



**Auditor of State
Betty Montgomery**

CITY OF HUBER HEIGHTS
MONTGOMERY COUNTY

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**Auditor of State
Betty Montgomery**

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

City of Huber Heights
Montgomery County
6131 Taylorsville Road
Huber Heights, Ohio 45424

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 19, 2006, wherein we noted the amounts presented as Investment in Joint Venture were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated May 19, 2006, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

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

City of Huber Heights
Montgomery County
Independent Accountants' Report On Internal Control Over
Financial Reporting and On Compliance and Other Matters
Required By *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the administrative committee, management and the City Council. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 19, 2006

City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2005

Issued by:
Department of Finance

City of Huber Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005

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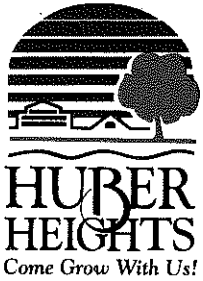
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May 19, 2006

Citizens of the City of Huber Heights
Honorable Mayor Hensley
Members of the City Council

We are pleased to present our 2005 Comprehensive Annual Financial Report (CAFR) for the City of Huber Heights for your review. This report, for the year ended December 31, 2005, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Huber Heights ("the City"). This report represents the commitment of the City to adhere to nationally recognized standards of excellence in financial reporting. State law requires that every general purpose local government publish within 150 days of the close of each fiscal year a complete set of financial statements. This report is published to fulfill that requirement for the year ended December 31, 2005. The City is required to provide certain continuing disclosure information in conjunction with various debt offerings. Updated data is provided in the Statistical Section of this report.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the management of the City, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Office of the Auditor of State Betty Montgomery has issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2005. The Independent Accountants' Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Accountants' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City of Huber Heights is located in southwestern Ohio, within Montgomery and Miami Counties, and encompasses 22 square miles. The area, which currently includes the incorporated limits of the City of Huber Heights, was originally formed in 1810 as Wayne Township, named after Major General Anthony Wayne of the United States Army. The City occupies the northeast corner of Montgomery County, joins Miami County on the north and Clark and Greene Counties on the east with Greene County also being a part of the southern border.

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In 1981 the township incorporated, and in 1983 the citizens of Huber Heights adopted a City Charter, which took effect on January 1, 1984, providing for a Council/Manager form of government. The legislative powers of the City are vested in a nine-member Council. Two council members are elected at large, while six council members are elected by ward. The Mayor is elected separately. The Council members appoint the City Manager who is the Chief Executive and Administrative Officer of the City. The City Manager appoints all Department/Division heads and employees, except the City Attorney and the Clerk of Council who are appointed by City Council.

The City is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which it has done from time to time.

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which comprise the legal entity of the City and which provide various services including police and fire protection, emergency medical services, parks and recreation, planning, zoning, court facilities, street maintenance and repair, community development, public health and welfare, sewer, water and stormwater. Council and the City Manager have direct responsibility for these services.

The City does not have any component units included in its reporting entity. However, the City has representation on the boards of nine entities. The Tri-Cities North Regional Wastewater Authority (Tri-Cities) and the Joint Economic Development District (JEDD) are joint ventures, while the Miami Valley Regional Planning Commission (the Commission), the Miami Valley Fire/EMS Alliance (the Alliance), the Economic Development/Government Equity Program (ED/GE), the Northern Miami Valley Local Government Association (NMVLGA), the Regional Emergency Response Team (RERT), the First Suburbs Consortium of Dayton, Ohio Council of Governments (First Suburbs Consortium), and the Community Improvement Corporation of Huber Heights (CIC) are jointly governed organizations. Information regarding these entities may be found in the notes to the basic financial statements.

The City normally adopts an annual budget before December 31st for the upcoming year. This annual budget serves as the foundation for the City's financial planning and control. The budget is adopted at the fund level for all funds of the City. Any modifications to a fund's appropriations require approval of City Council. In addition, a five-year capital improvement program is adopted on an annual basis. This program serves as a plan for long range infrastructure improvements and capital purchases.

LOCAL ECONOMY

Situated along an extensive network of interstate and state highways, including Interstates 70 and 75, as well as U.S. Route 40 and State Routes 4, 201, 202 and 235, the City continued to experience growth and development during 2005. Historically, the City's population growth erupted in the late 1950's when Mr. Charles Huber recognized the enormous potential for residential development in the area and began building what is now the largest community of brick homes in the United States. With a population of 38,212 in 2005, Huber Heights places third among all cities within Montgomery County, with more than 14,000 housing structures. The City is the 30th largest in the State of Ohio and is headquartered in Montgomery County. The City's boundaries expand into Miami and Greene Counties.

The City, located 10 minutes from downtown Dayton, Wright Patterson Air Force Base and Dayton International Airport, is primarily residential, providing housing for residents who work in the surrounding metropolitan areas including the Wright Patterson Air Force Base. Huber Heights City government continued to take active steps toward diversifying its tax base, with the strong residential growth generating greater commercial and industrial development. At the end of 2005, there were over 1,285 acres of industrial-zoned and 1,037 acres of commercial zoned land available for development.

Based upon a recent survey of Huber Heights residents, it is estimated that the United States government at nearby Wright Patterson Air Force Base employs approximately 12 percent of the residents. Despite the continuing trend toward military downsizing and base closures, Wright Patterson Air Force Base has gained operations from other bases around the country in the past several years. The base is slated to receive an estimated 3,000 new government and contractor positions as part of the Department of Defense's latest base realignment and closures process.

Economic development in the City has been a top priority of City Council and City staff. Since 1994, both commercial and industrial developments, such as the Northpark Center and Center Point 70 Commerce Park, have created over 3,164 jobs for the community.

There are over 780 businesses within the City, including the following major companies:

Industrial

AIDA-Dayton Technologies Corp
A B F Freight Systems
Catlow Industries
Coca Cola Enterprises, Inc.
Globe Products
Metokote Corporation
Paxar Corporation
Bowser Morner
Enginetics Aerospace
Fukuvi USA, Inc.
LaserMike, Inc.
Spectra-Physics (formerly Trimble Navigation Limit)
Millat Industries
PVS Plastics
Bridgetek

Commercial

Gander Mountain
Kohl's Department Stores, Inc.
Marshall's
Staples
Wal-Mart Stores Incorporated
National Amusement Incorporated
Target Corporation
Lowe's Home Center Incorporated
Aldi
Bon-Ton Elder-Beerman
Kmart
Kroger Limited
S&K Menswear
Danbury Cinemas
Sofa Express
Cub Foods

During 2005, 40 new businesses opened in Huber Heights, while another 11 businesses relocated within the City. Zoning permits processed during 2005 included the issuance of 104 single-family certificates, 19 condo/duplex permits, 9 new industrial building certificates and 9 new commercial building certificates. The 2005 valuation on all certificates issued totaled \$24,580,475.

Industrial Development

In May 2005, City Council authorized the City Manager to enter into an enterprise zone tax incentive agreement with Bridgetek, a bridge system manufacturing company, from Wilder, Kentucky. The company invested \$300,000 of building improvements and over \$5 million of machines and equipment for their new location on New Carlisle Pike and received a five-year, 75 percent tax abatement on the building improvements and personal tangible property. Bridgetek plans to hire 27 employees in the next three years. The anticipated payroll will be \$1 million by the end of the third year.

Enginetics Aerospace, a precision metal forming and engineering company serving the U.S. Department of Defense as well as commercial and military aerospace customers worldwide, has grown from 65 employees in 2003 to 130 in 2005 and has doubled its sales in the last two years. The company recently changed its name from Enginetics Corporation to Enginetics Aerospace and added a 7 axis robotic welder.

Commercial Development

Construction of a new Super Wal-Mart at State Route 201 and I-70 was completed in the fall of 2004. The former Wal-Mart site was purchased by D. E. Johnson and Associates, Inc. in early December 2004, and improvements totaling \$7 million were made. The renovated building was leased to two retailers: Hobby Lobby and Bed, Bath, and Beyond who opened in the fall of 2005.

The City continues to work with key leaders in the community to assess the feasibility of constructing a mixed use Town Center which would incorporate a 57,000 square foot, \$18 million satellite medical facility, green space, cultural venues and shopping and living opportunities. Funding to explore the potential to develop property in central Huber Heights into a town center area was provided in June of 2003. City Council, the Huber Heights Athletic Foundation, St. Peter's Church and Columbia Builders, Inc. contributed a total of \$67,500 for the development study to look at the revitalization of numerous properties. During 2004, the City, its consultants, and residents of City neighborhoods and businesses worked to shape and plan this future downtown concept. Work on this plan continued during 2005 and into 2006.

In late 2004, Premier Health Partners (Good Samaritan Hospital) purchased 30 undeveloped acres extending west from Brandt Pike near the Huber Centre on Chambersburg Road and plans to begin construction of a major 57,000 square foot, \$18 million satellite medical facility. The facility's groundbreaking is scheduled for June 2006, and the facility is planned to open by July 2007. The facility will employ approximately 85 people and is anticipated to generate more than \$325,000 a year in additional income and property taxes.

The Greater Dayton YMCA began construction in the spring of 2004 of an \$8 million, 65,000 square foot facility at the corner of Shull Road and State Route 201, directly across from the City's premier recreational facility-Carriage Hill Farm Metro Park. The YMCA, which opened February 25, 2005, offers a full gymnasium, 6 lane indoor and water therapy pools, indoor family play land, fitness center, indoor running/walking track, daycare program, teen center and outdoor game fields. The facility employs 65 to 75 part-time employees. By mid-2005, the YMCA had membership of over 7,000 people. Over 45% of members receive some financial subsidy from the YMCA.

As a partner in this important project, the City has committed to a 99-year land lease of the ground on which the YMCA is built. This location is also the home to an on-site medical office for Grandview Hospital, who in turn is subleasing the area for a dialysis center. This medical facility opened in the summer of 2005 employing 42 healthcare professionals. Over the next twenty years, the City will provide up to \$1.6 million (subject to annual appropriation by City Council) in exchange for community recreation programming and office space. The City also contracted with the Greater Dayton YMCA to manage the City's existing municipal pool beginning in the spring of 2005 which saved the City over \$10,000 in operating costs.

Groundbreaking for a Fast Track Learning Center for Sinclair Community College on property owned by the City took place on July 19, 2005. The College will offer core general classes for approximately 2,000 to 2,300 students. The College plans to open July 2006, with approximately 30-50 staff. The City issued \$2,423,000 economic development revenue bonds in January 2006 for the College, the proceeds of which do not constitute a general obligation bonded indebtedness of the City.

The City entered in to an agreement with Camp Fire USA, a coeducational nonprofit youth development organization to operate the City's South West Neighborhood Center during 2004/2005, providing youth programming consisting of after-school programs, along with family activities and summer camps. The grand opening was celebrated on May 18, 2005. The City was awarded a \$102,000 grant through the Montgomery County Department of Jobs and Family Services to support the program costs. Camp Fire USA was awarded an additional \$290,205 grant for programming for 2005/2006.

In December 2005, Meijers Stores Limited Partnership purchased a 45-acre plus site for construction of a 200,000 square foot store, including a stand alone gas/convenience store. The company plans a completion date of early in 2007 employing 550.

Poppa Builders, Inc., a general contractor for commercial, industrial and residential buildings, constructed a 5,000 square foot office and shop to complement the 160 rental storage units known as Secure Store & Lock. The company partnered with Lynn Beckett to construct a 10,000 square foot storage space for large motor homes and RV campers. The 15 bays opened in November 2005.

Residential Development

Huber Heights continued to experience an increase in new residential development during 2005. Residential developments including Windbrooke (Oberer Residential Construction), Heathermere (The Drees Company), Callamere Farms (Generations Construction Company), Elysian Fields (Updyke Properties), Lexington Place (Lexington Developers, Inc.), and Artisan Walk (Artisan Walk LLC) expanded in 2005.

Construction of the Villa's at Benchrock, a condominium development of 116 units in 29 ranch-style condos continued from 2004 into 2005. The community offers residents exclusive, private use of a clubhouse, heated pool and exercise facility. Prices for the units start at \$130,000.

The Oakes of Huber Heights, a 236 unit single family development, continued construction in 2005. Houses start at \$200,000 and offer approximately 1,600 square feet of living space. Construction of Annetta Sue Meadows, an 82 unit single family development began in 2004. When opened in 2005, homes were offered in the \$150,000 range.

The Reserve at the Fairways, located near Carriage Hill Farm MetroPark and the YMCA, continued construction of condominiums averaging 2,000 square feet each and starting in price from \$160,000. This development includes 88 luxury condos and an additional 88 luxury homes. The total cost of the project is estimated to be \$30 million. The gated community will also have a 5,000 square foot community center at an estimated cost of nearly \$1 million.

MAJOR INITIATIVES

For the Year

The City implemented the tenth year of an aggressive interior street improvement program and enjoyed another successful year in the area of economic development.

Huber Heights citizens gave a strong vote of confidence for the future and for their City government by renewing a five-year street improvement income tax levy on November 4, 2003. The five-year levy, initially approved in 1999, generates approximately \$1.2 million each year for roadway reconstruction, resurfacing, and curb and gutter replacement. During 2005, expenditures included the repair and rebuilding of 33 segments of neighborhood streets, and miscellaneous roadway sealing and patching throughout the City. The City also updated its long-range street improvement plan to address the roadway needs of the City, enabling repair of the roadways on a perpetual 15-year cycle. The improvements enhance the City streets and promote the development of and investment in residential and commercial areas.

Income Taxes: The City's major source of operating revenues is derived from local income taxes. During 2005, the rate was 1.95% of which 1% was a permanent tax for general fund operations; .5% was a permanent tax for public safety operations, for police operations and fire capital equipment; .25% was a permanent tax for local street operations; and .20% which was effective for a five-year term, through May 31, 2009, for local street capital improvements. The income taxes dedicated for public safety services were used to pay debt due on the City's two fire stations; the purchase of a new medic unit; the loan repayments for the purchase of a 100-foot aerial ladder truck; and general police division operations and capital equipment purchases including radios and computers. The income taxes dedicated for street operations were utilized to pay for general street operations including personnel, contracts and supplies, snow removal and street cleaning, traffic signal maintenance, the purchase of various equipment, and for debt retirement on bonds issued in prior years for major street reconstruction.

In October 2001, the City established the income tax collection division, a function which had been previously performed by independent contract. Since creating the tax function internally, the City has been able to tailor specific compliance programs to more aggressively target the collection of delinquent accounts, generating over \$1,100,000 in taxes not previously collected.

In November 2005, voters passed an additional .30% income tax effective January 1, 2006, which is dedicated for public safety and support services. Of this additional .30%, 83.33% is valid for a 10-year term with the remaining 16.67% valid for a 25-year term to fund the construction of a fire station. With the additional .30% levy, the total income tax rate has increased to 2.25%. This was the first time in eleven years that the citizens were asked to approve an income tax increase specifically for public safety.

Legislation passed by the Ohio Legislature in 2005 replaced a license fee with a disposal fee that is collected by disposal sites on each cubic yard of waste brought for disposal. The cost becomes a pass-through paid by facility users that are then remitted to the Combined Health District of Montgomery County. The City is permitted to keep a portion of the fee in the Local Street Operating Special Revenue Fund for defraying the costs of maintaining roads and other public facilities and providing emergency and other public services and compensating for reductions in real property tax revenues due to reductions in real property valuations resulting from the location of the disposal facility.

In June of 2001, the City Council authorized the collection of Emergency Medical Service fees. During 2005, over \$850,000 was collected. These funds were used to fund six firefighter/paramedics, a lead fire inspector, a training lieutenant and a data entry technician for the Fire Division. These monies were also used to purchase equipment for the division. The Fire Department also received notification in 2004 of a FEMA grant totaling \$98,780, with the City's local share being 10 percent or \$10,977. The monies were used in 2005 for the health and wellness of the firefighters.

On April 25, 2005, the City Council authorized the City Manager to enter into an agreement with Wright Patterson Air Force Base for the purpose of providing a Fourth of July Fireworks Celebration Display. The City accepted donations from outside, private sources. These funds were contributed toward costs directly associated with promoting and advertising the display.

The U.S. Environmental Protection Agency mandated that governmental agencies with a population over 10,000 be in compliance with the Clean Water Act of 1972, including the development and implementation of a Stormwater Management Plan no later than March 10, 2003. During 2005, the City entered the fourth year of operations of its Stormwater Management Program. The monies generated fully supported the operating costs as well as stormwater related capital improvements. The City spent \$523,575 for this program in 2005.

After a two-year review by City staff and consultants of the City's water and sewer utility rate structure and future infrastructure requirements, City Council authorized annual rate increases over five years beginning in late 2002. The rates, which increase annually through 2006 have been used to insure the utilities self-sufficient ongoing operations, and provides for numerous improvements to the system including a \$9 million expansion to the water treatment plant which began in 2005. These funds have also been used for the ongoing funding for the annual repair and replacement of water and sewer mains throughout the City; rebuilding of pumps and manhole rehabilitation; and for GIS mapping of the utility system.

Capital Improvements:

During 2005, the City continued the 21st year of the annual sidewalk improvement assessment program; the widening of Chambersburg Road; the extension of trunk water and sewer services along State Routes 201 and 202; and the installation of new traffic signals at the exit ramp from I-70 at State Route 201.

The construction of the I-70/State Route 202 interchange project was completed October 25, 2005. This project changed the partial cloverleaf interchange, providing straight ramps at all four corners and standard deceleration lanes, helping to improve safety and reduce accidents at the interchange. When construction began, the average daily traffic count passing through this interchange was approximately 115,700. Projections show that more than 144,700 vehicles will pass through by 2027. As part of the project, State Route 202 was widened and resurfaced, sidewalks have been added on both sides of State Route 202, and the bridge over I-70 was replaced. Financing for the project involved over \$8 million in grants from various federal, state and local transportation agencies. The remaining City share totaling \$2 million is funded by a loan from the State of Ohio Infrastructure Bank (SIB). The loan allows the City to make draws as needed with a zero percent interest rate for the first year, and three percent interest thereafter over the succeeding nine years. The City has pledged tax increment financing (TIF) revenues to repay this loan.

The City continues to work with state and local transportation authorities to design major modifications to the Interstate 70 and State Route 201 interchange. Design for this improvement project began in 2003, contract bidding was awarded in January 2006 to Kokosing Construction with construction planned to begin in early 2006. The total estimated cost is projected to be \$50 million, of which the City's local share has been determined to be no more than \$500,000, which will be funded through the State of Ohio Infrastructure Bank (SIB) similar to the financing used for the improvements at the State Route 202 interchange. The loan will be repaid from tax increment financing revenues (TIF) along with local government funds pledged for repayment. The design includes new lanes on I-70 increasing the total lanes to six. The widening of State Route 201 will increase the present 3 lanes to 9 lanes.

The City entered into a contract for the design of a traffic signal interconnection system on State Route 201 and State Route 202 in 2005. This project is a priority for the City to ensure motorists can travel with peak efficiency. Cooperation with the Ohio Department of Transportation (ODOT) is vital, and federal funding was granted for this project. The total estimated cost of the project is approximately \$1.4 million. The project will be completed by the end of 2006.

Various utility projects totaling over \$9.2 million began in 2005 including the expansion of the City's water treatment plant located on Rip Rap Road from a 1.44 to a 7 million gallon per day facility. The project includes installation of new production wells and replacement of the existing SCADA computer system module and installation of computer-aided telemetry systems. Funding for the plant improvements was provided from the sale of utility revenue bonds, which will be repaid solely from utility fees. Construction on this project began in the summer of 2005, with project completion planned for June 2006. Other utility improvements during 2005 included: installing booster pumps, water main extensions, mapping of the water and sewer distribution systems, various sanitary sewer pipe replacement and manhole rehabilitation, replacement of gravity sewers, and updating the sanitary sewer master plan.

The rebuilding of the Powell Road bridge, along with the re-alignment of portions of the road, began during 2005. Montgomery County is the lead agent for this project. The County and the City jointly filed an Issue II grant application to fund construction. The estimated cost is \$460,000, with the local share estimated at \$115,000. The local share will come from Montgomery County permissive taxes dedicated to this project.

The City assessed to property owners a portion of the cost of the Old Troy Pike Phase VII project in 2005. The project involved widening and improving the roadway, with the City partnering with the City of Riverside. The total project cost was approximately \$1.5 million. More than \$1.1 million of the project was funded from State grants and Montgomery County license fees.

The City redesigned its Website www.huber-heights.oh.us during the year. The site features the City's current year budget, hot topics, economic development information, updated meeting agendas, a brief history of the City, a link for filing local income taxes, and other general information.

Department/Division Major Initiatives

The City conducted a strategic planning process in 2004 that resulted in adoption, by City Council, of City-wide strategic and operational goals and targeted actions for 2004/2005. The statement of direction for the City of Huber Heights was also approved "to become the Community of Choice in Ohio, by Providing Outstanding Services and a Good Quality of Life for its Residential and Business Citizens." This statement included two strategic goals and one operating goal:

Strategic Goal No. 1 – Develop a comprehensive economic development philosophy, direction, and planning process.

Strategic Goal No. 2 – Develop and sustain a positive image for the City of Huber Heights – both internally and externally.

Operating Goal No. 1 – Manage daily operations so as to maintain current levels of service within budget parameters.

Each Department/Division prepared individual goals which were implemented to achieve the City-wide strategic and operational goals. As of the end of 2005, many of the project goals had been achieved. The passage of the .30% income tax levy in November 2005 was the most notable achievement for the City.

Other achievements included the following:

The **Department of Public Safety – Division of Police** became fully accredited in 2005, under the direction of former Police Chief Sherwood Eldredge. In September, Chief Eldredge retired, and Deputy Chief James Borland was promoted to the position of Chief. The Division developed and implemented a satisfaction survey to identify strategies and programs to improve quality of life issues, such as animal, noise, and traffic complaints. A task force was formed to deal with “quality of life” issues, including barking dogs, speeding cars, and juveniles gathering late at night. The Division contracted with the Commission on Accreditation for Law Enforcement Agencies (CALEA) to obtain accreditation for the City’s Communications Center. This additional accreditation will better ensure improvements in technology, training, and operations, and improved delivery of public safety services to the community by standardizing operations and confirming a high standard of professional public safety service. The City will be the first in the State to achieve international communications accreditation.

The *Division of Fire* offered code enforcement services to promote positive growth and economic development. In 2005, the Division received the balance of the FEMA Health/Wellness grant totaling \$98,780 to provide complete medical evaluation of all Fire Division employees. The Division also was awarded a \$122,103 Firefighter Investment and Response Enhancement (FIRE) Act Grant for the replacement of all self-contained breathing apparatus. Reimbursement was received in 2006 for Hurricane Katrina disaster relief provided by the Division. They developed and implemented a National Incident Management System (NIMS) plan to secure federal funding. The plan was submitted to the Montgomery County coordinator to deal with all types of disasters. The Division also completed a project to increase apparatus visibility using solid state emergency lighting equipment and reflective striping.

The **Department of Finance**, *Director’s office* lead a team creating the Miami County Tax Incentive Districts for tax increment financing (TIF) of the Interstate 70 and State Route 202 and 201 interchanges. A partial refunding of the 1995 Water Revenue Bonds was also completed to take advantage of favorable market conditions, saving this City approximately \$70,000. The Director was named Interim City Manager on November 14, 2005, and was subsequently named as the City Manager on February 27, 2006. The *Division of Accounting* received its first Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR). The *Division of Taxation* implemented various compliance programs during the year including extensive field auditing and implementing payment plans improving the rapport with taxpayers by allowing payments toward tax liability. The *Division of Information Systems* implemented a work order system to improve information technology service delivery and reports; worked with the Human Resources Department to purchase time and attendance software; and assisted the Public Works and Fire Divisions to implement a new GPS mapping system for the vehicles for historical and real-time, providing improved location tracking and public safety response. The Division spent considerable time in 2005 working on a National Incident Based Reporting Conversion for the Police Division, which standardizes the offense reports that are sent to the state and federal government, and on Public Safety Data Sharing, putting this information into a state-wide database for offenders.

The **Department of Human Resources** facilitated the purchase of time and attendance software, which when implemented is anticipated to reduce staff time in processing payroll and related reports. The Department updated the personnel manual for non-bargaining employees and implemented a state-of-the-art new employee orientation system. The Department implemented the performance management program for non-bargaining employees, eliminating internal pay inequities and allowing the City to attract and retain qualified staff. The Human Resources Department enrolled in the Dayton Safety Council incentive program which will result in a 2% rebate on Bureau of Workers’ Compensation premiums, estimated to save the City over \$11,500.

The **Department of Public Services, Division of Engineering** completed numerous projects during 2005 including: the \$1.2 million annual street improvement program; the \$150,000 annual sidewalk repair program; the \$10 million I-70/State Route 202 interchange construction; and the \$300,000 Brandt Pike Phase VI aesthetic enhancements. The *Division of Water and Wastewater*, along with the *Division of Engineering* began the construction of a new seven million gallon per day water treatment plant and replaced the Stonehurst drive force main, along with completion of the Montgomery Development Center gravity sewer and the sanitary sewer extension along Fishburg Road.

The *Division of Public Works* provided management oversight of the I-70/State Route 202 interchange construction project, containing the City's cost, insuring a quality product for public use and future development. The Division also developed a new compost site, along with implementing GPS for leaf and snow removal programs. The sale of approximately one acre of land to Tri-Cities and the land exchange of approximately 14 acres with this organization was also accomplished in 2005.

The **Department of Planning and Development** completed an enterprise zone agreement with Bridgetek, which will increase the City tax base with additional payroll and property taxes. The Department also expanded its business retention/expansion visits to companies in the City. Employees in the Department continued to work closely with developers to make the planning process friendly, fast, and productive. One of the major accomplishments of the Department in 2005 was the beginning of a new Comprehensive Development Plan, which is anticipated to be complete by December 2006. The Department also stepped up code enforcement, especially in "curb appeal" areas. The Department expects to begin the overhaul of the Zoning Ordinance in 2007.

For the Future

The City will continue its annual interior street improvement program in 2006 with a \$1.2 million program, to be funded solely from dedicated local income tax proceeds. Also scheduled for 2006 is the annual sidewalk repair and replacement program, totaling \$150,000 which cost will be shared by the affected property owners and the City.

Other projects planned for 2006 include: New Carlisle Pike at State Route 4 interchange design; Old Troy Pike Phase VIII design; and design of Bellefontaine Road improvements from Fishburg Road to Chambersburg Road.

Numerous utility projects are planned for 2006 including re-developing well #1 at the Rip Rap Road Wastewater Treatment Plant; distribution system water line looping; installation of a booster pump station at Brandt Pike and Singer Road; and the engineering design of a water main to Miami Villas Subdivision. All are funded from water utility revenues and grants.

Sewer projects for 2006 include: sanitary sewer lining; pipe and manhole replacement and rehabilitation; Charlesgate Road and Shull Road lift station and force main; and the Charlesgate Road and Shull Road gravity sewer. All are funded from sewer utility revenues.

Stormwater projects include: improving various channelways adjacent to bridges; stabilizing sections of Six Mile Creek, Dry Lick Run, Great Miami River, Wildcat Run, Cloud Run, and Henry Creek; cleaning and stabilization of various channels; and various culvert rebuilding. All are funded from stormwater utility revenues.

RELEVANT FINANCIAL POLICIES

The City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash. The annual interest yield was 3.06 percent of the average invested bank balance for the year. A portion of the City's deposits are collateralized by pooled collateral. By law, financial institutions must establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. Trustees, including the Federal Reserve and designated third party trustees, hold the collateral of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided. No portion of the City's funds was invested in derivatives.

The City analyzes its fund balances closely for cash flow purposes. The City is committed to having at least eight weeks cash flow at any given time.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Huber Heights, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2004. This was the twelfth consecutive year that the City of Huber Heights has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Auditor of State Betty Montgomery presented the City and City Manager Catherine L. Armocida with the Auditor's Award for the City's 2004 CAFR and for the receipt of a flawless audit for 2004. Fewer than five percent of the over 2,400 agencies audited are eligible for this award. In order to be awarded, a government must present a clear and thorough report of the government's finances. The Auditor's Award is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the program's requirements.

The City submitted its first Popular Annual Financial Report (PAFR) for 2004 to the GFOA and has received the PAFR award. In order to be awarded, a government must publish a report that is evaluated by a panel of independent reviews based on creativity, presentation, understandability and reader appeal. Only 125 governments nationwide received this award for 2004. A PAFR Award is valid for a period of one year only. We believe that our current PAFR continues to meet the Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Appreciation is extended to the City Council, Department/Division heads, and City employees responsible for contributing to the sound financial position of the City of Huber Heights. Our sincere gratitude goes to members of the Department of Finance Accounting Division staff including: Debi Jones, Jeanne Renick, Michelle Simmerman, Elizabeth Dunivan, and Lu Ann Miller who contributed to the compilation of this report.

Catherine L. Armocida, CPFO CGFM
City Manager

Julie A. Francis, CPA
Interim Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Huber Heights,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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



Carla E. Fudge

President

Jeffrey R. Emer

Executive Director

CITY OF HUBER HEIGHTS, OHIO
LIST OF PRINCIPAL OFFICIALS
2005 ELECTED CITY OFFICIALS

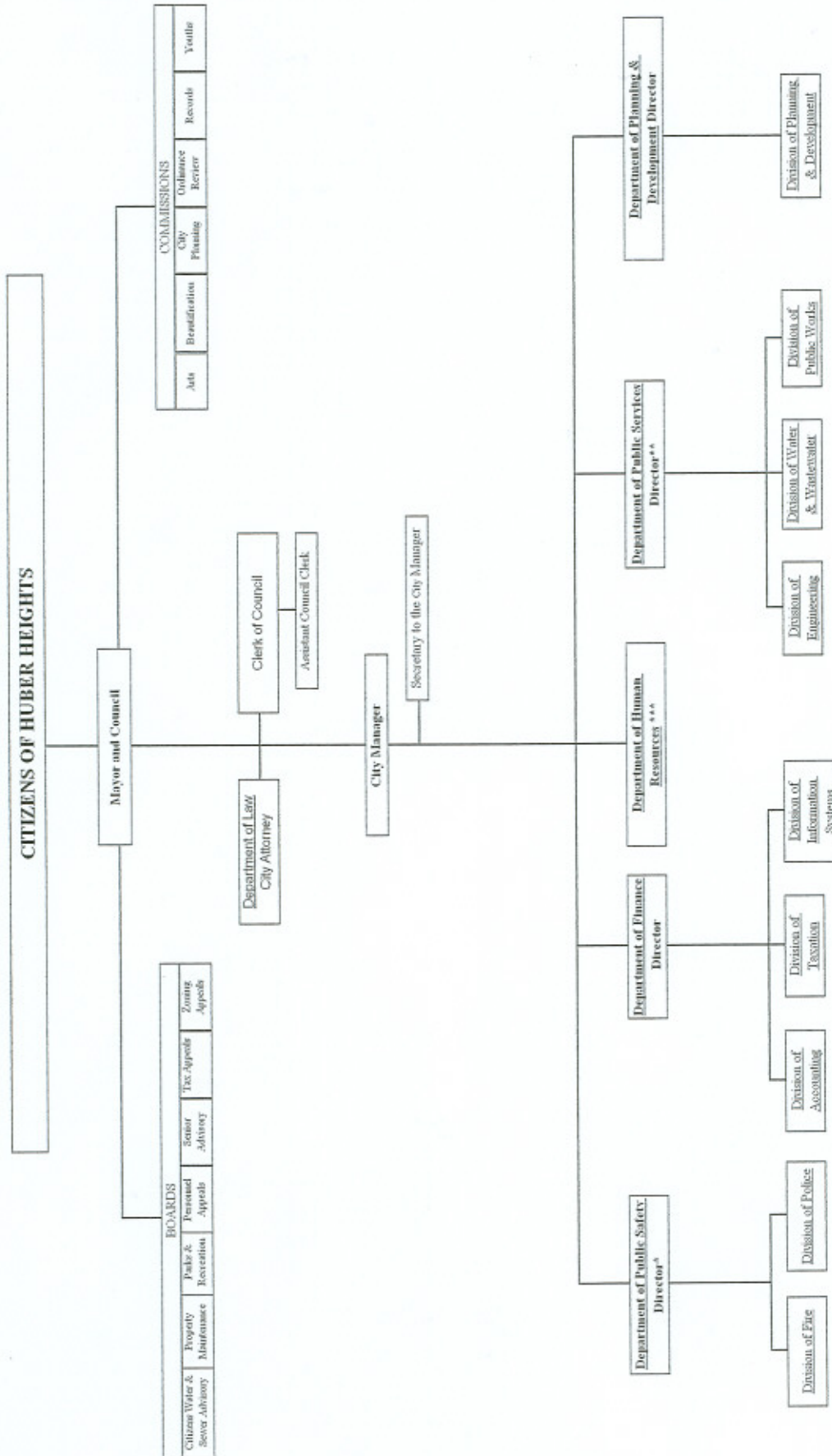
Council Members

Mayor	Jack Hensley
Vice Mayor	Judy Blankenship (Ward 4)
	Mark Campbell (At large)
	James Ellis (Ward 1)
	Ron Fisher (Ward 6)
	Roger Hensley (Ward 5)
	Karen Kaleps (Ward 2)
	Seth Morgan (Ward 3)
	Jan Vargo (At large)

2005 APPOINTED CITY OFFICIALS

City Manager	Catherine L. Armocida, CPFO CGFM
Interim Director of Finance	Julie A. Francis, CPA

City of Huber Heights
Organizational Chart



* This function is performed by the City Manager
 ** This function is performed by the Director of Finance
 *** This is the function referred to in the Charter as Director of Personnel





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Huber Heights
Montgomery County
6131 Taylorsville Road
Huber Heights, Ohio 45424

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the amounts reported as Investment in Joint Venture and Return on Investment in Joint Venture. These amounts were audited by another auditor whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Investment in Joint Venture and Return on Investment in Joint Venture, is based on the report of the other auditor.

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

In our opinion, based upon our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Fire and Police Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18, during the year ended December 31, 2005, the City adopted Governmental Accounting Standards Board Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

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

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



Betty Montgomery
Auditor of State

May 19, 2006

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2005
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Huber Height's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the fiscal year ended December 31, 2005. Readers should consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found on pages i-xii of this report.

FINANCIAL HIGHLIGHTS

The City's total net assets increased \$5,369,947. Net assets of governmental activities decreased \$1,084,561 primarily because of decreased due from other governments, including grant funding for transportation projects from the Ohio Public Works Commission and the Ohio Department of Transportation. A transfer of assets to the business-type activities contributed to business-type activities net assets increasing \$6,454,508. Operating revenues and capital contributions from developers were the main factors in this increase.

The general fund transfers out totaled \$5,633,000. This is a decrease of over \$1.3 million from the prior year. Of the total transfers out, \$3,600,000 was for fire operations, \$1,500,000 was for police operations, \$175,000 was for general obligation debt service obligations, \$28,000 was for special assessment debt service obligations, \$180,000 was for capital improvements and \$150,000 was for support of special revenue fund park maintenance.

Total business-type operations reflected operating income. Each of the three enterprise funds earned an operating surplus for 2005. Business-type unrestricted net assets are \$20,067,560.

Capital assets used in governmental activities decreased \$2,084,993. This decrease was due to depreciation and the transfer of assets to the business-type activities. For the governmental activities, construction in progress consisted of the I-70/State Route 202 Interchange landscaping, Powell Road realignment at Six Mile Creek, Grusenmeyer Way, and Benchrock Parkway signalization. Construction in progress consisted of the Rip Rap Road Wastewater Treatment Plant upgrade for the business-type activities.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Huber Height's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader determine the City of Huber Heights' financial health as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes to those assets. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base, and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two types of activities.

Governmental Activities – Most of the City's services are reported in this category including police, fire, leisure time activities, community environment, transportation, and general government.

Business-Type Activities – These services include sewer, water and stormwater management. Service fees for the sewer and the water operations are charged based upon the amount of usage; and service fees for the stormwater utility are assessed by property (parcel) based upon impervious area. The intent is that these activities be financially self-sufficient.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 15. Fund financial statements provide detailed information concerning the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City of Huber Height's major funds are General, Fire, Police, Special Assessment Bond Retirement, Capital Improvement, Sewer, Water, and Stormwater.

Governmental Funds – The majority of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Funds – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Assets				
Current and Other Assets	\$38,813,100	\$39,933,636	\$21,030,851	\$11,029,323
Nondepreciable Capital Assets	22,792,454	27,061,846	4,893,252	6,202,747
Depreciable Capital Assets, Net	77,274,596	75,090,197	35,644,078	28,076,995
Investment in Joint Venture	0	0	13,051,939	12,448,423
Total Assets	138,880,150	142,085,679	74,620,120	57,757,488
Liabilities				
Current and Other Liabilities	8,088,823	7,888,280	2,151,210	2,737,007
Long-Term Liabilities:				
Due Within One Year	1,928,263	1,999,756	1,277,018	1,020,155
Due in More Than One Year	22,485,305	24,735,323	26,387,806	15,650,748
Total Liabilities	32,502,391	34,623,359	29,816,034	19,407,910
Net Assets				
Invested in Capital Assets, Net of Related Debt	78,346,206	77,964,205	23,536,526	20,409,795
Restricted for:				
Fire	767,251	1,154,588	0	0
Police	2,709,669	2,778,383	0	0
Other Purposes	3,903,073	3,161,672	0	0
Debt Service	12,673,044	14,263,041	0	0
Local Street Capital Improvement	1,940,327	2,042,658	0	0
Revenue Bonds Improvement and Replacement	0	0	60,000	60,000
Revenue Bonds Current Debt Service	0	0	1,140,000	1,140,000
Unrestricted	6,038,189	6,097,773	20,067,560	16,739,783
Total Net Assets	\$106,377,759	\$107,462,320	\$44,804,086	\$38,349,578

(Continued)

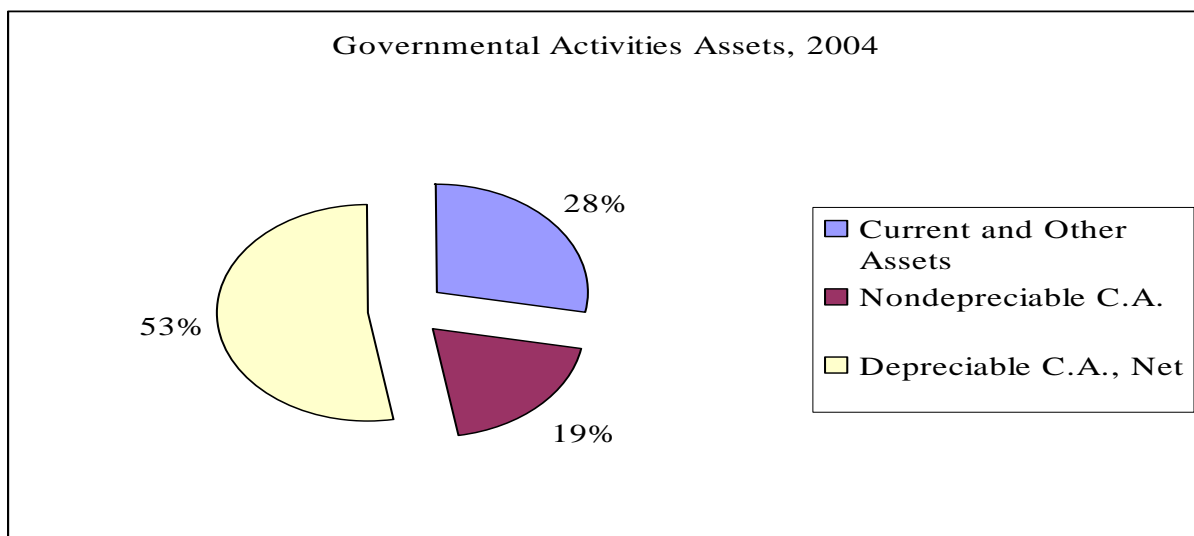
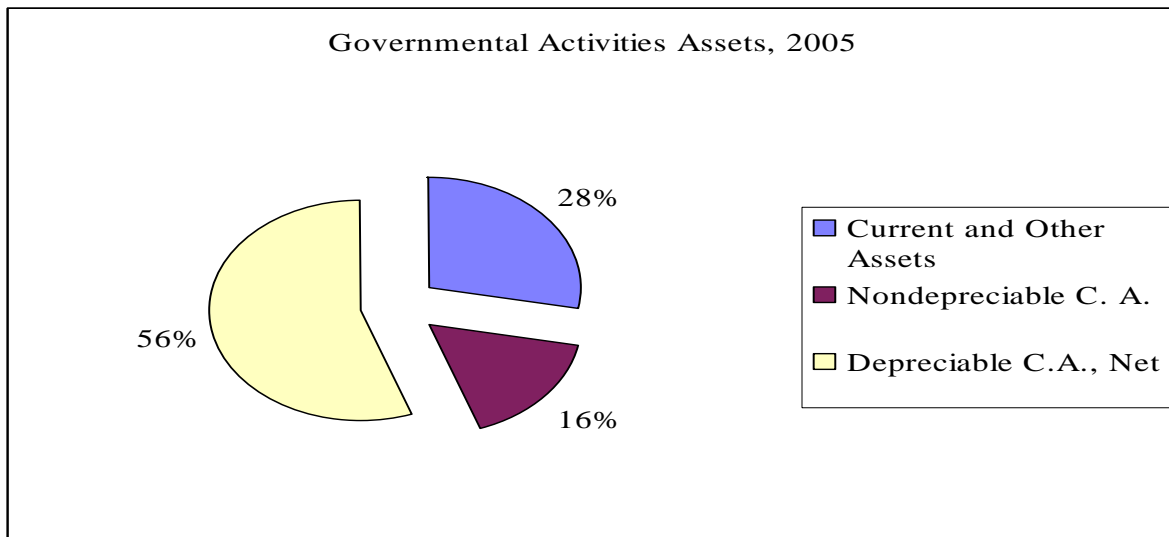
	Total	
	2005	2004
Assets		
Current and Other Assets	\$59,843,951	\$50,962,959
Nondepreciable Capital Assets	27,685,706	33,264,593
Depreciable Capital Assets, Net	112,918,674	103,167,192
Investment in Joint Venture	13,051,939	12,448,423
Total Assets	<u>213,500,270</u>	<u>199,843,167</u>
Liabilities		
Current and Other Liabilities	10,240,033	10,625,287
Long-Term Liabilities:		
Due Within One Year	3,205,281	3,019,911
Due in More Than One Year	48,873,111	40,386,071
Total Liabilities	<u>62,318,425</u>	<u>54,031,269</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	101,882,732	98,374,000
Restricted for:		
Fire	767,251	1,154,588
Police	2,709,669	2,778,383
Other Purposes	3,903,073	3,161,672
Debt Service	12,673,044	14,263,041
Local Street Capital Improvement	1,940,327	2,042,658
Revenue Bonds Improvement and Replacement	60,000	60,000
Revenue Bonds Current Debt Service	1,140,000	1,140,000
Unrestricted	26,105,749	22,837,556
Total Net Assets	<u>\$151,181,845</u>	<u>\$145,811,898</u>

For governmental activities, equity in pooled cash and cash equivalents decreased due to capital expenses that were transferred to the business-type activities. Equity in pooled cash and cash equivalents-unsent note proceeds also decreased due to capital expenses. Municipal income taxes receivable, net, were slightly higher in 2005, increasing 2.71%. Property and other taxes receivable decreased slightly despite the cable franchise fee rate increase. Beginning in November 2004, the City implemented a 2% rate increase in the cable franchise fee, from 3% to 5%, to enable the City to recognize an additional \$120,000 in estimated revenue annually. The slight decrease in the receivable was due to the \$0.01 decrease per \$1,000 of property tax assessed value in the full tax rate from tax year 2003 (collection year 2004) to tax year 2004 (collection year 2005). In addition, State law changes are reducing and eliminating the tangibles tax within the next 4 years. The City receives approximately \$487,000 per year from this tax. The State is substituting Commercial Activities Tax (CAT) receipts to compensate for these reductions.

