

CITY OF HUBER HEIGHTS

Yellow Book Report

December 31, 2006



Mary Taylor, CPA
Auditor of State

City Council
City of Huber Heights
6131 Taylorsville Rd.
Huber Heights, OH 45424

We have reviewed the *Report of Independent Accountants* of the City of Huber Heights, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2006 to December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Huber Heights is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 31, 2007

This Page is Intentionally Left Blank.



June 26, 2007

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members of the
City Council of the City of Huber Heights

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights, Ohio (City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2007, wherein we noted that the amounts presented related to the City's 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

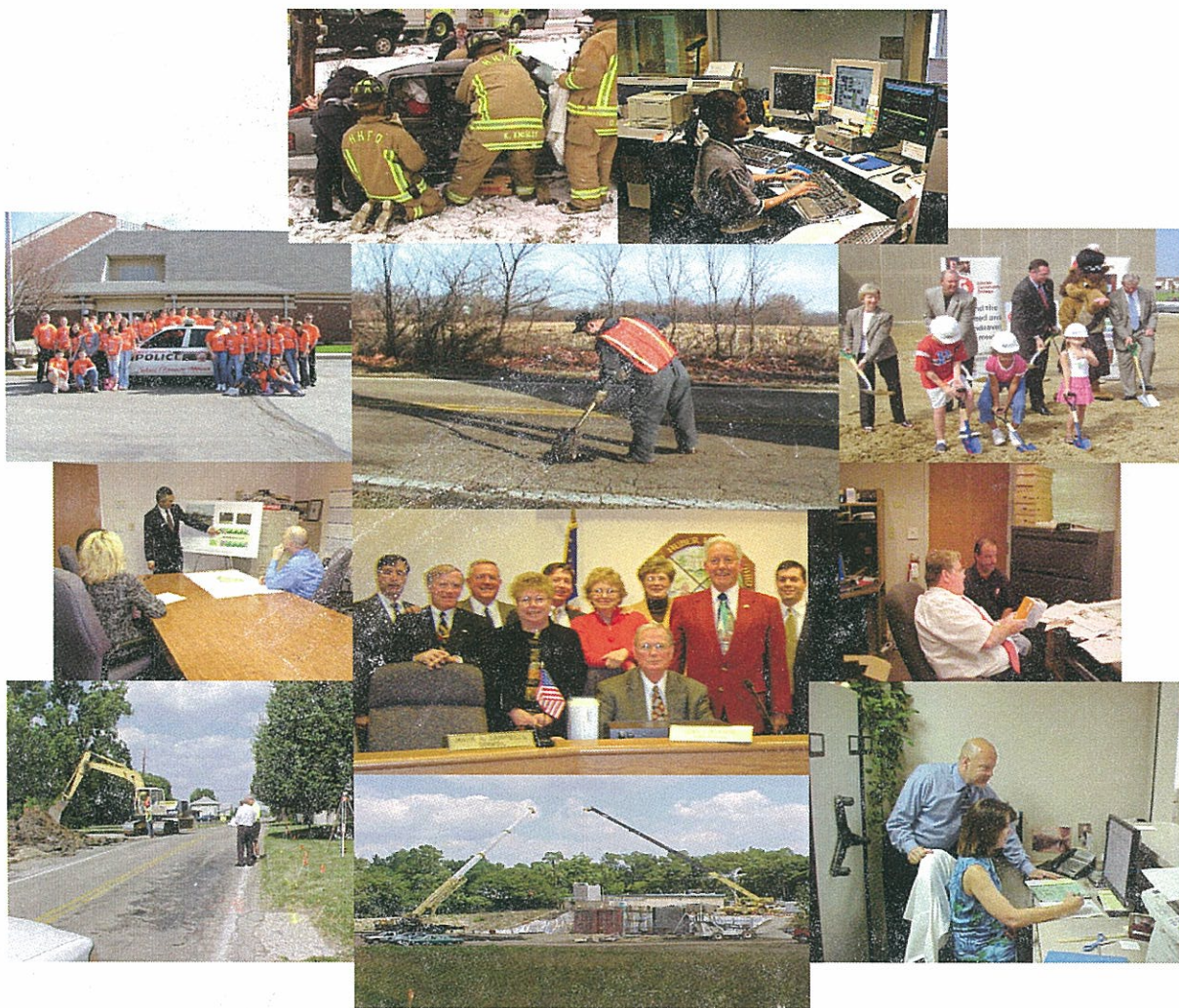
This report is intended solely for the information and use of management, the Auditor of State, the Honorable City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Plattenburg & Associates, Inc.

Certified Public Accountants

Working Together as One



City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2006

City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2006

Issued by:
Department of Finance

City of Huber Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	xiv
List of Principal Officials	xv
Organizational Chart	xvi

FINANCIAL SECTION

Independent Accountants' Report	1
---------------------------------------	---

Management's Discussion and Analysis	3
--	---

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets.....	21
Statement of Activities	22

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	24
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Fire Fund	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Police Fund.....	33

Statement of Fund Net Assets – Enterprise Funds	34
Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Funds	35
Statement of Cash Flows – Enterprise Funds.....	36
Notes to the Basic Financial Statements	38
Combining Financial Statements:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions.....	82
Combining Balance Sheet – Nonmajor Governmental Funds.....	84
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	85
Combining Balance Sheet – Nonmajor Capital Projects Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	94
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	96
Special Assessment Bond Retirement Fund.....	97
Capital Improvement Fund.....	98
Sewer Fund.....	99
Water Fund	100
Stormwater Fund	101
Nonmajor Funds:	
Byrne Memorial Grant Fund	102
City Motor Vehicle License Permissive Tax Fund	103
County Motor Vehicle Permissive Tax Fund	104
Drug Law Enforcement Fund.....	105
Firefighters Assistance Grant Fund	106
Law Enforcement Fund	107
Lighting Fund	108
Local Street Operating Fund.....	109
Parks and Recreation Fund.....	110
Prevention, Retention and Contingency - Development Reserve Fund	111
State Highway Fund	112
Street Maintenance and Repair Fund.....	113
General Obligation Bond Retirement Fund.....	114
Capital Equipment Fund.....	115
Economic Development/Government Equity Improvement Fund	116

Federal Equity Sharing Fund.....	117
Fire Capital Equipment Fund	118
Issue II Fund	119
Local Law Enforcement Block Grant Fund	120
Local Street Capital Improvement Fund	121

STATISTICAL SECTION

Statistical Section Description.....	123
Net Assets by Component – Last Six Years.....	124
Changes in Net Assets – Last Six Years.....	125
Fund Balances, Governmental Funds – Last Ten Years.....	128
Changes in Fund Balances, Governmental Funds– Last Ten Years.....	130
Program Revenues by Function/Program - Last Six Years.....	132
Tax Revenues by Source, Governmental Funds – Last Ten Years	133
Government-wide Expenses for Governmental Activities by Function – Last Six Years	134
Government-wide Revenues for Governmental Activities– Last Six Years	135
General Fund Expenditures by Function - Last Ten Years	136
General Fund Revenues by Source - Last Ten Years	137
Municipal Income Tax Receipts (Cash Basis) - Last Twenty-Two Years	138
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	139
Principal Property Taxpayers – Current Year and Nine Years Ago.....	140
Assessed Value and Estimated True Value of Taxable Property - Last Ten Years.....	141
Income Tax by Payer Type and Income Tax Rate – Last Five Years	142
Property Tax Levies and Collections – Last Ten Years	143
Income Tax Statistics – Last Five Years	144
Special Assessments Billed and Collected, Bond Coverage - Last Ten Years.....	145
Special Assessments Billed and Collected - Last Ten Years	146
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Years	147
Voted Property Tax	148
Ratios of Outstanding Debt by Type and Legal Debt Margins - Last Ten Years.....	150
Computation of Direct and Overlapping General Obligation Bonded Debt	152
Revenue Bond Coverage - Water Fund - Last Ten Years	153
Ratio of Annual Debt Principal and Interest Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures - Last Ten Years.....	154
Principal Employers Based on Number of Employees – Current Year and Eight Years Ago	155
Principal Income Taxpayers, Based on Income Tax Withholdings – Current Year and Four Years Ago.....	156
Demographic and Economic Statistics - Last Ten Years	157
Property Values, Construction, and Bank Deposits - Last Ten Years.....	158
Principal Taxpayers	159
Labor Force and Unemployment Rates - Last Twenty-Five Years.....	160
Principal Employers - Dayton-Springfield Metropolitan Statistical Area.....	161
Principal Employers - Based on Income Tax Withholdings	162
Land Use (Zoning Classification) by Acres and Valuation.....	163
Principal Employers - Based on Number of Employees	164
City Government Employees by Function/Program – Last Ten Years	165
Operating Indicators by Function/Program – Last Ten Years.....	166
Capital Asset Statistics by Function/Program – Last Ten Years.....	167
Miscellaneous Statistics.....	168
Ten Largest Water Customers – Last Three Years.....	169

50-4000 YR040500R45

June 27, 2007

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

We are pleased to present our 2006 Comprehensive Annual Financial Report (CAFR) for the City of Huber Heights for your review. This report, for the year ended December 31, 2006, 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, 2006. 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 firm of Plattenburg & Associates, Incorporated has issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2006. 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, Miami and Greene Counties, and encompasses 22 square miles. The area that 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.

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), Miami Valley Fire/EMS Alliance (the Alliance), the Economic Development/Government Equity Program (ED/GE), Northern Miami Valley Local Government Association (NMVLGA), the Regional Emergency Response Team (RERT), 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 2006. 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 an estimated population of 38,212 in 2006, Huber Heights places third among all cities within Montgomery County, with nearly 15,000 housing units. The City is the 29th largest city 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 2006, there were over 1,285 acres of industrially-zoned and 2,247 acres of commercially zoned land in the City, of which approximately 1,100 acres are 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. It is estimated that as a result of the U.S. Congress House Armed Services Committee Base Realignment and Closure (BRAC) proceedings, approximately 3,000 new government and contractor jobs will come to the Base over the next few years.

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 5,000 jobs for the community. The expansion of Interstate 70 to six lanes through the City and the accompanying expansion/upgrade of the major interchanges in the City are expected to further spur economic growth (see discussion under Major Initiatives/Capital Improvements, below).

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

Industrial

A B F Freight Systems
AIDA-Dayton Technologies Corp
Apache Technologies, Inc.
Bowser Morner
Bridgetek
Catlow Industries
Coca Cola Enterprises, Inc.
Enginetics Aerospace
Fukuvi USA, Inc
Globe Products
Hooven Dayton Corporation
LaserMike, Inc
Metokote Corporation
Millat Industries
PVS Plastics
Trimble Dayton

Commercial

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

During 2006, 40 new businesses opened in Huber Heights, while another 10 businesses relocated within the City. Zoning permits processed during 2006 included the issuance of 78 single-family certificates, 11 condo/duplex permits, 1 new industrial building certificate and 4 commercial building certificates. The 2006 valuation on all certificates issued totaled \$16,321,903.

Commercial Development

In mid-2006, Premier Health Partners (Good Samaritan Hospital) unveiled plans for a new medical facility in Huber Heights on 30 undeveloped acres extending west from Brandt Pike near the Huber Centre on Chambersburg Road. Those plans included the construction of a 57,000 square foot, \$18

million satellite medical facility. The facility's groundbreaking is expected during the second quarter of 2007, with completion anticipated by the end of 2008. This development is expected to be the catalyst for development and revitalization of surrounding property into a mixed use Town Center which would incorporate the medical facility, green space, cultural venues and shopping and living opportunities. 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. Beginning in late 2004, the City, its consultants, and residents of City neighborhoods and businesses worked to shape and plan this future downtown concept. Work on the plan is expected to resume upon commencement of construction of the medical facility.

In February 2005, the YMCA opened its \$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 new YMCA 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 the end of 2006, the Huber Heights YMCA had membership of over 2,900 families, with nearly 19% of all households in Huber Heights belonging to the Huber Heights YMCA.

The YMCA campus 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.

As a partner in this important project, the City committed to a 99-year land lease of the ground on which the YMCA is built. 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-owned municipal pool beginning in the spring of 2005 which saves the City over \$10,000 annually in operating costs.

In January 2006, the City issued \$2,423,000 of conduit financing in the form of economic development revenue bonds to provide funding for an expansion of the YMCA facility to locate the Sinclair Community College Fast Track Learning Center. The economic development revenue bonds do not constitute general obligation bonded indebtedness of the City. Sinclair opened the Fast Track Learning Center in September 2006, employing 13 staff and 30 instructors, providing core general classes for 400 students.

