumbrances appropriated	116,561	116,561	0
Retained earnings, December 31	<u>\$3,209,386</u>	<u>\$3,282,238</u>	<u>\$72,852</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, 2000

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Operating revenues:			
Other	\$17,600	\$17,600	\$0
Total operating revenues	<u>17,600</u>	<u>17,600</u>	<u>0</u>
 Operating income.	 <u>17,600</u>	 <u>17,600</u>	 <u>0</u>
Nonoperating revenues (expenses):			
Other nonoperating expenses	(17,775)	(17,773)	2
Total nonoperating revenues (expenses)	<u>(17,775)</u>	<u>(17,773)</u>	<u>2</u>
 Net loss.	 (175)	 (173)	 2
 Retained earnings, January 1	 84,090	 84,090	 0
Prior year encumbrances appropriated.	0	0	0
Retained earnings, December 31.	<u>\$83,915</u>	<u>\$83,917</u>	<u>\$2</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, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Charges for services	\$7,004,838	\$7,004,838	\$0
Other	17,600	17,600	0
Total operating revenues	<u>7,022,438</u>	<u>7,022,438</u>	<u>0</u>
Operating expenses:			
Personal services	1,476,489	1,442,977	33,512
Contractual services	3,980,086	3,955,151	24,935
Materials and supplies	483,586	445,298	38,288
Capital outlay	479,727	437,431	42,296
Total operating expenses	<u>6,419,888</u>	<u>6,280,857</u>	<u>139,031</u>
Operating income	<u>602,550</u>	<u>741,581</u>	<u>139,031</u>
Nonoperating revenues (expenses):			
Investment earnings	4,106	4,106	0
Proceeds from sale of fixed assets	150	150	0
Intergovernmental revenues	12,260	12,260	0
Other nonoperating revenue	267,017	267,017	0
Other nonoperating expense	(235,498)	(235,496)	2
Debt service:			
Principal retirement	(361,182)	(361,159)	23
Interest and fiscal charges	(441,453)	(441,431)	22
Total nonoperating revenues (expenses)	<u>(754,600)</u>	<u>(754,553)</u>	<u>47</u>
Net loss before operating transfers	(152,050)	(12,972)	139,078
Operating transfers in	312,000	312,000	0
Operating transfers out	<u>(312,000)</u>	<u>(312,000)</u>	<u>0</u>
Net loss	(152,050)	(12,972)	139,078
Retained earnings, January 1	4,921,408	4,921,408	0
Prior year encumbrances appropriated	181,719	181,719	0
Retained earnings, December 31	<u>\$4,951,077</u>	<u>\$5,090,155</u>	<u>\$139,078</u>