Accounts receivable increased slightly despite fewer EMS runs, and Medicare reimbursing at a reduced rate compared to prior years. Within the last year, the City implemented a revised policy for EMS billings. The City now holds non-residents accountable for these fees which are not covered by insurance. Special assessments receivable decreased from 2004 due to fewer projects. Depreciable capital assets, net decreased despite the City's \$1.5 million investment in roadways for the year. This was due to depreciation expense for the year outpacing current year capital asset additions and improvements. The City also received developer donated infrastructure for numerous projects, including the Parktowne Subdivisions streets for several sections; Brandt Pike Phase VI; the Cedar Hill Drive relocation; the traffic signal at Wal-Mart Sulphur Grove; Olde Park Drive; and Rose Petal Drive.

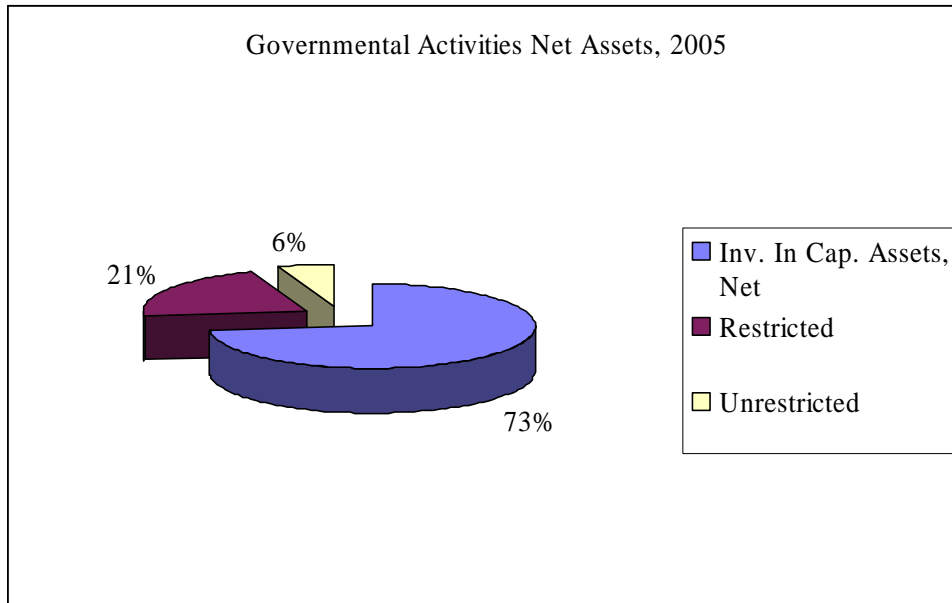
Accounts payable increased for income tax refunds, and larger than average EMS refunds due to double payments by both customers and insurance companies. Accrued salaries payable increased due to normal wage increases. Contracts payable retainage decreased due to vendor payments for the East-West Connector Project and the Brandt/Troy Utility Improvement Project.

Accrued interest payable increased due to higher interest rates. Notes payable decreased due to the retirement of the outstanding note for Old Troy Pike Phase VII. The City's \$1,885,000 Real Estate Acquisition Bond Anticipation Note was renewed in 2005 for a higher amount which includes principal plus interest due. Notes payable classified as long-term liabilities decreased in 2005 in total. The General Obligation Utility Improvement and the Special Assessment Brandt Pike Phase VI Notes were renewed during the year at a reduced amount due to partial payment of the outstanding principal.



Current and other assets for business-type activities increased by more than \$10 million due to an increase in cash and cash equivalents for debt proceeds. The upgrade to the Rip Rap Road Wastewater Treatment Plant continued and was added to nondepreciable capital assets as construction in progress. Utility lines increased for developer donations, including the Parktowne Subdivision and Wal-Mart Sulphur Grove. The Water Enterprise Fund issued water system improvement revenue bonds for the Rip Rap Road Wastewater Treatment Plant upgrades to increase water treatment capacity.

Net assets of the City’s governmental activities decreased \$1,084,561 due in part to the decrease in due from other governments and the \$432,500 net transfer of governmental assets to business-type activities. Restricted net assets are subject to external restrictions as to their use. This category decreased \$1,406,978 from \$23,400,342 at December 31, 2004, to \$21,993,364 at December 31, 2005. This decrease in restricted net assets was due primarily to the reduction in special assessment receivables.



The net assets of the City’s business-type activities increased \$6,454,508 due to the transfer of assets from the governmental activities for the enterprise funds and operating revenues covering operating expenses, along with capital contributions from developers and the governmental funds. Unrestricted net assets, which are available for future use as directed by City Council, increased \$3,327,777 or 20%. The component, “invested in capital assets, net of related debt,” increased \$3,126,731 from \$20,409,795 at December 31, 2004, to \$23,536,526 at December 31, 2005. Generally, this means capital asset additions and bond principal repayments were more than depreciation expense and net book value of disposals.

The following financial ratios may be used to assess the financial stability of the City over an extended period of time. "Liabilities to Net Assets" indicates the extent of borrowing.

<u>Liabilities to Net Assets</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Entity Wide Summary	34.23%	36.83%	39.76%	37.06%	41.22%
Governmental	23.67%	29.03%	35.57%	32.22%	30.55%
Business-Type	85.86%	62.55%	52.55%	50.61%	66.55%

"Capital Asset Change" from previous year indicates whether the City financially maintains infrastructure for future generations.

<u>Capital Asset Change</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Entity Wide Summary	0.21%	12.28%	3.38%	0.94%	3.06%
Governmental	0.37%	8.71%	1.54%	(1.45%)	(2.04%)
Business-Type	(0.49%)	27.13%	9.93%	8.80%	18.25%

Table 2 shows the changes in net assets for the year ended December 31, 2005.

Table 2
Changes in Net Assets

	<u>Governmental</u>		<u>Business-Type</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues				
Program Revenues:				
Charges for Services	\$2,362,224	\$2,350,690	\$8,946,448	\$8,178,995
Operating Grants,				
Contributions and Interest	2,007,051	1,640,456	0	0
Capital Grants,				
Contributions and Interest	1,381,583	9,398,793	2,215,636	95,151
Total Program Revenues	<u>5,750,858</u>	<u>13,389,939</u>	<u>11,162,084</u>	<u>8,274,146</u>
General Revenues:				
Property and Other Taxes	3,745,059	3,705,116	0	0
Income Taxes	12,051,440	10,621,943	0	0
Grants and Entitlements	1,791,527	1,662,720	0	0
Other	507,575	288,893	1,056,987	405,307
Total General Revenues	<u>18,095,601</u>	<u>16,278,672</u>	<u>1,056,987</u>	<u>405,307</u>
Total Revenues	<u>23,846,459</u>	<u>29,668,611</u>	<u>12,219,071</u>	<u>8,679,453</u>
Program Expenses:				
Security of Persons and Property				
Fire	5,315,835	5,230,564	0	0
Police	6,003,211	5,947,297	0	0
Other	1,548,125	1,156,715	0	0
Leisure Time Activities	360,125	206,014	0	0
Community Environment	806,281	973,583	0	0
Transportation	6,317,991	7,253,184	0	0
General Government	3,138,228	3,072,859	0	0
Interest and Fiscal Charges	1,008,724	935,657	0	0

(Continued)

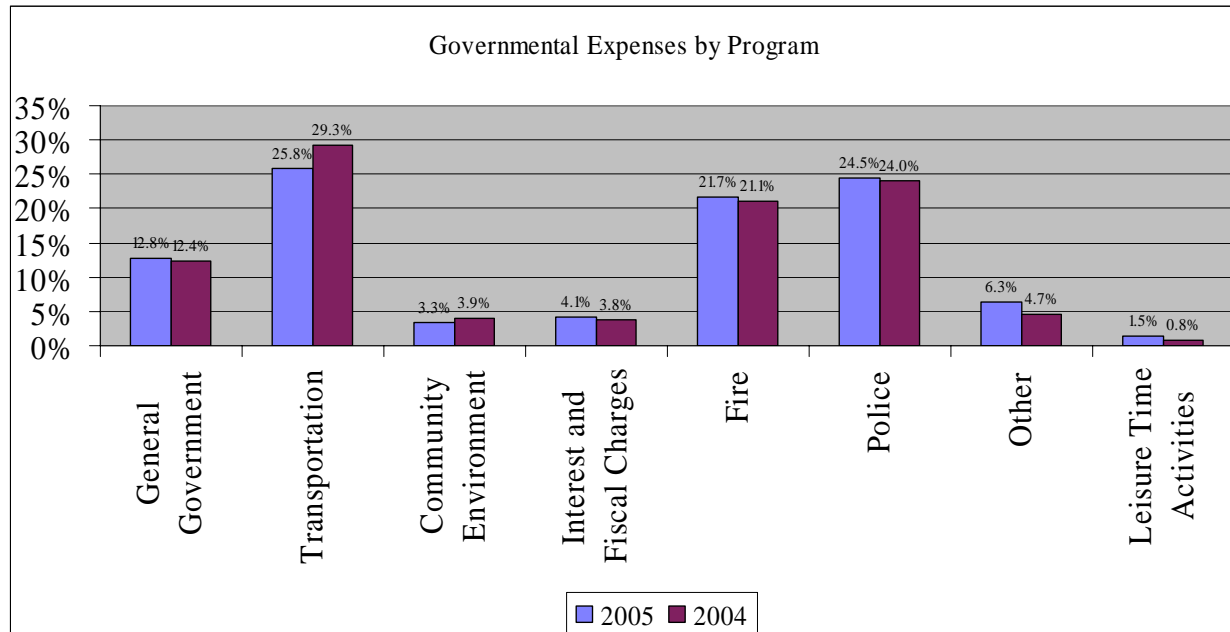
	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Sewer	\$0	\$0	\$2,724,278	\$2,608,912
Water	0	0	2,946,993	2,918,082
Stormwater	0	0	525,792	329,689
Total Expenses	24,498,520	24,775,873	6,197,063	5,856,683
Excess (Deficiency) Before Transfers	(652,061)	4,892,738	6,022,008	2,822,770
Transfers	(432,500)	(1,444,803)	432,500	1,444,803
Increase (Decrease) in Net Assets	(1,084,561)	3,447,935	6,454,508	4,267,573
Net Assets Beginning of Year	107,462,320	104,014,385	38,349,578	34,082,005
Net Assets End of Year	\$106,377,759	\$107,462,320	\$44,804,086	\$38,349,578

(Continued)

	Total	
	2005	2004
Revenues		
Program Revenues:		
Charges for Services	\$11,308,672	\$10,529,685
Operating Grants, Contributions and Interest	2,007,051	1,640,456
Capital Grants, Contributions and Interest	3,597,219	9,493,944
Total Program Revenues	16,912,942	21,664,085
General Revenues:		
Property and Other Taxes	3,745,059	3,705,116
Income Taxes	12,051,440	10,621,943
Grants and Entitlements	1,791,527	1,662,720
Other	1,564,562	694,200
Total General Revenues	19,152,588	16,683,979
Total Revenues	36,065,530	38,348,064
Program Expenses:		
Security of Persons and Property		
Fire	5,315,835	5,230,564
Police	6,003,211	5,947,297
Other	1,548,125	1,156,715
Leisure Time Activities	360,125	206,014
Community Environment	806,281	973,583
Transportation	6,317,991	7,253,184
General Government	3,138,228	3,072,859
Interest and Fiscal Charges	1,008,724	935,657
Sewer	2,724,278	2,608,912
Water	2,946,993	2,918,082
Stormwater	525,792	329,689
Total Expenses	30,695,583	30,632,556
Excess (Deficiency) Before Transfers	5,369,947	7,715,508
Transfers	0	0
Increase (Decrease) in Net Assets	5,369,947	7,715,508
Net Assets Beginning of Year	145,811,898	138,096,390
Net Assets End of Year	\$151,181,845	\$145,811,898

The Statement of Activities reports the expenses of each of the governmental activities programs and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue represents the extent of which that program must be subsidized by general revenues, such as income taxes, property and other taxes, and unrestricted contributions.

Expenses of governmental activities break down as follows:



The following table and graph summarize the net cost of each program:

	Expenses and Program Revenue - Governmental Activities					
	Year ended December 31, 2005			Year ended December 31, 2004		
	Expense	Program Revenue	Net Program Cost	Expense	Program Revenue	Net Program Cost
Security of Persons and Property						
Fire	\$5,315,835	\$33,644	(\$5,282,191)	\$5,230,564	\$97,964	(\$5,132,600)
Police	6,003,211	232,748	(5,770,463)	5,947,297	292,137	(5,655,160)
Other	1,548,125	1,590,580	42,455	1,156,715	1,348,868	192,153
Leisure Time Activities	360,125	70,422	(289,703)	206,014	195,049	(10,965)
Community Environment	806,281	167,297	(638,984)	973,583	226,571	(747,012)
Transportation	6,317,991	3,419,691	(2,898,300)	7,253,184	10,987,943	3,734,759
General Government	3,138,228	236,476	(2,901,752)	3,072,859	241,407	(2,831,452)
Interest and Fiscal Charges	1,008,724	0	(1,008,724)	935,657	0	(935,657)
Total Governmental Activities	\$24,498,520	\$5,750,858	(\$18,747,662)	\$24,775,873	\$13,389,939	(\$11,385,934)

Overall, the net program cost of governmental activities increased by \$7,361,728 or 65%. Public safety's net program cost (security of persons and property) increased by \$414,592 over 2004 or 4%, due mainly to personnel cost increases. Since capital outlay has decreased over the last few years due to budgetary constraints, operations and maintenance costs has increased as wear and tear on equipment has taken a toll, especially police cruisers that are not being replaced as often that now have higher mileage. The passage of the additional 0.30% income tax levy in November 2005, effective January 1, 2006, will help alleviate this increased net program cost.

Leisure time activities' net program cost increased by \$278,738 or over 100%, due to the City's contract with the YMCA. The City now pays the YMCA \$150,000 each year for parks and recreation programming, with an additional amount of \$27,000 to operate the municipal pool. The City no longer receives the activities receipts from these operations. At the end of 2005, the City retired the pool bonds. Transportation's net program cost increased by \$6,633,059 due mainly to capital contributions from developers and special assessments revenue decreasing more quickly than expenditures decreased. General government's net program cost increased by \$70,300 or 2%.

The program revenue for operating grants, contributions and interest, including shared revenues, increased despite the decrease for the EMS grant from last year. The City formerly received \$10,000 each year for the EMS grant and is currently receiving approximately \$1,000. Overall, this category increased, mainly due to increased motor vehicle license tax, cents per gallon, and gasoline tax receipts; the State increased the gasoline tax rate for 2005. Capital grants, contributions and interest decreased in 2005 due to prior year developer donated infrastructure and roadway special assessments.

The general revenue property and other taxes increased slightly. Approximately 62% of real estate taxes paid by City residents are used by the Huber Heights City School District. Montgomery County receives approximately 18% of this revenue, and the City receives 13%. The general revenue municipal income taxes increased due in part to the Division of Accounting and the Division of Taxation aggressively working together to collect over \$577,000 in delinquent taxes due that were previously considered uncollectible. Withholding taxes make up approximately 79% of total income tax collections, and nonwithholding resident taxes make up approximately 14%. Business taxes make up approximately 7% of collections.

The general revenue grants and entitlements decreased mainly due to reduced estate taxes. Investment earnings were higher due to higher interest rates and the investment of debt proceeds before they were spent in the capital projects funds.

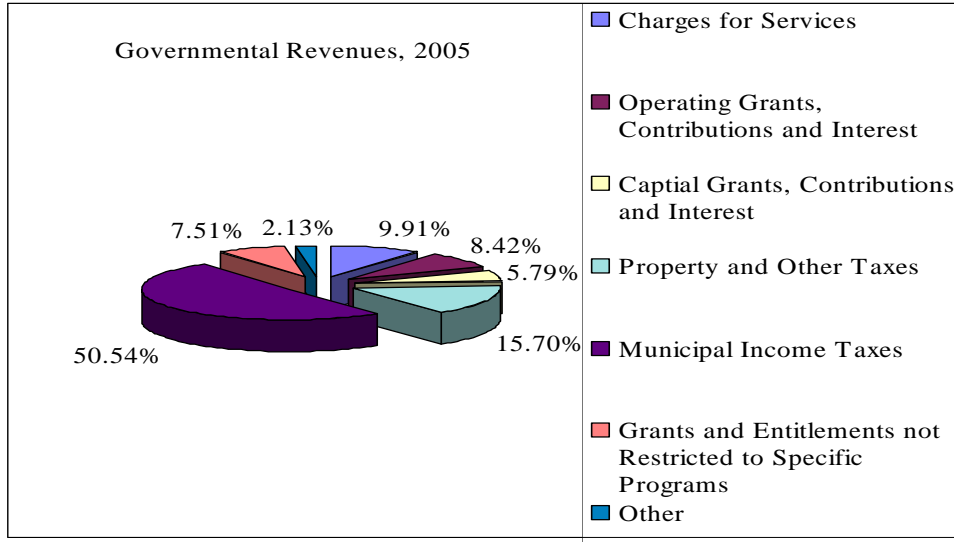
Program expenses increased minimally. In addition, City Council funded fewer special projects not anticipated in the original budget, resulting in fewer supplemental appropriations throughout the year. Part of the overall increase was due to the workers' compensation premium increase. The premium increased due to normal wage increases and a rate increase. For 2004, there were 27 pay periods, while in most years, there are only 26 pay periods. Despite this additional pay period in 2004, current year expenses increased. Transportation program expense decreased due to the City contracting for fewer transportation projects. The City received fewer grant approvals for these types of projects, consequently, the projects did not move forward. In 2004, there was a record number of developer donated infrastructure and roadway special assessments which funded these projects.

For business-type activities, revenues increased mainly as a result of the annual rate adjustments in all funds. Program expenses generally increased due to the annual increase in the contract with Earth Tech, Inc., the City's management company. All three of the enterprise funds reported operating income for 2005. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

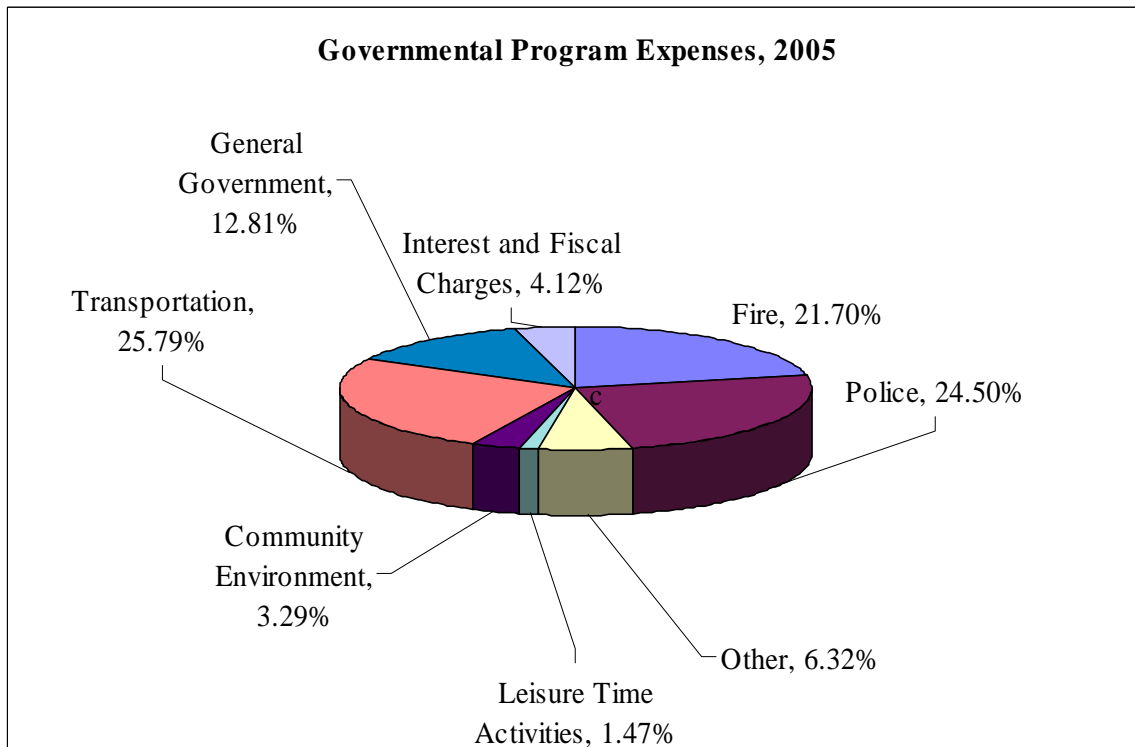
Governmental Activities

For 2005, the 1.95% income tax is the largest source of revenue for the City of Huber Heights. By ordinance, 1% of the of the net income tax received is designated for general fund activities; .5% is designated for public safety, which includes police operations and fire capital equipment; .25% is designated for local street operations; and .20% is designated for local street capital maintenance and repairs. In November 2005, an additional .30% levy was passed, designated for public safety and support services. The 0.30% is effective January 1, 2006, bringing the total income tax to 2.25%.

Since 1996, local income tax revenue has increased annually an average of 4.87%. During 2005, a few Huber Height’s employers went through reorganization and downsizing. However, other companies expanded and new businesses were added to the economic base.



Administration and City Council have a quality of life commitment to the citizens and businesses located in Huber Heights. With this in mind, City Council committed through appropriations over \$5 million for capital assets, equipment and repairs. These assets included street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment. This is a reduction of approximately \$5 million from the prior year, due to the work completed on the East-West Connector and related Brandt/Troy Utilities.



As indicated above, citizen safety and well being is emphasized with over 76% of the program expenses dedicated for transportation, police, fire, community environment, and leisure time activities. City Council relies mainly on income taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Program revenues from governmental activities decreased over \$7 million as a result of a decrease in special assessments and capital contributions. From 2003 to 2004, program revenues increased by over \$7 million for the same reason. Program expenses for 2005 decreased over \$200,000. General revenues increased, while transfers to business-type activities decreased. Transfers to business-type activities decreased due to fewer projects being approved for lack of sufficient funding. The net decrease in net assets for 2005 was \$1,084,561. This resulted in an increase in reliance on general revenues to support the programs of the City.

Business-Type Activities

The City’s business-type activities include Sewer, Water and Stormwater.

Sewer Treatment – Prior to 1996, the City wastewater treatment services were contracted with the Miami Conservancy District. In 1996, the Conservancy District decided they no longer wanted to furnish this service. A joint venture was formed among the Cities of Huber Heights, Vandalia and Tipp City to take over the Conservancy District operation. This joint venture now furnishes wastewater treatment services to each city. Each city owns and maintains the infrastructure necessary to furnish services to their citizens. All capital repairs and upkeep of the treatment plant are the responsibility of the joint venture. The joint venture in turn sets costs of service for the cities, based on flow, to maintain the plant. The City of Huber Heights charges its residents accordingly. At this time, any capital outlay needed to maintain Huber Heights sewer infrastructure is provided from resident charges.

Utility Operations – In January of 1994, the citizens of Huber Heights voted overwhelmingly to endorse the City’s acquisition of the Ohio Suburban water and wastewater systems from American Water Works of Voorhees, New Jersey. On September 29, 1995, the City completed this acquisition enabling the City to more effectively attract new development to the community particularly through new annexations and service extensions while at the same time keeping water and sewer rates low. One of the City’s goals in purchasing the utility was to reduce the overall cost of water and sewer services to its residents. During 2001, the City began an operations study to identify the short and long range plans for the utility and to identify funding sources for the targeted projects. In late 2002, the City Council authorized increases in the rates for water and sewer, over a five year period, to fund various projects identified in the Plan. During 2005, the fourth year of the increase was implemented.

Stormwater – In February 2002, the City Council established the citywide stormwater management program. Previously, these assets were accounted for with governmental activities. The revenues charged are based upon a formula of impervious area and is applied based upon an equivalent residential unit (3,431 sq. ft.). The revenues generated are used to fund operating and capital costs associated with this program.

THE CITY’S FUNDS

Information about the City’s major governmental funds begins on page 26. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$22.7 million and expenditures of \$34.2 million. The net change in fund balance for the General Fund increased by \$108,669. The General Fund is the primary operating fund of the City, accounting for such activities as security of persons and property (dispatch, general lighting), community environment (planning and development, engineering), and general government (central services, mayor, council management office, finance/accounting, finance/taxation, legal, information services, human resources, building and grounds, court facility). During 2005, income tax revenue increased \$284,298 and interest revenue increased \$276,946. Within the General Fund, revenues exceeded expenditures by \$5.7 million. Transfers to other funds such as the Capital Improvement funds, Debt Service funds, and other Special Revenue funds totaled \$5,633,000. The funds transferred were used for capital assets, improvements, repairs, debt and support of special revenue public safety and recreation programs.

Operating fund balances have diminished over the past several years due mainly to last-minute funding of initially non-budgeted projects, especially the demand for increasing infrastructure improvements, resulting in suspended purchases until cash in specific funds is replenished. City staff is more mindful now to assess the cost/benefit of every proposal to avoid to the extent possible any additional commitments of cash or debt capacity until such times as significant improvement in the City’s liquidity position is seen.

The net change in fund balance for the Fire Fund decreased \$315,127. Fund balance at December 31, 2005, was \$1.3 million of which \$79,048 is encumbered primarily for various equipment purchases. The net change in fund balance for the Police Fund decreased \$99,357. Fund balance at December 31, 2005, was \$2.5 million. Fund balance decreased only slightly compared to the prior year. Unreserved, undesignated fund balance is available for spending at the City’s discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period and to pay for a variety of other restricted purposes. The City’s original budget for 2006, like previous years, is a balanced budget, meaning only 2006 revenues are expected to be spent in 2006, along with any carryovers. It is intended that this use of available fund balance will protect the City from cash flow fluctuations and will avoid the need to raise taxes or charges during 2006, except for the additional income tax levy. The net change in fund balance for the Special Assessment Bond Retirement Fund was a decrease of \$497,879, with fund balance at year-end of \$452,733. This fund is used to account for the receipt of special assessments and the payment of the associated special assessment debt. Revenues and expenses for this fund remain relatively stable from year to year unless additional special assessment debt is issued.

The Capital Improvement Fund is used to account for the various capital improvement projects of the City, including streets, sidewalks, land acquisition, building construction and building improvements. The net change in fund balance for this fund decreased \$611,953. This was due to spending debt proceeds in 2005 for capital outlay for which the proceeds were received in 2004 for street and utility improvements. The fund balance at December 31, 2005, was (\$1,654,112). Fund balance for nonmajor special revenue funds increased \$626,873, while nonmajor capital projects funds decreased \$124,208.

The Sewer, Water, and Stormwater enterprise funds reflected operating gains for 2004 and 2005. Charges for services for sewer, water and stormwater services have been established to ensure that on a cash basis, fees are adequate to cover operations as required in the City's bond covenants. Council has set fees with the intention of funding operating costs, capital improvements and debt service. During 2002, the City authorized five years of annual increases in both Sewer and Water rates which will provide funding for various capital projects including the expansion of the water treatment plant, and for the replacement of sewer and water lines.

The Sewer, Water and Stormwater funds' statement of cash flows has a net cash increase of \$968,393, \$8,504,566 and \$299,872, respectively, due to rate increases and to the control exercised over payments made to suppliers for goods and services.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The City's budget is adopted on a fund basis. Before the budget is adopted Council reviews detailed budget worksheets of each function within the General fund and then adopts the budget on a fund basis.

During 2005, there were seven revisions to the General fund budget. The net effect of the revisions was an increase in the appropriations of \$484,224, not including other financing uses. Capital outlay not originally appropriated accounted for the majority of the increase. Advances out, part of other financing uses, were not originally budgeted.

Within each departmental/divisional function, the respective manager may make line item adjustments within their budgets with the approval of the City Manager, as long as the total does not exceed the total current budget appropriation.

Original General Fund budgeted revenues including other financing sources were \$10,443,913. The final budgeted amount including other financing sources was \$11,239,514. Municipal income taxes were revised upward after the downturn in 2004 due to improvement of economic factors. The estate taxes received, which are part of intergovernmental revenue, were less than anticipated. In 2003, the City received \$95,000. In 2004, the City received \$628,000 - an increase of 561.05% over 2003. For 2005 the City received just under \$200,000. Charges for services decreased due to fewer anticipated emergency medical service removals and reduced reimbursements. Interest revenue increased due to higher interest rates and greater capital improvement project bond and note cash balances. Advances increased due to higher than anticipated returns from other funds during 2005.

CAPITAL ASSETS AND DEBT ADMINISTRATION

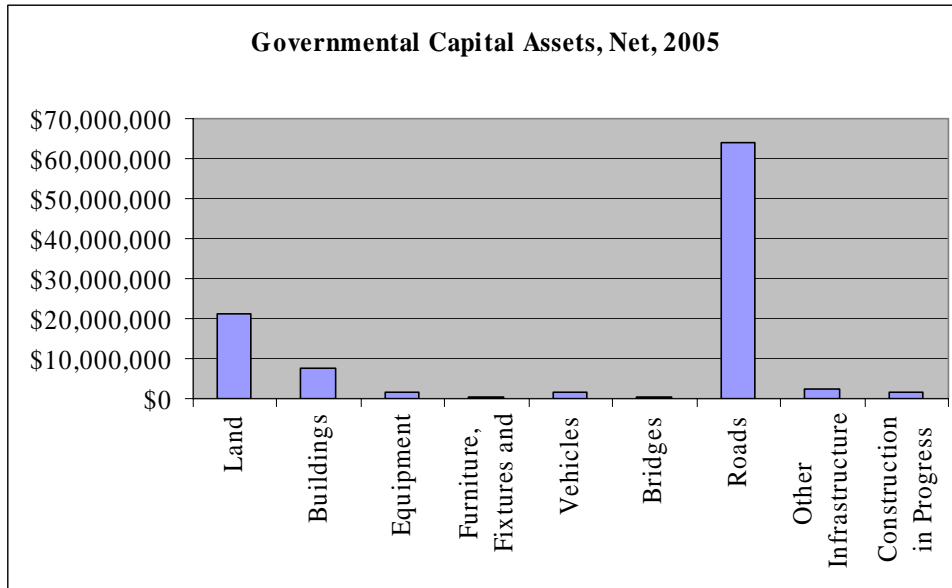
Capital Assets

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Land	\$21,157,487	\$21,148,211	\$460,804	\$460,804
Buildings	7,406,086	7,582,503	4,204,918	3,983,646
Equipment	1,559,774	1,476,091	310,134	259,751
Furniture, Fixtures, and Improvements	322,522	335,367	0	0
Vehicles	1,529,909	1,740,899	13,862	17,822
Infrastructure				
Bridges	377,636	392,891	0	0
Roads	63,850,888	62,020,349	0	0
Other	2,227,781	1,542,097	0	0
Sewer Lines	0	0	11,667,339	7,873,552
Water Lines	0	0	10,991,254	9,158,169
Stormwater	0	0	8,456,571	6,784,055
Construction in Progress	1,634,967	5,913,635	4,432,448	5,741,943
Total	\$100,067,050	\$102,152,043	\$40,537,330	\$34,279,742

	Total	
	2005	2004
Land	\$21,618,291	\$21,609,015
Buildings	11,611,004	11,566,149
Equipment	1,869,908	1,735,842
Furniture, Fixtures, and Improvements	322,522	335,367
Vehicles	1,543,771	1,758,721
Infrastructure		
Bridges	377,636	392,891
Roads	63,850,888	62,020,349
Other	2,227,781	1,542,097
Sewer Lines	11,667,339	7,873,552
Water Lines	10,991,254	9,158,169
Stormwater	8,456,571	6,784,055
Construction in Progress	6,067,415	11,655,578
Total	\$140,604,380	\$136,431,785

See Note 7 of the notes to the basic financial statements for more detailed information.



Significant capital activity for the year included:

Governmental Activities

I-70/State Route 202 Interchange – This state project provided for the upgrade of the partial cloverleaf interchange, providing straight ramps at all four corner and standard acceleration and deceleration lanes, helping improve safety and reduce accidents for \$10.2 million, including the City’s share. The bulk of the City’s share will be used for landscaping, which is reflected as construction in progress at year-end.

I-70/State Route 201 Interchange – This \$50 million state project, including the City’s share, provided for lane widening and aesthetic enhancements of which the City’s share is only \$500,000 for construction and an estimated \$1 million for landscape enhancements.

Chambersburg Road at Brandt Pike – This project provided for widening of the roadway for \$300,000.

Old Troy Pike Phase VII – This project provided for the widening of the roadway for \$1.5 million.

2005 Sidewalk Program – This project provided for concrete replacement work predominately located on the north side of Shull Road between Brandt and Old Troy Pikes and the closing of any “missing gaps” of sidewalk throughout the City. The total cost of the project was \$150,000.

2005 Street Improvement Program – This project provides for the resurfacing and repair of local and collector streets throughout the City at a cost for 2005 of approximately \$1.2 million. The focus of this program was the improvement of the vertical alignment and widening of driving lanes and shoulders, including drainage improvements, to Taylorsville Road east of Brandt Pike, which added an additional \$350,000 to the original budget.

Traffic Signal Grant – This project provided for the interconnection of signals on State Route 201 and State Route 202 for a total project cost of \$1.4 million. The City is responsible for 35% of the cost up to a maximum of \$489,000, with a federal TE grant subsidizing the remainder of the project costs of approximately \$900,000.

Business-Type Activities

U.S. 40 Water Main Extension – This project provided for the tie-in of two “dead end” water mains for \$181,000.

Six Mile Creek Stormwater – This project provided for the shoring of the creek banks to limit erosion/sedimentation and improve the channel hydraulics for \$191,000.

Rip Rap Road Wastewater Treatment Plant Upgrade – This project provided for:

The installation of two new production wells to meet future water demand needs as the City continues to grow (\$288,000).

The construction of housing units around the two new production wells (\$46,000); the replacement of the SCADA system, which is a computer system module that allows the various components of the system that operate the plant to converse with one another (\$140,000).

The installation of computer-aided telemetry systems that process, record and transfer information from the elevated storage tanks to the treatment plants (\$55,000).

The construction of the plant expansion taking capacity from 1.44 million gallons per day to 7 million gallons per day.

Total project cost is anticipated to be \$9.2 million.

Montgomery Development Center – This project provided for gravity sanitary sewer at this site to eliminate a lift station for \$137,000.

Debt

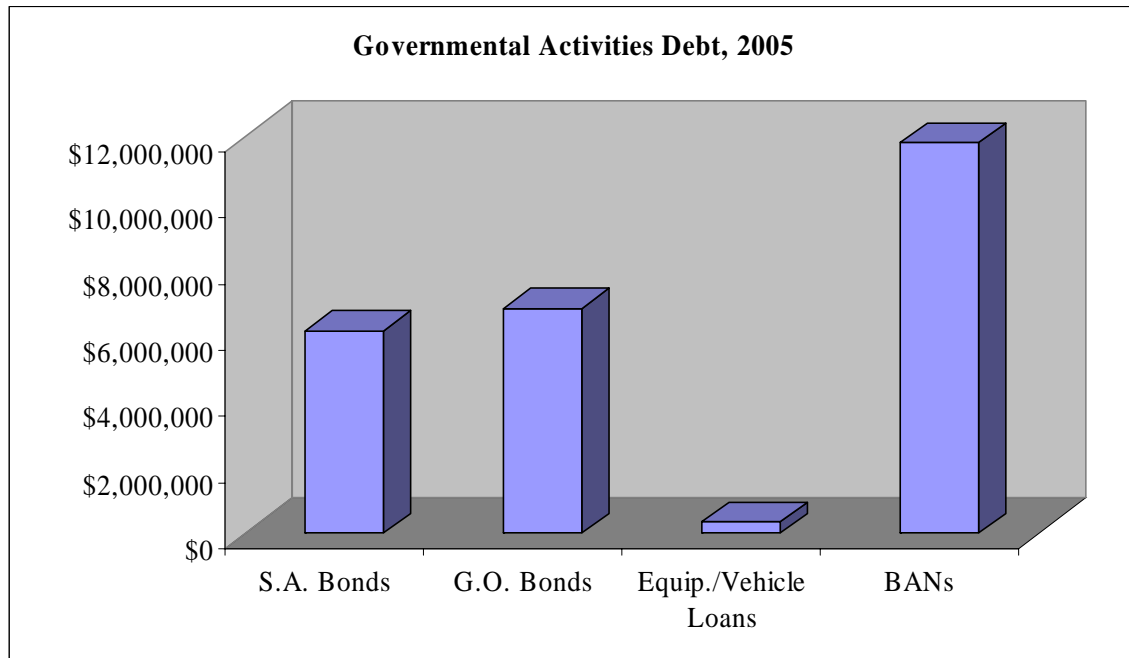
At December 31, 2005, the City of Huber Heights had \$52,754,615 in debt outstanding.