2006 represented a year in which the City took numerous steps to set the stage for continued quality and sustainable development, focusing on the revamping of obsolete commercial developments while still offering green space development potential to new retailers and employers entering the Huber Heights market. Those measures included an update of the City's Comprehensive Development Plan, which will be completed in the spring of 2007, and the commencement of a systematic update of the City's zoning and development regulations. A new economic development philosophy is emerging by which the City will be striving to promote sustainable development that continually prospers over time by encouraging people to live, work, and be consumers all within the local economy. Several projects were begun that aimed at the revitalization of aging and obsolete retail and office sites. Although smaller in scale, these redevelopment projects are immensely important in promoting the sustainability of the City's existing commercial districts and limiting the market temptation toward unsustainable suburban sprawl.

New commercial developments also were representative of the City's new economic development philosophy. A 40-acre retail commercial development anchored by a retailer new to the City of Huber Heights, Meijer Super Center, broke ground near one of the City's three interstate interchanges and represents a continued trend of commercial expansion. The 200,000 square foot store and stand-alone

fuel/convenience store will be completed in 2007 with expected employment of 500. The development agreement provides for the developer to contribute over \$500,000 to public infrastructure and aesthetic enhancements including purchasing additional public right-of-way, reconstruction and re-landscaping of a boulevard, and the installation, maintenance and ongoing operation costs for two new traffic signals.

Industrial Development

City employers also began development efforts aimed at increasing business profits and employment levels. Two notable employers that finished or commenced expansion efforts in 2006 were Updike Supply and AIDA America Corp. Both companies are located in the Center Pointe 70 Industrial Park, along Interstate 70 and State Route 235 in the northeast part of the City. Center Pointe 70, at 270 occupied acres, is the 2nd largest industrial park in the Dayton area. There remain approximately 70 acres of undeveloped green space in Center Pointe 70.

Updike Supply, a manufacturing consulting and supply business, relocated its national headquarters from Vandalia, Ohio to its new 12,300 square foot facility within the Center Pointe 70 Industrial Park to accommodate its expanding business. The City granted Updike Supply a 10-year tax abatement under its powers granted through the Community Reinvestment Act (CRA) in order for Updike to employ 24 positions with a total payroll of nearly \$1.1 million.

During the fourth quarter of 2006, AIDA America Corporation, a leading global builder of metal forming and stamping presses and subsidiary of Japanese manufacturer Aida Engineering LTD, announced plans to construct a 17,500+ square feet expansion of its current manufacturing facility within Center Pointe 70 by mid-2007. The City, through its CRA powers, assisted Aida in this project by granting a 15-year 100% tax abatement on the value of the expansion. The addition will allow Aida to add 15 positions with a payroll in excess of \$600,000 to manufacture certain components that are currently produced in Canada and shipped to the United States, helping reduce costs and increase its productivity and competitiveness. In mid-2007 the city was awarded a \$100,000 Montgomery County Economic Development/Government Equity (ED/GE) grant to assist Aida in making driveway and access road improvements necessary to support the tremendous weight of finished product when it is transported from the new facility.

Residential Development

The residential market in the City, which did not witness as severe a market correction as in other areas of the country or the region, is poised to accelerate growth again with the incremental completion of several sizeable residential developments, while other residential developments await City approvals for 2007. The City's current emerging residential developments provide residents with a diversified array of quality housing stock on sizeable properties in close proximity to the City's various commercial districts, schools, recreational facilities, and other community amenities.

73 new single family homes priced in the \$150,000 to \$300,000 range were built in various developments around Huber Heights during 2006. These developments included Windbrooke (Oberer Residential Construction), Heathermere (The Drees Company), Callamere Farms (Generations Construction Company), Elysian Fields (Updyke Properties), Lexington Place (Lexington Developers, Inc.), The Oakes (Mid Life Developers), Annetta Sue Meadows (Sublet Development), and Artisan Walk (Artisan Walk LLC).

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 has a 5,000 square foot community center at an estimated cost of nearly \$1 million.

MAJOR INITIATIVES

For the Year

The City continued its aggressive interior street improvement program and enjoyed another successful year in the area of economic development. For the thirteenth consecutive year the City received the Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association of the United States and Canada for the 2005 Comprehensive Annual Financial Report.

A five-year street improvement income tax levy, initially approved in 1999 and renewed in 2003, generates approximately \$1.2 million each year for roadway reconstruction, resurfacing, and curb and gutter replacement. During 2006, expenditures included the repair and rebuilding of 22 segments of neighborhood streets, and miscellaneous roadway sealing and patching throughout the City. In accordance with policy set forth by City Council, 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 rolling 10- to 12-year cycle for major thoroughfares and an 18- to 20-year cycle for residential streets. The improvements enhance the City streets and promote the development of and investment in residential and commercial areas.

Income Tax: The City's major source of operating revenue is the local income tax. During 2006, the rate was 2.25%, consisting of the following various levies enacted over the past several years:

- 1.00% Permanent tax for General Fund operations
- 0.50% Permanent tax for public safety operations, police operations, and fire capital equipment
- 0.25% Permanent tax for local street operations
- 0.20% Effective through 5/31/2009 for local street capital improvements
- 0.30% 0.25% effective through 2015 for public safety and support services; .05% effective through 2025 to fund the construction of a fire station and major fire equipment purchases

The permanent income taxes dedicated for public safety services were used to pay debt due on the City's two fire stations, initial financing costs related to the lease of a new fire pumper and ladder truck, and general police division operations and capital equipment purchases including eight police cruisers, in-cruiser video cameras, and computers. The permanent 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.

The City established the Income Tax Collection Division in October 2001, 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 nearly \$1,700,000 in taxes not previously collected.

Legislation passed by the Ohio Legislature in 2006 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. A portion of the fee is then forwarded to the City to help defray 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. The City received \$9,051 from this source in 2006.

In June of 2001, the City Council authorized the collection of Emergency Medical Service fees. During 2006, over \$911,000 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.

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 2006, the City entered the fifth 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 \$414,107 for operation and maintenance, and \$847,368 for capital improvements for this program in 2006.

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 increased 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 and was substantially completed in 2006. 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 2006, the City completed its 22nd year of the annual sidewalk improvement/assessment program. Other major improvements included the Powell Road Realignment and Taylorsville Road Realignment projects, the Signal Interconnect project, GIS mapping project, and the continuing expansion of Interstate 70 and its interchanges within the City.

The construction phase of the I-70/State Route 202 (Old Troy Pike) interchange project was completed in June, 2006. Landscaping and streetscaping design is expected to be completed during 2007. 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 the interchange on a daily basis 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 included 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 to the City 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.

Further east on Interstate 70, another major interchange improvement project at Interstate 70 and State Route 201 (Brandt Pike) began in the fall of 2006. The City continues to work with state and local transportation authorities to design major modifications to the interchange, including bridge replacement,

major reconstruction and widening of State Route 201 to nine lanes, ramp reconstruction, and final landscaping and streetscaping. 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. The City's share 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 City entered into a contract for the design of a traffic signal interconnection system on State Route 201 and State Route 202 in 2005, with work commencing during 2006. This project is a priority for the City to ensure motorists can travel with peak efficiency. The project also includes the installation of fiber-optic cable, providing an opportunity for wireless connectivity in the future in key commercial areas of the City. 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 \$852,000. The project is expected to be completed by mid-2007.

A companion project to the signal interconnect project is the Traffic Signal *Preemption* System project. This project will result in the installation of special electronic equipment at twenty-eight major intersections throughout the City, allowing emergency staff to safely travel to calls for services, while at the same time reducing response times. The Preemption project will be funded by the 2006 FEMA Firefighters Assistance Grant. The 2006 grant was third consecutive annual grant awarded to the City's Fire Division and totaled \$289,800, with the City's local share being 10 percent or \$32,200.

During 2006, construction was completed on the expansion of the City's water treatment plant located on Rip Rap Road. The \$9 million project expanded the plant from a 1.44 to a 7 million gallon per day facility, and included 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 in late 2005, which will be repaid solely from utility fees. Other utility improvements during 2006 included: installing booster pumps, water main extensions, GIS mapping of the water and sewer distribution systems and stormwater facilities, various sanitary sewer pipe replacement and manhole rehabilitation. Design work for a Shull Road lift station and a Water Distribution Modeling project was commenced during 2006.

The rebuilding of the Powell Road bridge, along with the re-alignment of portions of the road, was completed during 2006. Montgomery County, the lead agency for the \$550,000 project, and the City jointly received a \$340,000 State of Ohio Issue II grant to fund construction. The local share was funded from Montgomery County's motor vehicle permissive taxes and the City's stormwater management fees.

Department/Division Major Initiatives

Since 2004, the City has conducted an annual strategic planning process that results in adoption by City Council of City-wide strategic and operational goals and targeted actions for the year. The statement of direction for the City of Huber Heights approved by Council is "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 includes three strategic goals:

Strategic Goal No. 1 – Create a comprehensive economic development philosophy and direction.

Strategic Goal No. 2 – Fully utilize a performance management system to maintain and/or improve service delivery within defined budget parameters.

Strategic Goal No. 3 – Develop and sustain a positive image of the City

Each Department/Division prepared individual goals which were implemented to achieve the City-wide strategic goals. As of the end of 2006, many of the project goals had been achieved. During 2006, the former City Finance Director was formally appointed City Manager, after serving as Interim City Manager during 2005. The new City Manager subsequently reorganized key functions and appointed or promoted individuals to the positions of Finance Director, Accounting Administrator, Zoning Code Enforcement Administrator and City Planner; and the hiring process for the position of Planning & Development Director was well underway by the end of the year.

In accordance with City Council's Strategic Goal No. 1, the City Manager implemented a new economic development philosophy that included the amendment and enforcement of existing regulations – especially zoning regulations – and implemented new development procedures. In order to fully implement the City Manager's new management and development philosophies, in early 2007 City Council authorized the City Manager to design and create the position of Assistant City Manager (who will also perform the duties of Human Resource Director) and the new positions of Public Service Director and an Executive Assistant to the City Manager, all with minimal impact to the overall City budget.

Other achievements included the following:

The **Department of Public Safety – Division of Police** operated in 2006 under two primary themes: *Community Engagement* and *Quality Decision Making*. Throughout 2005, many efforts were made to identify the issues and concerns of the community to provide a higher quality and specialized service to them, and in 2006 several programs and activities were conducted to address those needs. In regard to *Community Engagement*, the Police Division enhanced its use of the Selective Enforcement program to identify and target areas of the community with quality of life issues. In several cases, Officers were able to work with neighbors to solve particular problems, not just treat the symptoms.

The Police Division also developed and hosted the first Citizen Police Academy. This forum allowed community members to experience the operations within the Police Division with the hopes of developing lasting relationships to cooperate together in delivering service to the community. The Police Division continued its self-assessment and policy development to meet the Accreditation Standards for the Communications Center. August 2007 is the scheduled assessment to evaluate the agency's performance and establish accredited status for the Police Division and the Communication Center separately.

2006 was the fourth year of the Police Division's highly successful School Resource Officer (SRO) program, which provides for a police officer to be stationed at the high school and another officer whose time is divided between the two middle schools in the City. This program is a perennial winner of a number of regional and national awards. In 2006 the high school SRO was awarded the Ohio School Resource Officers Association SRO of the Year Award.

The *Division of Fire* played an integral part in ensuring the City's ability to operate during emergency conditions by coordinating the development of an enhanced Emergency Operations Plan. The Fire Division also provided training and support to key City staff to assist them in obtaining the necessary training to ensure National Incident Management Systems (NIMS) compliance for the City. NIMS compliance is necessary for the City to better prepare itself for disaster situations and is a requirement for continued Federal Grant receipt eligibility. The Fire Division also started the development of plans for equipping the City with an Emergency Operations Center to serve the community during critical incidents. During 2006 the Fire Division also successfully applied for a FEMA Firefighters Assistance Grant for the Traffic Signal Preemption System (see discussion under Major Initiatives, above).

Emphasis was also placed on maintaining the Fire Division fleet and its response capabilities by working with the Finance Division to secure financing for the purchase of a new 105-foot Pierce Ladder Truck and a new Sutphen Fire Engine.

The **Department of Finance**. In January, the *Division of Accounting* received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for its 2004 PAFR, and later in the year received the award for its 2005 PAFR. The division also received its thirteenth consecutive Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association of the United States and Canada for the 2005 Comprehensive Annual Financial Report (CAFR). The new Director and the new Accounting Administrator were appointed in June 2006. Procedures were implemented to take advantage of online auction of surplus or obsolete City property in cooperation with the Montgomery County Treasurer's Office. The *Division of Taxation* implemented various compliance programs during the year including extensive field auditing. The Division implemented electronic remittance of withholding taxes for employers in the City, providing employers a cost-effective and efficient means of complying with payment deadlines and providing the Division with quicker availability of funds and much more efficient means to update the Division's records.