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CITY OF HUBBARD, OHIO

**COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Sewer</u>	<u>Water</u>	<u>Electric</u>
Cash flows from operating activities:			
Cash received from customers	\$1,242,975	\$1,536,565	\$4,225,451
Cash received from other operations			
Cash payments for personal services	(372,609)	(337,556)	(688,308)
Cash payments for contractual services.	(88,684)	(581,771)	(2,973,149)
Cash payments for materials and supplies	<u>(147,458)</u>	<u>(75,533)</u>	<u>(339,329)</u>
Net cash provided by operating activities.	<u>634,224</u>	<u>541,705</u>	<u>224,665</u>
Cash flows from noncapital financing activities:			
Cash received from operating grants		12,260	
Cash received from nonoperating activities.	23,264	232,130	11,623
Cash used for nonoperating expenses		(217,723)	
Transfers in from other funds	48,000	120,000	144,000
Transfers out to other funds	<u>(48,000)</u>	<u>(120,000)</u>	<u>(144,000)</u>
Net cash provided by (used in) noncapital financing activities	<u>23,264</u>	<u>26,667</u>	<u>11,623</u>
Cash flows from capital and related financing activities:			
Aquisition of capital assets	(9,737)	(39,373)	(103,382)
Gain on sale of fixed assets	50	100	
Principal retirement	(236,747)	(124,412)	
Interest and fiscal charges	<u>(276,896)</u>	<u>(164,535)</u>	
Net cash used in capital and related financing activities	<u>(523,330)</u>	<u>(328,220)</u>	<u>(103,382)</u>
Cash flows from investing activities:			
Principal payment received on internal notes.			72,481
Interest received.	48,793	2,500	1,606
Net cash provided by investing activities	<u>48,793</u>	<u>2,500</u>	<u>74,087</u>
Net increase (decrease) in cash and cash equivalents	182,951	242,652	206,993
Cash and cash equivalents, January 1	1,560,941	726,670	3,236,929
Cash and cash equivalents, December 31	<u>\$1,743,892</u>	<u>\$969,322</u>	<u>\$3,443,922</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$270,265	\$373,853	\$249,895
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	369,083	113,338	68,778
Changes in assets and liabilities:			
(Increase) decrease in materials and supplies	1,788	7,108	(65,413)
(Increase) decrease in accounts receivable	(806)	23,763	(33,537)
Increase in prepayments.	(608)	(1,555)	(1,807)
Decrease in due from other funds	127	357	248
Decrease in retainage payable		(4,309)	
Increase (decrease) in accounts payable	5,061	17,321	(7,936)
Increase in accrued wages and benefits	2,499	7,278	5,985
Increase (decrease) in compensated absences payable.	(17,818)	(584)	6,528
Increase in due to other governments	<u>4,633</u>	<u>5,135</u>	<u>1,924</u>
Net cash provided by operating activities	<u>\$634,224</u>	<u>\$541,705</u>	<u>\$224,665</u>

Guarantee Trust	Totals
	\$7,004,991
\$17,600	17,600
	(1,398,473)
	(3,643,604)
	(562,320)
<hr/>	<hr/>
17,600	1,418,194
	12,260
	267,017
(17,773)	(235,496)
	312,000
	(312,000)
<hr/>	<hr/>
(17,773)	43,781
	(152,492)
	150
	(361,159)
	(441,431)
<hr/>	<hr/>
	(954,932)
	72,481
	52,899
<hr/>	<hr/>
	125,380
(173)	632,423
84,090	5,608,630
<u>\$83,917</u>	<u>\$6,241,053</u>
\$17,600	\$911,613
	551,199
	(56,517)
	(10,580)
	(3,970)
	732
	(4,309)
	14,446
	15,762
	(11,874)
	11,692
<hr/>	<hr/>
<u>\$17,600</u>	<u>\$1,418,194</u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Charges for services	\$450,133	\$450,133	\$0
Other	34,103	34,103	0
Total operating revenues	<u>484,236</u>	<u>484,236</u>	<u>0</u>
Operating expenses:			
Contractual services	415,000	414,876	124
Total operating expenses	<u>415,000</u>	<u>414,876</u>	<u>124</u>
Net income	69,236	69,360	124
Retained earnings, January 1	331,691	331,691	0
Prior year encumbrances appropriated.	0	0	0
Retained earnings, December 31.	<u>\$400,927</u>	<u>\$401,051</u>	<u>\$124</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, 2000

	<u>Nonexpendable Trust</u>			<u>Total Agency</u>	<u>Total</u>
	<u>Sugar Grove Trust</u>	<u>Mizner Trust</u>	<u>Hultz Trust</u>		
Assets:					
Equity in pooled cash and cash equivalents				\$1,346	\$1,346
Equity in pooled cash and cash equivalents - nonexpendable trust fund	\$1,654	\$1,723	\$5,531		8,908
Total assets	<u>\$1,654</u>	<u>\$1,723</u>	<u>\$5,531</u>	<u>\$1,346</u>	<u>\$10,254</u>
Liabilities:					
Deposits held and due to others				1,346	1,346
Total liabilities				<u>1,346</u>	<u>1,346</u>
Fund Equity:					
Reserved:					
Reserved for principal endowment	837	500	2,500		3,837
Unreserved:					
Undesignated	817	1,223	3,031		5,071
Total fund equity	<u>1,654</u>	<u>1,723</u>	<u>5,531</u>		<u>8,908</u>
Total liabilities and fund equity	<u>\$1,654</u>	<u>\$1,723</u>	<u>\$5,531</u>	<u>\$1,346</u>	<u>\$10,254</u>