Table 4
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Special Assessment Bonds	\$6,135,000	\$6,515,000	\$0	\$0
General Obligation Bonds	6,813,184	7,651,108	0	0
Equipment/Vehicle Loans	336,607	503,973	44,127	71,491
Bond Anticipation Notes	11,805,000	13,032,000	0	1,705,000
Revenue Bonds Payable	0	0	23,480,786	12,125,846
OWDA Loan Payable	0	0	4,139,911	4,473,566
Total	<u>\$25,089,791</u>	<u>\$27,702,081</u>	<u>\$27,664,824</u>	<u>\$18,375,903</u>

Special Assessment bonds will be paid with special assessment revenue.

All general obligation bond issues will be paid through the General Obligation Bond Retirement Debt Service Fund with property tax and other revenues including transfers from various funds, based at least in part on municipal income and property tax revenues. The notes are bond anticipation notes and will be paid off with notes or bonds issued during 2006. The equipment/vehicle loans will be paid by the funds using the capital assets. The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The OWDA loan is paid from Sewer Enterprise Fund revenue.



During 2005, the City refinanced a portion of the 1995 Water Revenue Bonds to take advantage of favorable interest rates. The City saved approximately \$70,000 in future debt service payments.

Ohio law restricts the amount of debt that a City may issue. The aggregate principal amount of unvoted "net indebtedness" may not exceed 5.5% of the assessed valuation for property tax purposes of all real and personal property located within the City. Certain debt with a repayment source other than general tax revenues is excluded from the definition of net indebtedness. An additional statutory limitation restricted total indebtedness – both voted and unvoted – to 10.5% of the real and personal property assessed valuation.

The City's overall 10.5 percent legal debt margin was \$57,336,361 as of December 31, 2005, compared to a maximum allowed of \$66,766,184. The more restrictive unvoted legal debt margin within 5.5 percent was \$26,582,940 as of the same date, compared to a maximum allowed of \$34,972,763. See Note 13 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S DEPARTMENT OF FINANCE

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Julie A. Francis, CPA, Interim Director of Finance, City of Huber Heights, 6131 Taylorsville Road, Huber Heights, Ohio 45424. You can also contact the City by calling (937) 233-1423 or visiting the Internet at www.ci.huber-heights.oh.us.



Basic Financial Statements

City of Huber Heights, Ohio
Statement of Net Assets
December 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$16,038,877	\$9,988,530	\$26,027,407
Cash and Cash Equivalents with Fiscal Agents	20,289	1,896,051	1,916,340
Accrued Interest Receivable	2,984	0	2,984
Accounts Receivable, Net	257,086	997,089	1,254,175
Municipal Income Taxes Receivable, Net	3,059,619	0	3,059,619
Due from Other Governments	1,822,405	48,911	1,871,316
Property and Other Taxes Receivable	3,472,664	0	3,472,664
Prepaid Items	88,397	14,819	103,216
Supplies Inventory	182,376	0	182,376
Equity in Pooled Cash and Cash Equivalents-Unspent Note Proceeds	943,924	7,787,101	8,731,025
Deferred Charges	34,637	271,315	305,952
Special Assessments Receivable	12,889,842	27,035	12,916,877
Nondepreciable Capital Assets	22,792,454	4,893,252	27,685,706
Depreciable Capital Assets, Net	77,274,596	35,644,078	112,918,674
Investment in Joint Venture	0	13,051,939	13,051,939
<i>Total Assets</i>	<u>138,880,150</u>	<u>74,620,120</u>	<u>213,500,270</u>
Liabilities			
Accounts Payable	1,017,709	130,936	1,148,645
Contracts Payable	190,822	1,516,322	1,707,144
Accrued Salaries Payable	194,843	4,938	199,781
Matured Compensated Absences Payable	50,185	0	50,185
Due to Other Governments	1,147,217	132,905	1,280,122
Accrued Interest Payable	347,818	177,472	525,290
Contracts Payable Retainage	75,956	188,637	264,593
Notes Payable	1,905,000	0	1,905,000
Deferred Revenue	3,159,273	0	3,159,273
Long-Term Liabilities:			
Due Within One Year	1,928,263	1,277,018	3,205,281
Due in More Than One Year	22,485,305	26,387,806	48,873,111
<i>Total Liabilities</i>	<u>32,502,391</u>	<u>29,816,034</u>	<u>62,318,425</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	78,346,206	23,536,526	101,882,732
Restricted for:			
Fire	767,251	0	767,251
Police	2,709,669	0	2,709,669
Other Purposes	3,903,073	0	3,903,073
Debt Service	12,673,044	0	12,673,044
Local Street Capital Improvement	1,940,327	0	1,940,327
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Unrestricted	6,038,189	20,067,560	26,105,749
<i>Total Net Assets</i>	<u>\$106,377,759</u>	<u>\$44,804,086</u>	<u>\$151,181,845</u>

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2005

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
Security of Persons and Property:				
Fire	\$5,315,835	\$11,001	\$22,643	\$0
Police	6,003,211	130,129	102,619	0
Other	1,548,125	1,327,579	252,885	10,116
Leisure Time Activities	360,125	9,205	61,217	0
Community Environment	806,281	167,297	0	0
Transportation	6,317,991	480,537	1,567,687	1,371,467
General Government	3,138,228	236,476	0	0
Interest and Fiscal Charges	1,008,724	0	0	0
<i>Total Governmental Activities</i>	<u>24,498,520</u>	<u>2,362,224</u>	<u>2,007,051</u>	<u>1,381,583</u>
Business-Type Activities:				
Sewer	2,724,278	4,154,008	0	844,974
Water	2,946,993	4,247,856	0	816,756
Stormwater	525,792	544,584	0	553,906
<i>Total Business-Type Activities</i>	<u>6,197,063</u>	<u>8,946,448</u>	<u>0</u>	<u>2,215,636</u>
<i>Total Activities</i>	<u>\$30,695,583</u>	<u>\$11,308,672</u>	<u>\$2,007,051</u>	<u>\$3,597,219</u>

General Revenues

Property and Other Taxes Levied for:

 General Purposes

 Fire

 Police

 Debt Service

City Permissive Tax Levied for

 Transportation

Municipal Income Taxes Levied for:

 General Purposes

 Police

 Local Street Operating

 Local Street Capital Improvement

 Fire Capital Equipment

Grants and Entitlements not Restricted to Specific Programs

Investment in Joint Venture

Unrestricted Investment Earnings

Net Decrease in Fair Value of Investments

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$5,282,191)	\$0	(\$5,282,191)
(5,770,463)	0	(5,770,463)
42,455	0	42,455
(289,703)	0	(289,703)
(638,984)	0	(638,984)
(2,898,300)	0	(2,898,300)
(2,901,752)	0	(2,901,752)
(1,008,724)	0	(1,008,724)
<u>(18,747,662)</u>	<u>0</u>	<u>(18,747,662)</u>
0	2,274,704	2,274,704
0	2,117,619	2,117,619
<u>0</u>	<u>572,698</u>	<u>572,698</u>
<u>0</u>	<u>4,965,021</u>	<u>4,965,021</u>
<u>(18,747,662)</u>	<u>4,965,021</u>	<u>(13,782,641)</u>
1,265,517	0	1,265,517
981,949	0	981,949
1,172,794	0	1,172,794
163,224	0	163,224
161,575	0	161,575
6,104,671	0	6,104,671
2,720,037	0	2,720,037
1,545,793	0	1,545,793
1,314,396	0	1,314,396
366,543	0	366,543
1,791,527	0	1,791,527
0	603,516	603,516
550,710	453,471	1,004,181
(43,135)	0	(43,135)
<u>(432,500)</u>	<u>432,500</u>	<u>0</u>
<u>17,663,101</u>	<u>1,489,487</u>	<u>19,152,588</u>
(1,084,561)	6,454,508	5,369,947
<u>107,462,320</u>	<u>38,349,578</u>	<u>145,811,898</u>
<u>\$106,377,759</u>	<u>\$44,804,086</u>	<u>\$151,181,845</u>

City of Huber Heights, Ohio

Balance Sheet

Governmental Funds

December 31, 2005

	<u>General</u>	<u>Fire</u>	<u>Police</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,525,394	\$1,805,468	\$2,835,370
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property and Other Taxes	985,492	1,041,189	1,250,652
Municipal Income Taxes, Net	1,569,584	0	687,496
Accounts, Net	256,588	0	0
Special Assessments	0	0	0
Accrued Interest	2,984	0	0
Due from Other Governments	751,828	67,569	97,099
Prepaid Items	69,540	3,228	13,383
Supplies Inventory	43,675	15,830	35,229
Interfund Receivable	1,881,225	0	595
<i>Total Assets</i>	<u>\$9,086,310</u>	<u>\$2,933,284</u>	<u>\$4,919,824</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$443,719	\$55,812	\$186,188
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Accrued Salaries Payable	37,567	65,190	76,639
Due to Other Governments	235,153	425,946	401,278
Interfund Payable	0	0	0
Deferred Revenue	2,747,836	1,106,085	1,776,093
Matured Compensated Absences Payable	204	9,999	18,453
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>3,464,479</u>	<u>1,663,032</u>	<u>2,458,651</u>
Fund Balances			
Reserved for Encumbrances	852,072	79,048	189,405
Reserved for Supplies Inventory	43,675	15,830	35,229
Reserved for Long-Term Interfund Loans	726,000	0	0
Reserved for Unclaimed Monies	10,927	0	0
Unreserved:			
Undesignated, Reported in:			
General Fund	3,989,157	0	0
Special Revenue Funds	0	1,175,374	2,236,539
Debt Service Funds	0	0	0
Capital Projects Funds (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,621,831</u>	<u>1,270,252</u>	<u>2,461,173</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,086,310</u>	<u>\$2,933,284</u>	<u>\$4,919,824</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$452,733	\$1,894,114	\$6,469,722	\$16,982,801
0	0	20,289	20,289
0	0	195,331	3,472,664
0	0	802,539	3,059,619
0	0	498	257,086
11,968,421	377,059	544,362	12,889,842
0	0	0	2,984
0	44,898	861,011	1,822,405
0	0	2,246	88,397
0	0	87,642	182,376
0	0	0	1,881,820
<u>\$12,421,154</u>	<u>\$2,316,071</u>	<u>\$8,983,640</u>	<u>\$40,660,283</u>
\$0	\$59,459	\$272,531	\$1,017,709
0	66,628	124,194	190,822
0	20,858	55,098	75,956
0	259	15,188	194,843
0	0	84,840	1,147,217
0	1,473,600	408,220	1,881,820
11,968,421	421,957	1,979,452	19,999,844
0	0	21,529	50,185
0	22,422	0	22,422
0	1,905,000	0	1,905,000
<u>11,968,421</u>	<u>3,970,183</u>	<u>2,961,052</u>	<u>26,485,818</u>
0	573,968	257,210	1,951,703
0	0	87,642	182,376
0	0	0	726,000
0	0	0	10,927
0	0	0	3,989,157
0	0	2,480,526	5,892,439
452,733	0	889,784	1,342,517
0	(2,228,080)	2,307,426	79,346
<u>452,733</u>	<u>(1,654,112)</u>	<u>6,022,588</u>	<u>14,174,465</u>
<u>\$12,421,154</u>	<u>\$2,316,071</u>	<u>\$8,983,640</u>	<u>\$40,660,283</u>

City of Huber Heights, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2005*

Total Governmental Fund Balances \$14,174,465

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

Some assets reported in governmental activities are not financial resources and therefore are not reported in the funds:

Capital Assets	100,067,050	
Deferred Charges	34,637	
		100,101,687

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal Income Taxes	1,929,603	
Property and Other Taxes	293,802	
Intergovernmental	1,523,600	
Special Assessments	12,889,842	
Charges for Services	194,941	
Fines, Licenses and Permits	8,285	
Other	498	
		16,840,571

Total 16,840,571

Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued Interest	(325,396)	
Premiums on Refunding Bond	(9,194)	
Accounting Loss on Various Purpose Bond	26,010	
General Obligation Bonds	(6,830,000)	
Special Assessment Bonds	(6,135,000)	
Notes Payable	(9,900,000)	
Equipment/Vehicle Loans	(336,607)	
Compensated Absence	(1,228,777)	
		(24,738,964)

Total (24,738,964)

Net Assets of Governmental Activities \$106,377,759

See accompanying notes to the basic financial statement



City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Fire	Police
Revenues			
Municipal Income Taxes	\$5,955,200	\$0	\$2,654,567
Property and Other Taxes	1,255,068	1,028,144	1,232,018
Intergovernmental	1,465,688	147,267	279,488
Special Assessments	0	0	0
Charges for Services	908,697	686	92,470
Fines, Licenses and Permits	159,459	0	0
Interest	550,710	0	0
Rent	79,721	1,644	0
Net Decrease in Fair Value of Investments	(43,135)	0	0
Other	31,421	8,388	37,259
<i>Total Revenues</i>	<u>10,362,829</u>	<u>1,186,129</u>	<u>4,295,802</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire	0	5,095,123	0
Police	0	0	5,793,797
Other	771,542	0	0
Leisure Time Activities	0	0	0
Community Environment	769,706	0	0
Transportation	0	0	0
General Government	2,988,333	0	0
Capital Outlay	127,615	5,016	85,806
Debt Service:			
Principal Retirement	18,309	0	25,454
Interest and Fiscal Charges	1,942	0	2,132
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>4,677,447</u>	<u>5,100,139</u>	<u>5,907,189</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,685,382</u>	<u>(3,914,010)</u>	<u>(1,611,387)</u>
Other Financing Sources (Uses)			
Special Assessment Notes Issued	0	0	0
General Obligation Notes Issued	0	0	0
Premium on Special Assessment Notes Issued	0	0	0
Premium on General Obligation Notes Issued	0	0	0
Proceeds from Sale of Capital Assets	0	3,450	12,030
Transfers In	56,287	3,600,000	1,500,000
Transfers Out	(5,633,000)	(4,567)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,576,713)</u>	<u>3,598,883</u>	<u>1,512,030</u>
<i>Net Change in Fund Balances</i>	108,669	(315,127)	(99,357)
<i>Fund Balances (Deficit) Beginning of Year-Restated (Note 18)</i>	5,509,833	1,577,973	2,551,304
Increase (Decrease) in Reserve for Inventory	3,329	7,406	9,226
<i>Fund Balances (Deficit) End of Year</i>	<u>\$5,621,831</u>	<u>\$1,270,252</u>	<u>\$2,461,173</u>

See accompanying notes to the basic financial statement

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$3,150,304	\$11,760,071
0	0	328,157	3,843,387
0	150,000	1,994,008	4,036,451
228,399	192,629	476,531	897,559
0	0	640	1,002,493
0	0	18,856	178,315
0	13,771	38,882	603,363
0	0	135,936	217,301
0	0	0	(43,135)
0	102,199	9,088	188,355
228,399	458,599	6,152,402	22,684,160
0	0	0	5,095,123
0	0	0	5,793,797
0	0	709,081	1,480,623
0	0	310,169	310,169
0	0	0	769,706
0	0	1,481,196	1,481,196
15,000	18,278	4,977	3,026,588
0	1,003,872	1,899,976	3,122,285
9,329,000	0	2,801,603	12,174,366
509,223	52,246	419,335	984,878
0	0	2,549	2,549
9,853,223	1,074,396	7,628,886	34,241,280
(9,624,824)	(615,797)	(1,476,484)	(11,557,120)
8,652,000	0	0	8,652,000
0	0	1,248,000	1,248,000
60,042	0	0	60,042
0	0	10,188	10,188
0	0	2,949	18,429
414,903	235,139	1,634,411	7,440,740
0	(231,295)	(1,384,341)	(7,253,203)
9,126,945	3,844	1,511,207	10,176,196
(497,879)	(611,953)	34,723	(1,380,924)
950,612	(1,042,159)	5,998,558	15,546,121
0	0	(10,693)	9,268
\$452,733	(\$1,654,112)	\$6,022,588	\$14,174,465

City of Huber Heights, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2005*

Net Change in Fund Balances - Total Governmental Funds (\$1,380,924)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are

Capital Outlay	2,589,361	
Capital Contributions	1,025,293	
Depreciation	<u>(5,625,788)</u>	
Excess of Capital Outlay over Depreciation Expense		(2,011,134)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each sale

Proceeds from Sale of Capital Assets	(18,429)	
Loss on Assets Sold	<u>(55,430)</u>	(73,859)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year these amounts consist of:

General Obligation Bond Principal Payments	840,000	
Special Assessment Bond Principal Payments	380,000	
Long-Term Notes Principal Payments	10,787,000	
Equipment/Vehicle Loan Principal Payments	<u>167,366</u>	12,174,366

Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year

Municipal Income Taxes	291,369	
Property and Other Taxes	(98,328)	
Intergovernmental	68,787	
Special Assessments	(148,089)	
Charges for Services	35,619	
Fines, Licenses and Permits	(8,446)	
Other	<u>(883)</u>	140,029

Consumable inventory is reported using the purchase method on a modified accrual basis, but is reported using the consumption method for full accrual. This amount represents the increase in inventory that took place during the year 9,268

The issuance of long-term notes payable provides current financial resources to governmental funds but in the statement of net assets, the debt is reported as a liability (9,900,000)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the statement of activities is the result of the following

Amortization of Premium on Refunding Bonds	2,259	
Amortization of Accounting Loss	(4,335)	
Net Decrease in Deferred Charges	(2,165)	
Net Increase in Accrued Interest	<u>(87,287)</u>	(91,528)

Compensated absences reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds 49,221

Change in Net Assets of Governmental Activities (\$1,084,561)

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$5,980,876	\$6,269,601	\$6,269,601	\$0
Property and Other Taxes	1,191,861	1,255,073	1,255,073	0
Intergovernmental	1,714,594	1,412,876	1,412,876	0
Charges for Services	936,668	908,915	908,915	0
Fines, Licenses and Permits	149,295	159,207	159,207	0
Interest	225,000	534,087	534,087	0
Rent	73,668	79,721	79,721	0
Other	0	23,747	23,747	0
<i>Total Revenues</i>	10,271,962	10,643,227	10,643,227	0
Expenditures				
Current:				
Security of Persons and Property				
Other	880,844	877,152	846,195	30,957
Community Environment	1,120,855	936,582	844,521	92,061
General Government	3,655,524	3,767,397	3,438,771	328,626
Capital Outlay	86,498	646,814	632,284	14,530
Debt Service:				
Principal Retirement	34,535	33,309	33,309	0
Interest and Fiscal Charge	716	1,942	1,942	0
<i>Total Expenditures</i>	5,778,972	6,263,196	5,797,022	466,174
<i>Excess of Revenues Over Expenditures</i>	4,492,990	4,380,031	4,846,205	466,174
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Asset	1,451	0	0	0
Advances In	140,000	540,000	540,000	0
Advances Out	0	(880,820)	(880,820)	0
Transfers In	30,500	56,287	56,287	0
Transfers Out	(6,050,000)	(5,633,000)	(5,633,000)	0
<i>Total Other Financing Sources (Uses)</i>	(5,878,049)	(5,917,533)	(5,917,533)	0
<i>Net Change in Fund Balance</i>	(1,385,059)	(1,537,502)	(1,071,328)	466,174
<i>Fund Balance Beginning of Year</i>	2,790,843	2,790,843	2,790,843	0
Prior Year Encumbrances Appropriated	585,028	585,028	585,028	0
<i>Fund Balance End of Year</i>	\$1,990,812	\$1,838,369	\$2,304,543	\$466,174

See accompanying notes to the basic financial statement

City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$958,951	\$1,028,144	\$1,028,144	\$0
Intergovernmental	138,477	141,504	141,504	0
Charges for Services	0	686	686	0
Rent	0	1,644	1,644	0
Other	0	8,307	8,307	0
<i>Total Revenues</i>	<u>1,097,428</u>	<u>1,180,285</u>	<u>1,180,285</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	5,739,118	5,668,512	5,427,199	241,313
Capital Outlay	0	17,062	17,062	0
<i>Total Expenditures</i>	<u>5,739,118</u>	<u>5,685,574</u>	<u>5,444,261</u>	<u>241,313</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,641,690)</u>	<u>(4,505,289)</u>	<u>(4,263,976)</u>	<u>241,313</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	3,450	3,450	0
Transfers In	4,200,000	3,600,000	3,600,000	0
Transfers Out	0	(4,567)	(4,567)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,200,000</u>	<u>3,598,883</u>	<u>3,598,883</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(441,690)	(906,406)	(665,093)	241,313
<i>Fund Balance at Beginning of Year</i>	1,797,333	1,797,333	1,797,333	0
Prior Year Encumbrances Appropriated	299,381	299,381	299,381	0
<i>Fund Balance at End of Year</i>	<u>\$1,655,024</u>	<u>\$1,190,308</u>	<u>\$1,431,621</u>	<u>\$241,313</u>

See accompanying notes to the basic financial statement:

City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$2,625,399	\$2,765,628	\$2,765,628	\$0
Property and Other Taxes	1,149,428	1,232,018	1,232,018	0
Intergovernmental	169,704	267,097	267,097	0
Charges for Services	75,432	92,231	92,231	0
Other	0	37,101	37,101	0
<i>Total Revenues</i>	4,019,963	4,394,075	4,394,075	0
Expenditures				
Current:				
Security of Persons and Property	6,541,195	6,507,826	6,143,125	364,701
Capital Outlay	45,800	140,827	140,827	0
Debt Service:				
Principal Retirement	25,454	25,454	25,454	0
Interest and Fiscal Charges	2,132	2,132	2,132	0
<i>Total Expenditures</i>	6,614,581	6,676,239	6,311,538	364,701
<i>Excess of Revenues Under Expenditures</i>	(2,594,618)	(2,282,164)	(1,917,463)	364,701
Other Financing Sources				
Proceeds from Sale of Capital Assets	0	12,030	12,030	0
Transfers In	1,500,000	1,500,000	1,500,000	0
<i>Total Other Financing Source</i>	1,500,000	1,512,030	1,512,030	0
<i>Net Change in Fund Balance</i>	(1,094,618)	(770,134)	(405,433)	364,701
<i>Fund Balance at Beginning of Year</i>	2,383,863	2,383,863	2,383,863	0
Prior Year Encumbrances Appropriated	342,882	342,882	342,882	0
<i>Fund Balance at End of Year</i>	\$1,632,127	\$1,956,611	\$2,321,312	\$364,701

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2005

	Sewer	Water	Stormwater	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalent:	\$3,753,753	\$5,232,973	\$941,804	\$9,928,530
Receivables:				
Accounts	468,360	465,716	63,013	997,089
Special Assessment:	7,989	19,046	0	27,035
Due from Other Governments	48,911	0	0	48,911
Prepaid Items	3,289	10,518	1,012	14,819
Restricted Assets				
Equity in Pooled Cash and Cash Equivalent:	0	60,000	0	60,000
Cash and Cash Equivalents with Fiscal Agent:	0	1,896,051	0	1,896,051
<i>Total Current Assets</i>	<u>4,282,302</u>	<u>7,684,304</u>	<u>1,005,829</u>	<u>12,972,435</u>
<i>Non-current Assets:</i>				
Restricted Assets				
Equity in Pooled Cash and Cash Equivalent:	0	7,787,101	0	7,787,101
Deferred Charges	0	271,315	0	271,315
Capital Assets				
Nondepreciable Capital Asset	0	4,893,252	0	4,893,252
Depreciable Capital Assets, Net	12,294,187	14,667,525	8,682,366	35,644,078
Investment in Joint Venture	13,051,939	0	0	13,051,939
<i>Total Non-current Assets</i>	<u>25,346,126</u>	<u>27,619,193</u>	<u>8,682,366</u>	<u>61,647,685</u>
<i>Total Assets</i>	<u>29,628,428</u>	<u>35,303,497</u>	<u>9,688,195</u>	<u>74,620,120</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	5,299	120,833	1,633	127,765
Contracts Payable	114,054	0	145,668	259,722
Accrued Salaries Payable	1,313	3,625	0	4,938
Contracts Payable Retainage	9,329	4,948	0	14,277
Accrued Interest Payable	79,693	134	476	80,303
Due to Other Governments	129,051	2,504	1,350	132,905
Loan Payable	0	2,089	23,304	25,393
OWDA Loan Payable	346,625	0	0	346,625
Payable from Restricted Assets				
Accounts Payable	0	3,171	0	3,171
Contracts Payable	0	1,256,600	0	1,256,600
Contracts Payable Retainage	0	174,360	0	174,360
Accrued Interest Payable	0	97,169	0	97,169
Current Portion of Revenue Bonds	0	905,000	0	905,000
<i>Total Current Liabilities</i>	<u>685,364</u>	<u>2,570,433</u>	<u>172,431</u>	<u>3,428,228</u>
<i>Long-Term Liabilities:</i>				
Loan Payable	0	7,902	10,832	18,734
OWDA Loan Payable	3,793,286	0	0	3,793,286
Revenue Bonds Payable	0	22,575,786	0	22,575,786
<i>Total Long-Term Liabilities</i>	<u>3,793,286</u>	<u>22,583,688</u>	<u>10,832</u>	<u>26,387,806</u>
<i>Total Liabilities</i>	<u>4,478,650</u>	<u>25,154,121</u>	<u>183,263</u>	<u>29,816,034</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	8,154,276	6,734,020	8,648,230	23,536,526
Restricted:				
Revenue Bonds Improvement and Replacement	0	60,000	0	60,000
Revenue Bonds Current Debt Service	0	1,140,000	0	1,140,000
Unrestricted	16,995,502	2,215,356	856,702	20,067,560
<i>Total Net Assets</i>	<u>\$25,149,778</u>	<u>\$10,149,376</u>	<u>\$9,504,932</u>	<u>\$44,804,086</u>

See accompanying notes to the basic financial statement

City of Huber Heights, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2005*

	Sewer	Water	Stormwater	Total
Operating Revenues				
Charges for Services	\$3,939,506	\$2,454,923	\$544,584	\$6,939,013
Charges for Services - Pledged for Debt Service	0	1,706,532	0	1,706,532
Tap-In Fees	45,950	71,750	0	117,700
Rent	0	8,679	0	8,679
Other	168,552	5,972	0	174,524
<i>Total Operating Revenues</i>	<u>4,154,008</u>	<u>4,247,856</u>	<u>544,584</u>	<u>8,946,448</u>
Operating Expenses				
Personal Services	99,092	136,932	119,030	355,054
Operations and Maintenance	2,195,831	1,628,681	216,950	4,041,462
Depreciation	265,851	333,177	187,595	786,623
<i>Total Operating Expenses</i>	<u>2,560,774</u>	<u>2,098,790</u>	<u>523,575</u>	<u>5,183,139</u>
<i>Operating Income</i>	<u>1,593,234</u>	<u>2,149,066</u>	<u>21,009</u>	<u>3,763,309</u>
Non-Operating Revenues (Expenses)				
Interest Revenue	42,938	410,533	0	453,471
Interest and Fiscal Charges	(162,628)	(848,202)	(2,217)	(1,013,047)
Loss on Sale of Capital Assets	(876)	0	0	(876)
Return on Investment in Joint Venture	603,516	0	0	603,516
<i>Total Non-Operating Revenues (Expenses)</i>	<u>482,950</u>	<u>(437,669)</u>	<u>(2,217)</u>	<u>43,064</u>
<i>Income Before Capital Contributions and Transfers</i>	2,076,184	1,711,397	18,792	3,806,373
Transfers Out	(120,355)	(67,182)	(7,711)	(195,248)
Capital Contributions	1,209,100	920,647	713,636	2,843,383
<i>Change in Net Assets</i>	3,164,929	2,564,862	724,717	6,454,508
<i>Net Assets Beginning of Year</i>	<u>21,984,849</u>	<u>7,584,514</u>	<u>8,780,215</u>	<u>38,349,578</u>
<i>Net Assets End of Year</i>	<u>\$25,149,778</u>	<u>\$10,149,376</u>	<u>\$9,504,932</u>	<u>\$44,804,086</u>

See accompanying notes to the basic financial statement

City of Huber Heights, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2005

	Sewer	Water	Stormwater	Total
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities				
Cash Received from Customers	\$3,992,067	\$4,163,352	\$547,181	\$8,702,600
Other Operating Receipts	168,552	5,211	0	173,763
Cash Payments for Employee Services and Benefits	(99,073)	(135,578)	(119,030)	(353,681)
Cash Payments to Suppliers for Goods and Services	(2,269,929)	(566,561)	(81,491)	(2,917,981)
<i>Net Cash Provided by Operating Activities</i>	<u>1,791,617</u>	<u>3,466,424</u>	<u>346,660</u>	<u>5,604,701</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(120,355)	(67,182)	0	(187,537)
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(243,182)	(3,996,115)	(19,320)	(4,258,617)
Capital Contributions	0	95,361	0	95,361
Proceeds from Sale of Capital Assets	82	0	0	82
Proceeds of Revenue Note	0	8,665,000	0	8,665,000
Proceeds of Revenue/Refunding Bonds	0	13,315,078	0	13,315,078
Premium on Revenue Note Issuance	0	27,815	0	27,815
Premium on Revenue/Refunding Bonds	0	240,518	0	240,518
Capitalized Interest on Revenue/Refunding Bonds	0	305,280	0	305,280
Accrued Interest on Revenue/Refunding Bonds	0	31,588	0	31,588
Call Premium from Original Revenue Bonds	0	(79,100)	0	(79,100)
Refunding Bond Issuance Costs	0	(273,831)	0	(273,831)
Payments to Refunded Bond Escrow Agent	0	(3,955,000)	0	(3,955,000)
Interest Paid on OWDA Loan Payable	(169,051)	0	0	(169,051)
Principal Paid on OWDA Loan Payable	(333,656)	0	0	(333,656)
Principal Paid on Loan Payable	0	(2,018)	(25,346)	(27,364)
Interest Paid on Loan Payable	0	(400)	(2,122)	(2,522)
Interest Paid on Notes Payable	0	(147,848)	0	(147,848)
Principal Paid on Notes Payable	0	(8,665,000)	0	(8,665,000)
Interest Paid on Revenue Bonds Payable	0	(242,792)	0	(242,792)
Principal Paid on Revenue Bonds Payable	0	(625,000)	0	(625,000)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(745,807)</u>	<u>4,693,536</u>	<u>(46,788)</u>	<u>3,900,941</u>
Cash Flows from Investing Activities				
Interest	42,938	411,788	0	454,726
<i>Net Increase in Cash and Cash Equivalents</i>	968,393	8,504,566	299,872	9,772,831
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,785,360</u>	<u>6,471,559</u>	<u>641,932</u>	<u>9,898,851</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,753,753</u>	<u>\$14,976,125</u>	<u>\$941,804</u>	<u>\$19,671,682</u>

(Continued)

City of Huber Heights, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2005
(Continued)

	Sewer	Water	Stormwater	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$1,593,234	\$2,149,066	\$21,009	\$3,763,309
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	265,851	333,177	187,595	786,623
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	6,611	(60,247)	2,597	(51,039)
Increase in Special Assessments Receivable	0	(19,046)	0	(19,046)
(Increase) Decrease in Prepaid Items	2,636	(2,031)	(212)	393
Decrease in Supplies Inventory	0	0	91	91
Decrease in Accounts Payable	(40,496)	(1,909)	(11,438)	(53,843)
Increase in Contracts Payable	113,090	903,539	145,668	1,162,297
Increase in Accrued Salaries Payable	17	837	0	854
Increase in Contracts Payable Retainage	9,329	162,521	0	171,850
Increase (Decrease) in Due to Other Governments	(157,775)	517	1,350	(155,908)
Decrease in Deferred Revenue	(880)	0	0	(880)
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,791,617</u>	<u>\$3,466,424</u>	<u>\$346,660</u>	<u>\$5,604,701</u>

Non-Cash Transactions:

During 2005, the Sewer, Water, and Stormwater Enterprise Funds had capital contributions for capital assets from governmental funds of \$364,126, \$103,891, and \$159,730, respectively. Also, the Sewer Fund had capital contributions for capital assets from intergovernmental revenues of \$48,911. In addition, the Sewer, Water, and Stormwater Enterprise Funds had capital contributions for capital assets from developers of \$799,836, \$812,772, and \$553,905, respectively. The Water Enterprise Fund had accretion of capital appreciation bonds in the amount of \$450,550. Also, the City had received \$1,346,296 of capital assets which were not paid until subsequent to year-end. The Stormwater Enterprise Fund transferred capital assets to the Police Special Revenue Fund valued at \$7,711. The City issued bonds to refund debt issued in 1995. Issuance costs were deducted from bond proceeds. An accounting gain of \$193,333 was realized in 2005 for the refunding bonds, and the gain will be amortized through 2010.

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Huber Heights ("the City") is a charter municipal corporation operating under the laws of the State of Ohio. The community was established in 1810 as Wayne Township and was granted City status on November 29, 1979. It was incorporated on January 23, 1981. The charter was adopted on November 8, 1983, and became effective January 1, 1984. The municipal government provided by the charter is known as a Council/Manager form of government. Legislative power is vested in a nine-member Council, six members elected by wards and two elected at large, and a Mayor who is elected separately. The Council appoints a City Manager. The City Manager is the Chief Executive and Administrative Officer and the head of the administrative agencies of the City. The City Manager appoints all Division/Department heads and employees, except the City Attorney and Clerk of Council and staff, who are appointed by City Council.

The Department of Public Safety, including the Fire Division and the Police Division, has as its Director the City Manager. The Fire Division continues to be a first-class operation achieving a fire insurance rating of 2 for the community. The Police Division provides first rate public safety protection and was awarded accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA). The Department of Finance is responsible for overseeing the budget and managing the daily monetary activities of the City. This Department includes the Division of Accounting, Division of Taxation (income tax), and the Division of Information Systems. The Department of Public Services, the Director of which is the Director of Finance, includes the Division of Engineering, the Division of Water and Wastewater, and the Division of Public Works. All road improvement plans, water/sewer improvements, stormwater construction, and inspections are administered by the Division of Engineering. The City has personnel charges for the allocation of City staff payroll to the utilities for the portion of staff time spent on utility activities. Earth Tech, Inc. manages the water, wastewater, and stormwater system for the City. The Division of Public Works maintains all public thoroughfares, public facilities, and all city vehicles. Public facilities includes parks and recreation, including maintenance of 13 parks with over 125 acres of park land that include ball fields, basketball courts, fitness courses, football fields, picnic and shelter facilities, playgrounds, soccer fields, tennis courts, volleyball courts, and walking trails. Public facilities also include the Senior Center, a City-owned building which is staffed with a coordinator and volunteers. The Senior Center has its own separately elected Board. The Department of Planning and Development is responsible for planning, economic development, marketing, zoning, permitting, property maintenance, and housing inspections.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City. The primary government provides various services including police and fire protection, emergency medical services, parks and recreation, planning, zoning, building inspection, court facilities, street maintenance and repair, community development, public health and welfare, sewer, water and stormwater. Council and the City Manager have direct responsibility for these activities.

City Council also appoints various boards and commissions to oversee different aspects of the community. These boards and commissions are filled by volunteers who dedicate their time to making the City better for all residents and business owners.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY (Continued)

The current boards and commissions are as follows:

Citizen Water/Sewer Advisory Board	Arts Commission
Property Maintenance Board	Beautification Commission
Parks and Recreation Board	City Planning Commission
Personnel Appeals Board	Ordinance Review Commission
Senior Advisory Board	Records Commission
Tax Appeals Board	Youth Commission
Zoning Appeals Board	

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City does not have any component units included in its reporting entity.

The City participates in the Tri-Cities North Regional Wastewater Authority (Tri-Cities) and the Joint Economic Development District (JEDD), which are defined as joint ventures. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 16.

The City also participates in the Miami Valley Regional Planning Commission (the Commission), the Miami Valley Fire/EMS Alliance (the Alliance), the Economic Development/Government Equity Program (ED/GE), the Northern Miami Valley Local Government Association (NMVLGA), the Regional Emergency Response Team (RERT), the First Suburbs Consortium of Dayton, Ohio Council of Governments (First Suburbs Consortium), and the Community Improvement Corporation of Huber Heights (CIC), which are defined as jointly governed organizations. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 17.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

Fund Accounting

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

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

Fire Fund – This fund is used to account for voted tax millage and miscellaneous revenue to finance the fire department operation.

Police Fund – This fund is used to account for voted tax millage to finance the police department operation and for a portion of City income tax which is to be used for police department operation.

Special Assessment Bond Retirement Fund – This fund is used to account for special assessments collected for the payment of special assessment bonded debt with governmental commitment.

Capital Improvement Fund – This fund is used to account for cash, grants and bond revenues used to purchase equipment and construct buildings, roadways, and various other capital projects.

The other governmental funds of the City account for grants and other resources whose use is restricted for a particular purpose.

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are enterprise funds.

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

Sewer Fund - This fund is used to account for the provision of sanitary sewer service to the residents and businesses of the City.

Water Fund – This fund is used to account for the provision of water service to certain residents and businesses within the City.

Stormwater Fund – This fund is used to account for funds used for improvements to the City's green space, structures and natural watercourses, thereby maintaining the City's creeks.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

Fund Financial Statements

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transaction

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax), grants, and interest.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but were levied to finance 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, except cash held by fiscal agents, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Cash and cash equivalents that are held separately in accounts at a financial institution for retainages and bond reserve and debt service and not held with the Director of Finance are reported as "cash and cash equivalents with fiscal agents" and represent deposits.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2005, the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), JP Morgan Institution Money Market Mutual Fund, JP Morgan 100% Treasury Security Money Market Capital Mutual Fund, Federal Home Loan Bank Bonds, and a repurchase agreement.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

The City has invested funds in STAR Ohio during 2005. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2005.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue of \$550,710 was credited to the General Fund during 2005, which includes \$436,371 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset is recorded for the prepaid amount at the time of purchase and reflects the expenditure/expense in the year in which services are consumed.

Inventory of Supplies

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On fund financial statements, 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 cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used. Inventory consists of expendable supplies held for consumption.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents and cash and cash equivalents with fiscal agents set aside for the improvement and replacement of capital assets originally acquired with bond proceeds and for repayment of current debt service on revenue bonds that are required by the bond indenture to be held by a financial services corporation. Also included as restricted assets in the enterprise funds is the unspent debt proceeds from the Rip Rap Road Wastewater Treatment Plant revenue bond issued in 2005.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	10-50 years
Equipment	3-20 years
Furniture, Fixtures and Improvements	7-20 years
Vehicles	5-20 years
Infrastructure	20-60 years

The City's infrastructure consists of streets, bridges, sidewalks, curbs, gutters, lighting systems, storm and sanitary sewer lines, and water lines.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." On fund financial statements, long-term interfund loans are classified as a fund balance reserve account on the balance sheet which indicates that they do not constitute available expendable resources. Interfund balances are eliminated on the government-wide statement of net assets except for any net residual amounts due between governmental and business-type activities, which are presented as "internal balances."

Compensated Absences

Vacation, personal leave and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation, personal leave and compensatory time when earned for all employees with more than six months of service.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all PERS employees after 17 years of current service, while the City records a liability for all Police and Fire employees after 15 years of current service.

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

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employees will be paid.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds is reported as a liability on the fund financial statements only to the extent that it is due for payment during the current year. Long-term loans and bonds are recognized as liabilities on the governmental fund financial statements when due.

Capital Contributions

Contributions of capital arise from outside contributions of capital assets, from grants or outside contributions of resources restricted to capital acquisition and construction or transfers from governmental capital assets.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of recreational activities, improving the living environment of the City, the operation of police and fire programs, and the City's street repair/improvement programs.

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City's sewer and water enterprise funds have restricted net assets relative to those resources necessary to comply with various covenants of bond financing agreements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for sewer, water and stormwater utility services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, supplies inventory, long-term interfund loans and unclaimed monies are recorded as a reservation of fund balance.

Interfund Transactions

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

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

Bond Premiums/Issuance Costs/Accounting Gain and Loss/Compounded Interest on Capital Appreciation Bonds

Bond premiums, issuance costs, and accounting gains/losses are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the year.

Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of Council. The Director of Finance has been authorized to allocate appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final certificate requested during 2005.