The **Division of Information Systems** implemented the new CODE Red system which allows the City to notify residents during emergency situations. The Division spent many hours installing and configuring a data sharing tool for the Ohio Law Enforcement Information Sharing Network (OLLEISN). The Division installed a new Windows 2003 network in the Tax Division and assisted with the implementation of a new state-of-the-art client/server application. A new recording system which utilizes standard Windows media and open access over the city network was installed for the Council Chambers. The Division also installed a new telephone system and cable plant for the Senior Citizens Center. Several network upgrades were performed, including SPAM control, virus protection and Internet tracking. Most Public Safety applications were upgraded to new versions and a GPRS protocol was established for the mobile data terminals in the patrol cars.

The **Department of Human Resources** led a team of city staff members which negotiated successor collective bargaining agreements with the police dispatch and police patrol bargaining units. The department directed the process of changing the city's liability insurance agent to Brower Insurance Agency of Dayton, resulting in a savings of over \$25,000 as compared to the costs of the same services and coverage in 2005. The Human Resources Department oversaw all public relations and communications efforts for the city, including producing the citizen's newsletter, *A View From The Height*; and the creation of an employee committee to discuss and make recommendations on containing the cost of employee health insurance. Human Resources and the Police Division teamed with the City of Trotwood to conduct a joint police entrance examination process to take advantage of the cost efficiencies gained from conducting a single examination.

The **Department of Public Services, Division of Engineering** completed numerous infrastructure projects during 2006 including the \$1.2 million annual street improvement project, the Taylorsville Road improvement west of Bellefontaine, the \$150,000 annual sidewalk repair program, the 2006 Stormwater Management Program, the Powell Road realignment at Six-Mile Creek, the widening of Interstate 70 to six lanes and the rebuilding of the Brandt Pike Interchange (slated to be finished in the summer of 2008). The 7 million gallon-per-day Rip Rap Road Water Treatment Plant improvement was completed and put on-line in 2006. The division collected electronic data for a significant portion of the Storm Sewer system within the City and inspected and accepted many private subdivisions as public infrastructure.

The *Division of Public Works* excavated and performed all initial construction on a new compost facility to enable City residents to bring yard waste; and with the assistance of the City Engineer, the Division was able to keep the cost of this project to a minimum through a grant obtained from the Montgomery

County Solid Waste District. New LED type traffic signals were purchased and installed throughout the City. Upon the completion of the Signal Interconnect project, all City intersections will be uniform with the LED type traffic signals. The conversion to LED type signals is expected to result in annual energy-use savings of approximately \$18,000. The Division of Public Works and Division of Information Services implemented new vehicle maintenance software, providing the City a better record keeping system of vehicle usage and maintenance for the entire fleet of rolling stock. The Division completed an overhaul of all City parks and park equipment in order to bring the equipment up to the most current park safety guidelines and in turn a higher rating with the City's current insurer.

For the **Department of Planning and Development**, 2006 was a year of positive transition and transformation. In conjunction with a reorganization of the department and the recruitment of new staff, the department re-energized its efforts toward promoting sustainable quality development within the City. The update of the City's Comprehensive Development Plan commenced; and with the input and guidance of the City's development plan consultant and steering committee, the City expects the completion of the updated plan in late spring of 2007. The department also began its incremental, comprehensive re-write of the City's development regulations that will assist in the promotion of quality development and redevelopment. A complete overhaul of the Property Maintenance Code was started in 2006 to be completed in the spring of 2007. The department markedly increased property maintenance and zoning inspection volumes during 2006 in order to maintain the aesthetic quality and "curb appeal" of the City's existing developments, and continued its business expansion and retention efforts through its activities with the Montgomery County Business First Program. Those efforts are anticipated to bring forth tangible benefits in 2007 in the form of business and employment expansions within the City.

For the Future

Demonstrating progress toward City Council's Strategic Goal to develop and sustain a positive image for the City of Huber Heights – both internally and externally, \$1.2 million is appropriated to the annual interior street improvement program in 2007, to be funded solely from dedicated local income tax proceeds. The 2007 annual sidewalk repair and replacement program, totaling \$159,829, will be shared by the affected property owners and the City.

Other projects planned for 2007 include: updating information technology equipment and software, including the purchase and installation of numerous personal computers in various departments; an upgrade to state-of-the-art financial accounting and payroll software; and an upgrade to the City's networking hardware. Major capital improvements will include the following:

- Improvements to Shullgate Park, including walking path and parking lot improvements
- Replacement of the heating/air conditioning systems at the City's Senior Center
- Design of the Brandt Pike Phase VII road improvement project
- Design of the improvement of Chambersburg Road at the Artisan Walk Subdivision
- Design and construction of a new traffic signal at the entrance to the new medical facility campus (see discussion under Local Economy/Commercial Development, above)
- Landscaping/Streetscaping improvements to the Old Troy Pike/I-70 interchange
- Updating all City infrastructure and other utility structures (e.g. street lights) to the City's state-of-the-art Geographic Information Systems (GIS) database

Numerous utility projects are planned for 2007 including: design and extension of a 12-inch water main to the Miami Villas Subdivision; development of a water infrastructure model for the City to accurately map all distribution lines and mains; looping of existing "dead-end" water mains along Bellefontaine

Road and other areas of the City; and an extension of a 16-inch water main between Waynegate Road and U.S. Route 40. All of these projects are funded from water utility revenues.

Sewer projects for 2007 include: sanitary sewer lining; pipe and manhole replacement and rehabilitation; Charlesgate Road and Shull Road lift station and force main; and the sewer line repairs in the Northwest Sewer District. All of these projects are funded from sewer utility revenues.

Stormwater projects include: improving various channel ways adjacent to bridges; rebuilding sections of Six Mile Creek and the north branch of Dix Plat Creek, cleaning/stabilizing of the west channel of Cloud Run; 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 depositing and investing available cash pursuant to its legislated Investment Policy. A portion of the City's deposits are collateralized by a direct pledge of collateral or by pooled collateral. By law, those financial institutions that do not directly collateralize deposits 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, the Federal Home Loan Bank, 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, 2005. This was the thirteenth 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 City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Report (PAFR) for its 2004 and 2005 PAFRs. 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. 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.

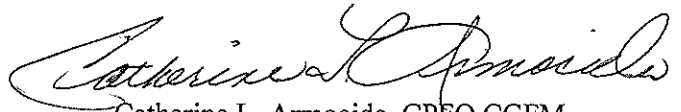
Preparation of this report is a major and time-consuming task that cannot be accomplished without the professional, efficient and dedicated services of those individuals who assist and contribute to its production. All members of the City's Finance Department staff and many of the City's other employees

contribute to this effort. We wish to thank City Council, department and division heads, and all employees who supported this effort to achieve excellence in financial reporting.

Our sincere gratitude goes to members of the Department of Finance Accounting Division staff including: Michelle Diamond, Debi Jones, Lu Ann Miller, and Crystal Whitley who contributed to the compilation of this report. We extend our special thanks to Accounting Administrator Jeanne Renick, CPA and Accountant Elizabeth Dunivan who above all others were critical in creating this report.



Robert L. Mauch, CTP
Finance Director



Catherine L. Armocida, CPFO CGFM
City Manager

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, 2005

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.



President

Executive Director

CITY OF HUBER HEIGHTS, OHIO
LIST OF PRINCIPAL OFFICIALS
2006 ELECTED CITY OFFICIALS

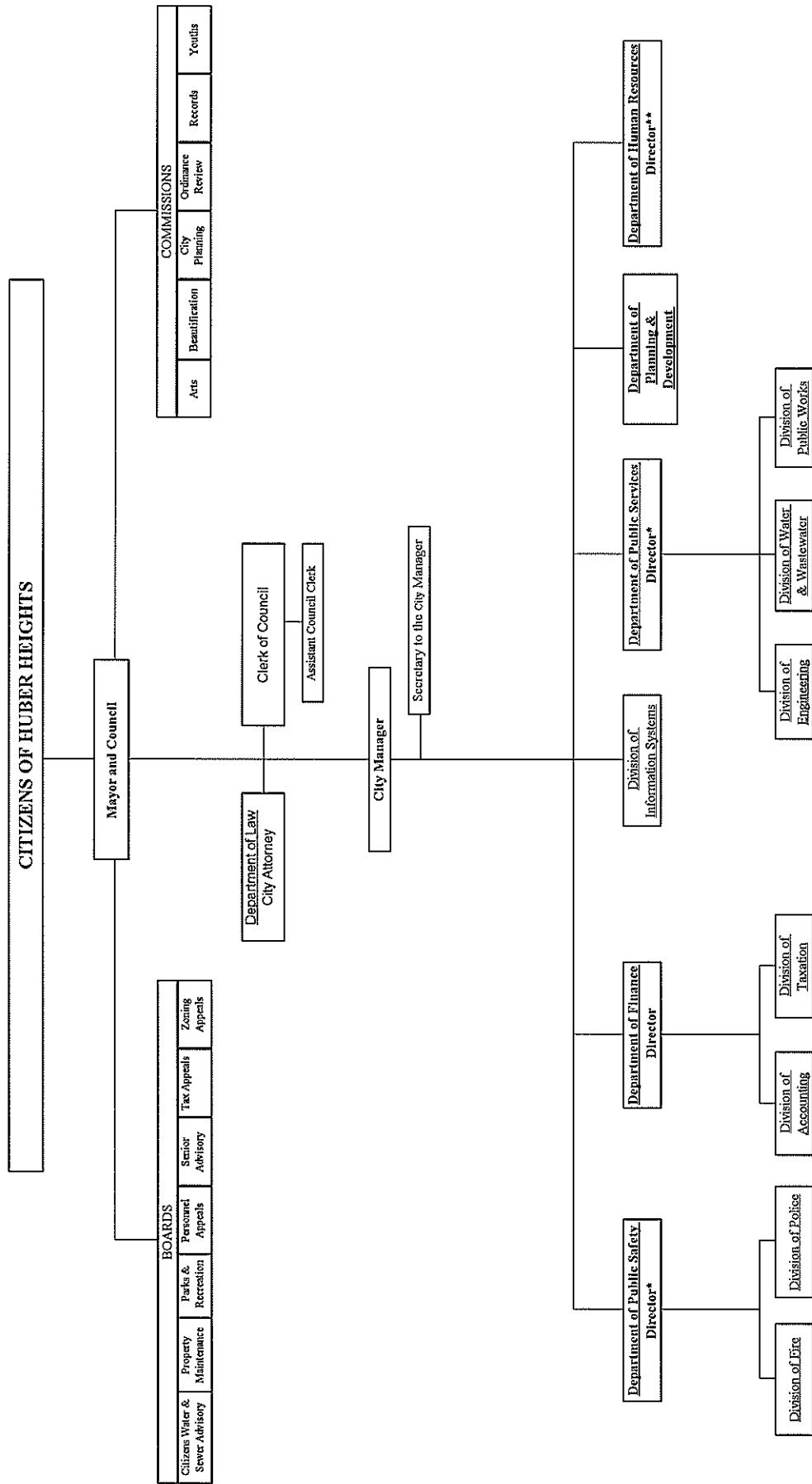
Council Members

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)

2006 APPOINTED CITY OFFICIALS

City Manager	Catherine L. Armocida, CPFO, CGFM
Director of Finance	Robert L. Mauch, CTP

City of Huber Heights
Organizational Chart



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

NOTICES - Financial

This Page is Intentionally Left Blank.



June 26, 2007

REPORT OF INDEPENDENT ACCOUNTANTS

The Honorable Mayor and Members of the
City Council of the City of Huber Heights

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, Ohio, (the City) as of and for the year ended December 31, 2006, 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

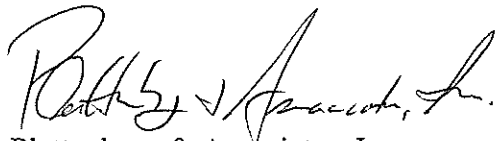
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18 of the financial statements, the City adopted the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Plattenburg & Associates, Inc.
Certified Public Accountants

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2006
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Huber Heights' discussion and analysis of the annual financial report provides an overview of the City's financial activities for the fiscal year ended December 31, 2006. 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-xiii of this report.

FINANCIAL HIGHLIGHTS

The City's total net assets increased \$7,822,411. Net assets of governmental activities increased \$2,269,782 primarily because of an increase in municipal income tax receivable as a result of from an increase in the tax rate from 1.95% to 2.25% effective January 1, 2006. Regarding business-type activities, operating revenues and capital contributions from developers were the main factors in the increase.