CITY OF HUBBARD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
ALL NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Sugar Grove Trust	Mizner Trust	Hultz Trust	Total
Operating revenues:				
Investment earnings.	\$33	\$34	\$110	\$177
Total operating revenues	<u>33</u>	<u>34</u>	<u>110</u>	<u>177</u>
Net income.	33	34	110	177
Fund balances, January 1	<u>1,621</u>	<u>1,689</u>	<u>5,421</u>	<u>8,731</u>
Fund balances, December 31.	<u><u>\$1,654</u></u>	<u><u>\$1,723</u></u>	<u><u>\$5,531</u></u>	<u><u>\$8,908</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Investment earnings.	\$33	\$33	\$0
Total operating revenues.	<u>33</u>	<u>33</u>	<u>0</u>
 Net income	 33	 33	 0
 Fund balance, January 1	 1,621	 1,621	 0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u>\$1,654</u>	<u>\$1,654</u>	<u>\$0</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Investment earnings	\$34	\$34	\$0
Total operating revenues	<u>34</u>	<u>34</u>	<u>0</u>
 Net income	34	34	0
 Fund balance, January 1	1,689	1,689	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, December 31.	<u><u>\$1,723</u></u>	<u><u>\$1,723</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Investment earnings	\$110	\$110	\$0
Total operating revenues	<u>110</u>	<u>110</u>	<u>0</u>
 Net income	 110	 110	 0
 Fund balance, January 1	 5,421	 5,421	 0
Prior year encumbrances appropriated	0	0	0
Fund balance, December 31.	<u>\$5,531</u>	<u>\$5,531</u>	<u>\$0</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Operating revenues:			
Investment earnings.	\$177	\$177	\$0
Total operating revenues.	<u>177</u>	<u>177</u>	<u>0</u>
 Net income.	177	177	0
 Fund balances, January 1	8,731	8,731	0
Prior year encumbrances appropriated	0	0	0
Fund balances, December 31	<u><u>\$8,908</u></u>	<u><u>\$8,908</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, 2000

	Sugar Grove Trust	Mizner Trust	Hultz Trust	Total
Cash flows from investing activities:				
Interest received	\$33	\$34	\$110	\$177
Net cash provided by investing activities	33	34	110	177
Net increase in cash and cash equivalents	33	34	110	177
Cash and cash equivalents, January 1	1,621	1,689	5,421	8,731
Cash and cash equivalents, December 31	<u>\$1,654</u>	<u>\$1,723</u>	<u>\$5,531</u>	<u>\$8,908</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$33	\$34	\$110	\$177
Adjustments to reconcile operating income to net cash provided by operating activities:				
Interest reported as operating income	<u>(33)</u>	<u>(34)</u>	<u>(110)</u>	<u>(177)</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, 2000**