The appropriation resolution is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year. Prior year encumbrances are automatically carried forward. The amounts reported as the final budgeted amounts represent the amounts in the certificate that was in effect at the time the final appropriation amounts were passed by Council.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, presented for the General Fund and the Fire and Police Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (Continued)

5. The change in fair value of investments is not included on the budget basis operating statement. This amount is included as revenue on the GAAP basis operating statement.
6. Receipt and payment of year-end interfund loans are treated as other sources or uses (budget basis) rather than an increase or decrease in an asset or liability account (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and the Fire and the Police Funds are as follows:

Net Change in Fund Balance			
	General Fund	Fire Fund	Police Fund
GAAP Basis	\$108,669	(\$315,127)	(\$99,357)
Adjustments:			
Revenue Accruals	314,217	1,321	136,337
Expenditure Accruals	37,446	23,426	62,121
Unrecorded Cash – 2004	56,805	0	8,289
Unrecorded Cash – 2005	(133,805)	(7,297)	(46,622)
Prepaid Items	(24,145)	(866)	1,235
Change in Fair Value of Investments – 2004	(2,649)	0	0
Change in Fair Value of Investments – 2005	45,784	0	0
Encumbrances	(1,132,830)	(366,550)	(467,436)
Advances	(340,820)	0	0
Budget Basis	(\$1,071,328)	(\$665,093)	(\$405,433)

NOTE 4 - FUND DEFICITS

The Firefighters Assistance Grant Special Revenue Fund and the Capital Improvement Fund had fund balance deficits at December 31, 2005, of \$3,700 and \$1,654,112, respectively. The deficit in the special revenue fund is the result of fund liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The deficit in the Capital Improvement Fund is the result of the note payable. The deficit will be eliminated when bonds are issued.

NOTE 5 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the City's investment ordinance along with the 1995 and 2005 Water Revenue Bond covenants. State statutes classify monies held by the City into three categories.

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

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

Inactive monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Interim deposits in duly authorized depositories of the City, provided those deposits are properly insured or collateralized as required by law.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value to the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

At year-end, \$2,497,363 of the City's bank balance of \$2,797,362 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the City's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation. A reconciliation of cash and cash equivalents/deposits on the basic financial statements and the bank balance is \$431,386 for outstanding checks and cash on hand.

Investments

Custodial Credit Risk. 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. JP Morgan Institution Money Market Mutual Fund, JP Morgan 100% Treasury Security Money Market Capital Mutual Fund, and STAR Ohio, an investment fund operated by the Ohio State Treasurer, are unclassified since they are not evidenced by securities that exist in physical or book entry form. The Federal Home Loan Bank Bonds are insured or registered or for which the securities are held by the City or its agent in the City's name. The repurchase agreement is uninsured and unregistered or for which the securities are held by the counterparty's trust department or agent in the City's name.

As of December 31, 2005, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)	
		<1	1-5
STAR Ohio	\$20,414,556	\$20,414,556	\$0
JP Morgan Institution Money Market Mutual Fund	2,028,626	2,028,626	0
JP Morgan 100% Treasury Security Money Market Capital Mutual Fund	1,126,683	1,126,683	0
Federal Home Loan Bank Bonds*	5,456,095	997,500	4,458,595
Repurchase Agreement	5,282,836	5,282,836	0
Total	\$34,308,796	\$29,850,201	\$4,458,595

*These bonds mature at the latest in April 2010, but are callable at the latest in February 2006.

Interest Rate Risk. The City's investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Because the Money Market Mutual Funds as of December 31, 2005, had a weighted average maturity of less than one year, they were presented as an investment with a maturity of less than one year.

The City has chosen the duration method of disclosure for interest rate risk. This method is more accurate than other methods for the City since the portfolio contains callable securities that are likely to be called prior to maturity.

Credit Risk. As a charter city, the City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the two top ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of December 31, 2005, the City's investments in Money Market Mutual Funds were rated A1+ by Standard and Poor's. STAR Ohio is rated AAAM by Standard and Poor's and Federal Home Loan Bank Bonds are rated Aaa by Moody's Investors Service.

Concentration of Credit Risk. With the exception of direct obligations of the U.S. Treasury and STAR Ohio, no more than 20 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. More than 5 percent of the City's investments are in STAR Ohio, JP Morgan Institution Money Market Mutual Fund, Federal Home Loan Bank Bonds, and a repurchase agreement. These investments are 59.5 percent, 5.9 percent, 15.9 percent, and 15.4 percent, respectively, of the City's total investments.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2005, consisted of property and other taxes, municipal income taxes, accounts (including emergency medical services and billings for utility service), special assessments, accrued interest, interfund, and intergovernmental receivables arising from entitlements, grants, and shared revenues. Utility accounts receivable at December 31, 2005, was \$997,089. All receivables, except some municipal income tax revenues and emergency medical service charges for services revenues, are considered collectible in full. Some municipal income tax revenues for outstanding accounts greater than three years old are considered uncollectible, as well as emergency medical service calls that have insurance adjustments or no further collections from indigents. Total municipal income taxes receivable was \$5,616,419, and the uncollectible portion was \$2,556,800, for a net receivable of \$3,059,619. Total emergency medical service calls receivable was \$510,960 and the uncollectible portion was \$301,080, for net accounts receivable of \$209,880. Total net accounts receivable of \$257,086 is the sum of other miscellaneous accounts receivable of \$47,206 and the \$209,880 emergency medical service calls receivable. Other miscellaneous accounts receivable of \$47,206 is mainly for weed and grass cutting.

Special assessments expected to be collected in more than one year in the Special Assessment Bond Retirement Fund, the Capital Improvement Fund, the Issue II Fund, and the Water Fund amount to \$11,495,668, \$292,453, \$138,097, and \$17,441, respectively. At December 31, 2005, the amount of delinquent special assessments was \$78,421.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 6 - RECEIVABLES (Continued)

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) is for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$11.58 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$580,002,870
Public Utility Tangible Personal Property	14,627,920
Tangible Personal Property	<u>41,237,625</u>
Total	<u><u>\$635,868,415</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county 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.

The City receives property taxes from Miami and Montgomery Counties. The County Treasurers collect property taxes on behalf of all taxing districts in the counties, including the City of Huber Heights. The County Auditors periodically remit to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 6 - RECEIVABLES (Continued)

Income Taxes

For 2005, the City levied a municipal income tax of 1.95% on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate. Additional increases in the income tax rate require voter approval. In November 2005, voters passed a 0.30% additional income tax levy to be used for public safety, effective January 1, 2006.

Employers within the City are required to withhold income tax on employee compensation and remit the tax at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used to pay the cost of administering the tax and for general, public safety operations, which include police operations and fire capital equipment, local street improvements and local street capital improvement. For the 0.30% additional levy passed in November 2005, 83.33% of this additional levy is for public safety and support services, including personnel and capital outlay. The remaining 16.67% of this additional levy is devoted to debt service for construction of a new fire house facility; to the extent that this portion is not needed for debt service, the balance will be used for fire/EMS operations.

Due from Other Governments

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Local Government and Local Government Assistance	\$594,874
Homestead and Rollback	174,114
Huber Heights City School District and Athletic Foundation	17,535
Montgomery County Courts	8,285
Estate Tax	96,652
EMS Grant – FEMA Health and Wellness	9,039
School Resource Officers	16,646
Hurricane Ophelia Reimbursement – FEMA	9,463
Liquor Permits	1,675
OVI Task Force Reimbursement	2,375
Construction, Demolition and Disposal Fee	1,391
Gasoline Tax	476,018
Cents per Gallon	201,971
Motor Vehicle License	120,882
Hurricane Katrina Reimbursement – FEMA	5,686
County Permissive Motor Vehicle License	6,216
City of Riverside	33,678
Southern District of Ohio Federal Equity Sharing	1,007
Right-of-Way Acquisition	44,898
Total Governmental Activities	<u>1,822,405</u>
<u>Business-Type Activities</u>	
Montgomery Development Center	<u>48,911</u>
Total Intergovernmental Receivables	<u>\$1,871,316</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005, was as follows:

	Balance at 12/31/04	Additions	Deductions	Balance at 12/31/05
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$21,148,211	\$10,244	(\$968)	\$21,157,487
Construction in Progress	5,913,635	497,595	(4,776,263)	1,634,967
Total Capital Assets, not being Depreciated	27,061,846	507,839	(4,777,231)	22,792,454
Depreciable Capital Assets:				
Buildings	9,619,870	31,500	0	9,651,370
Equipment	2,595,188	351,553	(56,205)	2,890,536
Furniture, Fixtures and Improvements	493,908	14,034	0	507,942
Vehicles	3,752,499	185,346	(234,381)	3,703,464
Infrastructure				
Bridges	652,966	0	0	652,966
Roads	164,365,156	6,363,021	0	170,728,177
Other	4,516,541	937,624	0	5,454,165
Total Depreciable Capital Assets	185,996,128	7,883,078	(290,586)	193,588,620
Less Accumulated Depreciation:				
Buildings	(2,037,367)	(207,917)	0	(2,245,284)
Equipment	(1,119,097)	(265,842)	54,177	(1,330,762)
Furniture, Fixtures and Improvements	(158,541)	(26,879)	0	(185,420)
Vehicles	(2,011,600)	(325,473)	163,518	(2,173,555)
Infrastructure				
Bridges	(260,075)	(15,255)	0	(275,330)
Roads	(102,344,807)	(4,532,482)	0	(106,877,289)
Other	(2,974,444)	(251,940)	0	(3,226,384)
Total Accumulated Depreciation	(110,905,931)	(5,625,788)	217,695	(116,314,024)
Depreciable Capital Assets, Net	75,090,197	2,257,290	(72,891)	77,274,596
Governmental Activities Capital Assets, Net	\$102,152,043	\$2,765,129	(\$4,850,122)	\$100,067,050

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance at 12/31/04	Additions	Deductions	Balance at 12/31/05
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$460,804	\$0	\$0	\$460,804
Construction in Progress	5,741,943	4,248,601	(5,558,096)	4,432,448
Total Capital Assets, not being Depreciated	6,202,747	4,248,601	(5,558,096)	4,893,252
Depreciable Capital Assets:				
Buildings	5,038,763	327,811	0	5,366,574
Equipment	344,584	77,325	(19,140)	402,769
Vehicles	19,802	0	0	19,802
Infrastructure				
Sewer Lines	9,724,101	4,040,241	0	13,764,342
Water Lines	11,088,733	2,066,965	0	13,155,698
Stormwater	8,650,055	1,838,037	0	10,488,092
Total Depreciable Capital Assets	34,866,038	8,350,379	(19,140)	43,197,277
Less Accumulated Depreciation:				
Buildings	(1,055,117)	(106,539)	0	(1,161,656)
Equipment	(84,833)	(30,269)	22,467	(92,635)
Vehicles	(1,980)	(3,960)	0	(5,940)
Infrastructure				
Sewer Lines	(1,850,549)	(246,454)	0	(2,097,003)
Water Lines	(1,930,564)	(233,880)	0	(2,164,444)
Stormwater	(1,866,000)	(165,521)	0	(2,031,521)
Total Accumulated Depreciation	(6,789,043)	(786,623)	22,467	(7,553,199)
Depreciable Capital Assets, Net	28,076,995	7,563,756	3,327	35,644,078
Business-Type Activities Capital Assets, Net				
	\$34,279,742	\$11,812,357	(\$5,554,769)	\$40,537,330

Depreciation expense was charged to governmental programs as follows:

Security of Persons and Property	
Fire	\$191,412
Police	262,630
Other	65,710
Leisure Time Activities	49,387
Community Environment	
Planning and Development	19,250
Engineering	25,523
	(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 7 – CAPITAL ASSETS (Continued)

Transportation	\$4,897,768
General Government	
Central Services	76,790
Council	2,512
Management	3,505
Finance / Accounting	19,828
Finance / Taxation	11,473
Total Depreciation Expense	<u>\$5,625,788</u>

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or 800-222-7377.

For 2005, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the traditional pension plan. For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement, which consists generally of sheriffs, deputy sheriffs and township police, contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate was 13.55 percent for 2005, with 9.55 percent dedicated for pension benefits. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$344,824, \$339,334, and \$307,825, respectively; 71 percent has been contributed for 2005 and 100 percent for 2004 and 2003. The City encumbered the fourth quarter pension amount in 2005 but is not invoiced until 2006. No City employees participated in the member-directed plan for 2005.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary. The City is required to contribute 19.5 percent for police officers, with 11.75 percent dedicated to fund pension obligations. For firefighters, the City is required to contribute 24 percent, with 16.25 percent dedicated to fund pension obligations. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$392,993 and \$510,513 for the year ended December 31, 2005, \$385,702 and \$500,791 for the year ended December 31, 2004, and \$402,736 and \$467,866 for the year ended December 31, 2003, equal to the required contributions for each year. The full amount has been contributed for 2004 and 2003. 69 percent has been contributed for 2005 with the remainder being reported as a liability. The City encumbered the fourth quarter pension amount in 2005 but is not invoiced until 2006.

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered to be an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2004 was 8.00 percent. An annual increase of 4.00 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00 percent base increase, were assumed to range from 0.50 percent to 6.30 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.00 percent to 6.00 percent for the next eight years. In subsequent years (nine and beyond), health care costs were assumed to increase at 4.00 percent (the projected wage inflation rate).

OPEBs are advance-funded on an actuarially determined basis. At year-end 2005, the number of active contributing participants in the traditional and combined plans was 376,109. The number of active contributing participants for both plans used in the December 31, 2004, actuarial valuation was 355,287. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$144,429. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$259,208 for police and \$243,475 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

NOTE 10 – OTHER EMPLOYEE BENEFITS

Deferred Compensation Plans

City employees and elected officials may participate in three statewide deferred compensation plans, the Aetna deferred compensation plan, the Ohio Public Employees Deferred Compensation Plan or the ICMA Retirement Corporation. The City also pays 2% of the City Manager's salary to a plan of her choice per contract. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service and union contract, employment contract or personnel policy manual. All employees may accrue a maximum of total hours accrued in the past calendar year. For police command, patrol, dispatch officers, and police clerical union employees, excess vacation can carry over up to 90 days with written approval by the City Manager. For Street Division union employees, excess vacation can carry over up to 180 days with written approval by the City Manager. Non-union employees' excess vacation carries over automatically for 90 days. For the firefighters, vacation can carry over into the next calendar year at a maximum of 264 hours. In the event of resignation with two weeks notice, death, or retirement, employees (or their estates) are paid for unused vacation leave. All full-time and part-time employees can convert vacation leave to pay if the employee has at least five years of service with any Ohio political subdivision. If the employee has at least five years of service, up to six days of accrued vacation can be converted each calendar year, except for firefighters, who can convert up to 72 hours. If the employee has at least ten years of service, up to twelve days of accrued vacation can be converted each calendar year, except for firefighters, who can convert up to 120 hours.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 10 – OTHER EMPLOYEE BENEFITS (Continued)

Accumulated Unpaid Personal Leave

City employees are entitled to personal leave at varying rates based upon union contract, employment contract or personnel policy manual. Requests for leave are to be submitted with at least 24 hours notice if possible. If the hours are not used within the calendar year, the City Manager is allowed to grant requests for the carry over of personal leave, but the carry over must be used within 90 days. In addition, the City agrees to either grant one day of personal leave or pay a \$75 bonus, at the employee's option, to any non-union full-time employee that does not exceed eight hours of sick leave usage during the previous calendar year, to be credited in January of the following year.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 5.0 hours per eighty hours of service. There is no maximum carry over from year to year for non-union employees. In the case of death or retirement, employees (or the employees' estates) are paid for their accumulated leave with 480 hours being the maximum amount paid, except for all union employees. For police command, patrol, and dispatch officers, police clerical and public works employees, accumulated leave between 1 and 357 will be paid at a 4:1 ratio, accumulated leave between 358 and 714 will be paid at a 3:1 ratio, accumulated leave between 715 and 1,071 will be paid at a 2:1 ratio, and accumulated leave in excess of 1,071 will be paid at a 1:1 ratio. In addition, at the commencement of these union contracts, and for patrol, on August 15 each year, sick leave hours in excess of 1,285 will be "banked" and will be payable to the employee when that employee retires at a 3:1 ratio, at the employee's rate prior to commencement of this contract. Patrol has the option to opt out of this provision. All hours in excess of 1,285 will be paid at a 3:1 ratio at the employee's rate of pay prior to commencement of this contract.

For the firefighters, accumulated leave can accumulate up to 1,800 hours. At the end of any given year, employees have a one-time option, which is irrevocable, to maintain and/or accumulate sick leave hours over 1,800. An employee with a balance of more than 1,800 hours can have the hours over 1,800 converted to a cash payment. The payment will be made at a 3:1 ratio at the employee's rate at year-end. Employees choosing to accumulate their sick leave balance will not receive the annual cash payment of hours over 1,800. Upon retirement, an employee's sick leave balance will be converted into a cash payment. Between 1 and 500 hours will be paid at a 4:1 ratio, accumulated leave between 501 and 1,000 will be paid at a 3:1 ratio, accumulated leave between 1,001 and 1,500 will be paid at a 2:1 ratio, and accumulated leave in excess of 1,500 will be paid at a 1:1 ratio.

Accumulated Unpaid Compensatory Time

From time to time, employees may need to work overtime with prior approval from their supervisors. These overtime hours will usually be paid at the appropriate overtime rate; however, certain union employees by contract have the choice to take overtime pay or accrue compensatory time at one and one half times the amount of hours worked. For Street Division employees, any overtime hours worked in excess of 24 hours in a two week pay period are compensated at two times the regular hourly rate. The Street Division and clerks and secretaries of the Police Department can accumulate compensatory time up to 80 hours. For the police officers, compensatory time can be accumulated up to 90 hours, while dispatchers can accumulate up to 60 hours. Dispatchers can be paid for up to 40 hours of compensatory time once per contract year. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused compensatory time.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 10 – OTHER EMPLOYEE BENEFITS (Continued)

Insurance and Other Benefits

The City allows full-time employees a choice between an HMO program or a PPO program, both offered through Anthem, for their healthcare benefits. In addition to healthcare, the City also offers dental and optical insurance benefits. The dental plan insurance is carried through Superior Dental Care, Inc. and the vision insurance is carried by Vision Service Plan. The City provides life insurance in the amount of \$30,000 for all full-time employees through Anthem Life. Employees have the option of taking out additional life insurance themselves through either Anthem Life or Reliance Standard Life. The City picks up 1 percent of the employees' share of retirement for all employees except Council members and seasonal employees. On January 12, 2004, the City provided to its employees the option through payroll deduction of contributing to an IRS Section 529 flexible benefit plan to save money for college. See Note 20 for information regarding the employees' share of health insurance.

NOTE 11 - CONTRACTUAL COMMITMENTS

As of December 31, 2005, the City had contractual purchase commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 12/31/2005</u>
Our Software Limited	Citywide Payroll System	\$43,240	\$27,007	\$16,233
McKenna Associates, Inc.	Comp./Sewer Dev. Plans	152,500	5,963	146,537
Chicago Title Ins. Company	YMCA/Sinclair Land Purchase	300,000	0	300,000
Statewide Ford	Police Vehicles	46,000	0	46,000
Montgomery County TID	I-70/State Routes 202, 201	772,088	426,212	345,876
Wilcon Corporation	YMCA Roadway	92,136	70,066	22,070
Kinzelman and Kline	I-70 Landscape Design	79,050	16,489	62,561
M-E Companies	New Carlisle Pike at St. Rte. 4	65,000	48,170	16,830
DLZ Ohio, Inc.	Troy/Brandt Signalization	106,000	89,498	16,502
Wagner Smith Company	Brandt VI	79,480	35,016	44,464
Scarffs Nursery	Brandt VI	55,000	49,734	5,266
Burgess and Niple	Treatment Plant Design/Mgmt.	1,186,163	818,113	368,050
Squires, Sanders, Dempsey	Treatment Plant Design	59,150	0	59,150
Peterson Construction	Treatment Plant Construction	7,625,000	3,601,046	4,023,954
Boone Water Systems, Inc.	Well #3 Treatment Plant	149,900	121,873	28,027
Star Ex, Inc.	Sewer Lining	53,000	45,627	7,373
R.B. Jergens Contractors	Chambersburg Road	44,557	0	44,557
Montgomery Cty Engineer	Powell Road at Six Mile Creek	57,500	0	57,500
Totals		<u>\$10,965,764</u>	<u>\$5,354,814</u>	<u>\$5,610,950</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 12 - RISK MANAGEMENT

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.

The City pays an annual premium to Wickert Insurance Services for coverage through St. Paul/CNA. The types of coverage and the deductibles per occurrence are as follows:

<u>Type of Coverage</u>	<u>Limit</u>	<u>Deductible</u>
Law Enforcement Liability – Per Claim/Aggregate	\$1,000,000	\$25,000
Public Official – Per Claim/Aggregate	1,000,000	10,000
Employment Practices – Per Claim/Aggregate	1,000,000	15,000
 <u>Automobile:</u>		
Automobile Liability – Any Auto – Medical Payments	5,000	0
Automobile Physical Damage – Collision, etc.	Actual cash value on all vehicles	1,000
Automobile Liability – Per Accident	1,000,000	5,000
 <u>Property:</u>		
Blanket Building/Contents/Boiler and Machinery	13,640,600	2,500
Water/Sewer Property and Boiler	65,279,600	5,000
Earthquake and Flood – General	10,000,000	50,000
Flood – Certain Areas	1,000,000	250,000
Property Insurance – Water Department	55,630	5,000
Radio Tower	10,000	2,500
Inland Marine	609,000	2,500
 <u>General Liability:</u>		
Health Care Professional (EMT) – Each Occurrence and Aggregate	1,000,000	2,500
Fire Damage – Any One Fire	100,000	0
Personal Injury	1,000,000	0
General Aggregate	2,000,000	0
Products	2,000,000	0
 <u>Excess Liability:</u>		
Umbrella Liability – Per Event/Aggregate	3,000,000	10,000
Self-Insured Retention	10,000	0

Buildings and personal property are written/insured on a replacement cost basis. Physical damage on other property is insured by the City up to actual cash value of the scheduled property less the deductible listed for the class of property for each accident and location. All property risks, which include physical damage coverage on specialized-use vehicles (fire trucks and emergency vehicles), are fully insured through the City's private insurance carrier.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 12 - RISK MANAGEMENT (Continued)

Settled claims have not exceeded this coverage in any of the past three years. There has been no material change in this coverage from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 13 - LONG-TERM OBLIGATIONS

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2005 follows:

	Balance at 12/31/04	Increases	Decreases	Balance at 12/31/05	Amounts Due in One Year
Special Assessment Bonds with Government Commitment:					
1991 - 6.70%					
Old Troy Pike Phase II	\$235,000	\$0	\$25,000	\$210,000	\$30,000
1993 - 4.70%					
Taylorsville Road	245,000	0	55,000	190,000	60,000
1995 - 5.75%					
Brandt Pike Phase IV	850,000	0	55,000	795,000	60,000
1995 - 5.80%					
Shull Road East and West	685,000	0	45,000	640,000	45,000
1996 - 5.70%					
Troy III	202,844	0	11,932	190,912	11,932
1996 - 5.70%					
North West Expansion	137,155	0	8,068	129,087	8,068
1997 - 5.45%					
Brandt Pike Phase V	350,000	0	20,000	330,000	20,000
1998 - 4.88% - 4.95%					
Old Troy Pike Phase IV	530,000	0	25,000	505,000	30,000
1999 - 5.30% - 5.38%					
Old Troy Pike Phase V	246,545	0	12,431	234,114	12,431
1999 - 5.30% - 5.38%					
Executive Boulevard Phase I	348,456	0	17,569	330,887	17,569
2000 - 5.63% - 5.65%					
I-70 Business Park Phase II	660,000	0	25,000	635,000	30,000
2001 - 3.5% - 4.95%					
Huber East Water Main (Various Purpose Bonds - Series 2001A)	135,000	0	5,000	130,000	5,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/04	Increases	Decreases	Balance at 12/31/05	Amounts Due in One Year
2001 – 3.5% - 4.95%					
Executive Boulevard Phase III (Various Purpose Bonds - Series 2001A)	\$980,000	\$0	\$40,000	\$940,000	\$40,000
2001 – 3.5% - 4.95%					
Troy VI (Various Purpose Bonds – Series 2001A)	620,000	0	25,000	595,000	25,000
2001 – 3.5% - 4.95%					
Aaron Lane (Various Purpose Bonds – Series 2001 A)	191,000	0	7,000	184,000	7,000
2001 – 3.5% - 4.95%					
Stoney Creek (Various Purpose Bonds – Series 2001A)	42,000	0	1,000	41,000	1,000
2001 – 3.5% - 4.95%					
Lexington Place (Various Purpose Bonds – Series 2001A)	<u>57,000</u>	<u>0</u>	<u>2,000</u>	<u>55,000</u>	<u>2,000</u>
TOTAL – Special Assessment Bonds Payable	<u>6,515,000</u>	<u>0</u>	<u>380,000</u>	<u>6,135,000</u>	<u>405,000</u>
 Voted General Obligation Bond:					
2001 – 2.90% - 4.25%					
Refunding Bonds, Series 2001B, Police Facility	<u>1,195,000</u>	<u>0</u>	<u>155,000</u>	<u>1,040,000</u>	<u>160,000</u>
 Unvoted General Obligation Bonds:					
1991 – 6.63%					
Water Tank	280,000	0	35,000	245,000	35,000
1993 – 5.35%					
Fire Station Renovation	1,680,000	0	85,000	1,595,000	90,000
1995 – 5.80%					
Municipal Pool	15,000	0	15,000	0	0
1997 - 5.10% - 5.25%					
Street Improvement	1,410,000	0	110,000	1,300,000	115,000
1997 - 4.15% - 5.40%					
Court Bonds	1,300,000	0	70,000	1,230,000	80,000
2001 – 2.90% - 4.95%					
Various Purpose, Series 2001A	1,790,000	0	370,000	1,420,000	385,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/04	Increases	Decreases	Balance at 12/31/05	Amounts Due in One Year
Amortization of Premium	\$11,453	\$0	\$2,259	\$9,194	\$0
Amortization of Accounting Loss	<u>(30,345)</u>	<u>4,335</u>	<u>0</u>	<u>(26,010)</u>	<u>0</u>
TOTAL - Unvoted General Obligation Bonds Payable	<u>6,456,108</u>	<u>4,335</u>	<u>687,259</u>	<u>5,773,184</u>	<u>705,000</u>
TOTAL – General Obligation Bonds Payable	<u>7,651,108</u>	<u>4,335</u>	<u>842,259</u>	<u>6,813,184</u>	<u>865,000</u>
Compensated Absences Payable	<u>1,277,998</u>	<u>558,762</u>	<u>607,983</u>	<u>1,228,777</u>	<u>543,781</u>
Notes Payable:					
2004 – 2.00% - General Obligation					
Utility Improvement	1,838,000	0	1,838,000	0	0
2004 – 1.30% - Special Assessment					
Brandt Pike Phase VI	1,500,000	0	1,500,000	0	0
2004 – 2.00% - Special Assessment					
Street Improvement	7,449,000	0	7,449,000	0	0
2005 – 3.25% - General Obligation					
Utility Improvement	0	1,248,000	0	1,248,000	0
2005 – 3.25% - Special Assessment					
Street Improvement	0	7,497,000	0	7,497,000	0
2005 – 3.25% - Special Assessment					
Brandt Pike Phase VI	<u>0</u>	<u>1,155,000</u>	<u>0</u>	<u>1,155,000</u>	<u>0</u>
TOTAL – Notes Payable	<u>10,787,000</u>	<u>9,900,000</u>	<u>10,787,000</u>	<u>9,900,000</u>	<u>0</u>

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/04	Increases	Decreases	Balance at 12/31/05	Amounts Due in One Year
Equipment/Vehicle Loans:					
1997 - 4.95%					
Vehicle Loan	\$143,779	\$0	\$54,680	\$89,099	\$57,755
2001 – 4.60%					
Tub Grinder Loan	122,568	0	25,113	97,455	26,281
2002 – 3.98%					
Equipment and Vehicles	62,563	0	62,563	0	0
2003 – 3.50%					
Telephone System	<u>175,063</u>	<u>0</u>	<u>25,010</u>	<u>150,053</u>	<u>30,446</u>
TOTAL - Equipment/Vehicle Loans	<u>503,973</u>	<u>0</u>	<u>167,366</u>	<u>336,607</u>	<u>114,482</u>
TOTAL – Governmental Activities	<u>\$26,735,079</u>	<u>\$10,463,097</u>	<u>\$12,784,608</u>	<u>\$24,413,568</u>	<u>\$1,928,263</u>

The following table discloses the original issue amounts for the debt issued before 2005:

Issue	Amount
Special Assessment Bonds:	
1991 Old Troy Pike Phase II	\$460,000
1993 Taylorsville Road	706,400
1995 Brandt Pike Phase IV	1,222,000
1995 Shull Road East and West	982,000
1996 Troy III	281,000
1996 North West Expansion	190,000
1997 Brandt Pike Phase V	461,000
1998 Old Troy Pike Phase IV	665,000
1999 Old Troy Pike Phase V	300,411
1999 Executive Boulevard	424,589
2000 I-70 Business Park Phase II	750,000
2001 Huber East Water Main	150,000
2001 Executive Boulevard Phase III	1,085,000
2001 Troy VI	685,000
2001 Aaron Lane	212,000
2001 Stoney Creek	45,000
2001 Lexington Place	63,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Issue	Amount
Voted General Obligation Bond:	
2001 Refunding Bonds, Series 2001B, Police Facility	\$1,755,000
Unvoted General Obligation Bonds:	
1991 Water Tank	555,000
1993 Fire Station Renovation	2,350,000
1995 Municipal Pool	127,000
1997 Street Improvement	2,045,000
1997 Court Bonds	1,625,000
2001 Various Purpose, Series 2001A	2,965,000
Notes Payable:	
2003 General Obligation Utility Improvement	1,802,000
2004 General Obligation Utility Improvement	1,838,000
2003 Special Assessment Street Improvement	7,308,000
2004 Special Assessment Street Improvement	7,449,000
2004 Special Assessment Brandt Pike Phase VI	1,500,000
Equipment/Vehicle Loans:	
1997 Vehicle Loan	461,215
2001 Tub Grinder Loan	202,000
2002 Equipment and Vehicles	341,364
2003 Telephone System	217,333

During 2005, the City issued \$1,248,000 and \$7,497,000, in notes for the second renewal of the general obligation utility improvement project and the special assessment street improvement project for Benchrock. The notes will be paid with a combination of cash and bond proceeds when the projects are bonded. The special assessment street improvement project was a 100% petitioned special assessment project. The City passed an ordinance to assess during November 2004, with collection beginning in December 2008.

The Brandt Pike Phase VI notes are bond anticipation notes and will be paid off with bonds issued during 2006. The note proceeds were used to widen a portion of Brandt Pike north of the I-70 interchange. The total project cost was estimated to be \$1,646,635 of which \$750,000 was funded from Issue II. \$155,000 came from county license fees, and another \$62,000 came from the Ohio Department of Transportation for repaving. The project should be completed in 2006.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

The Various Purpose Bonds, Series 2001A consists of \$4,300,000 in serial bonds and \$905,000 in term bonds. The term bonds maturing on December 1, 2021, will be subject to mandatory sinking fund redemption as follows:

<u>Year</u>	<u>Amount to be Redeemed</u>
2016	\$135,000
2017	140,000
2018	145,000
2019	150,000
2020	165,000

The remaining \$170,000 will mature at stated maturity on December 1, 2021.

The Refunding Bonds, Series 2001B consists of \$1,770,000 in serial bonds.

The special assessment bond issues will be paid through the Special Assessment Bond Retirement Debt Service Fund. The bond issues will be paid with special assessment revenue. They are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

All voted and unvoted general obligation bond issues will be paid through the General Obligation Bond Retirement Debt Service Fund with property tax revenues and transfers from the General Fund and other governmental funds (special revenue funds - Local Street Operating, Parks and Recreation, State Highway, and Street Maintenance and Repair, and Fire Capital Equipment Capital Projects Fund). These transfers are based at least in part on municipal income and property tax revenues.

The compensated absences payable will be paid from the General, Fire, Police, Local Street Operating, Parks and Recreation, and Street Maintenance and Repair Funds. The notes are bond anticipation notes and will be paid off with notes issued during 2006. The \$1,248,000 in utility improvement notes relate to the Brandt Pike and Old Troy Pike water and sewer extensions. The water portion was fully paid with cash in early 2005 before the second renewal, while the sewer portion is still outstanding. The balance will be rolled over in 2006 and then bonded after completion of the project. The special assessment street improvement notes are for Benchrock Parkway. Based upon the assessment agreement with the Kendall Group the assessments will not be implemented for three more years, or five in total. This results in the renewal of the note principal and accrued interest annually until the assessments are placed on the property taxes. The equipment/vehicle loans will be paid from the General, Fire, Police, Local Street Operating, Parks and Recreation, Street Maintenance and Repair, and Fire Capital Equipment Funds.

On February 9, 2004, the City obtained a loan agreement with the Ohio Department of Transportation for a State Infrastructure Bank (SIB) Loan in the amount of \$2,059,000. These monies will finance the reconstruction of the I-70/State Route 202 interchange. Just as the I-70/State Route 201 SIB loan described below, closing on the loan does not commence until the first drawdown of SIB funds. The local loan portion is drawn down last after federal and State sources. The loan has an interest rate for the first year of 0%, commencing at closing. For the next nine years, the interest rate is 3%. As of December 31, 2005, the City has not borrowed on this line of credit. This loan, along with the 2005 loan described below, is secured by tax increment financing (TIF) revenues. If there is any shortfall in SIB loan repayments, the City has pledged non-tax revenues, including the local government fund, to make up the difference. The landscaping portion of the project totals \$1,559,000, whereas the local share of the construction cost totals \$500,000 for the road infrastructure.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

On June 22, 2005, the City obtained a loan agreement with the Ohio Department of Transportation for a State Infrastructure Bank Loan in the amount of \$1,550,515. These monies will finance the reconstruction of the I-70/State Route 201 interchange. The loan has an interest rate for the first year of 0%. For the next nine years, the interest rate is 3%. As of December 31, 2005, the City has not borrowed on this line of credit. Closing on the loan is expected approximately January 1, 2008. From the 13th month to the 24th month, interest due on the loan will be funded with SIB loan proceeds. This capitalized interest amount will be used by ODOT to prepay at closing all interest due on the loan for months 13 through 24. The City will begin making principal and interest payments on the 31st month after the first drawdown of SIB funds and every six months thereafter through the term of the loan. For the last payment, the City will have a balloon payment of approximately \$550,000 in principal, at which time tax increment financing revenue bonds are anticipated to be sold.

Changes in the long-term obligations reported in business-type activities of the City during 2005 were as follows:

	Balance at 12/31/04	Increases	Decreases	Balance at 12/31/05	Amounts Due in One Year
Revenue Bonds Payable:					
Various - 1995 Water Acquisition and Upgrade Serial Bonds – 3.75–5.55% Original Issue of Capital Appreciation Bonds - 5.9–6.2% Accretion on Capital Appreciation Bonds	\$4,580,000	\$0	\$4,580,000	\$0	\$0
	4,225,517	0	0	4,225,517	0
	3,320,329	450,550	0	3,770,879	0
Total – 1995 Water Acquisition and Upgrade Bonds	12,125,846	450,550	4,580,000	7,996,396	0
Various - 2005 Water Acquisition and Upgrade Serial Refunding Bonds – 3.50-5.00%	0	3,945,000	0	3,945,000	680,000
Various - 2005 Water Improvement Serial Bonds - 3.50–5.00%	0	3,280,000	0	3,280,000	225,000
Total - 2005 Water Acquisition and Upgrade Serial Refunding and Improvement Bonds – 3.50–5.00%	0	7,225,000	0	7,225,000	905,000
Various - 2005 Water Improvement Term Bonds – 3.50–5.00%	0	7,840,000	0	7,840,000	0
2005 Water Revenue Bonds	0	15,065,000	0	15,065,000	905,000
Amortization of Premium	0	240,518	8,017	232,501	0
Amortization of Accounting Gain	0	193,333	6,444	186,889	0
Total – 2005 Water Revenue Bonds	0	15,498,851	14,461	15,484,390	905,000
TOTAL – Water Revenue Bonds	12,125,846	15,949,401	4,594,461	23,480,786	905,000
OWDA Loan Payable:					
3.85% - 1995 Sewer OWDA Loan	4,473,566	0	333,655	4,139,911	346,625

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/04	Increases	Decreases	Balance at 12/31/05	Amounts Due in One Year
Long-Term Loans:					
2002 – Equipment and Vehicles					
Loan 3.98%	\$59,482	\$0	\$25,346	\$34,136	\$23,304
2003 – Telephone System					
Loan 3.50%	12,009	0	2,018	9,991	2,089
TOTAL - Long-Term Loans	<u>71,491</u>	<u>0</u>	<u>27,364</u>	<u>44,127</u>	<u>25,393</u>
TOTAL - Enterprise Funds	<u>\$16,670,903</u>	<u>\$15,949,401</u>	<u>\$4,955,480</u>	<u>\$27,664,824</u>	<u>\$1,277,018</u>

On November 1, 2005, the City issued \$11,120,000 for Water System Improvement and \$3,945,000 Refunding Revenue Bonds, Series 2005. The \$11,120,000 Water System Improvement Bonds are made up of \$3,280,000 serial bonds and \$7,840,000 term bonds. The Refunding Revenue Bonds, Series 2005, were used to retire a portion of the 1995 water revenue bonds, of which \$12,125,846 was outstanding. Of this amount, \$4,580,000 represents serial bonds, \$4,225,517 represents original issue capital appreciation bonds, and \$3,320,329 represents accretion on capital appreciation bonds. Only the serial bonds were refunded. Of the \$4,580,000 serial bonds, the City paid \$625,000 in principal on December 1 as originally scheduled, while the remaining \$3,955,000 was paid with proceeds from the 2005 Refunding Revenue Bonds. The \$11,120,000 for Water System Improvement bonds were used to pay the \$1,723,000 and \$8,665,000 Rip Rap Road Wastewater Treatment Plant Notes. The new bonds have interest rates varying from 3.50% to 5.00%, and the proceeds are being used to build an addition to the plant to increase water treatment capacity. An analysis of the current refunding follows:

Serial bonds outstanding at 12/31/04	\$4,580,000
Call Premium	<u>79,100</u>
Amount paid to bond holders	<u>\$4,659,100</u>

The current refunding resulted in a difference between the net carrying amount of the old debt and the acquisition price of \$10,000. This difference, reported in the financial statements as an increase to bonds payable, will be charged to operations through the year 2010 using the straight line method. The City decreased its total debt service payments by \$76,455 as a result of the current refunding. The City also incurred an economic gain (difference between the present values of the new and old debt service payments) of \$193,333.

The City receipted \$13,315,078 of the 2005 Revenue/Refunding Bonds into the Water Fund, with the remaining \$1,749,922 of the \$15,065,000 principal amount receipted into the General Obligation Bond Retirement Fund to pay the principal and interest on the 2004 short-term note. The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The original issue amount for the 1995 Revenue Bonds was \$12,495,517. Of the original issue amount, \$8,270,000 was serial bonds, while \$4,225,517 was capital appreciation bonds. Capital appreciation bonds will mature in the years 2011 through 2025, and the principal amounts on these dates will bear interest compounded semiannually on June 1 and December 1 of each year beginning in 1996; at the compounding rates per year. The maturity amount of the capital appreciation bonds is \$16,875,000.

The City covenants that it will at all times prescribe and charge such water rates and restrict operating and maintenance expenses so net revenue (including non-operating revenues and transfers) available for debt service will be no less than 115% of the aggregate amount of principal and interest requirements on the bonds during such year.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

The OWDA loans payable represents amounts borrowed from the Ohio Water Development Authority for the acquisition of the sewer system, part of the Sewer Enterprise Fund. The loans will be paid from Sewer Enterprise Fund revenue. The original issue amount was \$6,908,108.

During 2002, the City issued an equipment and vehicles loan in the amount of \$127,000. The loan will be paid from the Stormwater Fund revenue. During 2003, the City issued a telephone system loan of which the utility portion is in the amount of \$14,910. The loan will be paid from the Water Fund revenue.