The general fund transfers out totaled \$5,815,612. This is an increase of \$182,612 from the prior year. Of the total transfers out, \$4,000,000 was for fire operations, \$1,400,000 was for police operations, \$107,947 was for general obligation debt service, \$55,597 was for capital improvements, and \$252,068 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 2006. Business-type unrestricted net assets are \$23,415,841.

Capital assets used in governmental activities increased \$92,799. This increase was due to construction-in-progress on the I-70/202 Interchange landscaping, and two fire engine purchases that are in the process of being built. These increases were offset by \$5,771,114 increase in accumulated depreciation.

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 Heights' 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 14. 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 and Auditor of State, 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 Heights' 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 2006 compared to 2005.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
Assets				
Current and Other Assets	\$42,382,560	\$38,813,100	\$17,833,116	\$21,030,851
Nondepreciable Capital Assets	25,899,641	22,792,454	9,654,858	4,893,252
Depreciable Capital Assets, Net	74,260,208	77,274,596	36,763,842	35,644,078
Investment in Joint Venture	0	0	13,629,307	13,051,939
Total Assets	142,542,409	138,880,150	77,881,123	74,620,120
Liabilities				
Current and Other Liabilities	10,295,607	8,088,823	744,741	2,151,210
Long-Term Liabilities:				
Due Within One Year	2,058,051	1,928,263	1,394,260	1,277,018
Due in More Than One Year	21,541,210	22,485,305	25,385,407	26,387,806
Total Liabilities	33,894,868	32,502,391	27,524,408	29,816,034
Net Assets				
Invested in Capital Assets, Net of Related Debt	74,639,351	78,346,206	25,740,874	23,536,526
Restricted for:				
Security of Persons and Property	5,045,978	4,223,501	0	0
Leisure Time Activities	83,811	75,246	0	0
Transportation	3,677,405	3,081,248	0	0
Debt Service	13,209,353	13,328,044	0	0
Capital Improvements	3,236,059	1,285,325	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	8,755,584	6,038,189	23,415,841	20,067,560
Total Net Assets	\$108,647,541	\$106,377,759	\$50,356,715	\$44,804,086

(Continued)

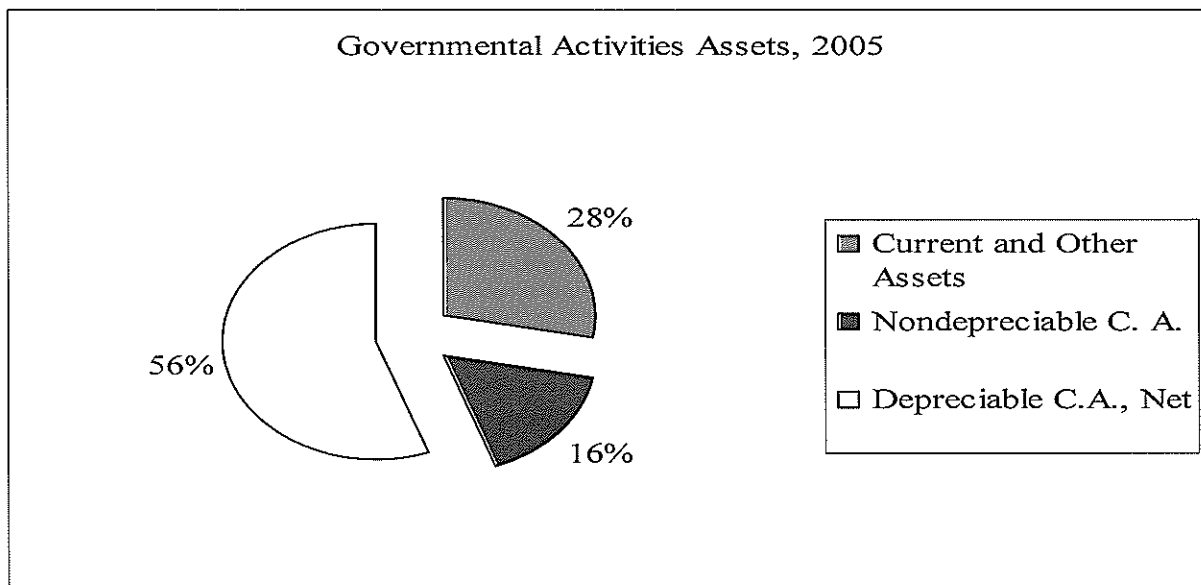
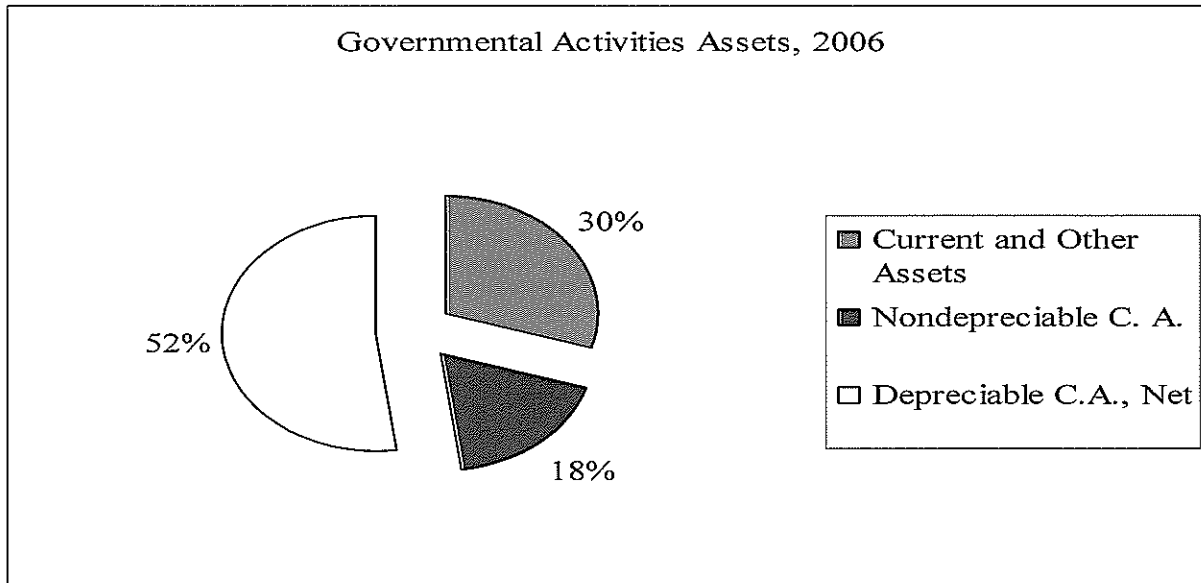
	Total	
	2006	2005
Assets		
Current and Other Assets	\$60,215,676	\$59,843,951
Nondepreciable Capital Assets	35,554,499	27,685,706
Depreciable Capital Assets, Net	111,024,050	112,918,674
Investment in Joint Venture	13,629,307	13,051,939
Total Assets	<u>220,423,532</u>	<u>213,500,270</u>
Liabilities		
Current and Other Liabilities	11,040,348	10,240,033
Long-Term Liabilities:		
Due Within One Year	3,452,311	3,205,281
Due in More Than One Year	46,926,617	48,873,111
Total Liabilities	<u>61,419,276</u>	<u>62,318,425</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	100,380,225	101,882,732
Restricted for:		
Security of Persons and Property	5,045,978	4,223,501
Leisure Time Activities	83,811	75,246
Transportation	3,677,405	3,081,248
Debt Service	13,209,353	13,328,044
Capital Improvements	3,236,059	1,285,325
Revenue Bonds Improvement and Replacement	60,000	60,000
Revenue Bonds Current Debt Service	1,140,000	1,140,000
Unrestricted	32,171,425	26,105,749
Total Net Assets	<u>\$159,004,256</u>	<u>\$151,181,845</u>

For governmental activities, equity in pooled cash and cash equivalents increased due to the new 0.30% income tax levy that was approved by voters in November 2005 and became effective on January 1, 2006. Equity in pooled cash and cash equivalents-unspent note proceeds decreased due to expenditure of note proceeds for capital outlay. Municipal income taxes receivable, net, increased in 2006 by 25.7% due to the new income tax levy. Property and other taxes receivable increased by 5.1%. The increase in the receivable was due to an increase in the taxable value (assessed value) of taxable real estate within the City.

The accounts receivable category increased substantially due to an increase in the receivables of Emergency Medical Service (EMS) charges, reflecting an increase in the number of charges to non-residents. The City invoices for all EMS transports and holds non-residents accountable for charges that are not covered by insurance. Special assessments receivable decreased from 2005 due to fewer projects. Depreciable capital assets, net of related debt, decreased due to many capital projects in process being offset by associated outstanding debt.

Accounts payable decreased due to processing of invoices later in December 2006 than in previous years, when year-end processing was closed in early December. Accrued salaries payable increased due to normal wage increases and a longer accrual period. Contracts payable decreased due to fewer large construction projects in process.

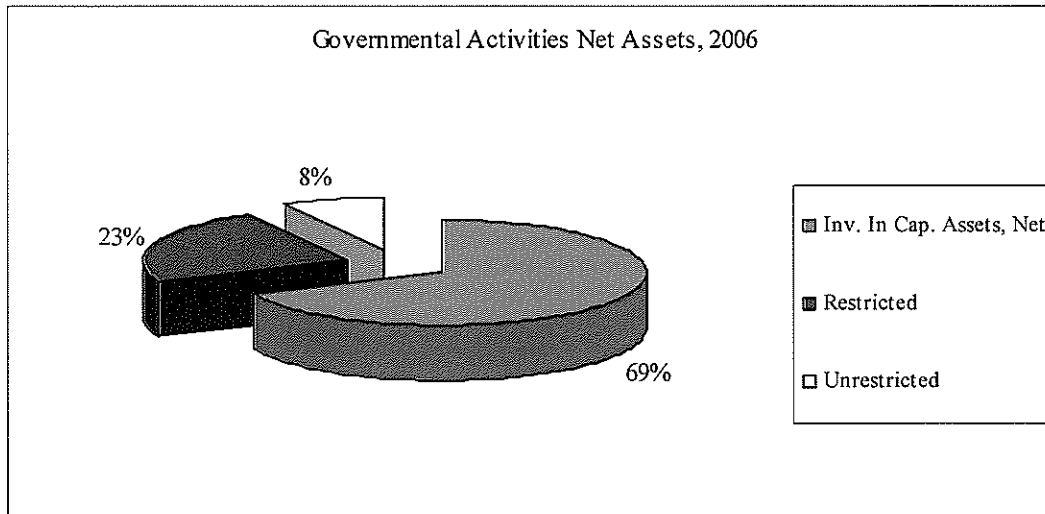
Accrued interest payable increased due to higher interest rates and higher outstanding principal amounts of note issues: the \$7,497,000 Special Assessment Street Improvements Note that matured in March 2006 was reissued with capitalized interest in the amount of \$7,999,000; the City's \$1,905,000 Real Estate Acquisition Bond Anticipation Note was renewed in 2006 for \$1,970,000 which includes capitalized interest; the \$1,155,000 Brandt Pike Phase VI Special Assessment Note was renewed twice with capitalized interest during 2006 and ended the year at \$1,225,100; and the City entered into two new equipment leases for fire vehicles, which totaled \$1,042,498 at the end of the year. Notes payable classified as long-term liabilities decreased in 2006 in total.



Current and other assets for business-type activities decreased by \$3.1 million, due to the progress on the Rip Rap Road Water Treatment Plant project for which debt proceeds were borrowed in 2005. This resulted in an increase in construction-in-progress. The decrease resulting from the spending of the debt proceeds was offset by an increase in the utility rates. 2006 was the last year of a five-year graduated increase in utility rates.

Net assets of the City's governmental activities increased \$2,269,782 due in part to the increase in the City's income tax rate to be used for safety services, and an increase in the City's assessed valuation which resulted in an increase in property and other taxes revenue. Restricted net assets are subject to

external restrictions as to their use. This category increased \$3,259,242 from \$21,993,364 at December 31, 2005, to \$25,252,606 at December 31, 2006. This increase in restricted net assets was due primarily to increases in income taxes designated for public safety.



The net assets of the City’s business-type activities increased \$5,552,629 due to 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 \$3,348,281 or 16.7%. The component, “invested in capital assets, net of related debt,” increased \$2,204,348 from \$23,536,526 at December 31, 2005, to \$25,740,874 at December 31, 2006. 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.