	<u>Balance</u> 1/1/00	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 12/31/00
Mayors Court				
Assets:				
Equity in pooled cash and cash equivalents	\$2,635	\$71,223	\$72,658	\$1,200
Total assets.	<u>\$2,635</u>	<u>\$71,223</u>	<u>\$72,658</u>	<u>\$1,200</u>
Liabilities:				
Deposits held and due to others	\$2,635	\$71,223	\$72,658	\$1,200
Total liabilities	<u>\$2,635</u>	<u>\$71,223</u>	<u>\$72,658</u>	<u>\$1,200</u>
Unclaimed Monies				
Assets:				
Equity in pooled cash and cash equivalents	\$88	\$85	\$27	\$146
Total assets.	<u>\$88</u>	<u>\$85</u>	<u>\$27</u>	<u>\$146</u>
Liabilities:				
Deposits held and due to others	\$88	\$85	\$27	\$146
Total liabilities	<u>\$88</u>	<u>\$85</u>	<u>\$27</u>	<u>\$146</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$2,723	\$71,308	\$72,685	\$1,346
Total assets.	<u>\$2,723</u>	<u>\$71,308</u>	<u>\$72,685</u>	<u>\$1,346</u>
Liabilities:				
Deposits held and due to others	\$2,723	\$71,308	\$72,685	\$1,346
Total liabilities	<u>\$2,723</u>	<u>\$71,308</u>	<u>\$72,685</u>	<u>\$1,346</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, 2000**

Function	Land and Improvements	Buildings and Improvements	Furniture and Equipment	Vehicles	Total
General government.	\$256,264	\$394,796	\$206,734	\$0	\$857,794
Security of persons and property	0	118,896	188,663	678,764	986,323
Transportation.	0	27,553	213,493	280,517	521,563
Leisure time activities.	47,136	46,781	0	6,436	100,353
Capital outlay	0	0	17,532	0	17,532
Total general fixed assets.	\$303,400	\$588,026	\$626,422	\$965,717	\$2,483,565

CITY OF HUBBARD, OHIO

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2000**

Function	Balance 1/1/00	Additions	Deletions	Balance 12/31/00
General government.	\$832,765	\$39,140	(\$14,111)	\$857,794
Security of persons and property	819,987	181,779	(15,443)	986,323
Transportation.	439,972	85,916	(4,325)	521,563
Leisure time activities.	100,353	0	0	100,353
Capital outlay	0	17,532	0	17,532
Total general fixed assets.	\$2,193,077	\$324,367	(\$33,879)	\$2,483,565

CITY OF HUBBARD, OHIO

**SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2000**

General Fixed Assets:	
Land and improvements	\$303,400
Buildings and improvements	588,026
Furniture and equipment	626,422
Vehicles.	965,717
Total General Fixed Assets.	<u>\$2,483,565</u>
Investment in General Fixed Assets:	
General Fund Revenues	\$1,323,182
Special Revenue Funds Revenues	1,142,851
Capital Projects Funds Revenues	17,532
Total Investment in General Fixed Assets. . .	<u>\$2,483,565</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>
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	-
1991	340,717	760,471	-	305,399	7,417	42,609	-

(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 and 2000 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
		Principal Retirement	Interest & Fiscal Charges	Total Debt Service	
\$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
-	255,404	(2)	(2)	232,583	1,944,600

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

<u>Year</u>	<u>Income Taxes</u>	<u>Property and Other Taxes</u>	<u>Charges for Services</u>	<u>Licenses, Permits and Fees</u>	<u>Fines and Forfeitures</u>	<u>Intergovernmental</u>
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
1991	732,001	200,632	4,800	11,535	43,223	355,811

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

Note: 1999 and 2000 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>
\$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
197,776	56,837	1,602,615

CITY OF HUBBARD, OHIO

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST FISCAL TEN 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>
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
1991	48,243,950	137,839,857	7,481,177	29,924,708	2,734,130	3,106,966

(1) Source: Trumbull County Auditor

(2) This amount is calculated by dividing the assessed value by the assessment percentage. The assessment percentages for 2000 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>Total</u>		<u>Ratio of</u>
<u>Real</u>	<u>Assessed</u>	<u>Estimated</u>	<u>Assessed to</u>
<u>Property</u>	<u>Value</u>	<u>Actual Value (2)</u>	<u>Actual Value</u>
\$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%
5,954,565	58,459,257	170,871,531	34.21%

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 Collection (2)</u>	<u>Total Tax Collection to Total Tax Levy</u>
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%
1991	135,069	132,503	98.1%	3,752	136,255	100.9%