As of December 31, 2005, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$57,336,361 and the unvoted legal debt margin was \$26,582,940.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2005, were as follows:

Year	Governmental Activities					
	Special Assessment Bonds		General Obligation Bonds		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$405,000	\$321,518	\$865,000	\$327,929	\$114,482	\$11,934
2007	435,000	300,787	880,000	292,003	94,763	6,959
2008	455,000	278,470	920,000	253,661	61,397	4,303
2009	405,000	254,880	610,000	212,634	48,645	1,824
2010	430,000	233,375	645,000	183,006	17,320	300
2011-2015	2,375,000	808,907	2,125,000	496,440	0	0
2016-2020	1,460,000	251,943	785,000	76,878	0	0
2021-2023	170,000	8,415	0	0	0	0
Totals	<u>\$6,135,000</u>	<u>\$2,458,295</u>	<u>\$6,830,000</u>	<u>\$1,842,551</u>	<u>\$336,607</u>	<u>\$25,320</u>

Year	Business-Type Activities					
	Revenue Bonds		OWDA Loans		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$905,000	\$801,533	\$346,625	\$156,082	\$25,393	\$1,505
2007	1,020,000	679,044	360,098	142,609	12,994	495
2008	1,065,000	638,244	374,095	128,611	2,237	180
2009	1,115,000	584,994	388,637	114,070	2,316	102
2010	1,170,000	529,244	403,743	98,964	1,187	20
2011-2015	6,250,000	2,258,919	2,266,713	246,823	0	0
2016-2020	6,450,000	2,056,919	0	0	0	0
2021-2025	6,600,000	1,905,000	0	0	0	0
2026-2030	7,365,000	1,141,000	0	0	0	0
Totals	<u>\$31,940,000</u>	<u>\$10,594,897</u>	<u>\$4,139,911</u>	<u>\$887,159</u>	<u>\$44,127</u>	<u>\$2,302</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

The City issued industrial development revenue bonds (IDRB) during 1999 for the acquisition of land, construction of a manufacturing facility, and acquisition of capital equipment used by a private corporation. The principal amount outstanding on the bonds at December 31, 2005, was \$8,000,000. The maturity date of the bonds is August 1, 2019. The bonds do not constitute a debt or pledge of the faith and credit of the City and will not be secured by an obligation or pledge of any moneys raised by taxation. The City is not obligated in any way to pay debt charges on the bond from any of its funds, and therefore it has been excluded entirely from the City's debt presentation. There has not been and there is not any condition of default under the bond or the related financing documents.

The City issued an IDRB in 1994 with the principal amount of \$1,420,000 outstanding at December 31, 2005. The proceeds of the bond do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment.

NOTE 14 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2005, follows:

	Balance at 12/31/04	Increases	Decreases	Balance at 12/31/05
<u>Fund Type/Fund/Issue</u>				
Notes Payable:				
Governmental Activities:				
Capital Projects Funds:				
Capital Improvement Fund				
General Obligation				
2.50% - Real Estate Acquisition	\$1,885,000	\$0	\$1,885,000	\$0
3.21% - Real Estate Acquisition	0	1,905,000	0	1,905,000
Issue II Fund				
Special Assessment				
2.25% - Old Troy Pike Phase VII	360,000	0	360,000	0
Total Governmental Activities	2,245,000	1,905,000	2,245,000	1,905,000
Business-Type Activities:				
Water Fund				
1.50% - Rip Rap Road Wastewater Treatment Plant	1,705,000	0	1,705,000	0
2.50% - Rip Rap Road Wastewater Treatment Plant	0	1,723,000	1,723,000	0
3.25% - Rip Rap Road Wastewater Treatment Plant	0	8,665,000	8,665,000	0
Total Business-Type Activities	1,705,000	10,388,000	12,093,000	0
Total Notes Payable	\$3,950,000	\$12,293,000	\$14,338,000	\$1,905,000

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 14 - SHORT-TERM OBLIGATIONS (Continued)

The governmental activities notes are bond anticipation notes and will be renewed with notes issued during 2006. The real estate acquisition notes were used to purchase land from Anderson. Per a development agreement with Kendall Group, a portion of the land will be purchased by the Kendall Group. When the Kendall Group purchases the land, a portion of the notes will be paid off using the proceeds. The remainder of the ground is the site of the new YMCA. This portion will be funded with long-term bonds in 2008. The original issue amount was \$1,852,000 in 2003. For the 2005 renewal, the City paid \$33,000 toward the principal after financing the interest cost. See Note 20 for information regarding the Sinclair Community College industrial development revenue bond financing and how this debt issuance involves the real estate acquisition notes. The Old Troy Pike Phase VII notes are bond anticipation notes and will be paid off with long-term bonds issued during 2005. The original issue amount in 2003 was \$1,200,000.

The Water Enterprise Fund issued a short-term note on August 19, 2004, with maturity due March 17, 2005. The note was renewed on March 16, 2005 and matured on November 1, 2005. On April 22, 2005, the City issued the third note for this project, maturing on November 1, 2005, with a premium of \$27,815. These notes were paid off with long-term water revenue bonds issued in 2005. The project is expected to be completed in June 2006. The monies will be used primarily for the Rip Rap Road Wastewater Treatment Plant upgrade to increase water treatment capacity. A portion of the 2005 revenue bonds were also used to refund the 1995 water revenue serial bonds.

NOTE 15 - INTERFUND ASSETS/LIABILITIES

The General Fund had interfund receivables at December 31, 2005, of \$1,881,225, while the Police Fund had interfund receivables of \$595, for a total of \$1,881,820. The Capital Improvement Fund had interfund payables of \$1,473,600. The other governmental funds had interfund payables of \$408,220. The loans were made to cover capital outlay and operations costs that will eventually be covered by reimbursable grants and to repay the Police Fund for expenditures made on behalf of the Drug Law Enforcement Fund. The General Fund had interfund receivables of \$726,000 that are not expected to be received until 2007 or later. Of this, \$550,000 is recorded as an interfund payable in the Capital Improvement Fund, \$76,000 is recorded in the Issue II Capital Projects Fund, and \$100,000 is recorded in the Economic Development/Government Equity Improvement Capital Projects Fund.

		Transfers From				
		General	Fire	Capital Improve- Ment	Other Govern- mental	Total
Transfers To	General	\$0	\$0	\$34,291	\$9	\$34,300
	Fire	3,600,000	0	0	0	3,600,000
	Police	1,500,000	0	0	0	1,500,000
	Special					
	Assessment					
	Bond					
	Retirement	28,000	0	145,017	241,886	414,903
	Capital					
	Improvement	180,000	0	0	55,139	235,139
	Other					
Governmental	325,000	4,567	51,987	1,087,307	1,468,861	
Total	<u>\$5,633,000</u>	<u>\$4,567</u>	<u>\$231,295</u>	<u>\$1,384,341</u>	<u>\$7,253,203</u>	

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 15 - INTERFUND ASSETS/LIABILITIES (Continued)

The Sewer and Water Funds also made transfers to the General Fund for \$8,355 and \$13,632, respectively, bringing total transfers to the General Fund to \$56,287. The Sewer Fund transferred to the General Obligation Bond Retirement Debt Service Fund \$112,000, bringing total transfers from the Sewer Fund to \$120,355. The Water Fund transferred to the General Obligation Bond Retirement Debt Service Fund \$53,550, bringing total transfers from the Water Fund to \$67,182 and total transfers to the other governmental funds to \$1,634,411, including the Sewer Fund transfer. Total transfers equaled \$7,448,451. The Stormwater Fund transferred capital assets valued at \$7,711 to the Police Fund. This particular transfer is reported only on the accrual basis of accounting. Transfers are used to move monies for capital acquisitions, repairs, and equipment. They are also used for debt service obligations. The remaining transfers are used to subsidize various programs in the funds.

NOTE 16 - JOINT VENTURES

Prior to June of 1996, the Miami Conservancy District provided the Cities of Huber Heights, Vandalia, and Tipp City with wastewater treatment services. The Miami Conservancy District expressed the intent to no longer provide these services to the cities and gave them the option to acquire and operate the facility. In order to do so, the three cities established the Tri-Cities North Regional Wastewater Authority (Tri-Cities). In June of 1996, the Miami Conservancy District deeded the wastewater facility and all of the assets associated with the facility to the joint venture at no cost to the joint venture.

Tri-Cities is a joint venture among the Cities of Huber Heights, Vandalia, and Tipp City. Tri-Cities is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Tri-Cities supplies all participating residents of the member cities with sewer services. Each City owns the sewage lines located in its city and bills its residents for usage. Continued existence of Tri-Cities is dependent on the City's continued participation. The percentage of equity interest in the joint venture for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$13,051,939 which represents 53.45% of the total equity in Tri-Cities. Tri-Cities is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Huber Heights was party to several transactions during 2005 involving Tri-Cities for services provided to the City by Tri-Cities. The amount for services provided to the City was \$1,749,296.

Complete financial statements can be obtained from the fiscal agent by writing to Tri-Cities North Regional Wastewater Authority, c/o The City of Vandalia, 333 J. E. Bohanan Drive, Vandalia, Ohio 45377.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 16 - JOINT VENTURES (Continued)

On January 22, 2001, the City entered into a contract for the creation of a Joint Economic Development District (JEDD) with the Township of Bethel and Clark County, Ohio. The contract was entered into under the authority of Ohio Revised Code Section 715.72. The JEDD was established for the purpose of cooperative regional development and job creation, along with growth in commercial and industrial development. The JEDD will permit the three jurisdictions to share tax revenues from the development of property without the need of annexation. The City will provide fire, police, rescue, zoning and building services, and marketing for the site. Clark County will provide water and sewer services. The 41 acres located in Bethel Township, along with a contiguous 17 acre parcel located within the City along State Route 235 are available for use. The contract will terminate on December 31, 2104, and can be renewed for three additional 25-year periods. Upon contract termination, all assets and liabilities of the JEDD will be divided equally between the three parties. The Board of Directors is made up of six individuals: one from each of the three participants; a representative of business existing within the JEDD; a representative of employees of businesses within the JEDD; and a representative appointed by the other five representatives whose term will rotate between a City resident and a township resident. Several international companies have expressed interest in the site. The JEDD results from a contractual arrangement and is governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial responsibility. The City has an equity interest since the contract stipulates the City will have claim to the net resources of JEDD, as set forth in the contract. Since the JEDD has had no financial activity since its inception in 2003, the City's equity interest at December 31, 2005, is \$0. Additional information can be obtained from Christopher Berger, Interim Planning and Development Manager, at 6131 Taylorsville Road, Huber Heights, Ohio 45424-2951.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami, and Montgomery Counties, and various cities residing within these counties, including the City of Huber Heights. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region.

These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives.

Payments to the Commission are made from the General Fund. The City contributed \$35,205 during 2005. Financial information can be obtained from P. Michael Robinette, Executive Director, at 40 West Fourth Street, Dayton, Ohio 45402.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers, and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the Fire Fund. The City contributed \$9,162 for the operation of the Alliance during 2005. Financial information can be obtained from Mike Caudill, Director, at 444 West Third Street, Suite 13-204, Dayton, Ohio 45402.

The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships, and cities within Montgomery County, and Montgomery County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County.

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2010. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City contributed \$13,996 for the operation of ED/GE during 2005. Financial information can be obtained from Linda Gum, Administrative Assistant, at 451 West Third Street, Dayton, Ohio 45422.

The Northern Miami Valley Local Government Association (NMVLGA) is a jointly governed organization between the following cities and villages: Huber Heights, Vandalia, Sidney, Troy, Tipp City, New Carlisle, West Milton, Brookville, Yellow Springs, Springfield, Piqua, Covington, Anna, Botkins, Fort Loramie, Jackson Center, Fairborn, Clayton, Riverside, and Springfield. The NMVLGA is a regional council of governments. The purpose of the NMVLGA is to foster cooperation among municipalities. Areas of cooperation may include, to the extent the participating municipality elects to participate, joint purchasing, joint personnel training, sharing information, sharing equipment, joint testing for hiring, contracting with consultants, and joint negotiation and administration of cable television franchises, along with other functions allowed by law and mutually agreed upon. The Board of the NMVLGA is made up of one representative from each municipality. Payments to the NMVLGA are made from the General Fund. The City contributed \$2,680 for the operation of the NMVLGA for 2005. Financial information can be obtained by writing to the NMVLGA, at Miami County, 260 South Garber Drive, Post Office Box 188, Tipp City, Ohio 45371.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

The Regional Emergency Response Team (RERT) is a jointly governed organization between the following cities: Huber Heights, Vandalia, Fairborn, and Beavercreek. The organization was created through an agreement by the cities to establish a regional council of governments for the RERT. The regional council of governments collects and expends resources to assist the RERT in fighting crime and for other related activities. The purpose of the RERT is to foster cooperation among municipalities through sharing of equipment/facilities/collective team expenses, team consultant expenses and grant sharing costs, for their common benefit. This includes the mutual interchange and sharing of police equipment, as well as police equipment to be jointly acquired and owned, to be utilized by all participating members. The Board of the RERT is made up of one representative from each municipality. Payments to the RERT are made from the Police Fund. The City contributed \$5,000 for the operation of the RERT for 2005. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o The City of Beavercreek, Terry Klein, Finance Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

The First Suburbs Consortium of Dayton, Ohio Council of Governments (First Suburbs Consortium) is a jointly governed organization between the following cities and Harrison Township: Centerville, Clayton, Huber Heights, Kettering, Miamisburg, Moraine, Oakwood, Trotwood, Vandalia, and West Carrollton. The organization was created through an agreement by the governments to establish a regional council of governments. The purpose of the First Suburbs Consortium is to provide organizational status to cooperative efforts between member communities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development. The mission is to initiate and promote public policies and practices that maintain the vitality of communities, protects and redevelops mature communities, and fosters regional cooperation. The First Suburbs Consortium advocates: public policies that do not create disposable communities; balanced investments in new and existing infrastructure; maintenance and enhancement of the tax base; and creation of redevelopment opportunities. The Board of the First Suburbs Consortium is made up of two representatives from each government. Payments to the First Suburbs Consortium are made from the General Fund. The City contributed \$100 to join the First Suburbs Consortium and another \$250 for the 2005 annual membership fee, paid in early 2006, for a total of \$350. Financial information can be obtained from the fiscal agent by writing to the First Suburbs Consortium, c/o The City of Riverside, James Onello, Treasurer, at 1791 Harshman Road, Riverside, Ohio 45424.

The Community Improvement Corporation of Huber Heights (CIC) is a jointly governed organization created as a not for profit corporation under Chapter 1724 of the Ohio Revised Code. The CIC is governed by a nine-member Board of Trustees, four of which are appointed by City Council among Council members. The other five members are volunteer citizens. The organization is designated by the City as its agency for the purpose of industrial, commercial, distribution and research development. The City entered into an agreement with the CIC to further development, which will create or preserve jobs and improve the economic welfare of citizens. No payments are made to the CIC by the City. Financial information can be obtained by writing to the CIC, c/o The City of Huber Heights, Gary Swords, Treasurer, at 6131 Taylorsville Road, Huber Heights, Ohio 45424.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS

The City implemented GASB Statement No. 40, Deposit and Investment Risk Disclosures.” This statement substantially modifies and expands the extent of risk disclosure required for deposits and investments. The statement establishes disclosure requirements for investment credit risk, interest rate risk and foreign currency risk. It also establishes disclosure requirements for deposit custodial credit risk and foreign currency risk. See Note 5 for the new disclosures.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS (Continued)

For 2005, the City has early implemented GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section.” This Statement amends the portions of NCGA Statement No. 1, “Governmental Accounting and Financial Reporting Principles,” that guide the preparation of the statistical section. GASB Statement No. 34 information is now required to be included in the statistical section. There is also additional explanation now of the nature of the information that the statistical section is to contain so that the information is now more useful and comparable. Other governmental entities, such as colleges and universities, now have guidance on how to adapt the requirements to their circumstances. The provisions of this Statement are effective for statistical sections prepared for periods beginning after June 15, 2005.

The City has early implemented GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation.” This statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government, such as citizens, public interest groups, or the judiciary, can compel a government to honor. The statement states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. This statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Finally, this statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. This statement had no effect on the City’s financial statements.

The City has implemented GASB Technical Bulletin 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers.” This technical bulletin requires governments to recognize pension expenditures/expenses in the period to which a payment relates even if the payment is not due until the next fiscal period. This technical bulletin had the following effect on fund balances of the major and nonmajor funds of the City as they were previously reported:

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Nonmajor</u>
Fund Balances, December 31, 2004	\$5,592,127	\$1,811,384	\$2,755,095	\$6,035,731
GASB Technical Bulletin 2004-2	<u>(82,294)</u>	<u>(233,411)</u>	<u>(203,791)</u>	<u>(37,173)</u>
Adjusted Fund Balance, December 31, 2004	<u>\$5,509,833</u>	<u>\$1,577,973</u>	<u>\$2,551,304</u>	<u>\$5,998,558</u>

NOTE 19 - CONTINGENT LIABILITIES

Litigation

The City is party to legal proceedings. The City is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the City.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 19 - CONTINGENT LIABILITIES (Continued)

Grants

For the period January 1, 2005 to December 31, 2005, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Lease Agreement

The City's utility contractor, Earth Tech, Inc., leases office space from Columbia Building Company. As part of the lease agreement, the City guarantees payment of the lease if Earth Tech, Inc. defaults. Also, if the City discontinues using Earth Tech, Inc., the City is liable for the lease payments. The lease agreement began January 1, 2005, for a nine-year period through December 31, 2013. Lease payments are due in monthly installments. There is a renewal option of two renewal terms of five years each at the end of 2013. The total lease payment is made up of a fixed minimum rent, common area maintenance, taxes, and insurance. The following table shows the total yearly lease payments:

<u>Year</u>	<u>Amount</u>
2006	\$40,030
2007	40,655
2008	41,280
2009	41,905
2010	42,530
2011-2013	<u>131,340</u>
Total	<u>\$337,740</u>

NOTE 20 - SUBSEQUENT EVENTS

On January 9, 2006, the City changed its non-union personnel manual policy regarding the employees' share of health, dental, and vision insurance for employees hired prior to January 1, 1995. Dental and vision insurance used to be offered to these employees at no charge if employed full-time. These are now included with health insurance for the employee to pay 5% of the monthly total premium up to the capped amount. Employees hired before January 1, 1995 were only paying 3% capped at \$15 per pay period. Now, these employees pay 5% of the cost, capped at \$15 per pay for 2006. For 2007, these employees still pay 5% of the monthly premium, but the cap was increased to \$20 per pay. For 2008, the cap was increased to \$40 per pay. Full-time employees hired after January 1, 1995 continue to pay 10% of the monthly premium for health, dental, and vision insurance.

The City issued an economic development revenue bond (EDRB) on February 1, 2006, with the principal amount of \$2,423,000, for Sinclair Community College's satellite campus. The proceeds were used to finance the total project cost of \$2,729,000. The Huber Heights Community Improvement Corporation (see Note 17) reviewed the YMCA project application and recommended by resolution that the City allow the debt issuance. The transaction occurred between the City and the YMCA, then the YMCA signed a loan agreement with Sinclair Community College.

On February 2, 2006, the City received its first draw of SIB loan proceeds, amounting to \$90,000.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 20 - SUBSEQUENT EVENTS (Continued)

On February 27, 2006, the City approved the AFSCME contract for the Streets Division for the period January 1, 2006 through December 31, 2008. The new contract eliminated the sick leave bank.

On March 15, 2006, the City renewed three notes. The Utility Improvement Bond Anticipation Notes used to extend sewer mains along sections of State Route 201 and State Route 202 were issued for \$1,057,000 which will mature on November 15, 2006. The interest rate on the notes is 4.00%. At maturity, the City plans on issuing bonds. The City also renewed Street Improvement Special Assessment Notes by issuing \$7,999,000 which will mature on March 15, 2007. The interest rate on the notes is 4.50%. The City renewed the Brandt Pike Phase VI Special Assessment Notes by issuing \$1,190,000. The notes, which mature on November 15, 2006, have an interest rate of 4.00%. At maturity, the City plans on issuing bonds.

The City authorized the following contractual commitments after December 31, 2005:

Company	Project	Amount
Jergens Bales	2005 Stormwater Management Program-Sec. 1 and 2	\$176,500
SBC Midwest	Engineering Conduit Placement-State Routes 201/202	16,800
Kap Signs	MDO Sign	5,000
Miller Brothers	Repair Stockbridge Drive Sanitary Sewer	25,000
K.E. Rose	Lightbars for Two Fire Vehicles	5,845
Alex Hynds	Consulting Services for Public Works	50,000
Star Ex	Sanitary Sewer-Montgomery Development Center	12,867
Statewide Ford	Three 2006 Police Cruisers	67,530
Peterson Construction	Rip Rap Road Wastewater Treatment Plant	100,000
Earth Tech, Inc.	Install New Water Meters	15,000
Wright Patterson AFB	Contribution to Fireworks Display	20,000
Kinzelman, Kline	I-70/St. Rt. 202 Landscape Enhancement Design Plans	20,000
A-1 Concrete	2006 Sidewalk Program-Section B	9,126
Dayton Power and Light	Replace Power Poles at Taylorsville Road	155,100
Jergens Bales	Two Sections of West Branch of Cloud Run	85,000
John R. Jurgensen	Repair Various Water Main Breaks	5,800
Earth Tech, Inc.	Install New Water Meters	8,671
Capital Electric Builders	Interconnection of Traffic Signals-Major Thoroughfares	845,000
Anthony DePillo	ROW Acquisition-Powell Road Realignment	12,000
Total		<u>\$1,635,239</u>

In addition, the City authorized nearly \$1.5 million in contracts for the 2006 street/sidewalk program, bringing total contractual commitments to nearly \$3.1 million.

Combining Financial Statements

Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Byrne Memorial Grant

To account for grant monies used to purchase bullet-proof vests.

City Motor Vehicle License Permissive Tax

To account for permissive license tax received from the State to finance various street repair projects.

County Motor Vehicle Permissive Tax

To account for permissive license tax levied by Montgomery County. Expenditures include planning, constructing, improving, maintaining, and repairing roads, streets and bridges.

Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions. This money may be used in any drug law enforcement activity.

Firefighters Assistance Grant

To account for monies received from the federal government to be used to improve the health and wellness of the firefighters, including use of a personal trainer, purchase of exercise equipment and replacement of self-contained breathing apparatus.

Law Enforcement

To account for the fines generated from the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband. This money may be spent for any law enforcement activity.

Lighting

To account for special assessments used to provide street lighting within the City neighborhoods.

Local Street Operating

To account for miscellaneous revenue and for a portion of City income tax which, beginning in 1994, is to be used for public works activities.

Parks and Recreation

To account for fees and other charges paid by the participants of recreation programs to cover the cost of the various programs.

(Continued)

Combining Statements – Nonmajor Governmental Funds
(Continued)

Prevention, Retention and Contingency–Development Reserve

To account for award monies from the Prevention, Retention and Contingency-Development Reserve through the Montgomery County Department of Job and Family Services for the Southwest Neighborhood Association.

State Highway

To account for gasoline tax and motor vehicle license fees received from the County and State for routine maintenance of state highways within the City.

Street Maintenance and Repair

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of certain streets within the City.

NONMAJOR DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

General Obligation Bond Retirement

To account for various revenues collected for the payment of general obligation bonded debt.

NONMAJOR CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by enterprise funds.

Capital Equipment

To account for the proceeds of debt used to purchase capital equipment.

Economic Development/Government Equity Improvement

To account for grant revenues received from the County and used to develop and promote economic development through capital expenditures.

Federal Equity Sharing

To account for the City's share of federal forfeitures used by the law enforcement department for informant payments, travel and training, communication and computers, firearms, weapons, body armor, electronic surveillance equipment, building and improvements, and other law enforcement expenses.

Fire Capital Equipment

To account for City income tax revenues specifically dedicated for fire station building renovations and the equipment purchases of the fire division.

Issue II

To account for Ohio Public Works Commission grant funds received from the State of Ohio for each project awarded through this program and local matching funds.

(Continued)

Combining Statements – Nonmajor Governmental Funds
(Continued)

Local Law Enforcement Block Grant

To account for grant revenues received from the federal government and used for equipment acquisition.

Local Street Capital Improvement

To account for income tax revenues collected for reconstruction and maintenance of the City's interior streets.

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,860,607	\$893,089	\$2,716,026	\$6,469,722
Cash and Cash Equivalents with Fiscal Agents	0	0	20,289	20,289
Receivables:				
Property and Other Taxes	12,160	183,171	0	195,331
Municipal Income Taxes, Net	391,632	0	410,907	802,539
Accounts, Net	498	0	0	498
Special Assessments	396,737	0	147,625	544,362
Due from Other Governments	816,280	10,046	34,685	861,011
Prepaid Items	2,246	0	0	2,246
Supplies Inventory	87,642	0	0	87,642
<i>Total Assets</i>	<u>\$4,567,802</u>	<u>\$1,086,306</u>	<u>\$3,329,532</u>	<u>\$8,983,640</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$236,858	\$0	\$35,673	\$272,531
Contracts Payable	0	0	124,194	124,194
Contracts Payable Retainage	0	0	55,098	55,098
Accrued Salaries Payable	15,188	0	0	15,188
Due to Other Governments	84,840	0	0	84,840
Interfund Payable	232,220	0	176,000	408,220
Deferred Revenue	1,344,778	193,217	441,457	1,979,452
Matured Compensated Absences Payable	21,529	0	0	21,529
<i>Total Liabilities</i>	<u>1,935,413</u>	<u>193,217</u>	<u>832,422</u>	<u>2,961,052</u>
Fund Balances				
Reserved for Encumbrances	64,221	3,305	189,684	257,210
Reserved for Supplies Inventory	87,642	0	0	87,642
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	2,480,526	0	0	2,480,526
Debt Service Fund	0	889,784	0	889,784
Capital Projects Funds	0	0	2,307,426	2,307,426
<i>Total Fund Balances</i>	<u>2,632,389</u>	<u>893,089</u>	<u>2,497,110</u>	<u>6,022,588</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,567,802</u>	<u>\$1,086,306</u>	<u>\$3,329,532</u>	<u>\$8,983,640</u>

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Byrne Memorial Grant	City Motor Vehicle License Permissive Tax	County Motor Vehicle Permissive Tax
Assets			
Equity in Pooled Cash and Cash Equivalents	\$13,153	\$53,928	\$27,726
Receivables:			
Property and Other Taxes	0	12,160	0
Municipal Income Taxes, Net	0	0	0
Accounts, Net	0	0	0
Special Assessments	0	0	0
Due from Other Governments	0	0	6,216
Prepaid Items	0	0	0
Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$13,153</u>	<u>\$66,088</u>	<u>\$33,942</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Salaries Payable	0	0	0
Due to Other Governments	0	0	0
Interfund Payable	0	0	0
Deferred Revenue	0	0	0
Matured Compensated Absences Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	13,055	0	0
Reserved for Supplies Inventory	0	0	0
Unreserved (Deficit)	98	66,088	33,942
<i>Total Fund Balances (Deficit)</i>	<u>13,153</u>	<u>66,088</u>	<u>33,942</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,153</u>	<u>\$66,088</u>	<u>\$33,942</u>

(Continued)

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005
(Continued)

	Drug Law Enforcement	Firefighters Assistance Grant	Law Enforcement	Lighting
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,311	\$270,642	\$12,054	\$311,686
Receivables:				
Property and Other Taxes	0	0	0	0
Municipal Income Taxes, Net	0	0	0	0
Accounts, Net	0	0	0	0
Special Assessments	0	0	0	396,737
Due from Other Governments	345	9,039	200	0
Prepaid Items	0	0	0	0
Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$11,656</u>	<u>\$279,681</u>	<u>\$12,254</u>	<u>\$708,423</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$3,520	\$144,742	\$0	\$0
Accrued Salaries Payable	0	0	0	129
Due to Other Governments	0	0	0	0
Interfund Payable	595	129,600	0	0
Deferred Revenue	345	9,039	200	396,737
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>4,460</u>	<u>283,381</u>	<u>200</u>	<u>396,866</u>
Fund Balances				
Reserved for Encumbrances	260	1,817	0	22,912
Reserved for Supplies Inventory	0	0	0	0
Unreserved (Deficit)	6,936	(5,517)	12,054	288,645
<i>Total Fund Balances (Deficit)</i>	<u>7,196</u>	<u>(3,700)</u>	<u>12,054</u>	<u>311,557</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,656</u>	<u>\$279,681</u>	<u>\$12,254</u>	<u>\$708,423</u>

Local Street Operating	Parks and Recreation	Prevention, Retention and Contingency- Development Reserve	State Highway	Street Maintenance and Repair	Total Nonmajor Special Revenue Funds
\$821,658	\$85,865	\$102,025	\$100,615	\$1,049,944	\$2,860,607
0	0	0	0	0	12,160
391,632	0	0	0	0	391,632
100	0	0	0	398	498
0	0	0	0	0	396,737
1,391	0	0	59,918	739,171	816,280
974	1,187	0	0	85	2,246
41,687	0	0	4,268	41,687	87,642
<u>\$1,257,442</u>	<u>\$87,052</u>	<u>\$102,025</u>	<u>\$164,801</u>	<u>\$1,831,285</u>	<u>\$4,567,802</u>
\$65,476	\$8,792	\$0	\$683	\$13,645	\$236,858
9,743	276	0	0	5,040	15,188
1,558	1,345	0	0	81,937	84,840
0	0	102,025	0	0	232,220
248,481	0	0	51,704	638,272	1,344,778
14,209	0	0	0	7,320	21,529
<u>339,467</u>	<u>10,413</u>	<u>102,025</u>	<u>52,387</u>	<u>746,214</u>	<u>1,935,413</u>
11,758	8,083	0	0	6,336	64,221
41,687	0	0	4,268	41,687	87,642
864,530	68,556	0	108,146	1,037,048	2,480,526
<u>917,975</u>	<u>76,639</u>	<u>0</u>	<u>112,414</u>	<u>1,085,071</u>	<u>2,632,389</u>
<u>\$1,257,442</u>	<u>\$87,052</u>	<u>\$102,025</u>	<u>\$164,801</u>	<u>\$1,831,285</u>	<u>\$4,567,802</u>

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,517	\$135,750	\$23,521
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Municipal Income Taxes, Net	0	0	0
Special Assessments	0	0	0
Due from Other Governments	0	0	1,007
<i>Total Assets</i>	<u>\$1,517</u>	<u>\$135,750</u>	<u>\$24,528</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$7,151
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Interfund Payable	0	100,000	0
Deferred Revenue	0	0	1,007
<i>Total Liabilities</i>	<u>0</u>	<u>100,000</u>	<u>8,158</u>
Fund Balances			
Reserved for Encumbrances	1,017	51,183	102
Unreserved (Deficit)	500	(15,433)	16,268
<i>Total Fund Balances</i>	<u>1,517</u>	<u>35,750</u>	<u>16,370</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,517</u>	<u>\$135,750</u>	<u>\$24,528</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$86,613	\$814,531	\$47	\$1,654,047	\$2,716,026
0	20,289	0	0	20,289
95,766	0	0	315,141	410,907
0	147,625	0	0	147,625
0	33,678	0	0	34,685
<u>\$182,379</u>	<u>\$1,016,123</u>	<u>\$47</u>	<u>\$1,969,188</u>	<u>\$3,329,532</u>
\$24,017	\$961	\$0	\$3,544	\$35,673
0	124,194	0	0	124,194
0	29,781	0	25,317	55,098
0	76,000	0	0	176,000
60,397	181,303	0	198,750	441,457
<u>84,414</u>	<u>412,239</u>	<u>0</u>	<u>227,611</u>	<u>832,422</u>
1,874	111,660	47	23,801	189,684
96,091	492,224	0	1,717,776	2,307,426
97,965	603,884	47	1,741,577	2,497,110
<u>\$182,379</u>	<u>\$1,016,123</u>	<u>\$47</u>	<u>\$1,969,188</u>	<u>\$3,329,532</u>

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$1,508,497	\$0	\$1,641,807	\$3,150,304
Property and Other Taxes	161,575	166,582	0	328,157
Intergovernmental	1,784,098	20,627	189,283	1,994,008
Special Assessments	395,633	17,238	63,660	476,531
Charges for Services	640	0	0	640
Fines, Licenses and Permits	0	0	18,856	18,856
Interest	33,854	0	5,028	38,882
Rent	0	135,936	0	135,936
Other	8,828	0	260	9,088
<i>Total Revenues</i>	<u>3,893,125</u>	<u>340,383</u>	<u>1,918,894</u>	<u>6,152,402</u>
Expenditures				
Current:				
Security of Persons and Property:				
Other	647,703	0	61,378	709,081
Leisure Time Activities	310,169	0	0	310,169
Transportation	1,481,196	0	0	1,481,196
General Government	0	4,977	0	4,977
Capital Outlay	2,660	0	1,897,316	1,899,976
Debt Service:				
Principal Retirement	39,211	2,678,000	84,392	2,801,603
Interest and Fiscal Charges	6,159	397,148	16,028	419,335
Issuance Costs	0	2,549	0	2,549
<i>Total Expenditures</i>	<u>2,487,098</u>	<u>3,082,674</u>	<u>2,059,114</u>	<u>7,628,886</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,406,027</u>	<u>(2,742,291)</u>	<u>(140,220)</u>	<u>(1,476,484)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	1,248,000	0	1,248,000
Premium on General Obligation Notes Issued	0	10,188	0	10,188
Proceeds from Sale of Capital Assets	2,949	0	0	2,949
Transfers In	198,568	1,016,161	419,682	1,634,411
Transfers Out	(980,671)	0	(403,670)	(1,384,341)
<i>Total Other Financing Sources (Uses)</i>	<u>(779,154)</u>	<u>2,274,349</u>	<u>16,012</u>	<u>1,511,207</u>
<i>Net Change in Fund Balances</i>	626,873	(467,942)	(124,208)	34,723
<i>Fund Balances Beginning of Year</i>	2,016,209	1,361,031	2,621,318	5,998,558
Decrease in Reserve for Inventory	(10,693)	0	0	(10,693)
<i>Fund Balances End of Year</i>	<u>\$2,632,389</u>	<u>\$893,089</u>	<u>\$2,497,110</u>	<u>\$6,022,588</u>

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Byrne Memorial Grant	City Motor Vehicle License Permissive Tax	County Motor Vehicle Permissive Tax
Revenues			
Municipal Income Taxes	\$0	\$0	\$0
Property and Other Taxes	0	161,575	0
Intergovernmental	13,055	0	83,306
Special Assessments	0	0	0
Charges for Services	0	0	0
Interest	98	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>13,153</u>	<u>161,575</u>	<u>83,306</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	0	0	0
Leisure Time Activities	0	0	0
Transportation	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>13,153</u>	<u>161,575</u>	<u>83,306</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	0	0
Transfers In	0	0	0
Transfers Out	0	(146,100)	(76,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(146,100)</u>	<u>(76,000)</u>
<i>Net Change in Fund Balances</i>	13,153	15,475	7,306
<i>Fund Balances (Deficit) Beginning of Year</i>	0	50,613	26,636
Increase (Decrease) in Reserve for Inventory	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$13,153</u>	<u>\$66,088</u>	<u>\$33,942</u>

(Continued)

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005
(Continued)

	Drug Law Enforcement	Firefighters Assistance Grant	Law Enforcement	Lighting
Revenues				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Property and Other Taxes	0	0	0	0
Intergovernmental	9,204	204,554	12,009	0
Special Assessments	0	0	0	395,633
Charges for Services	0	0	0	0
Interest	0	4,926	0	0
Other	726	0	0	0
<i>Total Revenues</i>	<u>9,930</u>	<u>209,480</u>	<u>12,009</u>	<u>395,633</u>
Expenditures				
Current:				
Security of Persons and Property:				
Other	15,891	242,584	0	389,228
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>15,891</u>	<u>242,584</u>	<u>0</u>	<u>389,228</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,961)</u>	<u>(33,104)</u>	<u>12,009</u>	<u>6,405</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	0	0
Transfers In	0	13,567	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>13,567</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(5,961)	(19,537)	12,009	6,405
<i>Fund Balances (Deficit) Beginning of Year</i>	13,157	15,837	45	305,152
Increase (Decrease) in Reserve for Inventory	0	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$7,196</u>	<u>(\$3,700)</u>	<u>\$12,054</u>	<u>\$311,557</u>

Local Street Operating	Parks and Recreation	Prevention, Retention and Contingency- Development Reserve	State Highway	Street Maintenance and Repair	Total Nonmajor Special Revenue Funds
\$1,508,497	\$0	\$0	\$0	\$0	\$1,508,497
0	0	0	0	0	161,575
37,353	0	62,459	102,162	1,259,996	1,784,098
0	0	0	0	0	395,633
0	640	0	0	0	640
0	0	0	2,455	26,375	33,854
4,206	128	0	0	3,768	8,828
<u>1,550,056</u>	<u>768</u>	<u>62,459</u>	<u>104,617</u>	<u>1,290,139</u>	<u>3,893,125</u>
0	0	0	0	0	647,703
0	248,952	61,217	0	0	310,169
789,611	0	0	43,905	647,680	1,481,196
2,660	0	0	0	0	2,660
35,997	2,060	0	0	1,154	39,211
5,521	410	0	0	228	6,159
<u>833,789</u>	<u>251,422</u>	<u>61,217</u>	<u>43,905</u>	<u>649,062</u>	<u>2,487,098</u>
<u>716,267</u>	<u>(250,654)</u>	<u>1,242</u>	<u>60,712</u>	<u>641,077</u>	<u>1,406,027</u>
2,949	0	0	0	0	2,949
0	150,000	0	0	35,001	198,568
(466,000)	(15,870)	0	(25,000)	(251,701)	(980,671)
<u>(463,051)</u>	<u>134,130</u>	<u>0</u>	<u>(25,000)</u>	<u>(216,700)</u>	<u>(779,154)</u>
253,216	(116,524)	1,242	35,712	424,377	626,873
709,790	193,290	(1,242)	78,334	624,597	2,016,209
(45,031)	(127)	0	(1,632)	36,097	(10,693)
<u>\$917,975</u>	<u>\$76,639</u>	<u>\$0</u>	<u>\$112,414</u>	<u>\$1,085,071</u>	<u>\$2,632,389</u>

City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Revenues			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	0	0	10,690
Special Assessments	0	0	0
Fines, Licenses and Permits	0	0	18,856
Interest	0	0	396
Other	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>29,942</u>
Expenditures			
Current:			
Security of Persons and Property			
Other	0	0	12,377
Capital Outlay	0	5,000	6,047
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>5,000</u>	<u>18,424</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(5,000)</u>	<u>11,518</u>
Other Financing Sources (Uses)			
Transfers In	0	11,000	0
Transfers Out	0	(9)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>10,991</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	5,991	11,518
<i>Fund Balances Beginning of Year</i>	<u>1,517</u>	<u>29,759</u>	<u>4,852</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,517</u></u>	<u><u>\$35,750</u></u>	<u><u>\$16,370</u></u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$357,423	\$0	\$0	\$1,284,384	\$1,641,807
0	178,593	0	0	189,283
0	63,660	0	0	63,660
0	0	0	0	18,856
0	4,632	0	0	5,028
0	260	0	0	260
<u>357,423</u>	<u>247,145</u>	<u>0</u>	<u>1,284,384</u>	<u>1,918,894</u>
48,407	0	594	0	61,378
112,641	575,201	0	1,198,427	1,897,316
84,392	0	0	0	84,392
8,904	7,124	0	0	16,028
<u>254,344</u>	<u>582,325</u>	<u>594</u>	<u>1,198,427</u>	<u>2,059,114</u>
<u>103,079</u>	<u>(335,180)</u>	<u>(594)</u>	<u>85,957</u>	<u>(140,220)</u>
0	408,682	0	0	419,682
(183,880)	(1,481)	0	(218,300)	(403,670)
<u>(183,880)</u>	<u>407,201</u>	<u>0</u>	<u>(218,300)</u>	<u>16,012</u>
(80,801)	72,021	(594)	(132,343)	(124,208)
<u>178,766</u>	<u>531,863</u>	<u>641</u>	<u>1,873,920</u>	<u>2,621,318</u>
<u>\$97,965</u>	<u>\$603,884</u>	<u>\$47</u>	<u>\$1,741,577</u>	<u>\$2,497,110</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$5,980,876	\$6,269,601	\$6,269,601	\$0
Property and Other Taxes	1,191,861	1,255,073	1,255,073	0
Intergovernmental	1,714,594	1,412,876	1,412,876	0
Charges for Services	936,668	908,915	908,915	0
Fines, Licenses and Permits	149,295	159,207	159,207	0
Interest	225,000	534,087	534,087	0
Rent	73,668	79,721	79,721	0
Other	0	23,747	23,747	0
<i>Total Revenues</i>	<u>10,271,962</u>	<u>10,643,227</u>	<u>10,643,227</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Dispatch	770,584	766,892	735,935	30,957
General Lighting	110,260	110,260	110,260	0
Community Environment				
Planning and Development	617,009	435,251	428,428	6,823
Engineering	503,846	501,331	416,093	85,238
General Government				
Central Services	821,639	809,137	807,931	1,206
Mayor	19,030	12,286	11,076	1,210
Council	144,271	160,658	146,833	13,825
Management Office	225,060	309,069	303,221	5,848
Finance / Accounting	615,204	647,679	538,976	108,703
Finance / Taxation	746,605	686,842	616,393	70,449
Legal	336,436	438,499	350,497	88,002
Information Services	258,783	254,522	252,476	2,046
Human Resources	308,087	280,550	273,846	6,704
Buildings and Grounds	107,407	95,495	89,369	6,126
Court Facility	73,002	72,660	48,153	24,507
Capital Outlay	86,498	646,814	632,284	14,530
Debt Service:				
Principal Retirement	34,535	33,309	33,309	0
Interest and Fiscal Charges	716	1,942	1,942	0
<i>Total Expenditures</i>	<u>5,778,972</u>	<u>6,263,196</u>	<u>5,797,022</u>	<u>466,174</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,492,990</u>	<u>4,380,031</u>	<u>4,846,205</u>	<u>466,174</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	1,451	0	0	0
Advances In	140,000	540,000	540,000	0
Advances Out	0	(880,820)	(880,820)	0
Transfers In	30,500	56,287	56,287	0
Transfers Out	(6,050,000)	(5,633,000)	(5,633,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,878,049)</u>	<u>(5,917,533)</u>	<u>(5,917,533)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,385,059)</u>	<u>(1,537,502)</u>	<u>(1,071,328)</u>	<u>466,174</u>
<i>Fund Balance Beginning of Year</i>	<u>2,790,843</u>	<u>2,790,843</u>	<u>2,790,843</u>	<u>0</u>
Prior Year Encumbrances Appropriated	585,028	585,028	585,028	0
<i>Fund Balance End of Year</i>	<u>\$1,990,812</u>	<u>\$1,838,369</u>	<u>\$2,304,543</u>	<u>\$466,174</u>