Liabilities to Net Assets	2001	2002	2003	2004	2005	2006
Entity-Wide Summary	34.23%	36.83%	39.76%	37.06%	41.22%	38.63%
Governmental	23.67%	29.03%	35.57%	32.22%	30.55%	31.20%
Business-Type	85.86%	62.55%	52.55%	50.61%	66.55%	54.66%

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

Capital Asset Change	2001	2002	2003	2004	2005	2006
Entity-Wide Summary	0.21%	12.28%	3.38%	0.94%	3.06%	4.25%
Governmental	0.37%	8.71%	1.54%	(1.45%)	(2.04%)	0.09%
Business-Type	(0.49%)	27.13%	9.93%	8.80%	18.25%	14.51%

Table 2 shows the changes in net assets for the years ended December 31, 2006 and December 31, 2005.

Table 2
Changes in Net Assets

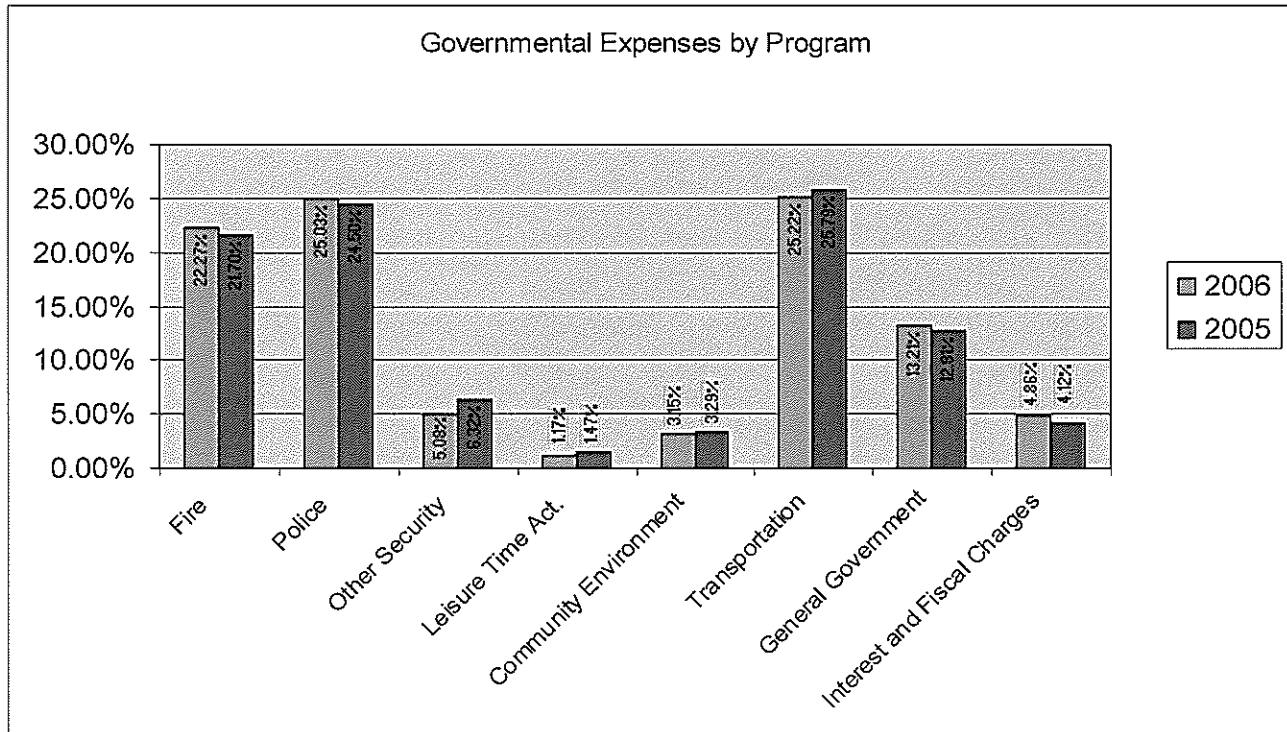
	Governmental Activities		Business-Type Activities	
	2006	2005 (Restated)	2006	2005 (Restated)
Revenues				
Program Revenues:				
Charges for Services	\$2,348,302	\$2,362,224	\$9,706,897	\$9,399,919
Operating Grants, Contributions and Interest	1,856,400	2,007,051	0	0
Capital Grants, Contributions and Interest	1,400,487	1,381,583	1,714,450	2,215,636
Total Program Revenues	5,605,189	5,750,858	11,421,347	11,615,555
General Revenues:				
Property and Other Taxes	4,070,458	3,745,059	0	0
Income Taxes	14,392,061	12,051,440	0	0
Grants and Entitlements	1,435,321	1,791,527	0	603,516
Unrestricted Investment Earnings	1,001,068	550,710	702,823	0
Miscellaneous	202,671	(43,135)	17,139	0
Total General Revenues	21,101,579	18,095,601	719,962	603,516
Total Revenues	26,706,768	23,846,459	12,141,309	12,219,071
Program Expenses:				
Security of Persons and Property				
Fire	5,471,252	5,315,835	0	0
Police	6,149,214	6,003,211	0	0
Other	1,248,539	1,548,125	0	0
Leisure Time Activities	288,143	360,125	0	0
Community Environment	773,937	806,281	0	0
Transportation	6,195,345	6,317,991	0	0
General Government	3,243,868	3,138,228	0	0
Interest and Fiscal Charges	1,165,096	1,008,724	0	0
Sewer	0	0	2,788,546	2,724,278
Water	0	0	3,285,584	2,946,993
Stormwater	0	0	416,140	525,792
Total Expenses	24,535,394	24,498,520	6,490,270	6,197,063
Excess (Deficiency) Before Transfers	2,171,374	(652,061)	5,651,039	6,022,008
Transfers	98,410	(432,500)	(98,410)	432,500
Increase (Decrease) in Net Assets	2,269,784	(1,084,561)	5,552,629	6,454,508
Net Assets Beginning of Year	106,377,757	107,462,320	44,804,086	38,349,578
Net Assets End of Year	\$108,647,541	\$106,377,759	\$50,356,715	\$44,804,086

(Continued)

	Total	
	2006	2005 (Restated)
Revenues		
Program Revenues:		
Charges for Services	\$12,055,199	\$11,762,143
Operating Grants, Contributions and Interest	1,856,400	2,007,051
Capital Grants, Contributions and Interest	<u>3,114,937</u>	<u>3,597,219</u>
Total Program Revenues	<u>17,026,536</u>	<u>17,366,413</u>
General Revenues:		
Property and Other Taxes	4,070,458	3,745,059
Income Taxes	14,392,061	12,051,440
Grants and Entitlements	1,435,321	2,395,043
Unrestricted Investment Earnings	1,703,891	550,710
Miscellaneous	<u>219,810</u>	<u>(43,135)</u>
Total General Revenues	<u>21,821,541</u>	<u>18,699,117</u>
Total Revenues	<u>38,848,077</u>	<u>36,065,530</u>
Program Expenses:		
Security of Persons and Property		
Fire	5,471,252	5,315,835
Police	6,149,214	6,003,211
Other	1,248,539	1,548,125
Leisure Time Activities	288,143	360,125
Community Environment	773,937	806,281
Transportation	6,195,345	6,317,991
General Government	3,243,868	3,138,228
Interest and Fiscal Charges	1,165,096	1,008,724
Sewer	2,788,546	2,724,278
Water	3,285,584	2,946,993
Stormwater	<u>416,140</u>	<u>525,792</u>
Total Expenses	<u>31,025,664</u>	<u>30,695,583</u>
Excess (Deficiency) Before Transfers	7,822,413	5,369,947
Transfers	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	7,822,413	5,369,947
Net Assets Beginning of Year	<u>151,181,843</u>	<u>145,811,898</u>
Net Assets End of Year	<u>\$159,004,256</u>	<u>\$151,181,845</u>

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, 2006			Year Ended December 31, 2005		
	Expense	Program Revenue	Net Program Cost	Expense	Program Revenue	Net Program Cost
Security of Persons and Property						
Fire	\$5,471,252	\$1,118,496	(\$4,352,756)	\$5,315,835	\$33,644	(\$5,282,191)
Police	6,149,214	591,384	(5,557,830)	6,003,211	232,748	(5,770,463)
Other	1,248,539	388,604	(859,935)	1,548,125	1,590,580	42,455
Leisure Time Activities	288,143	298,255	10,112	360,125	70,422	(289,703)
Community Environment	773,937	180,027	(593,910)	806,281	167,297	(638,984)
Transportation	6,195,345	2,822,209	(3,373,136)	6,317,991	3,419,691	(2,898,300)
General Government	3,243,868	206,214	(3,037,654)	3,138,228	236,476	(2,901,752)
Interest and Fiscal Charges	1,165,096	0	(1,165,096)	1,008,724	0	(1,008,724)
Total Governmental Activities	<u>\$24,535,394</u>	<u>\$5,605,189</u>	<u>(\$18,930,205)</u>	<u>\$24,498,520</u>	<u>\$5,750,858</u>	<u>(\$18,747,662)</u>

Overall, the net program cost of governmental activities increased by \$182,543 or 1%. Public safety's net program cost (security of persons and property) decreased by \$239,678 over 2005 or 2.2%, due mainly to an increase in grants awarded for improvement of fire and police protection. Since capital outlay had decreased over the few years prior to 2006 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. An additional 0.30% income tax levy is helping to alleviate this increased net program cost.

Leisure time activities' net program cost decreased by \$299,815, over 100%, due to the City's contract with the YMCA. The YMCA made a one-time payment to the City during 2006. The City 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.

Transportation's net program cost increased by \$474,836 due mainly to capital contributions from developers and special assessments revenue decreasing more quickly than expenditures. General government's net program cost increased by \$135,900 or 4.7%.

The program revenue for operating grants, contributions and interest, including shared revenues, increased due to two fire assistance grants received during 2006. 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 its fiscal year 2005, which overlapped the City's 2006 fiscal year and during which the City benefited from the distributions from the State. Capital grants, contributions and interest decreased in 2006 due to prior year developer donated infrastructure and roadway special assessments.

The general revenue property and other taxes increased 8.69% as a result of an increase taxable value of real estate within the City. Approximately 65% of real estate taxes paid by City residents are used by the Huber Heights City School District. Montgomery County receives approximately 19% of this revenue; the City receives approximately 7.5%, with the remaining received by the regional career technical center, libraries and Sinclair Community College. The general revenue municipal income taxes increased due to the new 0.30% income tax levy that was approved by voters in November, 2005 and became effective January, 2006, and the Division of Taxation aggressively working to collect over \$363,000 in delinquent taxes due that were previously considered uncollectible. Withholding taxes make up approximately 75% of total income tax collections, and nonwithholding resident taxes make up approximately 15%. Business taxes make up approximately 10% of collections.

The general revenue grants and entitlements decreased mainly due to reduced estate taxes levied by the State. Investment earnings were higher due to higher interest rates during 2006.

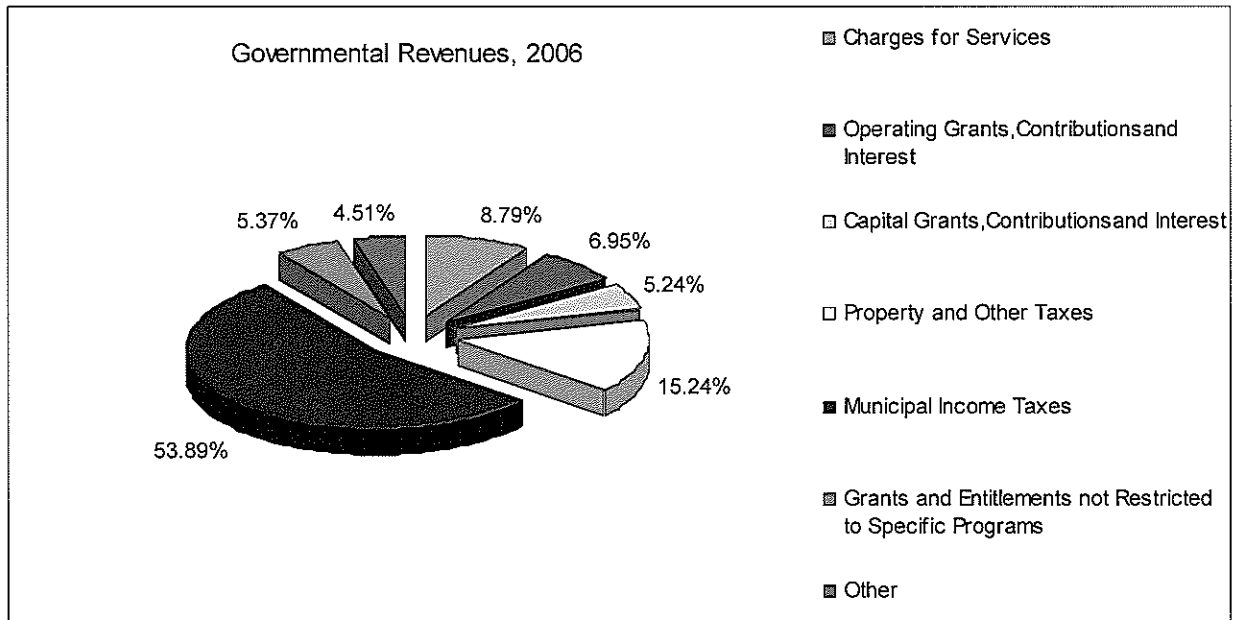
Program expenses increased minimally. In addition, City Council funded fewer special projects not anticipated in the original budget, resulting in fewer supplemental appropriations throughout the year. Part of the overall increase was due to the workers' compensation premium increase. The premium increased due to normal wage increases and a rate increase. Transportation program expense decreased slightly 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.