(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

<u>Outstanding Delinquent Taxes (2)</u>	<u>Delinquent Taxes to Total Tax Levy</u>
\$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%
6,856	5.1%

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 Collection (2)</u>	<u>Ratio of Total Tax Collection to Total Tax Levy</u>
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%
1991	19,827	19,296	97.3%	756	20,052	101.1%

(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

<u>Outstanding Delinquent Taxes (2)</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
\$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%
1,149	5.8%

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>							
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
1990 for 1991	3.10	9.80	41.10	2.40	10.45	0.20	67.05

(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>
2000		\$ -	\$ -
1999		-	-
1998		-	-
1997	(a)	1,237	1,237
1996		-	-
1995		-	-
1994		-	-
1993		-	-
1992		-	-
1991		-	-

(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, 2000

	<u>Total Debt Limit (2)</u>	<u>Total Unvoted Debt Limit (3)</u>
Assessed valuation of the City	\$98,063,602	\$98,063,602
Legal debt margin:		
Debt limitation	10,296,678	5,393,498
Debt applicable to limitation:		
Total bonded debt	5,065,000	5,065,000
Exemptions:		
Debt supported by enterprise fund operations	<u>(5,065,000)</u>	<u>(5,065,000)</u>
Total debt applicable to limitation	<u>0</u>	<u>0</u>
Total legal debt margin (debt limitation minus total debt applicable to limitation)	<u>\$10,296,678</u>	<u>\$5,393,498</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, 2000

<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%	0
Hubbard E.V. School District (4)	-	51.91%	0
Trumbull County (5)	14,179,486	3.01%	427,189
Total			<u><u>\$427,189</u></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>2000 Assessed Valuation</i>
City of Hubbard, Ohio	\$98,063,602
Hubbard Township	90,223,584
Hubbard E.V. School District	188,921,372
Trumbull County	3,254,976,967

(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**

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
1991	905,744	426,998	478,746	40,000	314,113	354,113	1.35

(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>
2000	8,284	(5)	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%
1991	8,239	17,943	2,382	7.4%

(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 2002 for data year 2000.

CITY OF HUBBARD, OHIO

**POPULATION AND HOUSING STATISTICS
DECEMBER 31, 2000**

	<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	72.0%
85 years and over	145	18.0%
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>
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
1991	26,942,631	110,897,226	5,954,565	143,794,422	0	-

(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)
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
17	1,187,000	118,008,790

CITY OF HUBBARD, OHIO

**PRINCIPAL TAXPAYERS
REAL PROPERTY TAX (1)
DECEMBER 31, 2000**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
McConnell Enterprises	\$769,480	0.87%
Fleisher Realty	616,500	0.70%
Anthony L. Cocca	608,650	0.69%
United States Can Company	578,800	0.65%
WBS Company	553,850	0.62%
Simon-Westview Limited Partnership	523,040	0.59%
James P. Marsh	427,720	0.48%
Anthony M. Villano	366,450	0.41%
James R. Carsone	344,770	0.39%
Valley View Properties	343,820	0.39%
Totals, Top Ten Principal Real Property Taxpayers	<u>\$5,133,080</u>	<u>5.79%</u>
Total City Real Property Assessed Valuation	<u>\$88,629,600</u>	

(1) Source: Trumbull County Auditor

CITY OF HUBBARD, OHIO

**PRINCIPAL TAXPAYERS
PERSONAL PROPERTY TAX (1)
DECEMBER 31, 2000**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
United States Can Company	\$2,787,710	38.59%
Devine Foods, Inc.	293,916	4.07%
Federal Wholesale, Inc.	223,870	3.10%
Patton's IGA Super Center, Inc.	195,610	2.71%
CVS Discount Drug	184,010	2.55%
Time Warner Company	139,060	1.93%
Gasser Chair Company	138,420	1.92%
IBM Credit Corporation	93,250	1.29%
PBG Capital Partners	85,450	1.18%
Advance Stores Company, Inc.	83,390	1.15%
Totals, Top Ten Principal Personal Property Taxpayers	<u>\$4,224,686</u>	<u>58.49%</u>
Total City Personal Property Assessed Valuation	<u>\$7,223,222</u>	