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Special Assessment Bond Retirement Fund
 For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$223,592	\$228,399	\$228,399	\$0
<i>Total Revenues</i>	<u>223,592</u>	<u>228,399</u>	<u>228,399</u>	<u>0</u>
Expenditures				
Current:				
General Government	15,000	15,000	15,000	0
Debt Service:				
Principal Retirement	9,390,000	9,689,698	9,689,000	698
Interest and Fiscal Charges	490,028	517,330	517,323	7
<i>Total Expenditures</i>	<u>9,895,028</u>	<u>10,222,028</u>	<u>10,221,323</u>	<u>705</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(9,671,436)</u>	<u>(9,993,629)</u>	<u>(9,992,924)</u>	<u>705</u>
Other Financing Sources				
Special Assessment Notes Issued	8,796,169	8,652,000	8,652,000	0
Premium from Special Assessment Notes Issued	67,081	60,042	60,042	0
Transfers In	1,125,471	783,003	783,003	0
<i>Total Other Financing Sources</i>	<u>9,988,721</u>	<u>9,495,045</u>	<u>9,495,045</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	317,285	(498,584)	(497,879)	705
<i>Fund Balance at Beginning of Year</i>	<u>1,032,398</u>	<u>1,032,398</u>	<u>1,032,398</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,349,683</u>	<u>\$533,814</u>	<u>\$534,519</u>	<u>\$705</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$394,189	\$270,000	\$270,000	\$0
Special Assessments	172,166	192,629	192,629	0
Interest	50,296	15,293	15,293	0
Other	23,803	102,199	102,199	0
<i>Total Revenues</i>	<u>640,454</u>	<u>580,121</u>	<u>580,121</u>	<u>0</u>
Expenditures				
Current:				
General Government	16,397	16,397	13,184	3,213
Capital Outlay	5,919,402	2,403,996	2,081,728	322,268
<i>Total Expenditures</i>	<u>5,935,799</u>	<u>2,420,393</u>	<u>2,094,912</u>	<u>325,481</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,295,345)</u>	<u>(1,840,272)</u>	<u>(1,514,791)</u>	<u>325,481</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	4,251,995	0	0	0
Advances In	0	850,000	850,000	0
Advances Out	0	(150,000)	(150,000)	0
Transfers In	95,000	225,000	225,000	0
Transfers Out	(30,500)	(248,281)	(248,281)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,316,495</u>	<u>676,719</u>	<u>676,719</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(978,850)	(1,163,553)	(838,072)	325,481
<i>Fund Balance at Beginning of Year</i>	1,217,065	1,217,065	1,217,065	0
Prior Year Encumbrances Appropriated	804,902	804,902	804,902	0
<i>Fund Balance at End of Year</i>	<u>\$1,043,117</u>	<u>\$858,414</u>	<u>\$1,183,895</u>	<u>\$325,481</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,817,269	\$3,942,307	\$3,942,307	\$0
Tap In Fees	74,808	45,200	45,200	0
Interest	18,627	40,143	40,143	0
Other	0	168,552	168,552	0
Proceeds from Sale of Capital Assets	0	82	82	0
<i>Total Revenues</i>	<u>3,910,704</u>	<u>4,196,284</u>	<u>4,196,284</u>	<u>0</u>
Expenses				
Personal Services	102,350	102,350	99,073	3,277
Operations and Maintenance	2,952,456	2,960,888	2,720,266	240,622
Capital Outlay	436,900	435,272	312,621	122,651
Debt Service:				
Principal Retirement	333,838	333,656	333,656	0
Interest and Fiscal Charges	168,871	169,051	169,051	0
<i>Total Expenses</i>	<u>3,994,415</u>	<u>4,001,217</u>	<u>3,634,667</u>	<u>366,550</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(83,711)	195,067	561,617	366,550
Transfers Out	<u>(112,000)</u>	<u>(120,355)</u>	<u>(120,355)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(195,711)	74,712	441,262	366,550
<i>Fund Equity at Beginning of Year</i>	2,209,442	2,209,442	2,209,442	0
Prior Year Encumbrances Appropriated	<u>508,366</u>	<u>508,366</u>	<u>508,366</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$2,522,097</u></u>	<u><u>\$2,792,520</u></u>	<u><u>\$3,159,070</u></u>	<u><u>\$366,550</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,892,186	\$4,072,985	\$4,072,985	\$0
Tap In Fees	104,292	70,700	70,700	0
Intergovernmental	0	95,361	95,361	0
Interest	44,276	359,784	359,784	0
Rent	14,154	8,679	8,679	0
Other	4,525	5,865	5,865	0
Revenue Note Proceeds	8,040,081	8,665,000	8,665,000	0
Proceeds of Revenue/Refunding Bonds	0	13,315,078	13,315,078	0
Premium from Revenue Notes	0	27,815	27,815	0
Premium from Revenue Bonds	0	240,518	240,518	0
Capitalized Interest on Revenue/Refunding Bonds	0	305,280	305,280	0
Accrued Interest on Revenue/Refunding Bonds	0	31,588	31,588	0
<i>Total Revenues</i>	<u>12,099,514</u>	<u>27,198,653</u>	<u>27,198,653</u>	<u>0</u>
Expenses				
Personal Services	145,518	145,518	135,578	9,940
Operations and Maintenance	1,810,150	1,816,012	1,728,654	87,358
Payment to Refunded Bond Escrow Agent	0	3,955,000	3,955,000	0
Capital Outlay	8,793,851	10,357,632	8,991,509	1,366,123
Debt Service:				
Principal Retirement	627,019	9,292,018	9,292,018	0
Interest and Fiscal Charges	625,192	391,143	391,041	102
Call Premium from Original Revenue Bonds	0	79,100	79,100	0
Revenue/Refunding Bond Issuance Costs	323,631	323,631	323,631	0
<i>Total Expenses</i>	<u>12,325,361</u>	<u>26,360,054</u>	<u>24,896,531</u>	<u>1,463,523</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(225,847)	838,599	2,302,122	1,463,523
Transfers Out	<u>(53,550)</u>	<u>(67,182)</u>	<u>(67,182)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(279,397)	771,417	2,234,940	1,463,523
<i>Fund Equity at Beginning of Year</i>	5,500,584	5,500,584	5,500,584	0
Prior Year Encumbrances Appropriated	<u>911,201</u>	<u>911,201</u>	<u>911,201</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$6,132,388</u>	<u>\$7,183,202</u>	<u>\$8,646,725</u>	<u>\$1,463,523</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Stormwater Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$526,421	\$548,989	\$548,989	\$0
Other	156	0	0	0
<i>Total Revenues</i>	<i>526,577</i>	<i>548,989</i>	<i>548,989</i>	<i>0</i>
Expenses				
Personal Services	121,331	119,030	119,030	0
Operations and Maintenance	71,477	66,498	50,834	15,664
Capital Outlay	356,734	639,952	172,162	467,790
Debt Service:				
Principal Retirement	25,346	25,346	25,346	0
Interest and Fiscal Charges	2,204	2,204	2,122	82
<i>Total Expenses</i>	<i>577,092</i>	<i>853,030</i>	<i>369,494</i>	<i>483,536</i>
<i>Net Change in Fund Equity</i>	<i>(50,515)</i>	<i>(304,041)</i>	<i>179,495</i>	<i>483,536</i>
<i>Fund Equity at Beginning of Year</i>	<i>564,847</i>	<i>564,847</i>	<i>564,847</i>	<i>0</i>
Prior Year Encumbrances Appropriated	66,669	66,669	66,669	0
<i>Fund Equity at End of Year</i>	<i>\$581,001</i>	<i>\$327,475</i>	<i>\$811,011</i>	<i>\$483,536</i>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Byrne Memorial Grant Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$13,055	\$13,055	\$13,055	\$0
Interest	<u>0</u>	<u>98</u>	<u>98</u>	<u>0</u>
<i>Total Revenues</i>	<u>13,055</u>	<u>13,153</u>	<u>13,153</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>13,055</u>	<u>13,055</u>	<u>13,055</u>	<u>0</u>
<i>Total Expenditures</i>	<u>13,055</u>	<u>13,055</u>	<u>13,055</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	98	98	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$98</u></u>	<u><u>\$98</u></u>	<u><u>\$0</u></u>

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 City Motor Vehicle License Permissive Tax Fund
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$188,859	\$161,343	\$161,343	\$0
<i>Total Revenues</i>	188,859	161,343	161,343	0
Other Financing Uses				
Transfers Out	(220,000)	(146,100)	(146,100)	0
<i>Total Other Financing Uses</i>	(220,000)	(146,100)	(146,100)	0
<i>Net Change in Fund Balance</i>	(31,141)	15,243	15,243	0
<i>Fund Balance at Beginning of Year</i>	38,685	38,685	38,685	0
<i>Fund Balance at End of Year</i>	\$7,544	\$53,928	\$53,928	\$0

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 County Motor Vehicle Permissive Tax Fund
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$97,241	\$83,178	\$83,178	\$0
<i>Total Revenues</i>	<u>97,241</u>	<u>83,178</u>	<u>83,178</u>	<u>0</u>
Other Financing Uses				
Transfers Out	(110,000)	(76,000)	(76,000)	0
<i>Total Other Financing Uses</i>	<u>(110,000)</u>	<u>(76,000)</u>	<u>(76,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(12,759)	7,178	7,178	0
<i>Fund Balance at Beginning of Year</i>	<u>20,548</u>	<u>20,548</u>	<u>20,548</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$7,789</u></u>	<u><u>\$27,726</u></u>	<u><u>\$27,726</u></u>	<u><u>\$0</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$10,394	\$10,394	\$0
Other	<u>0</u>	<u>726</u>	<u>726</u>	<u>0</u>
<i>Total Revenues</i>	<u>0</u>	<u>11,120</u>	<u>11,120</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>675</u>	<u>17,957</u>	<u>16,151</u>	<u>1,806</u>
<i>Total Expenditures</i>	<u>675</u>	<u>17,957</u>	<u>16,151</u>	<u>1,806</u>
<i>Net Change in Fund Balance</i>	(675)	(6,837)	(5,031)	1,806
<i>Fund Balance at Beginning of Year</i>	12,303	12,303	12,303	0
Prior Year Encumbrances Appropriated	<u>260</u>	<u>260</u>	<u>260</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$11,888</u></u>	<u><u>\$5,726</u></u>	<u><u>\$7,532</u></u>	<u><u>\$1,806</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Firefighters Assistance Grant Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$204,554	\$204,554	\$0
Interest	<u>0</u>	<u>4,350</u>	<u>4,350</u>	<u>0</u>
<i>Total Revenues</i>	<u>0</u>	<u>208,904</u>	<u>208,904</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>109,663</u>	<u>245,425</u>	<u>245,142</u>	<u>283</u>
<i>Total Expenditures</i>	<u>109,663</u>	<u>245,425</u>	<u>245,142</u>	<u>283</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(109,663)</u>	<u>(36,521)</u>	<u>(36,238)</u>	<u>283</u>
Other Financing Sources				
Advances In	0	30,820	30,820	0
Transfers In	<u>0</u>	<u>13,567</u>	<u>13,567</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>44,387</u>	<u>44,387</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(109,663)	7,866	8,149	283
<i>Fund Balance at Beginning of Year</i>	111,595	111,595	111,595	0
Prior Year Encumbrances Appropriated	<u>3,592</u>	<u>3,592</u>	<u>3,592</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$5,524</u>	<u>\$123,053</u>	<u>\$123,336</u>	<u>\$283</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$10,698	\$12,009	\$12,009	\$0
<i>Total Revenues</i>	<u>10,698</u>	<u>12,009</u>	<u>12,009</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	10,743	10,743	0	10,743
<i>Total Expenditures</i>	<u>10,743</u>	<u>10,743</u>	<u>0</u>	<u>10,743</u>
<i>Net Change in Fund Balance</i>	(45)	1,266	12,009	10,743
<i>Fund Balance at Beginning of Year</i>	<u>45</u>	<u>45</u>	<u>45</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$1,311</u>	<u>\$12,054</u>	<u>\$10,743</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Lighting Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$388,896	\$395,633	\$395,633	\$0
<i>Total Revenues</i>	<u>388,896</u>	<u>395,633</u>	<u>395,633</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	412,812	412,812	412,136	676
<i>Total Expenditures</i>	<u>412,812</u>	<u>412,812</u>	<u>412,136</u>	<u>676</u>
<i>Net Change in Fund Balance</i>	(23,916)	(17,179)	(16,503)	676
<i>Fund Balance at Beginning of Year</i>	281,361	281,361	281,361	0
Prior Year Encumbrances Appropriated	<u>23,916</u>	<u>23,916</u>	<u>23,916</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$281,361</u></u>	<u><u>\$288,098</u></u>	<u><u>\$288,774</u></u>	<u><u>\$676</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Street Operating Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,498,908	\$1,572,824	\$1,572,824	\$0
Intergovernmental	0	37,353	37,353	0
Other	2,148	6,236	6,236	0
<i>Total Revenues</i>	<u>1,501,056</u>	<u>1,616,413</u>	<u>1,616,413</u>	<u>0</u>
Expenditures				
Current:				
Transportation	823,859	848,257	799,475	48,782
Capital Outlay	0	4,000	4,000	0
Debt Service:				
Principal Retirement	35,997	35,997	35,997	0
Interest and Fiscal Charges	5,521	5,521	5,521	0
<i>Total Expenditures</i>	<u>865,377</u>	<u>893,775</u>	<u>844,993</u>	<u>48,782</u>
<i>Excess of Revenues Over Expenditures</i>	<u>635,679</u>	<u>722,638</u>	<u>771,420</u>	<u>48,782</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	2,949	2,949	0
Transfers Out	(466,000)	(466,000)	(466,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(466,000)</u>	<u>(463,051)</u>	<u>(463,051)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>169,679</u>	<u>259,587</u>	<u>308,369</u>	<u>48,782</u>
<i>Fund Balance at Beginning of Year</i>	<u>454,928</u>	<u>454,928</u>	<u>454,928</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>14,821</u>	<u>14,821</u>	<u>14,821</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$639,428</u>	<u>\$729,336</u>	<u>\$778,118</u>	<u>\$48,782</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$640	\$640	\$0
Rent	0	1,761	1,761	0
Other	0	128	128	0
<i>Total Revenues</i>	<u>0</u>	<u>2,529</u>	<u>2,529</u>	<u>0</u>
Expenditures				
Current:				
Leisure Time Activities	278,430	286,432	262,729	23,703
Capital Outlay	5,895	5,895	5,895	0
Debt Service:				
Principal Retirement	2,060	2,060	2,060	0
Interest and Fiscal Charges	410	410	410	0
<i>Total Expenditures</i>	<u>286,795</u>	<u>294,797</u>	<u>271,094</u>	<u>23,703</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(286,795)</u>	<u>(292,268)</u>	<u>(268,565)</u>	<u>23,703</u>
Other Financing Sources (Uses)				
Transfers In	150,000	150,000	150,000	0
Transfers Out	(15,870)	(15,870)	(15,870)	0
<i>Total Other Financing Sources (Uses)</i>	<u>134,130</u>	<u>134,130</u>	<u>134,130</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(152,665)</u>	<u>(158,138)</u>	<u>(134,435)</u>	<u>23,703</u>
<i>Fund Balance at Beginning of Year</i>	188,022	188,022	188,022	0
Prior Year Encumbrances Appropriated	18,483	18,483	18,483	0
<i>Fund Balance at End of Year</i>	<u>\$53,840</u>	<u>\$48,367</u>	<u>\$72,070</u>	<u>\$23,703</u>

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Prevention, Retention and Contingency - Development Reserve Fund
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$62,459	\$62,459	\$0
<i>Total Revenues</i>	0	62,459	62,459	0
Expenditures				
Current:				
Leisure Time Activities	102,025	102,025	62,459	39,566
<i>Total Expenditures</i>	102,025	102,025	62,459	39,566
<i>Net Change in Fund Balance</i>	(102,025)	(39,566)	0	39,566
<i>Fund Balance at Beginning of Year</i>	102,025	102,025	102,025	0
<i>Fund Balance at End of Year</i>	\$0	\$62,459	\$102,025	\$39,566

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$111,612	\$102,037	\$102,037	\$0
Interest	733	2,290	2,290	0
<i>Total Revenues</i>	<u>112,345</u>	<u>104,327</u>	<u>104,327</u>	<u>0</u>
Expenditures				
Current:				
Transportation	46,312	46,312	46,312	0
<i>Total Expenditures</i>	<u>46,312</u>	<u>46,312</u>	<u>46,312</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>66,033</u>	<u>58,015</u>	<u>58,015</u>	<u>0</u>
Other Financing Uses				
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Uses</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	41,033	33,015	33,015	0
<i>Fund Balance at Beginning of Year</i>	66,322	66,322	66,322	0
Prior Year Encumbrances Appropriated	1,014	1,014	1,014	0
<i>Fund Balance at End of Year</i>	<u>\$108,369</u>	<u>\$100,351</u>	<u>\$100,351</u>	<u>\$0</u>

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Street Maintenance and Repair Fund
 For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,249,231	\$1,258,453	\$1,258,453	\$0
Interest	8,553	24,544	24,544	0
Other	4,460	3,870	3,870	0
<i>Total Revenues</i>	<u>1,262,244</u>	<u>1,286,867</u>	<u>1,286,867</u>	<u>0</u>
Expenditures				
Current:				
Transportation	732,620	732,620	704,079	28,541
Debt Service:				
Principal Retirement	1,154	1,154	1,154	0
Interest and Fiscal Charges	228	228	228	0
<i>Total Expenditures</i>	<u>734,002</u>	<u>734,002</u>	<u>705,461</u>	<u>28,541</u>
<i>Excess of Revenues Over Expenditures</i>	<u>528,242</u>	<u>552,865</u>	<u>581,406</u>	<u>28,541</u>
Other Financing Sources (Uses)				
Transfers In	0	35,001	35,001	0
Transfers Out	(470,000)	(251,701)	(251,701)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(470,000)</u>	<u>(216,700)</u>	<u>(216,700)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	58,242	336,165	364,706	28,541
<i>Fund Balance Beginning of Year</i>	557,746	557,746	557,746	0
Prior Year Encumbrances Appropriated	72,634	72,634	72,634	0
<i>Fund Balance End of Year</i>	<u>\$688,622</u>	<u>\$966,545</u>	<u>\$995,086</u>	<u>\$28,541</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$156,764	\$166,582	\$166,582	\$0
Intergovernmental	63,779	20,113	20,113	0
Special Assessments	17,279	17,238	17,238	0
Rent	130,157	135,936	135,936	0
<i>Total Revenues</i>	<u>367,979</u>	<u>339,869</u>	<u>339,869</u>	<u>0</u>
Expenditures				
Current:				
General Government	10,000	9,998	4,971	5,027
Debt Service:				
Principal Retirement	6,340,000	7,991,000	7,991,000	0
Interest and Fiscal Charges	544,586	488,386	488,245	141
Issuance Costs	3,000	6,802	6,802	0
<i>Total Expenditures</i>	<u>6,897,586</u>	<u>8,496,186</u>	<u>8,491,018</u>	<u>5,168</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,529,607)</u>	<u>(8,156,317)</u>	<u>(8,151,149)</u>	<u>5,168</u>
Other Financing Sources				
General Obligation Notes Issued	4,744,388	4,876,000	4,876,000	0
Premium from General Obligation Notes Issued	28,661	10,188	10,188	0
Accrued Interest Received from General Obligation Notes Issued	26,599	0	0	0
Proceeds of Revenue/Refunding Bonds	0	1,749,922	1,749,922	0
Transfers In	1,135,829	1,043,286	1,043,286	0
<i>Total Other Financing Sources</i>	<u>5,935,477</u>	<u>7,679,396</u>	<u>7,679,396</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(594,130)</u>	<u>(476,921)</u>	<u>(471,753)</u>	<u>5,168</u>
<i>Fund Balance at Beginning of Year</i>	1,276,248	1,276,248	1,276,248	0
Prior Year Encumbrances Appropriated	3,000	3,000	3,000	0
<i>Fund Balance at End of Year</i>	<u>\$685,118</u>	<u>\$802,327</u>	<u>\$807,495</u>	<u>\$5,168</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Equipment Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	1,018	1,018	1,018	0
<i>Total Expenditures</i>	1,018	1,018	1,018	0
<i>Net Change in Fund Balance</i>	(1,018)	(1,018)	(1,018)	0
<i>Fund Balance at Beginning of Year</i>	500	500	500	0
Prior Year Encumbrances Appropriated	1,017	1,017	1,017	0
<i>Fund Balance at End of Year</i>	<u>\$499</u>	<u>\$499</u>	<u>\$499</u>	<u>\$0</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development/Government Equity Improvement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,012,339	\$0	\$0	\$0
Other	11,661	0	0	0
<i>Total Revenues</i>	<u>1,024,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay	1,112,048	88,048	77,049	10,999
<i>Total Expenditures</i>	<u>1,112,048</u>	<u>88,048</u>	<u>77,049</u>	<u>10,999</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(88,048)</u>	<u>(88,048)</u>	<u>(77,049)</u>	<u>10,999</u>
Other Financing Sources (Uses)				
Advances Out	0	(250,000)	(250,000)	0
Transfers In	11,000	11,000	11,000	0
Transfers Out	0	(9)	(9)	0
<i>Total Other Financing Sources (Uses)</i>	<u>11,000</u>	<u>(239,009)</u>	<u>(239,009)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(77,048)</u>	<u>(327,057)</u>	<u>(316,058)</u>	<u>10,999</u>
<i>Fund Balance at Beginning of Year</i>	323,577	323,577	323,577	0
Prior Year Encumbrances Appropriated	<u>77,048</u>	<u>77,048</u>	<u>77,048</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$323,577</u></u>	<u><u>\$73,568</u></u>	<u><u>\$84,567</u></u>	<u><u>\$10,999</u></u>

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Federal Equity Sharing Fund
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$3,291	\$3,291	\$0
Fines, Licenses and Permits	0	18,856	18,856	0
Interest	0	361	361	0
<i>Total Revenues</i>	0	22,508	22,508	0
Expenditures				
Current:				
Security of Persons and Property	539	20,809	18,526	2,283
<i>Total Expenditures</i>	539	20,809	18,526	2,283
<i>Net Change in Fund Balance</i>	(539)	1,699	3,982	2,283
<i>Fund Balance at Beginning of Year</i>	4,845	4,845	4,845	0
<i>Fund Balance at End of Year</i>	\$4,306	\$6,544	\$8,827	\$2,283

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Capital Equipment Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$368,627	\$380,015	\$380,015	\$0
Other	4	0	0	0
<i>Total Revenues</i>	<u>368,631</u>	<u>380,015</u>	<u>380,015</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	3,153	75,072	69,659	5,413
Capital Outlay	187,348	106,519	106,519	0
Debt Retirement:				
Principal Retirement	84,392	84,392	84,392	0
Interest and Fiscal Charges	8,903	8,903	8,903	0
<i>Total Expenditures</i>	<u>283,796</u>	<u>274,886</u>	<u>269,473</u>	<u>5,413</u>
<i>Excess of Revenues Over Expenditures</i>	<u>84,835</u>	<u>105,129</u>	<u>110,542</u>	<u>5,413</u>
Other Financing Uses				
Transfers Out	(174,880)	(183,880)	(183,880)	0
<i>Total Other Financing Uses</i>	<u>(174,880)</u>	<u>(183,880)</u>	<u>(183,880)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(90,045)	(78,751)	(73,338)	5,413
<i>Fund Balance at Beginning of Year</i>	55,137	55,137	55,137	0
Prior Year Encumbrances Appropriated	94,924	94,924	94,924	0
<i>Fund Balance at End of Year</i>	<u>\$60,016</u>	<u>\$71,310</u>	<u>\$76,723</u>	<u>\$5,413</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$892,084	\$607,391	\$607,391	\$0
Special Assessments	0	63,660	63,660	0
Interest	9,974	5,506	5,506	0
Other	0	390	390	0
<i>Total Revenues</i>	902,058	676,947	676,947	0
Expenditures				
Capital Outlay	2,016,927	1,026,132	701,002	325,130
<i>Total Expenditures</i>	2,016,927	1,026,132	701,002	325,130
<i>Excess of Revenues Under Expenditures</i>	(1,114,869)	(349,185)	(24,055)	325,130
Other Financing Sources (Uses)				
Special Assessment Notes Issued	1,332,942	0	0	0
Advances Out	(140,000)	(140,000)	(140,000)	0
Transfers In	200,000	60,000	60,000	0
Transfers Out	(720,000)	(20,899)	(20,899)	0
<i>Total Other Financing Sources (Uses)</i>	672,942	(100,899)	(100,899)	0
<i>Net Change in Fund Balance</i>	(441,927)	(450,084)	(124,954)	325,130
<i>Fund Balance at Beginning of Year</i>	340,111	340,111	340,111	0
Prior Year Encumbrances Appropriated	356,927	356,927	356,927	0
<i>Fund Balance at End of Year</i>	\$255,111	\$246,954	\$572,084	\$325,130

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Local Law Enforcement Block Grant Fund
 For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>441</u>	<u>641</u>	<u>641</u>	<u>0</u>
<i>Total Expenditures</i>	<u>441</u>	<u>641</u>	<u>641</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(441)</u>	<u>(641)</u>	<u>(641)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>641</u>	<u>641</u>	<u>641</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Local Street Capital Improvement Fund
 For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,205,509	\$1,294,303	\$1,294,303	\$0
<i>Total Revenues</i>	<u>1,205,509</u>	<u>1,294,303</u>	<u>1,294,303</u>	<u>0</u>
Expenditures				
Capital Outlay	1,251,044	1,278,304	1,234,394	43,910
<i>Total Expenditures</i>	<u>1,251,044</u>	<u>1,278,304</u>	<u>1,234,394</u>	<u>43,910</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(45,535)</u>	<u>15,999</u>	<u>59,909</u>	<u>43,910</u>
Other Financing Uses				
Transfers Out	0	(218,300)	(218,300)	0
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(218,300)</u>	<u>(218,300)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(45,535)	(202,301)	(158,391)	43,910
<i>Fund Balance at Beginning of Year</i>	1,699,002	1,699,002	1,699,002	0
Prior Year Encumbrances Appropriated	<u>46,044</u>	<u>46,044</u>	<u>46,044</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,699,511</u></u>	<u><u>\$1,542,745</u></u>	<u><u>\$1,586,655</u></u>	<u><u>\$43,910</u></u>



STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	128-142
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and the municipal income tax.	143-152
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	154-160
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	161-171
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	172-176

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information include information beginning in that year.

City of Huber Heights, Ohio
Net Assets by Component
Last Five Years
(accrual basis of accounting)

	Year				
	2001	2002	2003	2004	2005
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$88,868,473	\$86,890,368	\$82,489,004	\$77,964,205	\$78,346,206
Restricted for:					
Fire	1,507,520	1,317,846	647,145	1,154,588	767,251
Police	2,752,404	2,694,463	2,644,642	2,778,383	2,709,669
Other Purposes (1)	3,770,296	3,584,532	2,995,779	3,161,672	3,903,073
Debt Service (2)	5,101,236	5,531,382	5,922,966	14,263,041	12,673,044
Local Street Capital Improvement (3)	421,369	632,385	1,350,000	2,042,658	1,940,327
Other Capital Projects	1,524,569	0	53,234	0	0
Unrestricted (4)	11,638,427	8,180,399	7,911,615	6,097,773	6,038,189
<i>Total Governmental Activities Net Assets</i>	<u>115,584,294</u>	<u>108,831,375</u>	<u>104,014,385</u>	<u>107,462,320</u>	<u>106,377,759</u>
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt (5)	4,809,782	11,192,757	17,231,186	20,409,795	23,536,526
Restricted for:					
Revenue Bonds Improvement and Replacement	60,000	60,000	60,000	60,000	60,000
Revenue Bonds Current Debt Service	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
Unrestricted	15,166,589	16,461,034	15,650,819	16,739,783	20,067,560
<i>Total Business-Type Activities Net Assets</i>	<u>21,176,371</u>	<u>28,853,791</u>	<u>34,082,005</u>	<u>38,349,578</u>	<u>44,804,086</u>
Total					
Invested in Capital Assets, Net of Related Debt	93,678,255	98,083,125	99,720,190	98,374,000	101,882,732
Restricted for:					
Fire	1,507,520	1,317,846	647,145	1,154,588	767,251
Police	2,752,404	2,694,463	2,644,642	2,778,383	2,709,669
Other Purposes	3,770,296	3,584,532	2,995,779	3,161,672	3,903,073
Debt Service	5,101,236	5,531,382	5,922,966	14,263,041	12,673,044
Local Street Capital Improvement	421,369	632,385	1,350,000	2,042,658	1,940,327
Other Capital Projects	1,524,569	0	53,234	0	0
Revenue Bonds Improvement and Replacement	60,000	60,000	60,000	60,000	60,000
Revenue Bonds Current Debt Service	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
Unrestricted	26,805,016	24,641,433	23,562,434	22,837,556	26,105,749
<i>Total Net Assets</i>	<u>\$136,760,665</u>	<u>\$137,685,166</u>	<u>\$138,096,390</u>	<u>\$145,811,898</u>	<u>\$151,181,845</u>

- (1) Other purposes has decreased for the Lighting Special Revenue Fund due to special assessments revenue receipts outpacing new assessments and the Local Street Operating Special Revenue Fund spending more than what it received in revenue
- (2) Debt service increased in 2004 due to revenues outpacing expenses.
- (3) Local street capital improvement increased beginning in 2003 due to transfers from the General Fund and repayment of 2002 outstanding advances
- (4) Unrestricted decreased over the years due to declining cash in the General Fund
- (5) Invested in capital assets, net of related debt has increased over the years due in part to capital contributions from the governmental funds for such project as Brandt Vista Water Main and Old Troy Pike Phase VII Water and from developers for such projects as Wal-Mart Sulphur Grove and Parktowne Subdivision

City of Huber Heights, Ohio
Changes in Net Assets
Last Five Years
(accrual basis of accounting)

	Year				
	2001	2002	2003	2004	2005
Expenses					
Governmental Activities					
Security of Persons and Property:					
Fire	\$4,710,405	\$5,290,078	\$4,992,739	\$5,230,564	\$5,315,835
Police	5,158,811	6,004,693	6,079,238	5,947,297	6,003,211
Other	1,029,574	1,173,945	1,160,082	1,156,715	1,548,125
Public Health	40,954	27,142	0	0	0
Leisure Time Activities	231,707	310,037	252,634	206,014	360,125
Community Environment	755,132	915,387	956,321	973,583	806,281
Transportation (1)	5,480,981	6,145,863	6,377,671	7,253,184	6,317,991
General Government (2)	2,491,396	2,822,899	3,139,385	3,072,859	3,138,228
Interest and Fiscal Charges	1,141,978	931,452	976,918	935,657	1,008,724
<i>Total Governmental Activities Expenses</i>	<u>21,040,938</u>	<u>23,621,496</u>	<u>23,934,988</u>	<u>24,775,873</u>	<u>24,498,520</u>
Business-Type Activities					
Sewer	2,697,519	2,569,255	2,522,087	2,608,912	2,724,278
Water	2,667,458	2,654,056	2,505,512	2,918,082	2,946,993
Stormwater (3)	0	456,037	324,982	329,689	525,792
<i>Total Business-Type Activities Expenses</i>	<u>5,364,977</u>	<u>5,679,348</u>	<u>5,352,581</u>	<u>5,856,683</u>	<u>6,197,063</u>
<i>Total Expenses</i>	<u>26,405,915</u>	<u>29,300,844</u>	<u>29,287,569</u>	<u>30,632,556</u>	<u>30,695,583</u>
Program Revenues					
Governmental Activities					
Charges for Services:					
Security of Persons and Property:					
Fire	213,057	76,846	35,872	66,328	11,001
Police	99,116	101,577	122,924	208,370	130,129
Other	165,328	188,508	689,899	1,292,233	1,327,579
Leisure Time Activities	63,094	59,846	40,891	68,997	9,205
Community Environment	185,973	141,727	148,550	194,278	167,297
Transportation	164,751	773,510	368,111	279,077	480,537
General Government	28,578	180,508	285,582	241,407	236,476
Operating Grants, Contributions and Interest	4,013,074	1,663,098	1,402,598	1,640,456	2,007,051
Capital Grants, Contributions and Interest (4)	2,417,015	509,504	2,520,528	9,398,793	1,381,583
<i>Total Governmental Activities Program Revenues</i>	<u>7,349,986</u>	<u>3,695,124</u>	<u>5,614,955</u>	<u>13,389,939</u>	<u>5,750,858</u>
Business-Type Activities					
Charges for Services					
Sewer (5)	2,639,901	2,796,505	3,387,517	3,863,808	4,154,008
Water (5)	2,479,742	2,642,578	3,156,316	3,691,848	4,247,856
Stormwater (3)	0	247,270	521,909	623,339	544,584
Capital Grants, Contributions and Interest	397,754	273,055	0	95,151	2,215,636
<i>Total Business-Type Activities Program Revenues</i>	<u>5,517,397</u>	<u>5,959,408</u>	<u>7,065,742</u>	<u>8,274,146</u>	<u>11,162,084</u>
<i>Total Program Revenues</i>	<u>12,867,383</u>	<u>9,654,532</u>	<u>12,680,697</u>	<u>21,664,085</u>	<u>16,912,942</u>
Net (Expense)/Revenue (6)					
Governmental Activities	(13,690,952)	(19,926,372)	(18,320,033)	(11,385,934)	(18,747,662)
Business-Type Activities	152,420	280,060	1,713,161	2,417,463	4,965,021
<i>Total Net Expense</i>	<u>(13,538,532)</u>	<u>(19,646,312)</u>	<u>(16,606,872)</u>	<u>(8,968,471)</u>	<u>(13,782,641)</u>

(Continued)

City of Huber Heights, Ohio
Changes in Net Assets (Continued)
Last Five Years
(accrual basis of accounting)

	Year				
	2001	2002	2003	2004	2005
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Property and Other Taxes Levied for:					
General Purposes	\$1,051,240	\$1,230,652	\$1,182,826	\$1,184,169	\$1,265,517
Fire	1,047,758	1,004,769	1,023,456	992,635	981,949
Police	1,262,070	1,205,736	1,218,424	1,198,875	1,172,794
Debt Service	197,965	177,609	187,922	162,230	163,224
City Permissive Tax Levied for Transportation (7)	0	0	169,138	167,207	161,575
Municipal Income Taxes Levied for:					
General Purposes	5,736,929	5,787,873	5,168,328	5,411,453	6,104,671
Police	2,700,972	2,547,969	2,393,829	2,363,127	2,720,037
Local Street Operating	1,402,411	1,452,405	1,367,094	1,359,776	1,545,793
Local Street Capital Improvement	1,151,042	1,199,861	1,132,304	1,131,166	1,314,396
Fire Capital Equipment	144,747	356,846	338,798	356,421	366,543
Grants and Entitlements not Restricted to Specific Programs	1,406,293	1,360,770	2,080,752	1,662,720	1,791,527
Gain on Sale of Capital Assets	192,181	0	0	0	0
Unrestricted Investment Earnings (8)	725,525	319,967	224,674	273,764	550,710
Increase/(Decrease) in Fair Value of Investments	6,970	7,158	(3,134)	(13,643)	(43,135)
Other	126,148	76,571	147,010	28,772	0
Transfers (9)	50,838	(6,801,147)	(3,095,514)	(1,444,803)	(432,500)
<i>Total Governmental Activities</i>	<u>17,203,089</u>	<u>9,927,039</u>	<u>13,535,907</u>	<u>14,833,869</u>	<u>17,663,101</u>
Business-Type Activities					
Investment in Joint Venture	195,401	521,342	244,910	332,354	603,516
Unrestricted Investment Earnings (8)	184,675	82,841	44,527	72,953	453,471
Increase/(Decrease) in Fair Value of Investments	7,970	(7,970)	0	0	0
Transfers (9)	(50,838)	6,801,147	3,095,514	1,444,803	432,500
<i>Total Business-Type Activities</i>	<u>337,208</u>	<u>7,397,360</u>	<u>3,384,951</u>	<u>1,850,110</u>	<u>1,489,487</u>
<i>Total General Revenues and Other Changes in Net Assets</i>	<u>17,540,297</u>	<u>17,324,399</u>	<u>16,920,858</u>	<u>16,683,979</u>	<u>19,152,588</u>
Changes in Net Assets					
Governmental Activities	3,512,137	(9,999,333)	(4,784,126)	3,447,935	(1,084,561)
Business-Type Activities	489,628	7,677,420	5,098,112	4,267,573	6,454,508
<i>Total Changes in Net Assets</i>	<u>\$4,001,765</u>	<u>(\$2,321,913)</u>	<u>\$313,986</u>	<u>\$7,715,508</u>	<u>\$5,369,947</u>

(1) Transportation increased in all but 2005 due to depreciation for infrastructure.

(2) General government increased from 2002 to 2003 due to payment in lieu of taxes per the tax sharing revenues agreement with Huber Heights City School District.

(3) Stormwater was established as an enterprise activity by City Council in February 2002. Previously, this program was accounted for with governmental activities.

(4) Capital grants, contributions and interest was low in 2002 because of fewer State grants in the Capital Improvement and Issue II Capital Projects Funds. The increase in 2004 was due to developer donated infrastructure and roadway special assessments

(5) Sewer and water charges for services has increased due to authorized increases in rates starting in late 2002 through 2006 by City Council to fund projects identified in an operations study.

(6) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses indicates that program revenues were more than sufficient to cover expenses.

(7) City permissive tax levied for transportation was segregated from property and other taxes levied for general purposes in 2003

(8) Unrestricted investment earnings have declined due to lower interest rates and declining capital projects funds' balances

(9) Transfers have varied due to transfers of assets from governmental activities to business-type activities for various projects



City of Huber Heights, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	Year			
	1996	1997	1998	1999
General Fund				
Reserved (1)	\$500,250	\$1,584,043	\$2,416,657	\$1,939,881
Unreserved (2)	6,728,522	6,705,805	6,867,486	7,242,739
<i>Total General Fund</i>	<u>7,228,772</u>	<u>8,289,848</u>	<u>9,284,143</u>	<u>9,182,620</u>
All Other Governmental Funds				
Reserved (3)	1,556,496	3,536,069	1,450,131	1,582,478
Unreserved, reported in:				
Special Revenue Funds	2,669,326	2,930,610	2,729,536	3,219,340
Debt Service Funds (4)	423,857	426,212	628,998	801,123
Capital Projects Funds (5)	(579,518)	(107,295)	(776,594)	(665,761)
<i>Total All Other Governmental Funds</i>	<u>4,070,161</u>	<u>6,785,596</u>	<u>4,032,071</u>	<u>4,937,180</u>
<i>Total Governmental Funds</i>	<u>\$11,298,933</u>	<u>\$15,075,444</u>	<u>\$13,316,214</u>	<u>\$14,119,800</u>

(1) Reserves fluctuated mainly due to advances.