For business-type activities, 2006 program revenues for the Sewer fund increased 5.9% due to a increases in sewer rates and the City's share of the joint venture. 2006 program revenues for the Water fund increased mainly as a result of the annual rate adjustments in the funds; and program revenues for the Stormwater fund decreased due to a reduction in capital contributions. 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 2006. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

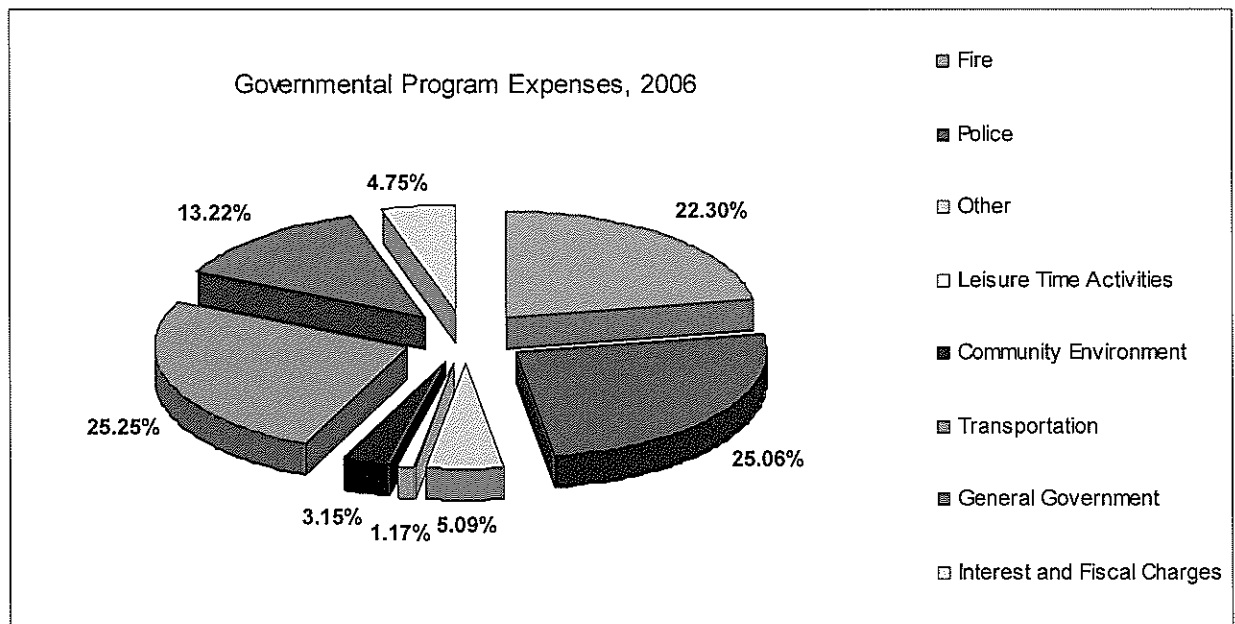
Governmental Activities

For 2006, the 2.25% income tax is the largest source of revenue for the City of Huber Heights. By ordinance, 1.00% of the of the net income tax received is designated for general fund activities; 0.5% is designated for public safety, which includes police operations and fire capital purchases; 0.25% is designated for local street operations; 0.20% is designated for local street capital maintenance and repairs; and in November 2005, an additional .30% levy was passed, designated for public safety and support services. The 0.30% was effective January 1, 2006.

Since 1997, local income tax revenue has increased annually an average of 6.71%. During 2006, a few Huber Heights employers went through reorganization and downsizing, and one major employer closed. However, other companies expanded and new businesses were added to the economic base.



City Council and Administration 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 \$4.5 million for capital assets, equipment and repairs. These assets included street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, parks, and parks and recreation equipment.



As indicated above, citizen safety and well being is emphasized with over 77% 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 \$145,669 as a result of a decrease in operating grants and capital contributions. Program expenses for 2006 increased slightly, just \$36,874. General revenues increased, while transfers to business-type activities decreased. Transfers to business-type activities decreased due to fewer utility projects being constructed from governmental funds. General revenues to support the business-type activities of the City increased over 2005 mainly from the increase in unrestricted investment earnings. This increase is due to higher interest rates and the availability of more cash to invest.

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. 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 2006, the fifth year of the increase was implemented.

Stormwater – In February 2002, City Council established the citywide stormwater management program. Previously, these assets were accounted for with governmental activities. The fees 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 24. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$25.4 million and expenditures of \$25.1million. The net change in fund balance for the General Fund increased by \$1,191,621. 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). Within the General Fund, income tax revenue increased \$690,623 as a result of taxable income in the City and the new 0.30% income tax levy that became effective January 1, 2006; and interest revenue increased \$268,423 due to an increase in interest rates. Revenues exceeded expenditures by

\$6.95 million. Transfers to other funds such as the Capital Improvement funds, Debt Service funds, and other Special Revenue funds totaled \$5,815,612. The funds transferred were used for capital assets, improvements, repairs, debt and support of special revenue public safety (police and fire) and recreation programs.

The net change in fund balance for the Fire Fund increased \$277,169. Fund balance at December 31, 2006, was \$1,549,142. The net change in fund balance for the Police Fund increased \$317,192. Fund balance at December 31, 2006, was \$2,789,895. These increases were directly related to the additional revenue provided by the 0.30% public safety/support income tax levy that became effective January, 2006.

The net change in fund balance for the Special Assessment Bond Retirement Fund was a decrease of \$10,534, with fund balance at year-end of \$442,199. 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 was a decrease of \$907,125. This was due to expenditure of prior period note proceeds for capital outlay. The fund balance at December 31, 2006, was (\$2,561,237), reflecting \$3,058,200 notes payable that will be refunded in the future from the issuance of bonds.

Unreserved, undesignated fund balance is available for spending at the City's discretion. The remainder of fund balance is reserved to reflect that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of prior periods 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 carryover from 2005. 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, except for necessary inflation-related fee adjustments.

The Sewer, Water, and Stormwater enterprise funds reflected operating gains for 2006. 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. A professional 5-year rate study will be conducted in 2008.

The Sewer fund's statement of cash flows has a net cash increase of \$1,068,982, reflecting a reduction in the acquisition of capital assets and a slight reduction in cash payments to suppliers for goods and services during 2006. The Water fund's statement of cash flows has a net cash decrease of \$4,222,574 primarily due to the expenditure of prior period bond proceeds for the acquisition of capital assets (construction of a new treatment plant). The Stormwater fund's statement of cash flows has a net cash decrease of \$112,937 due to an increase in acquisition of capital assets, relating to major improvements to parts of the stormwater management system.

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 2006, there were eight revisions to the General fund budget. The net effect of the revisions was an increase in the appropriations of \$256,408, 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 \$11,330,707. The final budgeted amount including other financing sources was \$12,818,344. Municipal income taxes were revised upward after a mid-year analysis of actual year-to-date receipts. The estate taxes received, which are part of intergovernmental revenue, were less than anticipated. During 2006 the City received just over 215,000. Charges for services increased due to an increase in emergency medical service fees due to a more aggressive collection policy for non-residents. Interest revenue increased due to higher interest rates and greater capital improvement project bond and note cash balances. Advances In decreased due to fewer than anticipated returns from other funds during 2006.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

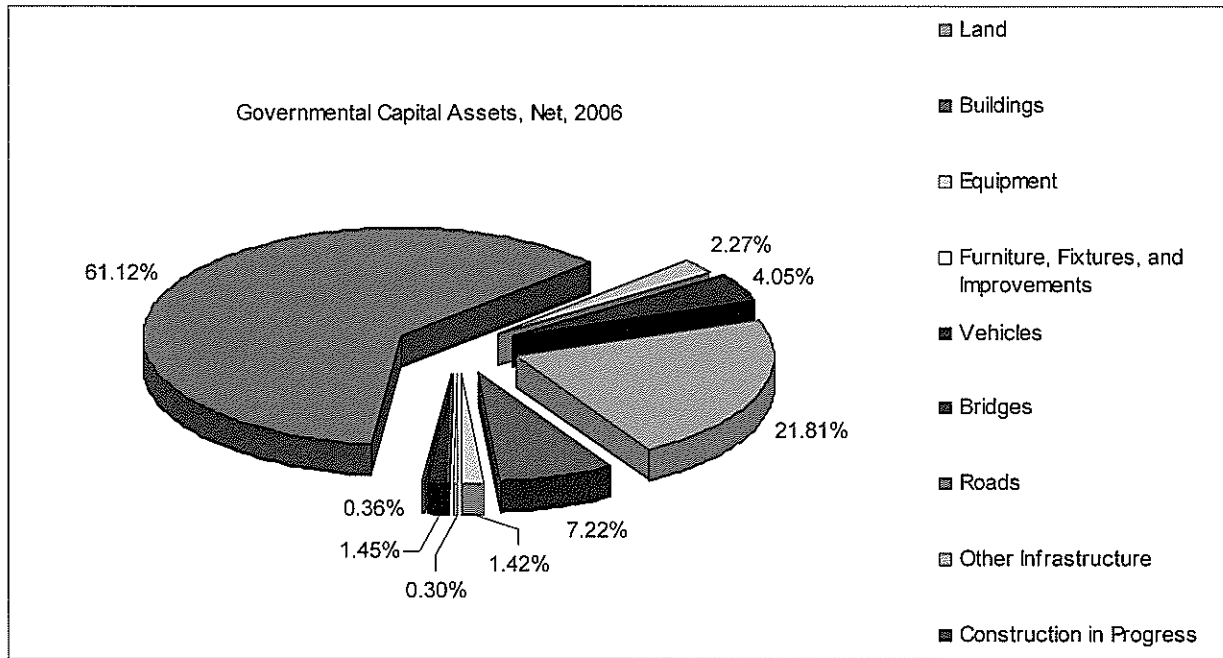
Table 3
Capital Assets

	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
Land	\$21,840,720	\$21,157,487	\$457,877	\$460,804
Buildings	7,235,632	7,406,086	4,044,526	4,204,918
Equipment	1,421,485	1,559,774	274,697	310,134
Furniture, Fixtures, and Improvements	297,082	322,522	0	0
Vehicles	1,452,468	1,529,909	9,901	13,862
Infrastructure				
Bridges	362,381	377,636	0	0
Roads	61,213,264	63,850,888	0	0
Other	2,277,896	2,227,781	0	0
Sewer Lines	0	0	12,181,558	11,667,339
Water Lines	0	0	11,270,736	10,991,254
Stormwater	0	0	8,982,424	8,456,571
Construction in Progress	4,058,921	1,634,967	9,196,981	4,432,448
Total	\$100,159,849	\$100,067,050	\$46,418,700	\$40,537,330

(Continued)

	Total	
	2006	2005
Land	\$22,298,597	\$21,618,291
Buildings	11,280,158	11,611,004
Equipment	1,696,182	1,869,908
Furniture, Fixtures, and Improvements	297,082	322,522
Vehicles	1,462,369	1,543,771
Infrastructure		
Bridges	362,381	377,636
Roads	61,213,264	63,850,888
Other	2,277,896	2,227,781
Sewer Lines	12,181,558	11,667,339
Water Lines	11,270,736	10,991,254
Stormwater	8,982,424	8,456,571
Construction in Progress	13,255,902	6,067,415
Total	\$146,578,549	\$140,604,380

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.

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.

2006 Sidewalk Program – This project provided for concrete replacement work predominately located on the north side of Shull Road between Brandt and Trowbridge Lane and the closing of any “missing gaps” of sidewalk throughout the City. The total cost of the project was \$139,000.

2006 Street Improvement Program – This project provides for the resurfacing and repair of a mix of local and collector streets throughout the City at a cost for 2006 of approximately \$1.2 million. These street improvements were made on 28 streets throughout the City, including Fishburg Road, Kellenberger Road, Cedarhill Drive, Endicott Road, Charlesgate Road, Longfellow Road, and sections of Taylorsville Road.