(1) Source: Trumbull County Auditor

CITY OF HUBBARD, OHIO

**PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX (1)
DECEMBER 31, 2000**

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation
Ohio Bell Telephone	\$873,850	39.53%
Dominion East Ohio Gas Company	790,560	35.76%
Ohio Edison	304,220	13.76%
Norfolk Southern Combined	166,980	7.55%
CSX Transportation	22,520	1.02%
American Municipal Power	4,880	0.22%
Intellicall Operator Service	390	0.02%
Davel Communications	200	0.01%
Totals, Top Eight Principal Public Utility Property Taxpayers	<u>\$2,163,600</u>	<u>97.87%</u>
Total City Public Utility Assessed Valuation	<u>\$2,210,780</u>	

(1) Source: Trumbull County Auditor

CITY OF HUBBARD, OHIO

PRINCIPAL TAXPAYERS
INCOME TAX WITHHOLDING (1)
DECEMBER 31, 2000

<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	492	\$92,712	9.64%
United States Can Company	319	89,417	9.30%
Delphi Automotive Systems	136	44,235	4.60%
General Motors Corporation	94	27,327	2.84%
City of Hubbard, Ohio	88	22,092	2.30%
Patton's IGA Supercenter	110	12,389	1.29%
Greenwood's Hubbard Chevrolet	58	10,410	1.08%
Devine's Foods, Inc.	110	7,283	0.76%
Sharon Tube Company	43	6,712	0.70%
Gasser Chair Company	25	6,535	0.68%
Totals, Top Ten Principal Income Tax Withholders		<u>\$319,112</u>	<u>33.20%</u>
Total Income Tax Collections, Year 2000		<u>\$961,289</u>	

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

CITY OF HUBBARD, OHIO

**PRINCIPAL UTILITY CONSUMERS
ELECTRIC (1)
DECEMBER 31, 2000**

<u>Utility Consumer</u>	<u>Annual Consumption (2)</u>	<u>Percent of Total Billed Consumption</u>
United States Can Company	6,282,000	12.36%
Devine Foods, Inc.	1,705,280	3.35%
Patton's IGA Super Center, Inc.	1,703,400	3.35%
Hubbard Square II	819,200	1.61%
The Globe Restaurant	704,320	1.39%
Hubbard E. V. School District-Board of Education	700,080	1.38%
Reed Middle School	498,000	0.98%
Trumbull Metropolitan Housing Authority	466,560	0.92%
OK KE, Inc.	410,400	0.81%
Lighting Products, Inc.	88,200	0.17%
Totals, Top Ten Principal Electric Utility Consumers	<u>13,377,440</u>	<u>26.32%</u>
Total Billed Consumption for Year (in kilowatt hours)	<u>50,837,137</u>	

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

(2) Measured in kilowatt hours

CITY OF HUBBARD, OHIO

**PRINCIPAL UTILITY CONSUMERS
WATER/SEWER (1)
DECEMBER 31, 2000**

<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	3,545,700	9.59%	(2)
Hubbard Square II	808,400	2.19%	2.65%
Blue Beacon Truck Wash of Hubbard	699,500	1.89%	2.29%
The Globe Restaurant	653,900	1.77%	2.14%
Hubbard Laundromat	370,600	1.00%	1.22%
Truck World, Inc.	323,400	0.87%	1.06%
Guiliano's Restaurant	246,200	0.67%	0.81%
United States Can Company	246,200	0.67%	0.81%
Trumbull Metropolitan Housing Authority	201,500	0.55%	0.66%
OK KE, Inc.	116,000	0.31%	0.38%
Hubbard E. V. School District-Board of Education	115,200	0.31%	0.38%
Totals, Top Eleven Principal Water/Sewer Utility Consumers	<u>7,326,600</u>	<u>19.82%</u>	<u>12.40%</u>
Total Billed Consumption for Year (in cubic feet)			
Water	36,967,500		
Sewer	30,489,200		