(2) Unreserved decreased beginning in 2000 due to economic development and other expenditures. The City has in recent years dealt with national and local economy issues and is closely monitoring fund balance for cash flow and matching appropriations to estimated revenues when preparing the annual budget.

(3) Reserves fluctuated mainly due to encumbrances, especially in the capital projects funds.

(4) Debt service funds increased in 2001 due to proceeds of refunding bonds issued in excess of current refunding debt service.

(5) Capital projects funds have been negative due to short-term debt liabilities recorded in the funds.

2000	2001	2002	2003	2004	2005
\$2,893,809	\$2,879,932	\$2,200,762	\$1,670,586	\$775,096	\$1,632,674
6,710,504	6,731,007	6,093,953	5,632,055	4,734,737	3,989,157
<u>9,604,313</u>	<u>9,610,939</u>	<u>8,294,715</u>	<u>7,302,641</u>	<u>5,509,833</u>	<u>5,621,831</u>
2,878,460	2,194,906	3,580,381	4,801,825	1,538,507	1,238,332
3,557,220	4,866,139	5,162,177	4,568,880	5,453,228	5,892,439
942,275	1,348,576	1,366,000	1,467,197	2,300,338	1,342,517
(1,873,547)	585,481	(3,102,089)	(905,649)	744,215	79,346
<u>5,504,408</u>	<u>8,995,102</u>	<u>7,006,469</u>	<u>9,932,253</u>	<u>10,036,288</u>	<u>8,552,634</u>
<u>\$15,108,721</u>	<u>\$18,606,041</u>	<u>\$15,301,184</u>	<u>\$17,234,894</u>	<u>\$15,546,121</u>	<u>\$14,174,465</u>

City of Huber Heights, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	1996	1997	1998	1999	2000	2001
Revenues						
Municipal Income Taxes (1)	\$7,535,435	\$7,794,467	\$8,012,927	\$8,893,193	\$10,154,413	\$10,429,230
Property and Other Taxes	3,017,798	2,965,593	3,050,929	3,136,025	3,274,204	3,478,642
Intergovernmental	3,913,289	4,553,636	4,658,372	4,000,391	4,075,128	3,889,006
Special Assessments	703,173	717,507	764,426	879,671	720,123	881,884
Charges for Services (2)	190,861	182,450	75,114	108,165	153,501	648,723
Fines, Licenses and Permits	281,358	269,188	300,918	467,977	278,838	218,045
Interest	629,322	794,824	883,465	757,638	1,068,332	815,914
Rent (3)	0	0	0	206,058	207,665	198,331
Increase (Decrease) in Fair Value of Investments (4)	0	0	0	0	0	6,970
Other (5)	203,535	257,164	804,142	367,546	272,925	983,048
Total Revenues	16,474,771	17,534,829	18,550,293	18,816,664	20,205,129	21,549,793
Expenditures						
Current:						
Security of Persons and Property:						
Fire	3,223,014	3,958,744	3,523,994	3,713,398	4,028,514	4,754,330
Police	3,753,491	4,335,059	4,355,509	4,515,681	4,894,405	5,037,460
Other	919,126	958,271	1,056,410	955,776	980,343	1,009,761
Public Health (6)	0	0	0	0	0	40,954
Leisure Time Activities	175,551	216,574	249,231	259,605	255,909	229,434
Community Environment	531,017	570,328	752,771	795,426	763,555	665,905
Transportation:						
Local Street Capital Improvement	0	0	0	0	4,347	4,616
Other	1,370,827	1,425,517	1,372,840	1,545,383	1,548,396	1,672,188
General Government	1,944,789	1,789,151	1,833,945	2,100,684	1,903,393	2,502,364
Capital Outlay	1,838,517	3,382,218	5,843,792	3,837,220	4,046,898	3,122,714
Debt Service:						
Principal Retirement	875,947	868,352	1,022,640	1,096,446	1,061,225	1,373,587
Interest and Fiscal Charges	911,632	1,000,304	1,105,255	1,091,105	1,078,050	1,152,618
Issuance Costs (7)	0	0	0	0	0	43,297
Current Refunding (8)	0	0	0	0	0	4,543,350
Total Expenditures	15,543,911	18,504,518	21,116,387	19,910,724	20,565,035	26,152,578
Excess of Revenues Over (Under) Expenditures	930,860	(969,689)	(2,566,094)	(1,094,060)	(359,906)	(4,602,785)
Other Financing Sources (Uses)						
Special Assessment Bonds Issued	471,000	461,000	665,000	725,000	750,000	2,240,000
General Obligation Bonds Issued	0	3,670,000	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0	4,720,000
Long-Term Loans Issued	0	469,738	0	333,500	486,921	725,874
Special Assessment Notes Issued	0	0	0	0	0	0
General Obligation Notes Issued	0	0	0	0	0	0
Premium on Special Assessment Bonds Issued	553	841	770	1,776	3,640	0
Premium on General Obligation Bonds Issued	0	6,699	0	0	0	0
Premium from Refunding Bonds Issued	0	0	0	0	0	18,230
Premium on Special Assessment Notes Issued	0	3,548	0	0	0	0
Premium on General Obligation Notes Issued	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	482,190	124,817	38,067	793,588	47,151	347,568
Transfers In	5,293,078	5,094,741	5,418,508	7,252,861	6,883,546	7,662,283
Transfers Out	(5,240,277)	(5,043,242)	(5,368,364)	(7,204,041)	(6,831,054)	(7,611,445)
Total Other Financing Sources (Uses)	1,006,544	4,788,142	753,981	1,902,684	1,340,204	8,102,510
Net Change in Fund Balances	\$1,937,404	\$3,818,453	(\$1,812,113)	\$808,624	\$980,298	\$3,499,725
Debt Service as a Percentage of Noncapital Expenditures (9)	12.20%	10.70%	11.38%	12.31%	10.90%	11.54%

- (1) The City tax rate increased from 1.75% to 1.95% on June 1, 1999. Actual collections were not fully realized until 2000. Municipal income taxes had a one-time increase in 2002. On September 14, 2001, the City terminated the income tax collection contract with the City of Dayton, establishing a collection office itself. The collection process was accelerated, as well as delinquents decreasing. During 2003, the City Attorney determined that over-the-road, interstate, non-resident truck drivers are not required to have local income taxes withheld. Prior to 2003, trucking companies withheld 100% for these employees.
- (2) Charges for services increased in 2001 and 2002 for emergency medical service fees. In June of 2001, the City Council authorized the collection of these fees. From 2003 to 2004, these receipts decreased due in part to reductions in reimbursement from Medicare, the total number of runs decreased slightly as well as removals, and slightly higher uncollectible amounts prior to switching third party administrators.
- (3) Rent prior to 1999 was included with other revenue. In the Fall of 1998, the court facilities building opened resulting in rent revenue being received from Montgomery County.
- (4) Although GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" was implemented during 1998, the City did not have an investment account with a market value different than cost until 2001.
- (5) Other revenue increased in 2001 due to reimbursements from the pension systems for employer and employee shares of compensation that were not pensionable.
- (6) The Prevention, Retention and Contingency - Development Reserve Special Revenue Fund was created in 2001 for the City's recreation center for after school endangered youth. Funding for the program lapsed in 2003 when the former sponsor of the program resigned.
- (7) Issuance costs were first separated from interest and fiscal charges in 2001.
- (8) On September 1, 2001, the City issued \$5,205,000 for Various Purpose Bonds, Series 2001A and \$1,755,000 Refunding Bonds, Series 2001B. \$2,965,000 of the Various Purpose Bonds, Series 2001A along with the \$1,755,000 Refunding Bonds, Series 2001B was used to retire \$4,500,000 of the 1991 general obligation bonds. The remaining proceeds of Series 2001A was used to finance special assessment projects. The amount outstanding at December 31, 2000 was \$4,500,000. Along with the call premium of \$43,350, the total \$4,543,350 was the amount paid to the bond holders.
- (9) Debt service only includes principal and interest. Starting in 2004, the City's percentage increased due to the renewal of several note issues.

2002	2003	2004	2005
\$11,116,054	\$10,826,083	\$11,127,693	\$11,760,071
3,617,226	3,728,248	3,722,157	3,843,387
3,581,912	5,094,102	5,267,573	4,036,451
813,483	745,209	824,394	897,559
1,097,082	1,075,663	990,286	1,002,493
168,641	161,949	180,379	178,315
339,756	320,874	341,248	603,363
216,354	219,300	207,990	217,301
7,158	(3,134)	(13,643)	(43,135)
298,528	507,532	286,498	188,355
<u>21,256,194</u>	<u>22,675,826</u>	<u>22,934,575</u>	<u>22,684,160</u>
4,859,323	4,877,731	5,238,124	5,095,123
5,740,324	5,858,898	5,815,324	5,793,797
1,186,384	1,161,277	1,131,283	1,480,623
27,142	0	0	0
270,095	205,312	156,038	310,169
901,889	960,001	1,003,393	769,706
0	0	0	0
1,466,131	1,504,775	1,493,925	1,481,196
2,672,289	3,034,788	3,011,530	3,026,588
5,169,854	10,172,043	6,778,164	3,122,285
1,588,315	1,610,560	10,625,090	12,174,365
924,975	909,068	1,003,594	984,879
0	250	3,771	2,549
0	0	0	0
<u>24,806,721</u>	<u>30,294,703</u>	<u>36,260,236</u>	<u>34,241,280</u>
<u>(3,550,527)</u>	<u>(7,618,877)</u>	<u>(13,325,661)</u>	<u>(11,557,120)</u>
0	0	0	0
0	0	0	0
0	0	0	0
341,364	217,333	0	0
0	7,308,000	8,951,289	8,652,000
0	1,802,000	1,835,711	1,248,000
0	0	0	0
0	0	0	0
0	0	0	0
0	48,281	72,089	60,042
0	12,170	29,933	10,188
277,615	37,227	21,472	18,429
8,777,140	8,072,606	9,670,289	7,440,740
<u>(9,118,870)</u>	<u>(8,005,171)</u>	<u>(8,980,764)</u>	<u>(7,253,203)</u>
277,249	9,492,446	11,600,019	10,176,196
<u>(\$3,273,278)</u>	<u>\$1,873,569</u>	<u>(\$1,725,642)</u>	<u>(\$1,380,924)</u>
12.54%	10.83%	35.71%	41.57%

City of Huber Heights, Ohio
Program Revenues by Function/Program
Last Five Years
(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Function/Program					
Governmental Activities					
Security of Persons and Property:					
Fire (1)	\$678,156	\$210,991	\$51,925	\$97,964	\$33,644
Police	242,013	263,842	210,973	292,137	232,748
Other (2)	2,125,765	253,075	690,111	1,348,868	1,590,580
Public Health	41,994	26,102	0	0	0
Leisure Time Activities	63,094	65,446	69,476	195,049	70,422
Community Environment	263,899	313,323	148,550	226,571	167,297
Transportation (3)	3,859,404	2,381,837	4,141,449	10,987,943	3,419,691
General Government	75,661	180,508	302,471	241,407	236,476
<i>Total Governmental Activities</i>	<u>7,349,986</u>	<u>3,695,124</u>	<u>5,614,955</u>	<u>13,389,939</u>	<u>5,750,858</u>
Business-Type Activities					
Sewer	2,684,111	2,925,914	3,387,517	3,867,582	4,998,982
Water	2,833,286	2,747,032	3,156,316	3,783,225	5,064,612
Stormwater	0	286,462	521,909	623,339	1,098,490
<i>Total Business-Type Activities</i>	<u>5,517,397</u>	<u>5,959,408</u>	<u>7,065,742</u>	<u>8,274,146</u>	<u>11,162,084</u>
<i>Total</i>	<u>\$12,867,383</u>	<u>\$9,654,532</u>	<u>\$12,680,697</u>	<u>\$21,664,085</u>	<u>\$16,912,942</u>

- (1) Fire decreased due to fewer monies received for stop loss insurance, Ohio Police and Fire Pension Fund refunds, and Bureau of Workers' Compensation refunds.
- (2) Other security of persons and property decreased since 2001 had an increase in lighting special assessments. Charges for services has declined as well due to fewer EMS runs and a reduced reimbursement from Medicaid. The increase in 2004 was due to lighting special assessments.
- (3) Transportation decreased in 2002 in part to receiving less Issue II monies that year. This line item increased in 2003 since the City started receiving permissive tax monies in the Capital Improvement and Issue II Capital Projects funds. In addition, for 2004, the City assessed a roadway project.

City of Huber Heights, Ohio
Tax Revenues by Source, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Year	Municipal Income Taxes (1)	Property and Other Taxes	Total
2005	\$11,760,071	\$3,843,387	\$15,603,458
2004	11,127,693	3,722,157	14,849,850
2003	10,826,083	3,728,248	14,554,331
2002	11,116,054	3,617,226	14,733,280
2001	10,429,230	3,478,642	13,907,872
2000	10,154,413	3,274,204	13,428,617
1999	8,893,193	3,136,025	12,029,218
1998	8,012,927	3,050,929	11,063,856
1997	7,794,467	2,965,593	10,760,060
1996	7,535,435	3,017,798	10,553,233
Change 1996-2005	56.06%	27.36%	47.85%

(1) Municipal income taxes have varied over the period due to a rate increase and control over collections (See page 134).

City of Huber Heights, Ohio
Government-wide Expenses for Governmental Activities by Function
Last Five Years (1)

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Transportation	General Government	Interest and Fiscal Charges	Total
2005	\$12,867,171	\$0	\$360,125	\$806,281	\$6,317,991	\$3,138,228	\$1,008,724	\$24,498,520
2004	12,334,576	0	206,014	973,583	7,253,184	3,072,859	935,657	24,775,873
2003	12,232,059	0	252,634	956,321	6,377,671	3,139,385	976,918	23,934,988
2002	12,468,716	27,142	310,037	915,387	6,145,863	2,822,899	931,452	23,621,496
2001	10,898,790	40,954	231,707	755,132	5,480,981	2,491,396	1,141,978	21,040,938

Source: Department of Finance, City of Huber Heights

(1) The City first reported government-wide information in 2001.

City of Huber Heights, Ohio
Government-wide Revenues For Governmental Activities
Last Five Years (1)

Year	Program Revenues			General Revenues						Total
	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Property and Other Taxes	Municipal Income Tax	Entitlements not Restricted to Specific Programs	Unrestricted Investment Earnings	Change in Fair Value of Investments	Other	
2005	\$2,362,224	\$2,007,051	\$1,381,583	\$3,745,059	\$12,051,440	\$1,791,527	\$550,710	(\$43,135)	\$0	\$23,846,459
2004	2,350,690	1,640,456	9,398,793	3,705,116	10,621,943	1,662,720	273,764	(13,643)	28,772	29,668,611
2003	1,691,829	1,402,598	2,520,528	3,781,766	10,400,353	2,080,752	224,674	(3,134)	147,010	22,246,376
2002	1,522,522	1,663,098	509,504	3,618,766	11,344,954	1,360,770	319,967	7,158	76,571	20,423,310
2001	1,258,945	4,013,074	2,417,015	3,559,033	11,136,101	1,406,293	725,525	6,970	318,329	24,841,285

Source: Department of Finance, City of Huber Heights

(1) The City first reported government-wide information in 2001.

City of Huber Heights, Ohio
General Fund Expenditures by Function
Last Ten Years

Year	Security of Persons and Property	Community Environment	General Government	Capital Outlay	Debt Service	Total
2005	\$771,542	\$769,706	\$2,988,333	\$127,615	\$20,251	\$4,677,447
2004	732,357	983,752	2,948,883	60,730	29,628	4,755,350
2003	707,349	960,001	3,017,299	0	52,977	4,737,626
2002	659,494	888,614	2,658,245	0	72,652	4,279,005
2001	567,956	665,905	2,475,884	0	68,992	3,778,737
2000	556,929	763,555	1,886,630	1,980	40,228	3,249,322
1999	528,953	785,725	1,619,416	0	5,732	2,939,826
1998	662,453	689,672	1,807,028	0	0	3,159,153
1997	569,493	570,328	1,536,869	0	0	2,676,690
1996	537,764	531,017	1,827,426	0	19,797	2,916,004

Source: Department of Finance, City of Huber Heights

City of Huber Heights, Ohio
General Fund Revenues by Source
Last Ten Years

Year	Municipal Income Taxes	Property and Other Taxes	Inter- governmental	Charges for Services	Fines, Licenses and Permits	Interest	(1) Rent	Increase/ Decrease in Fair Value of Investments	Other	Total
2005	\$5,955,200	\$1,255,068	\$1,465,688	\$908,697	\$159,459	\$550,710	\$79,721	(\$43,135)	\$31,421	\$10,362,829
2004	5,670,902	1,176,546	1,573,340	885,028	161,831	273,764	64,094	(13,643)	36,644	9,828,506
2003	5,386,728	1,158,028	1,568,479	979,372	158,095	224,674	80,370	(3,134)	116,037	9,668,649
2002	5,670,447	1,061,654	1,396,684	1,026,182	161,989	319,967	77,914	7,158	69,445	9,791,440
2001	5,366,293	1,041,788	1,386,289	555,809	201,220	725,525	55,779	6,970	129,676	9,469,349
2000	5,194,247	864,331	1,496,003	55,718	273,752	945,660	70,536	0	24,956	8,925,203
1999	4,904,359	774,811	1,374,714	27,296	425,525	680,478	70,122	0	42,903	8,300,208
1998	4,653,183	733,319	1,420,754	5,644	290,120	678,245	16,990	0	135,417	7,933,672
1997	4,434,218	708,586	1,317,627	96,183	264,200	624,217	0	0	53,643	7,498,674
1996	4,465,498	704,002	1,417,374	147,285	271,653	572,298	0	0	42,419	7,620,529

Source: Department of Finance, City of Huber Heights

(1) - In the Fall of 1998, the court facilities building opened resulting in rent revenue being received from Montgomery County.

City of Huber Heights, Ohio
Municipal Income Tax Receipts
(Cash Basis)
Last Twenty-One Years

	Year	Amount	Percent Change	
(7)	2005	\$12,611,707	11.56 %	
(7)	2004	11,304,503	(0.87)	
(6)	2003	11,404,165	0.87	
	2002	11,304,985	3.47	
(5)	2001	10,925,453	10.19	
	2000	9,914,963	13.96	
(4)	1999	8,700,598	6.26	
	1998	8,187,825	6.01	
	1997	7,723,542	3.69	
	1996	7,448,517	0.27	(5.78% Adj) (3)
(2)	1995	7,428,282	37.85	
(1)	1994	5,388,861	45.83	
	1993	3,695,223	6.14	
	1992	3,481,346	11.64	
	1991	3,118,452	3.65	
	1990	3,008,772	5.10	
	1989	2,862,659	6.99	
	1988	2,675,636	15.08	
	1987	2,324,970	7.04	
	1986	2,172,095	25.45	
	1985	1,731,416		

- (1) City taxes increased from 1% to 1.75% effective 1994
- (2) In 1995 the "due date" for payment of withholding taxes was accelerated by approximately 20 days. Therefore in 1995 a portion of revenues, which previously had been due and received in January of the next year, were actually received in December 1995. This resulted in a one time increase in collection in 1995 equivalent to 384 days versus 364 days of collections.
- (3) Adjusted to a normal 364-day year, the City estimates that it would have received approximately \$7,041,400 during 1995 had the accelerated withholding not been implemented. Based upon this adjusted figure, the growth in tax collections comparing 1996 to 1995 would have been approximately 5.78%.
- (4) City tax rate increased from 1.75% to 1.95% on 06/01/99; actual collections were not fully realized until 2000.
- (5) On September 14, 2001, the City of Huber Heights terminated the income tax collection contract with the City of Dayton, establishing a collection office for the City of Huber Heights.
- (6) The City Attorney recently determined that over-the-road, interstate, non-resident truck drivers are not required to have local income taxes withheld. Prior to 2003, trucking companies withheld 100% for these employees.
- (7) 2004 accounts for full year of loss of revenue for over-the-road, interstate, non-resident truck drivers (See Footnote #6). Approximately \$150,000 in withholding taxes normally received each December was not received until January 3, 2005, and is not included in the final 2004 data.

Source: City of Huber Heights Finance Records

In November 2005, voters passed a 0.30% additional income tax levy to be used for public safety, effective January 1, 2006.

City of Huber Heights, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)*
Last Ten Years

Collection Year	City Direct Rates (1)						Overlapping Rates			
	General Fund	Fire Fund	Police Fund	G.O. Bond Fund	Total	Huber Heights School District	Montgomery County	Miami Valley Career Technology Center	Montgomery County Public Library	
2005	\$1.50	\$4.29	\$5.50	\$0.29	\$11.58	\$54.02	\$18.24	\$2.58	\$1.25	
2004	1.50	4.29	5.50	0.30	11.59	54.02	18.24	2.58	0.26	
2003	1.50	4.29	5.50	0.33	11.62	54.03	17.24	2.58	0.26	
2002	1.50	4.29	5.50	0.35	11.64	54.09	17.24	2.58	0.26	
2001	1.50	4.29	5.50	0.39	11.68	54.10	17.24	2.58	0.26	
2000	1.50	4.29	5.50	0.40	11.69	54.11	16.64	2.58	0.26	
1999	1.50	4.29	5.50	0.45	11.74	47.71	16.64	2.58	0.26	
1998	1.50	4.29	5.50	0.47	11.76	47.92	16.64	2.58	0.26	
1997	1.50	4.29	5.50	0.47	11.76	47.98	16.64	2.58	0.72	
1996	1.50	4.29	5.50	0.50	11.79	48.37	16.64	2.58	0.72	

Source: County Auditor; Montgomery County, Ohio. The County Auditor for Miami County, Ohio has a \$0 City direct rate for the General Fund.

*Assessed valuation for real property and public utility real is based upon 35% of estimated true value set by county appraisal, 88% for public utility tangible personal, 25% for tangible personal capital assets (including public utility tangible personal capital assets), and 23% of listed true value for tangible personal property.

(1) The City's basic property tax rate may be increased only by a majority vote of the City's residents.

City of Huber Heights, Ohio
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2005			1996		
	2004 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2005 (1)	Rank	Percentage of Total Assessed Valuation	1995 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 1996 (1)	Rank	Percentage of Total Assessed Valuation
Kir Huber Heights L P	\$9,740,260	1	1.53%			
Dayton Power and Light Company	8,125,800	2	1.28	11,576,870	1	2.59
Wal-Mart Stores Incorporated	3,604,380	3	0.57	1,888,730	5	0.42
Lowe's Home Center Incorporated	3,108,170	4	0.49			
Ohio Bell Telephone	3,105,550	5	0.49	8,217,260	2	1.84
National Amusement Incorporated	2,883,660	6	0.45	1,610,810	7	0.36
Waynetowne Associates	2,866,360	7	0.45	2,532,930	4	0.57
Target Corporation	2,297,150	8	0.36			
C. H. Huber Enterprise Incorporated	2,065,460	9	0.32	1,611,070	6	0.36
Spectra-Physics (formerly Trimble Navigation Limit) (2)	1,970,630	10	0.31			
Wildcat Development Limited				6,685,090	3	1.50
Spectra - Physics Laserplane Incorporated				1,442,290	8	0.32
Columbia Building Company (3)				1,315,840	9	0.29
Imperial Heights Partners Limited				1,168,720	10	0.26
	<u>\$39,767,420</u>		<u>6.25%</u>	<u>\$38,049,610</u>		
Total Assessed Valuation	<u>\$635,868,415</u>			<u>\$448,058,333</u>		<u>8.51%</u>

(1) Assessed valuation based on the valuation of property for taxes collected in 2005 and 1996, respectively, and a review of the ten largest taxpayers for the City.

(2) Spectra - Physics Laserplane Incorporated bought out Trimble Navigation Limit in 2005.

(3) Columbia Building Company is the lessor to Earth Tech, Inc. for office space described in Note 19 - Contingent Liabilities.

Source: County Auditor, Miami County and Montgomery County, Ohio

City of Huber Heights, Ohio
*Assessed Value and Estimated
 True Value of Taxable Property*
 Last Ten Years

Collection Year	(1)		(1) Public Utility Personal	(1) Tangible Personal	(1) Total Assessed Value	(2) Estimated Value	Percentage of Assessed Value To Estimated True Value
	Real	Personal					
2005	\$580,002,870	\$14,627,920	\$41,237,625	\$635,868,415	\$1,869,391,628	34.01%	
2004	572,399,170	15,213,440	44,549,069	632,161,679	1,852,669,015	34.12	
2003	563,795,850	15,292,510	46,288,634	625,376,994	1,829,478,068	34.18	
2002	513,377,550	14,896,260	48,161,746	576,435,556	1,697,672,234	33.95	
2001	506,112,690	18,757,530	44,793,772	569,663,992	1,634,815,445	34.85	
2000	505,690,740	19,512,630	33,406,665	558,610,035	1,600,630,788	34.90	
1999	441,485,440	20,958,920	31,724,888	494,169,248	1,421,775,428	34.76	
1998	437,165,950	20,254,610	30,855,482	488,276,042	1,401,518,904	34.84	
1997	435,244,350	20,358,530	28,809,686	484,412,566	1,379,716,599	35.11	
1996	396,710,560	25,425,970	25,921,803	448,058,333	1,275,439,633	35.13	

Source: County Auditor, Miami County and Montgomery County, Ohio

(1) Miami County, Ohio information added.

(2) This is calculated by dividing the assessed value by the assessment percentage. The percentages for 2005 were 35 percent for real property and public utility real, 88 percent public utility tangible personal, 25 percent for tangible personal capital assets (including public utility tangible personal capital assets), and 23 percent for tangible personal inventory.

City of Huber Heights, Ohio
Income Tax by Payer Type and Income Tax Rate
Last Four Years (1)
(cash basis of accounting)

Year	Individual		Total		Corporate	Percentage	Percentage	Total	Income Tax Rate
	Withholding	Percentage	Non-withholding	Percentage					
2005	\$9,330,120	74.51%	\$1,910,262	15.25%	\$1,282,037	89.76%	10.24%	\$12,522,419	1.95%
2004	8,674,525	78.50%	1,719,659	15.56%	656,577	94.06%	5.94%	11,050,761	1.95%
2003	8,743,601	77.61%	1,764,529	15.66%	757,568	93.28%	6.72%	11,265,698	1.95%
2002	8,705,817	77.40%	1,831,422	16.28%	709,918	93.69%	6.31%	11,247,157	1.95%

(1) The City took over collection of its income taxes from the City of Dayton during 2001. 2002 is the first full year of information available.

The City levies a 1.95% income tax on substantially all income earned within the City, excluding interest, dividends, and retirement. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City, however, a credit is allowed for income taxes paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly.

In November 2005, voters passed a 0.30% additional income tax levy to be used for public safety, effective January 1, 2006.

Note: Dollar amounts are for municipal income tax revenues only. These amounts do not include penalties or interest.

Source: City of Huber Heights, Division of Taxation

City of Huber Heights, Ohio
Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)	Total Tax Collections (2)	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (2)	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
2005	\$3,563,629	\$3,488,066	97.88%	\$132,379	\$3,620,445	101.59%	\$149,548	4.20%
2004	3,600,236	3,523,147	97.86	111,849	3,634,996	100.97	274,856	7.63
2003	3,568,021	3,496,358	97.99	131,403	3,627,761	101.67	303,069	8.49
2002	3,525,977	3,416,463	96.89	111,497	3,527,960	100.06	221,850	6.29
2001	3,439,141	3,434,497	99.86	107,210	3,541,707	102.98	269,885	7.85
2000	3,447,031	3,273,829	94.98	111,825	3,385,654	98.22	149,151	4.33
1999	3,300,077	3,229,470	97.86	135,134	3,364,604	101.96	165,157	5.00
1998	3,266,958	3,170,974	97.06	139,807	3,310,781	101.34	198,358	6.07
1997	3,208,232	3,137,752	97.80	96,593	3,234,345	100.81	190,762	5.95
1996	3,182,737	3,146,459	98.86	100,525	3,246,984	102.02	147,385	4.63

Source: County Auditor; Miami County and Montgomery County, Ohio

(1) - In 2005, Montgomery County held its first collective tax lien sale, thereby increasing delinquent tax collections and decreasing accumulated outstanding delinquent taxes.

(2) - Information not available to exclude intergovernmental revenue from taxes.

City of Huber Heights, Ohio
Income Tax Statistics
Last Four Years

Income Averages for the City Tax Years 2001-2004, Collection Years 2002-2005

Tax Year/ Collection Year	Income Range	Number of Filers	Percent of Filers	Total Taxable Income	Percent of Taxable Income
2004/2005	\$0-\$19,999	9,763	51.16%	\$50,828,596	9.97%
2004/2005	\$20,000-\$49,999	6,041	31.65%	202,968,194	39.83%
2004/2005	\$50,000-\$74,999	2,286	11.98%	138,471,952	27.17%
2004/2005	\$75,000-\$99,999	658	3.45%	55,969,041	10.98%
2004/2005	Over \$100,000	337	1.77%	61,402,779	12.05%
	Total	19,085		509,640,562	
2003/2004	\$0-\$19,999	7,890	47.32%	47,260,236	10.19%
2003/2004	\$20,000-\$49,999	5,786	34.70%	195,007,223	42.04%
2003/2004	\$50,000-\$74,999	2,134	12.80%	128,782,342	27.76%
2003/2004	\$75,000-\$99,999	615	3.69%	51,934,309	11.20%
2003/2004	Over \$100,000	248	1.49%	40,866,939	8.81%
	Total	16,673		463,851,049	
2002/2003	\$0-\$19,999	8,623	48.15%	51,037,197	10.64%
2002/2003	\$20,000-\$49,999	6,329	35.34%	212,606,040	44.32%
2002/2003	\$50,000-\$74,999	2,136	11.93%	128,744,671	26.84%
2002/2003	\$75,000-\$99,999	582	3.25%	48,901,842	10.19%
2002/2003	Over \$100,000	237	1.32%	38,429,300	8.01%
	Total	17,907		479,719,050	
2001/2002	\$0-\$19,999	9,612	49.55%	54,681,386	11.02%
2001/2002	\$20,000-\$49,999	6,862	35.37%	229,937,233	46.35%
2001/2002	\$50,000-\$74,999	2,182	11.25%	131,129,898	26.43%
2001/2002	\$75,000-\$99,999	531	2.74%	44,701,292	9.01%
2001/2002	Over \$100,000	212	1.09%	35,646,575	7.19%
	Total	19,399		496,096,384	

Source: City of Huber Heights, Division of Taxation

Note: Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only without filing requirement.

City of Huber Heights, Ohio
Special Assessments Billed and Collected, Bond Coverage
Last Ten Years

Collection Year	Billed	Amount Collected (1)	Percent Collected	Debt Service		Coverage
				Principal	Interest	
2005	\$777,446	\$765,031	98.40%	\$380,000	\$340,736	1.06
2004	914,822	783,597	85.66	380,000	360,045	1.06
2003	790,872	739,065	93.45	355,000	376,581	1.01
2002	719,785	688,373	95.64	305,000	400,005	0.98
2001	627,194	675,401	107.69	283,326	72,544	1.90
2000	683,347	647,440	94.75	244,068	153,810	1.63
1999	639,199	672,486	105.21	214,068	54,563	2.50
1998	666,172	641,300	96.27	175,810	65,757	2.65
1997	648,614	586,871	90.48	155,809	62,827	2.68
1996	623,553	615,156	98.65	129,551	32,098	3.81

Source: County Auditor; Miami County and Montgomery County, Ohio

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) This table reflects only those special assessments collected through the County Auditor's office. It does not reflect lump sum payments received by the City.

City of Huber Heights, Ohio
Special Assessments Billed and Collected
Last Ten Years

<u>Collection Year</u>	<u>Billed</u>	<u>Amount Collected (1)</u>	<u>Percent Collected</u>
2005	\$777,446	\$765,031	98.40%
2004	914,822	783,597	85.66
2003	790,872	739,065	93.45
2002	719,785	688,373	95.64
2001	627,194	675,401	107.69
2000	683,347	647,440	94.75
1999	639,199	672,486	105.21
1998	666,172	641,300	96.27
1997	648,614	586,871	90.48
1996	623,553	615,156	98.65

Source: County Auditor; Miami County and Montgomery County, Ohio

(1) This table reflects only those special assessments collected through the County Auditor's office. It does not reflect lump sum payments received by the City.

City of Huber Heights, Ohio
*Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net Bonded Debt Per Capita
Last Ten Years*

Collection Year	Population (1)	(2) Assessed Value	Gross		Debt Service Monies Available (4)	Net		Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
			Bonded Debt (3)	Bonded Debt (3)		Bonded Debt	Bonded Debt		
2005	38,212	\$635,868,415	\$6,830,000	\$889,784	\$5,940,216	0.93%	\$155.45		
2004	38,212	632,161,679	7,670,000	1,356,175	6,313,825	1.00	165.23		
2003	38,212	625,376,994	8,470,000	756,494	7,713,506	1.23	201.86		
2002	38,686	576,435,556	9,265,000	725,299	8,539,701	1.48	220.74		
2001	38,686	569,663,992	10,030,000	722,183	9,307,817	1.63	240.60		
2000	38,686	558,610,035	10,516,673	609,472	9,907,201	1.77	256.09		
1999	38,212	494,169,248	11,107,605	575,678	10,531,927	2.13	275.62		
1998	38,939	487,088,442	11,873,537	466,383	11,407,154	2.34	292.95		
1997	38,939	484,412,566	12,573,728	320,150	12,253,578	2.53	314.69		
1996	38,939	448,058,333	9,493,919	287,372	9,206,547	2.05	236.44		

Source: (1) U.S. Census Reports, provided by the Miami Valley Regional Planning Commission.

(2) Miami County, Ohio information added.

(3) Includes only general obligation bonded debt payable from property taxes.

(4) Excludes debt service money available to pay special assessment bonded debt.

City of Huber Heights, Ohio

Voted Property Tax

December 31, 2005

<u>Authorized</u>	<u>Millage Rate</u>		<u>Purpose</u>	<u>Last Collection Year</u>
	<u>Levied For Current Collection Year (1)</u>			
	<u>Res./Agr.</u>	<u>All Other</u>		
1.000	0.288206	0.348559	Police	Continuing
2.370	0.683048	0.826085	Police	Continuing
0.630	0.182045	0.220167	Police	Continuing
1.500	0.555290	0.630210	Police	Continuing
0.790	0.227683	0.275362	Fire	Continuing
0.420	0.121047	0.146395	Fire	Continuing
0.290	0.083799	0.101347	Fire	Continuing
0.170	0.062941	0.070882	Fire	Continuing
2.250	0.832934	0.945315	Fire	Continuing
0.370	0.137991	0.155452	Fire	Continuing

(1) Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to authorized voted levies so that each levy yields the same amount of property taxes as in the year in which the levy was approved.

Increases to voted levy revenues are restricted to assessments for new construction. The reduction factors are computed annually and applied separately for residential/agricultural property and all other property.

Source: County Auditor; Miami County and Montgomery County, Ohio



City of Huber Heights, Ohio
Ratios of Outstanding Debt by Type and Legal Debt Margins
Last Ten Years

	1996	1997	1998	1999	2000	2001
Total Debt Outstanding:						
Governmental Activities:						
Short-Term General Obligation Notes	\$0	\$0	\$0	\$0	\$0	\$0
Long-Term General Obligation Notes	0	0	0	0	0	0
Short-Term Special Assessment Notes	1,076,000	1,430,600	1,723,000	726,000	2,500,000	0
Long-Term Special Assessment Notes	0	0	0	0	0	0
General Obligation Bonds - Voted	2,065,000	1,975,000	1,880,000	1,780,000	1,675,000	1,620,000
General Obligation Bonds - Unvoted	7,428,919	10,598,727	9,993,537	9,327,605	8,841,673	8,410,000
	<u>9,493,919</u>	<u>12,573,727</u>	<u>11,873,537</u>	<u>11,107,605</u>	<u>10,516,673</u>	<u>10,030,000</u>
Special Assessment Bonds - Unvoted	3,787,081	4,092,272	4,581,462	5,092,394	5,598,326	7,555,000
Equipment/Vehicle Loans	238,456	585,843	439,203	656,257	916,954	1,259,241
Total Governmental Activities	<u>14,595,456</u>	<u>18,682,442</u>	<u>18,617,202</u>	<u>17,582,256</u>	<u>19,531,953</u>	<u>18,844,241</u>
Business-Type Activities:						
Short-Term General Obligation Notes	0	0	0	0	0	0
Revenue Bonds Payable - Unvoted (1)	12,285,517	11,975,517	11,635,517	11,260,517	10,850,517	10,400,517
OWDA Loan - Unvoted	6,730,495	6,484,568	6,229,082	5,963,665	5,687,931	5,401,479
Equipment/Vehicle Loans	0	0	0	0	0	0
Total Business-Type Activities	<u>19,016,012</u>	<u>18,460,085</u>	<u>17,864,599</u>	<u>17,224,182</u>	<u>16,538,448</u>	<u>15,801,996</u>
Total	<u>33,611,468</u>	<u>37,142,527</u>	<u>36,481,801</u>	<u>34,806,438</u>	<u>36,070,401</u>	<u>34,646,237</u>
Total Debt Per Capita (2)	\$863.18	\$953.86	\$936.90	\$910.88	\$932.39	\$895.58
Percentage of Personal Income (3)	5.87%	6.49%	6.37%	6.20%	4.45%	4.27%
Less: Exempt Debt						
Governmental Activities:						
Short-Term Special Assessment Notes	(1,076,000)	(1,430,600)	(1,723,000)	(726,000)	(2,500,000)	0
Long-Term Special Assessment Notes	0	0	0	0	0	0
Special Assessment Bonds - Unvoted	(3,787,081)	(4,092,272)	(4,581,462)	(5,092,394)	(5,598,326)	(7,555,000)
Total Governmental Activities	<u>(4,863,081)</u>	<u>(5,522,872)</u>	<u>(6,304,462)</u>	<u>(5,818,394)</u>	<u>(8,098,326)</u>	<u>(7,555,000)</u>
Business-Type Activities:						
Short-Term General Obligation Notes	0	0	0	0	0	0
Revenue Bonds Payable - Unvoted	(12,285,517)	(11,975,517)	(11,635,517)	(11,260,517)	(10,850,517)	(10,400,517)
OWDA Loan - Unvoted	(6,730,495)	(6,484,568)	(6,229,082)	(5,963,665)	(5,687,931)	(5,401,479)
Equipment/Vehicle Loans	0	0	0	0	0	0
Total Business-Type Activities	<u>(19,016,012)</u>	<u>(18,460,085)</u>	<u>(17,864,599)</u>	<u>(17,224,182)</u>	<u>(16,538,448)</u>	<u>(15,801,996)</u>
Total	<u>(23,879,093)</u>	<u>(23,982,957)</u>	<u>(24,169,061)</u>	<u>(23,042,576)</u>	<u>(24,636,774)</u>	<u>(23,356,996)</u>
Debt Within 10 1/2 Percent Limitation	9,732,375	13,159,570	12,312,740	11,763,862	11,433,627	11,289,241
Less: Bond Retirement Fund Balance	(287,372)	(320,150)	(466,383)	(575,678)	(609,472)	(722,183)
Net Debt Subject to 10 1/2 Percent Limitation	<u>9,445,003</u>	<u>12,839,420</u>	<u>11,846,357</u>	<u>11,188,184</u>	<u>10,824,155</u>	<u>10,567,058</u>
Overall Debt Limitation						
10 1/2 Percent of Assessed Valuation (4)	47,046,125	50,863,319	51,268,984	51,887,771	58,654,054	59,814,719
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$37,601,122</u>	<u>\$38,023,899</u>	<u>\$39,422,627</u>	<u>\$40,699,587</u>	<u>\$47,829,899</u>	<u>\$49,247,661</u>
Net Debt Subject to 10 1/2 Percent Limitation as a percentage of debt limit	20.08%	25.24%	23.11%	21.56%	18.45%	17.67%
Legal Debt Margin as a Percentage of the Debt Limit	79.92%	74.76%	76.89%	78.44%	81.55%	82.33%
Debt Within 5 1/2 Percent Limitation	\$7,667,375	\$11,184,570	\$10,432,740	\$9,983,862	\$9,758,627	\$9,669,241
Less: Bond Retirement Fund Balance	(287,372)	(320,150)	(466,383)	(575,678)	(609,472)	(722,183)
Net Debt Within 5 1/2 Percent Limitation	<u>7,380,003</u>	<u>10,864,420</u>	<u>9,966,357</u>	<u>9,408,184</u>	<u>9,149,155</u>	<u>8,947,058</u>
Unvoted Debt Limitation						
5 1/2 Percent of Assessed Valuation (3)	24,643,208	26,642,691	26,855,182	27,179,309	30,723,552	31,331,520
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$17,263,205</u>	<u>\$15,778,271</u>	<u>\$16,888,825</u>	<u>\$17,771,125</u>	<u>\$21,574,397</u>	<u>\$22,384,462</u>
Net Debt Within 5 1/2 Percent Limitation as a percentage of debt limit	29.95%	40.78%	37.11%	34.62%	29.78%	28.56%
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	70.05%	59.22%	62.89%	65.38%	70.22%	71.44%
Net General Bonded Debt	9,206,547	12,253,577	11,407,154	10,531,927	9,907,201	9,307,817
Ratio of Net Bonded Debt to Assessed Valuation (4)	2.05%	2.53%	2.34%	2.13%	1.77%	1.63%
Net Bonded Debt Per Capita (2)	\$236.44	\$314.69	\$292.95	\$275.62	\$256.09	\$240.60

Source: Department of Finance, City of Huber Heights

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

(1) Revenue bonds payable does not include accretion on capital appreciation bonds or amortization of premiums and accounting gain

(2) See page 151 for population data.