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

Stormwater Management Program – This project reconstructed a drainageway by installing a dam and spillway on Dry Lick Run, stabilized two sections of Cloud Run, installed collection fences at major storm water outfalls, stabilized the south branch sections of Dry Lick Run, stabilized the North Branch Dix Creek; and installed concrete pipe culverts and repaired manholes at various locations throughout the City for a total project cost of \$334,700.

Rip Rap Road Wastewater Treatment Plant Upgrade – This ongoing 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 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 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.

Debt

At December 31, 2006, the City of Huber Heights had \$49,041,257 in debt outstanding.

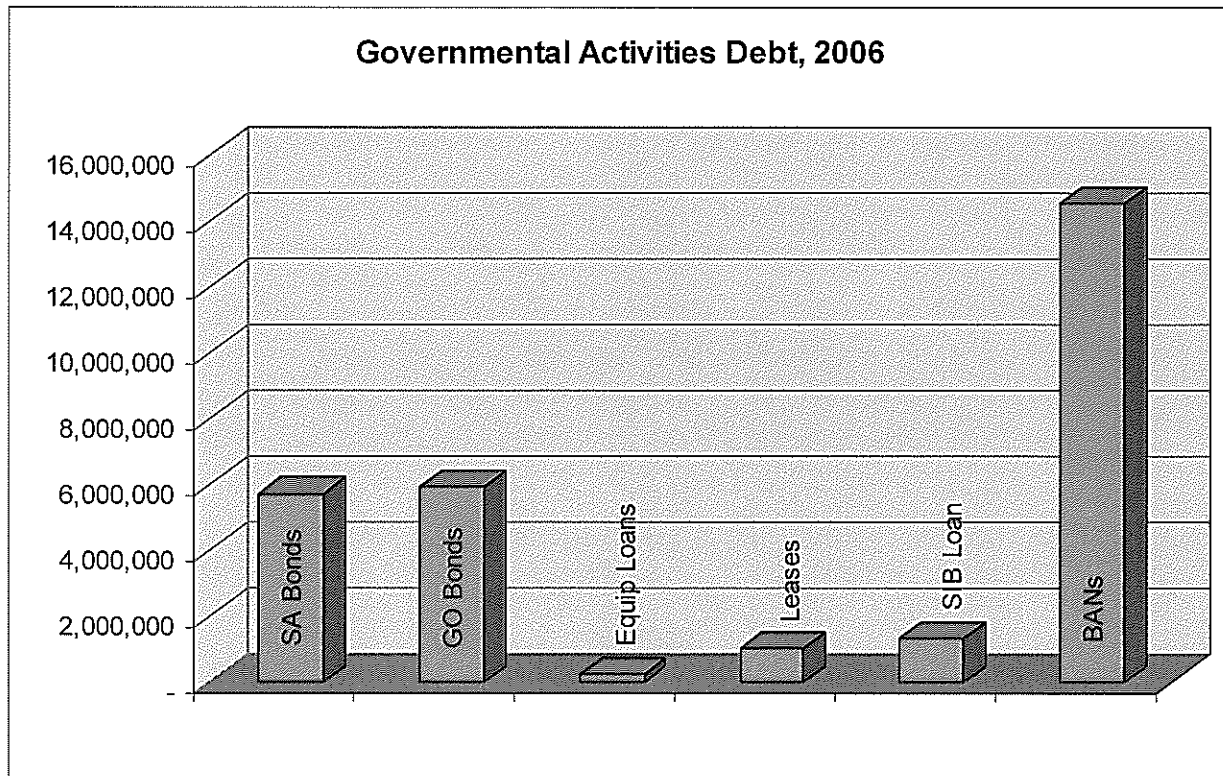
Table 4
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
Special Assessment Bonds	\$5,730,000	\$6,135,000	\$0	\$0
General Obligation Bonds	5,950,260	6,813,184	0	0
Equipment/Vehicle Loans	215,916	336,607	19,902	44,127
Vehicle Leases	1,042,498	0	0	0
State Infrastructure Loan	1,323,916	0	0	0
Notes Payable	7,999,000	9,900,000	0	0
Revenue Bonds Payable	0	0	22,966,479	23,480,786
OWDA Loan Payable	0	0	3,793,284	4,139,911
Total	\$22,261,590	\$23,184,791	\$26,779,665	\$27,664,824

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 2007. The equipment/vehicle loans will be paid by the funds that are 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.



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.

Based on the City's assessed valuation during 2006, the 5½% unvoted debt limitation was \$38,031,868, and \$6,916,562 of City debt was within this limitation. Therefore, there remained \$31,115,306 of debt-issuing capacity available to the City under this limitation. The 10 ½% total indebtedness limitation was \$66,766,184, and \$7,796,562 of City debt was within this limitation. Therefore, there remained \$58,969,622 of debt-issuing capacity available to the City under this limitation. 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 Robert Mauch, CTP, Finance Director, 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, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$19,692,614	\$11,939,288	\$31,631,902
Cash and Cash Equivalents with Fiscal Agents	0	2,134,902	2,134,902
Accrued Interest Receivable	143,751	59,154	202,905
Accounts Receivable, Net	344,164	1,058,645	1,402,809
Municipal Income Taxes Receivable, Net	3,846,412	0	3,846,412
Due from Other Governments	1,668,697	15,000	1,683,697
Property and Other Taxes Receivable	3,649,396	0	3,649,396
Prepaid Items	74,138	14,232	88,370
Supplies Inventory	287,500	0	287,500
Equity in Pooled Cash and Cash Equivalents-Unspent Note Proceeds	0	2,330,963	2,330,963
Deferred Charges	32,472	256,219	288,691
Special Assessments Receivable	12,643,416	24,713	12,668,129
Nondepreciable Capital Assets	25,899,641	9,654,858	35,554,499
Depreciable Capital Assets, Net	74,260,208	36,763,842	111,024,050
Investment in Joint Venture	0	13,629,307	13,629,307
<i>Total Assets</i>	<u>142,542,409</u>	<u>77,881,123</u>	<u>220,423,532</u>
Liabilities			
Accounts Payable	916,422	1,665	918,087
Contracts Payable	85,961	454,220	540,181
Accrued Salaries Payable	225,294	5,357	230,651
Matured Compensated Absences Payable	13,930	0	13,930
Due to Other Governments	1,001,934	3,359	1,005,293
Accrued Interest Payable	392,297	131,095	523,392
Contracts Payable Retainage	78,913	149,045	227,958
Notes Payable	4,283,300	0	4,283,300
Deferred Revenue	3,297,556	0	3,297,556
Long-Term Liabilities:			
Due Within One Year	2,058,051	1,394,260	3,452,311
Due in More Than One Year	21,541,210	25,385,407	46,926,617
<i>Total Liabilities</i>	<u>33,894,868</u>	<u>27,524,408</u>	<u>61,419,276</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	74,639,351	25,740,874	100,380,225
Restricted for:			
Security of Persons and Property	5,045,978	0	5,045,978
Leisure Time Activities	83,811	0	83,811
Transportation	3,677,405	0	3,677,405
Debt Service	13,209,353	0	13,209,353
Capital Improvements	3,236,059	0	3,236,059
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Unrestricted	8,755,584	23,415,841	32,171,425
<i>Total Net Assets</i>	<u>\$108,647,541</u>	<u>\$50,356,715</u>	<u>\$159,004,256</u>

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2006

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
Security of Persons and Property:				
Fire	\$5,471,252	\$1,005,362	\$113,134	\$0
Police	6,149,214	138,383	176,438	276,563
Other	1,248,539	377,849	0	10,755
Leisure Time Activities	288,143	298,255	0	0
Community Environment	773,937	180,027	0	0
Transportation	6,195,345	142,212	1,566,828	1,113,169
General Government	3,243,868	206,214	0	0
Interest and Fiscal Charges	1,165,096	0	0	0
<i>Total Governmental Activities</i>	<u>24,535,394</u>	<u>2,348,302</u>	<u>1,856,400</u>	<u>1,400,487</u>
Business-Type Activities				
Sewer	2,788,546	4,582,008	0	712,498
Water	3,285,584	4,579,328	0	546,899
Stormwater	416,140	545,561	0	455,053
<i>Total Business-Type Activities</i>	<u>6,490,270</u>	<u>9,706,897</u>	<u>0</u>	<u>1,714,450</u>
<i>Total Activities</i>	<u>\$31,025,664</u>	<u>\$12,055,199</u>	<u>\$1,856,400</u>	<u>\$3,114,937</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

 Fire Operating

 Police

 Local Street Operating

 Local Street Capital Improvement

 Fire Capital Equipment

Grants and Entitlements not Restricted to Specific Programs

Gain on Sale of Capital Assets

Unrestricted Investment Earnings

Miscellaneous

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
(\$4,352,756)	\$0	(\$4,352,756)
(5,557,830)	0	(5,557,830)
(859,935)	0	(859,935)
10,112	0	10,112
(593,910)	0	(593,910)
(3,373,136)	0	(3,373,136)
(3,037,654)	0	(3,037,654)
(1,165,096)	0	(1,165,096)
<u>(18,930,205)</u>	<u>0</u>	<u>(18,930,205)</u>
0	2,505,960	2,505,960
0	1,840,643	1,840,643
0	584,474	584,474
<u>0</u>	<u>4,931,077</u>	<u>4,931,077</u>
<u>(18,930,205)</u>	<u>4,931,077</u>	<u>(13,999,128)</u>
1,393,195	0	1,393,195
1,067,074	0	1,067,074
1,277,889	0	1,277,889
158,755	0	158,755
173,545	0	173,545
6,842,970	0	6,842,970
392,186	0	392,186
3,545,945	0	3,545,945
1,636,399	0	1,636,399
1,301,952	0	1,301,952
672,609	0	672,609
1,435,321	0	1,435,321
0	873	873
1,001,068	702,823	1,703,891
202,671	16,266	218,937
98,410	(98,410)	0
<u>21,199,989</u>	<u>621,552</u>	<u>21,821,541</u>
2,269,784	5,552,629	7,822,413
<u>106,377,757</u>	<u>44,804,086</u>	<u>151,181,843</u>
<u>\$108,647,541</u>	<u>\$50,356,715</u>	<u>\$159,004,256</u>

City of Huber Heights, Ohio
Balance Sheet
Governmental Funds
December 31, 2006

	General	Fire	Police
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,408,534	\$1,999,703	\$2,998,956
Receivables:			
Property and Other Taxes	1,110,392	1,040,756	1,245,652
Municipal Income Taxes, Net	1,839,133	99,766	939,642
Accounts, Net	344,142	0	22
Special Assessments	0	0	0
Accrued Interest	143,751	0	0
Due from Other Governments	691,072	43,977	85,202
Prepaid Items	64,539	4,756	3,087
Supplies Inventory	47,156	17,551	46,759
Interfund Receivable	2,050,400	0	0
<i>Total Assets</i>	<u>\$10,699,119</u>	<u>\$3,206,509</u>	<u>\$5,319,320</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$413,422	\$64,647	\$207,765
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Accrued Salaries Payable	41,926	80,434	86,985
Due to Other Governments	232,464	362,978	339,211
Interfund Payable	0	0	0
Deferred Revenue	3,191,187	1,138,565	1,895,464
Matured Compensated Absences Payable	3,187	10,743	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>3,882,186</u>	<u>1,657,367</u>	<u>2,529,425</u>
Fund Balances			
Reserved for Encumbrances	577,833	101,480	196,923
Reserved for Supplies Inventory	47,156	17,551	46,759
Reserved for Long-Term Interfund Loans	301,000	0	0
Reserved for Unclaimed Monies	5,441	0	0
Unreserved:			
Undesignated, Reported in:			
General Fund	5,885,503	0	0
Special Revenue Funds	0	1,430,111	2,546,213
Debt Service Funds	0	0	0
Capital Projects Funds (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>6,816,933</u>	<u>1,549,142</u>	<u>2,789,895</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,699,119</u>	<u>\$3,206,509</u>	<u>\$5,319,320</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$443,993	\$2,214,582	\$7,626,846	\$19,692,614
0	0	252,596	3,649,396
0	0	967,871	3,846,412
0	0	0	344,164
11,750,408	377,316	515,692	12,643,416
0	0	0	143,751
0	57,910	790,536	1,668,697
0	0	1,756	74,138
0	0	176,034	287,500
0	0	0	2,050,400
<u>\$12,194,401</u>	<u>\$2,649,808</u>	<u>\$10,331,331</u>	<u>\$44,400,488</u>
\$1,794	\$0	\$228,794	\$916,422
0	81,566	4,395	85,961
0	15,720	63,193	78,913
0	273	15,676	225,294
0	0	67,281	1,001,934
0	1,584,600	465,800	2,050,400
11,750,408	435,226	2,004,511	20,415,361
0	0	0	13,930
0	35,460	6,653	42,113
0	3,058,200	1,225,100	4,283,300
<u>11,752,202</u>	<u>5,211,045</u>	<u>4,081,403</u>	<u>29,113,628</u>
5,297	1,100,947	870,168	2,852,648
0	0	176,034	287,500
0	0	0	301,000
0	0	0	5,441
0	0	0	5,885,503
0	0	2,743,278	6,719,602
436,902	0	995,649	1,432,551
0	(3,662,184)	1,464,799	(2,197,385)
<u>442,199</u>	<u>(2,561,237)</u>	<u>6,249,928</u>	<u>15,286,860</u>
<u>\$12,194,401</u>	<u>\$2,649,808</u>	<u>\$10,331,331</u>	<u>\$44,400,488</u>