(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, 2000**

Date of Incorporation	1868
Form of Government	Council/Mayor
Type of Government	Statutory
Number of employees (excluding police)	
Classified	31
Exempt	18
Area in square miles	3.10
City of Hubbard, Ohio facilities and services:	
Center lane miles of streets	28.99
Miles of state highway within the City	7.25
Number of bridges	4
Miles of bridges	0.03
Number of street lights	864
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	182
Number of calls answered within City	62
Number of calls answered within Township	120
Number of inspections conducted	10
<i>Police Protection:</i>	
Number of stations	1
Number of full-time police officers	14
Number of part-time police officers	1
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	4,653
Number of law violations:	
Physical arrests	340
Traffic citations	864
Parking violations	208
<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	3,223
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 (CONTINUED)

DECEMBER 31, 2000

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	3,559
Number of fire hydrants	387
Daily average consumption in gallons	1,115,371

Electric System:

Number of Electric employees	13
Total miles of electric service	46.90

Electric 23 KV Transmission System:

Miles of distribution services	4.69
Number of transmission poles	111
Number of sub-stations	3
Line feet of overhead transmission conductor	22,435
Conductor feet of underground transmission conductor	67,305
Line feet of underground transmission conductor	2,335
Conductor feet of underground transmission conductor	7,005

Electric Distribution System:

Miles of distribution service	42.21
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Overhead Distribution System:

Miles of overhead distribution service	34.04
Number of distribution poles	1,514
Number of pole mount transformers	582
Total line feet of overhead primary conductor	179,710
Total conductor feet of overhead primary conductor	339,365

Single Phase Overhead Distribution System:

Line feet of single-phase conductor	96,010
Conductor feet of two phase primary conductor	96,010

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	75,955
Conductor feet of three phase primary conductor	227,865
Line/conductor feet of neutral conductor	36,022
Line feet of secondary conductor	166,243
Conductor feet of secondary conductor	347,655

Underground Distribution System:

Miles of underground distribution service	8.17
Number of pad mount single phase transformers	77
Number of pad mount three phase transformers	34
Total line feet of underground primary conductor	43,120
Total conductor feet of underground primary conductor	79,900

Single Phase Underground Distribution System:

Line feet of single-phase primary conductor	24,730
Conductor feet of single-phase primary conductor	24,730

Three Phase Underground Distribution System:

Line feet of three-phase primary conductor	18,390
Conductor feet of three-phase primary conductor	55,170
Line feet of secondary conductor	14,693
Conductor feet of secondary conductor	14,853

CITY OF HUBBARD, OHIO

MISCELLANEOUS STATISTICS (CONTINUED)
DECEMBER 31, 2000

Distribution System Service Connections:

Number of residential service connections	3,360
Number of demand residential service connections	59
Number of general service small (commercial) connections	300
Number of general service large (industrial) connections	1
Number of security light connections	182

Distribution System Service Connections:

Daily average gross consumption in kilowatt hours	156,357
Daily average consumption in kilowatt hours-billed to consumers	135,991

Facilities and Services not included in the reporting entity:

Education:

Number of elementary schools	2
Number of elementary school instructors	69
Number of middle schools	1
Number of middle school instructors	47
Number of high schools	1
Number of high school instructors	40

Voter Statistics-Election of November 2000:

Number of registered voters in County	145,029
Number of ballots cast County wide - Last General Election	98,440
Percentage of voters voting throughout the County	67.9%
Number of registered voters in City	5,550
Number of ballots cast City wide - Last General Election	4,060
Percentage of voters voting throughout the City	73.2%
Number of Precincts in County	284
Number of Precincts in City	13



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
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 17, 2001**