(3) See page 159 for personal income data.

(4) See page 145 for assessed valuation data.

2002	2003	2004	2005
\$1,820,000	\$1,852,000	\$1,885,000	\$1,905,000
0	1,802,000	1,838,000	1,248,000
1,670,000	1,200,000	360,000	0
0	7,308,000	8,949,000	8,652,000
1,485,000	1,340,000	1,195,000	1,040,000
7,780,000	7,130,000	6,475,000	5,790,000
9,265,000	8,470,000	7,670,000	6,830,000
7,250,000	6,895,000	6,515,000	6,135,000
1,082,290	839,063	503,973	336,607
21,087,290	28,366,063	27,720,973	25,106,607
0	0	1,705,000	0
9,910,517	9,380,517	8,805,517	19,290,517
5,103,892	4,794,738	4,473,566	4,139,911
114,229	101,912	71,491	44,127
15,128,638	14,277,167	15,055,574	23,474,555
36,215,928	42,643,230	42,776,547	48,581,162
\$936.15	\$1,115.96	\$1,119.45	\$1,271.36
4.47%	5.33%	5.34%	6.07%
(1,670,000)	(1,200,000)	(360,000)	0
0	(7,308,000)	(8,949,000)	(8,652,000)
(7,250,000)	(6,895,000)	(6,515,000)	(6,135,000)
(8,920,000)	(15,403,000)	(15,824,000)	(14,787,000)
0	0	(1,705,000)	0
(9,910,517)	(9,380,517)	(8,805,517)	(19,290,517)
(5,103,892)	(4,794,738)	(4,473,566)	(4,139,911)
(114,229)	(101,912)	(71,491)	(44,127)
(15,128,638)	(14,277,167)	(15,055,574)	(23,474,555)
(24,048,638)	(29,680,167)	(30,879,574)	(38,261,555)
12,167,290	12,963,063	11,896,973	10,319,607
(725,299)	(756,494)	(1,356,175)	(889,784)
11,441,991	12,206,569	10,540,798	9,429,823
60,525,733	65,664,584	66,376,976	66,766,184
\$49,083,742	\$53,458,015	\$55,836,178	\$57,336,361
18.90%	18.59%	15.88%	14.12%
81.10%	81.41%	84.12%	85.88%
\$10,682,290	\$11,623,063	\$10,701,973	\$9,279,607
(725,299)	(756,494)	(1,356,175)	(889,784)
9,956,991	10,866,569	9,345,798	8,389,823
31,703,956	34,395,735	34,768,892	34,972,763
\$21,746,965	\$23,529,166	\$25,423,094	\$26,582,940
31.41%	31.59%	26.88%	23.99%
68.59%	68.41%	73.12%	76.01%
8,539,701	7,713,506	6,313,825	5,940,216
1.48%	1.23%	1.00%	0.93%
\$220.74	\$201.86	\$165.23	\$155.45

City of Huber Heights, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2005

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City of Huber Heights	Amount Applicable To City of Huber Heights
City of Huber Heights (1)	\$5,940,216	100.00%	\$5,940,216
Miami County (2)	6,516,464	0.62	40,402
Montgomery County (3)	49,512,232	8.23	4,074,857
			<u>\$10,055,475</u>

Note: The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, which considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: (1) Department of Finance, City of Huber Heights

(2) County Auditor; Miami County, Ohio

(3) County Auditor; Montgomery County, Ohio

City of Huber Heights, Ohio
Revenue Bond Coverage - Water Fund
Last Ten Years

Year	Revenues (1)	Operating Expenses (2)	Net Revenue Available Debt Service	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
2005	\$5,579,036	\$1,765,613	\$3,813,423	\$625,000	\$242,792	\$867,792	4.39
2004	4,316,193	1,902,642	2,413,551	575,000	270,393	845,393	2.85
2003	3,866,239	1,512,079	2,354,160	530,000	295,297	825,297	2.85
2002	2,818,787	1,585,137	1,233,650	490,000	317,843	807,843	1.53
2001	2,999,195	1,540,875	1,458,320	450,000	338,092	788,092	1.85
2000	2,698,338	1,609,909	1,088,429	410,000	356,133	766,133	1.42
1999	2,809,640	1,597,811	1,211,829	375,000	372,070	747,070	1.62
1998	2,658,508	1,676,010	982,498	340,000	386,010	726,010	1.35
1997	2,692,204	1,647,285	1,044,919	310,000	398,410	708,410	1.48
1996	3,494,101	2,109,158	1,384,943	210,000	492,057	702,057	1.97

Source: Department of Finance, City of Huber Heights

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) - Total revenues including non-operating revenues, capital contributions and transfers.
- (2) - Total operating expenses exclusive of depreciation.
- (3) - The City's bond covenant states that coverage must be at least 1.15 of the aggregate amount of principal and interest requirements on the bonds.

City of Huber Heights, Ohio
*Ratio of Annual Debt Principal and Interest Expenditures
for General Obligation Bonded Debt to Total
General Fund Expenditures
(modified accrual basis of accounting)
Last Ten Years*

Year	Debt Principal and Interest (1)	General Fund Expenditures	Ratio
2005	\$1,202,661	\$4,677,447	25.71%
2004	1,195,804	4,755,350	25.15
2003	1,220,109	4,737,626	25.75
2002	1,225,447	4,279,005	28.64
2001	5,868,536	3,778,737	155.30
2000	1,247,630	3,249,322	38.40
1999	1,474,386	2,939,826	50.15
1998	1,451,531	3,159,153	45.95
1997	1,266,119	2,676,690	47.30
1996	1,176,210	2,916,004	40.34

Source: Department of Finance, City of Huber Heights

(1) Includes only general obligation debt payable from property taxes

City of Huber Heights, Ohio
Demographic and Economic Statistics
 Last Ten Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age in Years (1)	Educational Attainment: Bachelor's Degree or Higher (1)	Average Sales Price of Residential Property (3)		School Enrollment (4)	Unemployment Rate Montgomery County (5)
							Price of Residential Property (3)	Price of Residential Property (3)		
2005	38,212	\$800,579,612	\$20,951	\$49,073	34.4	18.9%	\$103,000	\$103,000	6,861	6.40%
2004	38,212	800,579,612	20,951	49,073	34.4	18.9%	103,000	103,000	6,761	6.20%
2003	38,212	800,579,612	20,951	49,073	34.4	18.9%	103,000	103,000	6,826	6.30%
2002	38,686	810,510,386	20,951	49,073	34.4	18.9%	103,000	103,000	6,888	5.60%
2001	38,686	810,510,386	20,951	49,073	34.4	18.9%	100,000	100,000	7,045	4.30%
2000	38,686	810,510,386	20,951	49,073	34.4	18.9%	100,000	100,000	7,228	3.80%
1999	38,212	561,831,036	14,703	38,459	30.5	22.1%	100,000	100,000	7,288	3.80%
1998	38,939	572,520,117	14,703	38,459	30.5	22.1%	100,000	100,000	7,410	4.10%
1997	38,939	572,520,117	14,703	38,459	30.5	22.1%	100,000	100,000	7,373	4.00%
1996	38,939	572,520,117	14,703	38,459	30.5	22.1%	100,000	100,000	7,471	4.40%

Source: (1) 1990 and 2000 U.S. Census Reports.

(2) Computation of per capital personal income multiplied by population.

Source: (3) Dayton Area Board of Realtors, Dayton, Ohio (2002-2003 Price Range: \$48,000 - \$520,000).

Source: (4) Huber Heights City School District Board of Education.

Source: (5) Ohio Bureau of Employment Services.

City of Huber Heights, Ohio
Principal Employers
Based on Number of Employees
Current Year and Seven Years Ago (1)

Employer	Nature of Activity or Business	2005		2005		1998		1998	
		Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment		
A B F Freight Systems	Truck Terminal	735	1	3.91%	735	1	3.71%		
Spectra-Physics (formerly Trimble Navigation Limit)	Laser Manufacturing	456	2	2.43%	680	2	3.43%		
Fedex Freight	Package Delivery	300	3	1.60%	-	-	-		
Wal-Mart Stores Incorporated	General Merchandise	295	4	1.57%	295	4	1.49%		
Montgomery Development Center	Handicapped Home	214	5	1.14%	214	6	1.08%		
Coca Cola Enterprises, Inc.	Warehouse and Distributor	210	6	1.12%	-	-	-		
Lowe's Home Centers, Inc.	Home Improvement Sales	200	7	1.06%	-	-	-		
City of Huber Heights	City Government	198	8	1.05%	177	8	0.89%		
Spring Creek Nursing Center	Nursing Home	180	9	0.96%	106	19	0.54%		
Kohl's Department Stores, Inc.	General Merchandise	180	10	0.96%	180	7	0.91%		
TGI Friday's	Restaurant	160	11	0.85%	-	-	-		
Bowser Morner	Testing Laboratory	160	12	0.85%	172	10	0.87%		
Cub Foods	Grocery Store	160	13	0.85%	176	9	0.89%		
Paxar Corporation	Paper Products Manufacturing	158	14	0.84%	225	5	1.14%		
LaserMike Inc	Laser Gauging	155	15	0.82%	155	12	0.78%		
Target Corporation	General Merchandise	150	16	0.80%	150	13	0.76%		
Southdown, Inc.	Cement Company	150	17	0.80%	-	-	-		
Bon-Ton Elder-Beerman	General Merchandise	140	18	0.74%	140	16	0.71%		
AIDA-Dayton Technologies Corp	Press Manufacturing	132	19	0.70%	80	25	0.40%		
Metokote Corp	Powder-coated Metals	130	20	0.69%	-	-	-		
Wayne High School	Education	122	21	0.65%	-	-	-		
Onyx Industrial Services, Inc.	Trucking Company	110	22	0.59%	-	-	-		
Kroger Limited	Grocery Store	100	23	0.53%	100	20	0.51%		
Pizzeria Uno	Restaurant	100	24	0.53%	120	17	0.61%		
K-Mart Corp	General Merchandise	100	25	0.53%	150	14	0.76%		
Fuknvi USA, Inc.	Plastic Building Materials Manufacturing	95	26	0.51%	-	-	-		
Dayton Freight Lines, Inc.	Truck Terminal	87	27	0.46%	87	24	0.44%		
Studebaker Jr. High School (2)	Education	84	28	0.45%	-	-	-		
Weisenborn Jr. High School (2)	Education	84	29	0.45%	-	-	-		
U.S. Postal Service	Postal Service	74	30	0.39%	-	-	-		
Steak 'N Shake	Restaurant	71	31	0.38%	74	28	0.37%		
Huber Heights City Schools (2)	Education	-	-	-	71	29	0.36%		
Globe Products, Inc.	Winding Equipment	-	-	-	585	3	2.95%		
Engineeries Aerospace	Aerospace Parts	-	-	-	161	11	0.81%		
Applebee's	Restaurant	-	-	-	144	15	0.73%		
St. Peter's Catholic Church	Church and School	-	-	-	110	18	0.56%		
Howard's Pharmacy	Drugstore	-	-	-	95	21	0.48%		
Old Country Buffet	Restaurant	-	-	-	90	22	0.45%		
Furrow's Building Materials	Retail Building Materials	-	-	-	90	23	0.45%		
Catlow Industries	Gas Pump Nozzle Manufacturing	-	-	-	78	26	0.39%		
Waste Management Industrial	Sewer Cleaning	-	-	-	75	27	0.38%		
		-	-	-	70	30	0.35%		

Source: City of Huber Heights, Planning and Development Department

(1) Information at December 31, 1996 is not available.

(2) Huber Heights City Schools information is now broken out separately by school building.

City of Huber Heights, Ohio
Principal Income Taxpayers, Based on Income Tax Withholdings
Current Year and Three Years Ago (1)
(cash basis of accounting)

Employer	Nature of Activity or Business	2005 Rank	2002 Rank
Wright Patterson Air Force Base	Military Base	1	1
Huber Heights City Schools	Education	2	3
Spectra-Physics (formerly Trimble Navigation Limit)	Laser Manufacturing	3	4
A B F Freight Systems	Truck Terminal	4	2
Fedex Freight	Package Delivery	5	5
City of Huber Heights	City Government	6	6
Wal-Mart Stores Incorporated	General Merchandise	7	10
State of Ohio	State Government	8	7
AIDA-Dayton Technologies Corp	Press Manufacturing	9	8
Enginetics Aerospace	Aerospace Parts	10	14
Paxar Corporation	Paper Products Manufacturing	11	4
Coca Cola Enterprises, Inc.	Warehouser and Distributor	12	11
Dayton Freight Lines, Inc.	Truck Terminal	13	13
LaserMike Inc	Laser Gauging	14	12
Huber Investment Corporation	Residential Rental	15	20
Apache Technologies, Inc.	Laser Manufacturing	16	
Bowser Morner	Testing Laboratory	17	17
Kroger Limited	Grocery Store	18	16
Lowe's Home Center Incorporated	Home Improvement Sales	19	19
National City Bank	Banking	20	22
Reed Elsevier, Inc.	Data Storage	21	
Tristate Healthcare	Healthcare	22	
Dayton Regional Dialysis Inc	Healthcare	23	26
Yellow Transportation, Inc.	Truck Terminal	24	29
Millat Industries	Precision Machinery Manufacturing	25	
CBS Personnel Service	Temporary Employment Agency	26	
Spherion of Lima, Inc.	Temporary Employment Agency	27	
Stoops of Ohio, Inc.	Freightliner Sales	28	
Fukuvi USA Inc.	Plastic Building Materials Manufacturing	29	21
Metokote Corp	Powder-coated Metals	30	24
Integrated of Spring Creek	Nursing Home		15
LEXIS-NEXIS	Electronic Information Services		18
Alpha Mold LLC	Plastic and Glass Mold Manufacturing		23
Dayton Foods LTD	Grocery Store		25
Bon-Ton Elder-Beerman	General Merchandise		27
Target Corporation	General Merchandise		28
Combined Percentage of Total Income Taxes		60.17%	62.02%

(1) The City took over collection of its income taxes from the City of Dayton during 2001. 2002 is the first full year of information available.

Source: City of Huber Heights, Division of Taxation

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

City of Huber Heights, Ohio
Property Values, Construction, and Bank Deposits
Last Ten Years

Year	Property Values (1)	Residential Construction		Commercial Construction		County Bank Deposits (3)
		Number of Permits (4)	Value (2)	Number of Permits (4)	Value (2)	
2005	\$1,657,151,057	123	\$19,187,975	9	\$3,158,000	\$264,569,000
2004	1,635,426,200	142	25,239,642	8	8,254,991	250,930,000
2003	1,610,845,286	124	16,677,665	13	17,246,476	249,614,000
2002	1,466,793,000	130	17,884,051	40	4,055,575	241,447,000
2001	1,446,036,257	105	14,828,136	11	4,531,034	224,099,000
2000	1,444,830,686	77	25,533,338	3	1,857,949	191,473,000
1999	1,261,386,971	46	7,236,860	4	6,394,747	2,994,378,000
1998	1,249,045,571	47	6,915,432	4	12,101,329	3,264,705,000
1997	1,243,555,286	35	4,526,863	4	5,018,225	3,530,314,000
1996	1,133,458,743	38	5,328,346	5	2,947,093	3,899,145,000

(1) Estimated actual real property values (Public Utility Real Property not included). Miami County, Ohio information added.

Source: (2) City of Huber Heights Planning and Zoning Department.

Source: (3) Federal Reserve Bank of Cleveland. No main office in the City of Huber Heights.

(3) Decrease for 2000 due to bank restructuring. Deposits at end of year are no longer held in Montgomery County, but in Cuyahoga County.

(4) Industrial permits are not included.

City of Huber Heights, Ohio

Principal Taxpayers

December 31, 2005

Taxpayer	2004 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2005	Percentage of Total Assessed Valuation
1. Kir Huber Heights L P	\$9,740,260	1.64%
2. Dayton Power and Light Company	8,125,800	1.37
3. Wal-Mart Stores Incorporated	3,604,380	0.61
4. Lowe's Home Center Incorporated	3,108,170	0.52
5. Ohio Bell Telephone	3,105,550	0.52
6. National Amusement Incorporated	2,883,660	0.48
7. Waynetowne Associates	2,866,360	0.48
8. Target Corporation	2,297,150	0.39
9. C. H. Huber Enterprise Incorporated	2,065,460	0.35
10. Spectra-Physics (formerly Trimble Navigation Limit)	1,970,630	0.33
Total	\$39,767,420	6.69%
Taxpayer	2004 Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2005	Percentage of Total Assessed Valuation
1. Spectra-Physics (formerly Trimble Navigation Limit)	\$4,873,180	11.82%
2. AIDA-Dayton Technologies Corp	4,109,000	9.96
3. Enginetics Aerospace	2,550,500	6.18
4. Paxar Corporation	1,571,520	3.81
5. Lowe's Home Center Incorporated	1,490,350	3.61
6. Wal-Mart Stores Incorporated	1,430,230	3.47
7. Stoops of Lima, Inc.	1,200,170	2.91
8. Fukuvi USA, Inc.	1,152,910	2.80
9. MJO Industries, Inc.	838,870	2.03
10. Saturn of Dayton, Inc.	813,430	1.97
Total	\$20,030,160	48.56%

Source: County Auditor; Montgomery County, Ohio

City of Huber Heights, Ohio
Labor Force and Unemployment Rates
Last 25 Years

Year	City		Montgomery County		Miami County (1)		Dayton-Springfield M.S.A. (2)		Ohio (3)		U.S.A. (4)	
	Labor Force	Unemployment Rate (6)	Labor Force (5)	Unemployment Rate (6)	Labor Force (5)	Unemployment Rate (6)	Labor Force (5)	Unemployment Rate (6)	Labor Force (5)	Unemployment Rate (6)	Labor Force (5)	Unemployment Rate (6)
2005	19,900	5.7%	272.2	6.4%	54.1	5.6%	424.9	6.1%	5,900.4	5.9%	5,900.4	5.1%
2004	18,797	5.1	288.6	6.2	56.8	5.4	449.0	5.9	5,884.8	6.1	5,884.8	5.5
2003	18,824	5.1	279.5	6.3	51.3	6.3	475.0	6.2	5,915.0	6.1	5,915.0	6.0
2002	18,925	4.7	278.6	5.6	51.3	5.8	473.8	5.6	5,828.0	5.7	5,828.0	5.8
2001	19,405	3.6	284.9	4.3	56.7	4.1	480.7	4.3	5,857.0	4.3	5,857.0	4.8
2000	19,546	3.0	278.8	3.8	56.4	3.4	470.4	3.8	5,783.0	4.1	5,783.0	4.0
1999	20,200	3.0	278.5	3.8	50.5	3.9	471.0	3.8	5,749.0	4.3	5,749.0	4.2
1998	20,500	3.2	281.0	4.1	50.3	3.7	470.2	3.9	5,678.0	4.3	5,678.0	4.5
1997	20,500	3.2	284.5	4.0	51.2	4.4	477.3	4.1	5,707.0	4.6	5,707.0	4.9
1996	20,600	3.5	283.2	4.4	50.5	4.3	473.7	4.5	5,643.0	4.9	5,643.0	5.4
1995	20,500	3.2	282.5	4.0	49.9	3.7	471.5	4.0	5,584.4	4.8	5,584.4	5.6
1994	20,500	3.7	284.0	4.9	49.4	4.1	469.0	4.8	5,541.2	5.5	5,541.2	6.1
1993	20,400	4.3	284.8	6.4	49.1	6.1	471.1	6.5	5,431.8	7.8	5,431.8	7.6
1992	20,600	5.0	288.5	6.4	49.0	6.7	477.1	6.5	5,490.0	7.2	5,490.0	7.4
1991	20,700	4.5	289.4	5.7	49.0	6.2	474.4	5.8	5,440.0	6.4	5,440.0	6.7
1990	20,800	3.9	290.7	5.2	49.1	5.8	476.8	5.3	5,433.0	5.7	5,433.0	5.5
1989	18,800	3.5	292.2	5.1	48.5	5.1	498.6	5.1	5,419.0	5.5	5,419.0	5.3
1988	18,400	3.7	287.7	5.3	47.3	4.8	469.0	5.2	5,322.0	6.0	5,322.0	5.5
1987	18,200	3.9	283.3	5.6	47.1	6.2	463.8	5.6	5,253.0	7.0	5,253.0	6.2
1986	18,000	4.6	282.3	6.5	46.7	7.2	462.0	6.6	5,232.0	8.1	5,232.0	7.0
1985	17,600	4.9	274.9	7.0	45.8	7.8	450.4	7.2	5,135.0	8.9	5,135.0	7.2
1984	17,000	5.6	266.8	8.0	42.9	9.5	440.1	8.0	5,089.0	9.4	5,089.0	7.5
1983	16,700	7.4	265.2	10.5	42.6	11.5	438.5	10.6	5,099.0	12.2	5,099.0	9.6
1982	(a)	(a)	270.0	11.5	42.9	12.0	391.8	11.4	5,114.0	12.5	5,114.0	9.7
1981	(a)	(a)	269.5	8.5	42.9	9.0	390.8	8.4	5,100.0	9.6	5,100.0	7.6

- NOTES:
- (1) The City is situated in both Miami and Montgomery Counties. This is the second year that Miami County has been reported.
 - (2) From 1981 through 1982, the Dayton metropolitan statistical area included Greene, Montgomery, Miami and Preble Counties. From 1983 through the present, the Dayton M.S.A. included Clark, Greene, Montgomery and Miami Counties.
 - (3) Ohio estimates are based upon county of residence.
 - (4) Ohio and USA data are seasonally adjusted.
 - (5) Labor force in thousands.
 - (6) The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian work force which includes workers on strike.
- (a) Not available.

Source: Ohio Job and Family Services, Division of Research and Statistics

City of Huber Heights, Ohio
Principal Employers
Dayton-Springfield Metropolitan Statistical Area
December 31, 2005

Employer	Nature of Activity or Business	Approximate Number of Employees
Wright-Patterson Air Force Base	Military Base	22,000
Premier Health Partners	Healthcare	9,979
Delphi Automotive Systems	Manufacturing	6,681
Montgomery County	Government	4,979
Meijer, Inc.	Grocery and Retail Merchandise	4,650
Kettering Medical Network	Hospital	4,460
GM Moraine Assembly Plant	Manufacturing	4,165
AK Steel	Manufacturing	3,500
Dayton Public Schools	Education	3,100
LEXIS-NEXIS	Electronic Information Services	3,000
National City	Banking	2,955
Honda of America Manufacturing, Inc.	Manufacturing	2,800
City of Dayton	Government	2,576
National City Mortgage	Real Estate Financing	2,450
Sinclair Community College	Education	2,122
Wright State University	Education	2,055
NCR Corporation	Manufacturing	2,000
Frisch's Restaurants, Inc.	Food Service	2,000
Upper Valley Medical Center	Healthcare	1,822
Behr Dayton Thermal Products	Manufacturing	1,800
Reynolds & Reynolds Co.	Business Information Services	1,800
University of Dayton	Education	1,787
Copeland Corporation	Manufacturing	1,700
Veterans Affairs Medical Center	Hospital	1,580
UPS Supply Chain Solutions	Cargo Transportation	1,500
SBC	Communications	1,500
International Truck and Engine Corporation	Manufacturing	1,500
Cox-Ohio Publishing	Newspaper Publishing	1,417
Bon-Ton Elder-Beerman	Retail Department Store	1,381
MT Picture Display Corporation of America	Manufacturing	1,225

Source: Dayton Business Journal, published December 2005, 2004 Ranking

City of Huber Heights, Ohio
Principal Employers
Based on Income Tax Withholdings
For the Year Ended December 31, 2005

Employer	Nature of Activity or Business
Wright Patterson Air Force Base	Military Base
Huber Heights City Schools	Education
Spectra-Physics (formerly Trimble Navigation Limit)	Laser Manufacturing
A B F Freight Systems	Truck Terminal
Fedex Freight East Inc.	Package Delivery
City of Huber Heights	City Government
Wal-Mart Stores Incorporated	General Merchandise
State of Ohio	State Government
AIDA-Dayton Technologies Corp	Press Manufacturing
Enginetics Aerospace	Aerospace Parts
Paxar Corporation	Paper Products Manufacturing
Coca Cola Enterprises, Inc.	Warehouser & Distributor
Dayton Freight Lines, Inc.	Truck Terminal
LaserMike Inc	Laser Gauging
Huber Investment Corporation	Residential Rental
Apache Technologies, Inc.	Laser Manufacturing
Bowser Morner	Testing Laboratory
Kroger Limited	Grocery Store
Lowe's Home Center Incorporated	Home Improvement Sales
National City Bank	Banking
Reed Elsevier, Inc.	Data Storage
Tristate Healthcare	Nursing Home
Dayton Regional Dialysis Inc	Healthcare
Yellow Transportation, Inc.	Truck Terminal
Millat Industries	Precision Machining
CBS Personnel Services, LLC	Employment Agency
Spherion of Lima, Inc.	Temporary Employment Agency
Stoops of Ohio, Inc.	Truck Dealership
Fukuvi USA Inc.	Plastic Building Materials Manufacturing
Metokote Corp	Powder-coated Metals

Source: City of Huber Heights, Division of Taxation, 2005

City of Huber Heights, Ohio
Land Use by Acres and Valuation
December 31, 2005

<u>Land Use</u>	<u>Area (in acres) (1)</u>	<u>Percent of Assessed Valuation of Real Property (2005 Valuation) (2)</u>
Residential	6,254	78.96%
Commercial/Industrial	2,166	20.01
Public Utility	184	(a)
Governmental and Other Tax Exempt	1,757	(b)
Agricultural	3,660	1.03
Undeveloped	1,042	(c)

(a) Not available from County Auditor

(b) Not applicable. Exempt from property taxation

(c) Included in above categories.

Source: (1) City of Huber Heights Planning and Development Department, 2005

(2) County Auditor; Miami County and Montgomery County, Ohio

City of Huber Heights, Ohio
Principal Employers
Based on Number of Employees
December 31, 2003 (1)

Employer	Nature of Activity or Business	Approximate Number of Employees
A B F Freight Systems	Distribution Terminal	735
Spectra-Physics (formerly Trimble Navigation Limit)	Laser Manufacturing	456
Fedex Freight	Package Delivery	300
Wal-Mart Stores Incorporated	General Merchandise	295
Montgomery Development Center	Handicapped Home	214
Coca Cola Enterprises, Inc.	Warehouser & Distributor	210
Lowe's Home Center Incorporated	Home Improvement Sales	200
City of Huber Heights	City Government	198
Spring Creek Nursing Center	Nursing Home	180
Kohl's Department Stores, Inc.	General Merchandise	180
TGI Friday's	Restaurant	160
Bowser Morner	Testing Laboratory	160
Cub Foods	Grocery Store	160
Paxar Corporation	Paper Products Manufacturing	158
LaserMike, Inc.	Laser Gauging	155
Target Corporation	General Merchandise	150
Southdown, Inc.	Cement Company	150
Bon-Ton Elder-Beerman	General Merchandise	140
AIDA-Dayton Technologies Corp.	Press Manufacturing	132
Metokote Corporation	Powder-coated Metals	130
Wayne High School	Education	122
Onyx Industrial Services, Inc.	Trucking Company	110
Kroger Limited	Grocery Store	100
Pizzeria Uno	Restaurant	100
K-Mart Corp	General Merchandise	100
Fukuvi USA, Inc.	Plastic Building Materials Manufacturing	95
Dayton Freight Lines, Inc.	Truck Terminal	87
Studebaker Jr. High School	Education	84
Weisenborn Jr. High School	Education	84
U.S. Postal Service	Postal Service	74
Steak 'N Shake	Restaurant	71

Source: City of Huber Heights, Planning and Development Department

(1) 2003 is the latest information available.

City of Huber Heights, Ohio
City Government Employees by Function/Program
Last Ten Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Security of Persons and Property:										
Fire (1)	39	44	44	44	44	50	52	52	52	52
Police (2)	46	52	52	52	52	53	53	55	55	55
Other (3)	10	10	10	11	11	11	11	11	11	11
Leisure Time Activities:										
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Pool (4)	24	24	24	24	24	24	24	24	24	0
Community Environment:										
Planning and Development	9	9	9	9	9	9	9	9	9	9
Engineering (5)	7	7	7	7	7	7	7	7	7	7
Transportation (6)	18	18	18	18	18	18	18	18	18	18
General Government (7):										
Mayor	1	1	1	1	1	1	1	1	1	1
Council (8)	10	10	10	10	10	10	10	10	10	10
Management (9)	8	8	8	8	8	8	8	8	8	8
Finance-Accounting	6	6	6	6	6	6	6	6	6	6
Finance-Income Tax (10)	0	0	0	0	0	0	0	0	0	0
Management Information Systems (9)	0	0	0	0	0	0	0	0	0	0
Human Resources (9)	0	0	0	0	0	0	0	0	0	0
Buildings and Grounds (11)	2	2	2	2	2	2	2	2	2	2
Volunteers:										
Police	0	0	0	0	0	0	0	0	0	0
Fire	9	8	7	7	4	1	1	1	1	1
Non-Security of Persons and Property	1	4	3	3	0	0	0	0	0	0
Total	192	205	203	204	198	211	213	215	216	192

Source: Department of Finance, City of Huber Heights. The number of employees represents the number of allowed positions and not necessarily the number of filled positions. (1) In 2001, the City Council authorized the collection of Emergency Medical Service Fees. The funds were used to hire six fire fighter/paramedics, a lead fire inspector, a training officer, a data entry technician for the Fire Department, and an Information Technician. The Information Technician has since been paid out of the General Fund.

(2) As part of a five-year hiring program, the City increased the staffing level in the Police Division by committing to hiring two additional officers in 1997 and again in 1998. In 2003, the City established a Student Resource Officer program so that two police officers are provided to the Huber Heights City School District.

(3) The Dispatch Division is paid out of the General Fund, along with General Lighting.

(4) The municipal pool had seasonal employees. Starting in 2005 the City contracted this service to the YMCA.

(5) A portion of certain employees' salaries and benefits are charged to the Sewer and Water Divisions.

(6) Transportation is made up entirely of the Public Works Division.

(7) The Legal Division is a contractual service.

(8) Council is made up of 8 Council members along with one Clerk of Council and one part-time Assistant Clerk of Council.

(9) In 2004, both the Management Information Systems Division and the Human Resources Department were created.

(10) The Finance-Income Tax Department was created in 2001 when the City took over its own collections from the City of Dayton.

(11) The Buildings and Grounds Division was hired to maintain City-owned facilities.

City of Huber Heights, Ohio
Operating Indicators by Function/Program
Last Ten Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Function/Program										
Security of Persons and Property:										
Fire										
Number of fire calls	1,974	1,202	1,034	1,131	1,130	1,040	998	989	1,091	1,105
Number of EMS calls	3,675	3,722	3,604	3,755	3,956	3,855	3,868	3,908	3,879	3,878
Number of fire reports	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	2,037	1,105
Number of EMS reports	(a)	(a)	(a)	(a)	(a)	(a)	(a)	4,055	3,923	3,981
Police										
Calls for service	50,000	46,810	45,765	46,759	47,719	49,829	51,155	56,963	55,754	56,209
Total police incident reports taken and other activity	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	15,044	14,481
Offenses	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	5,382	5,339
Arrests	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1,948	1,617	2,100
Field intervention	(a)	(a)	(a)	(a)	(a)	(a)	(a)	77	290	112
Juvenile	(a)	(a)	(a)	(a)	(a)	(a)	(a)	539	589	530
Stolen property	(a)	(a)	(a)	(a)	(a)	(a)	(a)	742	692	0
Citations	(a)	(a)	(a)	(a)	(a)	(a)	(a)	4,203	4,381	5,534
Warrants	(a)	(a)	(a)	(a)	(a)	(a)	(a)	718	590	854
Accidents	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1,291	1,502	12
Intelligence	(a)	(a)	(a)	(a)	(a)	(a)	(a)	26	1	0
Pawn	(a)	(a)	(a)	(a)	(a)	(a)	(a)	38	0	0
Community Environment:										
Planning and Development										
Residential construction permits issued	38	35	47	46	77	105	130	124	142	123
Estimated value of residential construction	\$5,328,346	\$4,526,863	\$6,915,432	\$7,236,860	\$25,533,338	\$14,828,136	\$17,884,051	\$16,677,665	\$25,239,642	\$19,187,975
Commercial construction permits issued	5	4	4	4	3	11	40	13	8	9
Estimated value of commercial construction	\$2,947,093	\$5,018,225	\$12,101,329	\$6,394,747	\$1,857,949	\$4,531,034	\$4,055,575	\$17,246,476	\$8,254,991	\$3,158,000
Industrial construction permits issued	(a)	(a)	(a)	(a)	6	4	4	2	5	9
Estimated value of industrial construction	(a)	(a)	(a)	(a)	(a)	\$3,519,665	\$4,789,725	\$4,136,315	\$1,256,600	\$2,234,500
General Government:										
Finance-Income Tax										
Number of income tax returns processed	(b)	(b)	(b)	(b)	(b)	(b)	20,531	19,610	19,081	22,578
Number of incoming phone calls processed	(b)	(b)	(b)	(b)	(b)	(b)	6,217	11,847	8,385	7,543
Number of letters sent out	(b)	(b)	(b)	(b)	(b)	(b)	(b)	6,007	12,798	14,382
Number of walk-in customers helped	(b)	(b)	(b)	(b)	(b)	(b)	2,176	4,995	5,326	5,967
Water:										
Water main breaks repaired	(a)	(a)	(a)	(a)	(a)	(a)	357	48	52	29
Hydrants flushed	(a)	(a)	(a)	(a)	(a)	(a)	8,106	327	1,722	343
Drinking water produced (billions of gallons)	(a)	(a)	(a)	(a)	(a)	(a)	11.2	1,435.198	1,426.608	1,402.850

Sources: Various City Divisions/Departments.
(a) Not available.
(b) On September 14, 2001, the City of Huber Heights terminated the income tax collection contract with the City of Dayton, establishing a collection office for the City of Huber Heights.
Note: Indicators are not available for the following functions: security of persons and property; other; leisure time activities; transportation; sewer; and stormwater.

City of Huber Heights, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Security of Persons and Property:										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
Staff cars	(a)	(a)	(a)	(a)	(a)	(a)	(a)	18	17	16
Police cruisers	(a)	(a)	(a)	(a)	(a)	(a)	(a)	29	29	28
Leisure Time Activities:										
Parks and Recreation	9	9	13	13	13	13	13	13	13	13
Number of parks	0	0	0	0	1	1	1	1	1	1
Pool										
Community Environment:										
Planning and Development										
Vehicles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	4	4	4
Engineering										
City area (square miles)	20.24	20.24	20.41	20.41	20.41	22.00	22.00	22.00	22.06	22.06
Streets (miles)	167.0	167.0	171.0	171.0	171.4	172.3	172.3	172.3	173.5	180.0
Streetslights	2,260	2,260	2,261	2,261	2,261	2,288	2,308	2,322	2,348	2,395
Vehicles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	6	5	5
Transportation										
Buildings	(a)	(a)	(a)	(a)	(a)	(a)	(a)	8	8	8
Vehicles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	22	22	22
General Government:										
Central Services										
Building	1	1	1	1	1	1	1	1	1	1
Autonobiles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1	1	1
Management	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1	1	1
Autonobiles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1	1	1
Finance-Accounting	(a)	(a)	(a)	(a)	(a)	(a)	(a)	2	2	2
Autonobiles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	2	2	2
Finance-Income Tax										
Total square footage occupied in leased Income Tax Office	n/a	n/a	n/a	n/a	n/a	1,250	1,250	2,262	2,262	2,262
Autonobiles	n/a	n/a	n/a	n/a	n/a	(a)	(a)	2	2	2
Management Information Systems										
Autonobiles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1	1	1
Courts										
Building	0	0	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	136.73	136.73	140.53	140.53	142.93	143.85	144.96	144.96	146.12	152.90
Sewer:										
Sanitary sewers (miles)	131.35	131.35	134.80	134.80	135.20	136.02	137.56	137.56	138.66	145.24
Storm Water:										
Storm sewers (miles)	123.18	123.18	126.68	126.68	127.02	127.82	130.45	130.45	131.49	138.02

Sources: Various City Divisions/Departments.
n/a: Prior to 2001, the City contracted income tax collection services with the City of Dayton. The Courts Building was built in 1998.
(a) - Not available.

City of Huber Heights, Ohio

Miscellaneous Statistics

December 31, 2005

Year of Incorporation	1981
Form of Government	Council/Manager
Number of Employees (excluding police and fire)	
Full-Time	63
Part-Time	21
Seasonal	2
Area	22.06 Square Miles
Miles of Streets	180.0 Miles
Number of Street Lights	2,395
Recreation and Culture:	
Number of Parks	13
Libraries	1
Fire Protection:	
Number of Stations	2
Number of Fire Personnel and Officers	52
Number of Volunteers	1
Number of Fire Calls	1,105
Number of EMS Calls	3,878
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	55
Number of Dispatchers	11
Number of Calls	56,209
Sewer and Water:	
Miles of Sanitary Sewers	145.24
Miles of Storm Sewers	138.02
Miles of Water Lines	152.90
Education (K-12) (Public Only):	
Attendance Centers	10
Number of Classrooms	373
Number of Teachers	540
Number of Support Staff	353
Number of Students	6,861

City of Huber Heights, Ohio
Ten Largest Water Customers
Last Two Years

Company	Type of Business	2005 Rank	2004 Rank
Bowser Morner, Inc.	Testing Laboratory	1	5
Montgomery Development Center	Handicapped Home	2	2
Spring Creek Nursing Home	Nursing Home	3	1
Parktowne Homeowners' Association	Homeowners' Association	4	-
H H Health Services	Healthcare	5	3
Huber Heights City School District	Education	6	6
Huber Investment Corporation	Residential Rental	7	4
Holiday Inn Express	Hotel	8	8
Ruby Tuesday's	Restaurant	9	-
Wal-Mart Stores Incorporated	General Merchandise	10	-
Spectra-Physics (formerly Trimble Navigation Limit)	Laser Manufacturing	-	7
Watering Hole	Car Wash	-	9
Connor and Murphy	Hotel	-	10

Source: Earth Tech, Inc., the City's utility operator.

Note: This group is relatively stable. These customers represent approximately 2% of total revenue collections.





**Auditor of State
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800-282-0370

Facsimile 614-466-4490

**CITY OF HUBER HEIGHTS
MONTGOMERY 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
JUNE 15, 2006**