City of Huber Heights, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2006*

Total Governmental Fund Balances	\$15,286,860
---	--------------

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	100,159,849	
Deferred Charges	32,472	
	100,192,321	

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

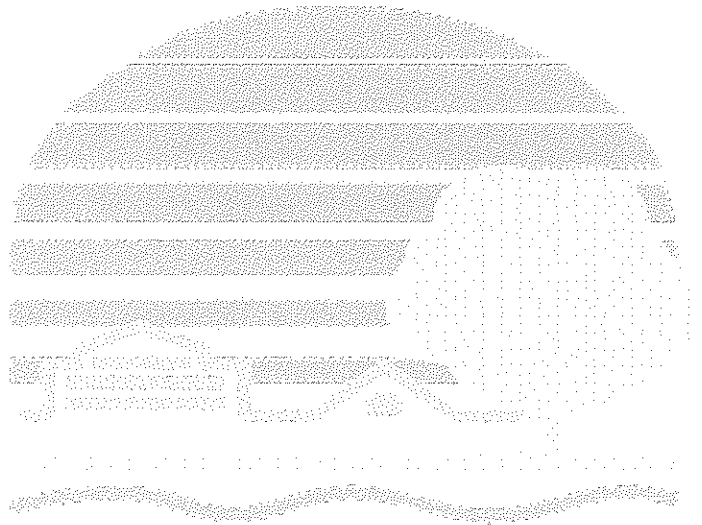
Municipal Income Taxes	2,344,237	
Property and Other Taxes	331,165	
Intergovernmental	1,421,248	
Special Assessments	12,691,891	
Charges for Services	258,932	
Accrued Interest	70,332	
	17,117,805	

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	(350,184)	
Premiums on Refunding Bonds	(6,935)	
Accounting Loss on Various Purpose Bonds	21,673	
General Obligation Bonds	(5,965,000)	
Special Assessment Bonds	(5,730,000)	
Notes Payable	(7,999,000)	
Equipment/Vehicle Loans	(2,582,330)	
Compensated Absences	(1,337,669)	
	(23,949,445)	

<i>Net Assets of Governmental Activities</i>	<u>\$108,647,541</u>
--	----------------------

See accompanying notes to the basic financial statements



HURER
HEIGHTS

Come Grow With Us!

City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Fire	Police
Revenues			
Municipal Income Taxes	\$6,645,823	\$380,887	\$3,443,787
Property and Other Taxes	1,379,838	1,056,843	1,265,637
Intergovernmental	1,420,771	133,771	176,098
Special Assessments	0	0	0
Charges for Services	931,727	2,236	126,294
Fines, Licenses and Permits	147,675	0	0
Interest	819,133	0	0
Rent	376,903	1,644	0
Net Increase in Fair Value of Investments	52,824	0	0
Other	64,081	27,919	15,103
<i>Total Revenues</i>	<u>11,838,775</u>	<u>1,603,300</u>	<u>5,026,919</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire	0	5,326,131	0
Police	0	0	5,895,581
Other	786,424	0	0
Leisure Time Activities	0	0	0
Community Environment	723,380	0	0
Transportation	0	0	0
General Government	2,940,745	0	0
Capital Outlay	427,132	0	210,176
Debt Service:			
Principal Retirement	10,744	0	11,257
Interest and Fiscal Charges	120	0	125
<i>Total Expenditures</i>	<u>4,888,545</u>	<u>5,326,131</u>	<u>6,117,139</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,950,230</u>	<u>(3,722,831)</u>	<u>(1,090,220)</u>
Other Financing Sources (Uses)			
Proceeds from Notes and Loans	0	0	0
Proceeds from Capital Lease	0	0	0
Proceeds from Sale of Capital Assets	0	0	7,412
Current Refunding	0	0	0
Transfers In	57,003	4,000,000	1,400,000
Transfers Out	(5,815,612)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,758,609)</u>	<u>4,000,000</u>	<u>1,407,412</u>
<i>Net Change in Fund Balances</i>	1,191,621	277,169	317,192
<i>Fund Balances (Deficit) Beginning of Year</i>	5,621,831	1,270,252	2,461,173
Increase (Decrease) in Reserve for Inventory	3,481	1,721	11,530
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,816,933</u>	<u>\$1,549,142</u>	<u>\$2,789,895</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$3,506,931	\$13,977,428
0	0	330,778	4,033,096
0	56,473	1,939,354	3,726,467
213,370	126,061	422,413	761,844
0	0	1,100	1,061,357
0	0	0	147,675
0	1,173	57,606	877,912
0	0	135,936	514,483
0	0	0	52,824
84,898	0	15,811	207,812
298,268	183,707	6,409,929	25,360,898
0	0	0	5,326,131
0	0	27,205	5,922,786
0	0	375,309	1,161,733
0	0	239,893	239,893
0	0	0	723,380
0	0	1,363,889	1,363,889
12,007	13,725	3,194	2,969,671
0	1,840,293	2,316,785	4,794,386
405,000	0	1,033,690	1,460,691
574,421	149,142	412,259	1,136,067
991,428	2,003,160	5,772,224	25,098,627
(693,160)	(1,819,453)	637,705	262,271
7,699,000	1,623,916	0	9,322,916
0	0	1,112,498	1,112,498
0	0	0	7,412
(7,497,000)	(1,248,000)	(1,155,000)	(9,900,000)
482,730	543,904	1,513,401	7,997,038
(2,104)	(7,492)	(1,969,656)	(7,794,864)
682,626	912,328	(498,757)	745,000
(10,534)	(907,125)	138,948	1,007,271
452,733	(1,654,112)	6,022,588	14,174,465
0	0	88,392	105,124
\$442,199	(\$2,561,237)	\$6,249,928	\$15,286,860

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, 2006*

Net Change in Fund Balances - Total Governmental Funds	\$1,007,271
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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	4,838,234
Capital Contributions	1,067,572
Depreciation	<u>(5,810,643)</u>
Excess of Capital Outlay over Depreciation Expense	95,163
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	(7,412)
Gain on Assets Sold	<u>5,048</u>
	(2,364)
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	865,000
Special Assessment Bond Principal Payments	405,000
Long-Term Notes Principal Payments	9,900,000
Capital Lease Principal Payments	70,000
Equipment/Vehicle Loan Principal Payments	<u>120,691</u>
	11,360,691
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	414,633
Property and Other Taxes	37,362
Intergovernmental	(101,831)
Special Assessments	(241,783)
Increase in Fair Value of Investments	(52,824)
Interest	123,156
Charges for Services	112,466
Fines, Licenses and Permits	(7,740)
Other	<u>(5,141)</u>
	278,298
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.	
	105,124
The issuance of debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liability.	
	(10,435,414)
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>(24,788)</u>
	(29,029)
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.	
Grants Cancelled	(1,064)
Increase in Compensated Absences	<u>(108,892)</u>
	(109,956)
Change in Net Assets of Governmental Activities	<u><u>\$2,269,784</u></u>

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$5,898,127	\$6,545,909	\$6,545,909	\$0
Property and Other Taxes	915,397	1,380,817	1,380,817	0
Intergovernmental	1,347,088	1,495,037	1,495,037	0
Charges for Services	846,149	939,080	939,080	0
Fines, Licenses and Permits	128,600	142,724	142,724	0
Interest	701,115	778,117	778,117	0
Rent	339,606	376,904	376,904	0
Other	0	71,128	71,128	0
<i>Total Revenues</i>	<u>10,176,082</u>	<u>11,729,716</u>	<u>11,729,716</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property:				
Other	943,991	927,205	849,663	77,542
Community Environment	1,061,897	962,920	819,736	143,184
General Government	3,723,596	3,780,228	3,451,283	328,945
Capital Outlay	398,532	719,071	593,948	125,123
Debt Service:				
Principal Retirement	14,387	10,745	10,744	1
Interest and Fiscal Charges	1,478	120	120	0
<i>Total Expenditures</i>	<u>6,143,881</u>	<u>6,400,289</u>	<u>5,725,494</u>	<u>674,795</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,032,201</u>	<u>5,329,427</u>	<u>6,004,222</u>	<u>674,795</u>
Other Financing Sources (Uses)				
Advances In	1,154,625	1,031,625	1,031,625	0
Advances Out	0	(1,200,800)	(1,200,800)	0
Transfers In	0	57,003	57,003	0
Transfers Out	(6,055,612)	(5,815,612)	(5,815,612)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,900,987)</u>	<u>(5,927,784)</u>	<u>(5,927,784)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(868,786)</u>	<u>(598,357)</u>	<u>76,438</u>	<u>674,795</u>
<i>Fund Balance Beginning of Year</i>	<u>2,542,760</u>	<u>2,542,760</u>	<u>2,542,760</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>894,615</u>	<u>894,615</u>	<u>894,615</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,568,589</u>	<u>\$2,839,018</u>	<u>\$3,513,813</u>	<u>\$674,795</u>

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
Fire Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$206,254	\$343,802	\$343,802	\$0
Property and Other Taxes	1,092,765	1,056,843	1,056,843	0
Intergovernmental	83,497	139,180	139,180	0
Charges for Services	1,341	2,236	2,236	0
Rent	986	1,644	1,644	0
Other	0	27,890	27,890	0
<i>Total Revenues</i>	1,384,843	1,571,595	1,571,595	0
Expenditures				
Current:				
Security of Persons and Property	6,155,337	6,215,401	5,739,211	476,190
<i>Total Expenditures</i>	6,155,337	6,215,401	5,739,211	476,190
<i>Excess of Revenues Under Expenditures</i>	(4,770,494)	(4,643,806)	(4,167,616)	476,190
Other Financing Sources				
Transfers In	4,000,000	4,000,000	4,000,000	0
<i>Total Other Financing Sources</i>	4,000,000	4,000,000	4,000,000	0
<i>Net Change in Fund Balance</i>	(770,494)	(643,806)	(167,616)	476,190
<i>Fund Balance at Beginning of Year</i>	1,460,063	1,460,063	1,460,063	0
Prior Year Encumbrances Appropriated	338,108	338,108	338,108	0
<i>Fund Balance at End of Year</i>	\$1,027,677	\$1,154,365	\$1,630,555	\$476,190

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
Police Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$2,644,138	\$3,357,254	\$3,357,254	\$0
Property and Other Taxes	1,305,470	1,265,637	1,265,637	0
Intergovernmental	143,712	182,471	182,471	0
Charges for Services	99,530	126,373	126,373	0
Other	0	14,547	14,547	0
<i>Total Revenues</i>	<u>4,192,850</u>	<u>4,946,282</u>	<u>4,946,282</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	6,829,251	6,822,083	6,345,967	476,116
Capital Outlay	188,514	275,938	273,369	2,569
Debt Service:				
Principal Retirement	9,837	11,260	11,257	3
Interest and Fiscal Charges	1,548	125	125	0
<i>Total Expenditures</i>	<u>7,029,150</u>	<u>7,109,406</u>	<u>6,630,718</u>	<u>478,688</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,836,300)</u>	<u>(2,163,124)</u>	<u>(1,684,436)</u>	<u>478,688</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	0	7,412	7,412	0
Transfers In	1,700,000	1,400,000	1,400,000	0
<i>Total Other Financing Sources</i>	<u>1,700,000</u>	<u>1,407,412</u>	<u>1,407,412</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,136,300)</u>	<u>(755,712)</u>	<u>(277,024)</u>	<u>478,688</u>
<i>Fund Balance at Beginning of Year</i>	2,405,438	2,405,438	2,405,438	0
Prior Year Encumbrances Appropriated	<u>383,208</u>	<u>383,208</u>	<u>383,208</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,652,346</u>	<u>\$2,032,934</u>	<u>\$2,511,622</u>	<u>\$478,688</u>

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2006

	Sewer	Water	Stormwater	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$4,822,735	\$6,227,686	\$828,867	\$11,879,288
Receivables:				
Accounts	481,661	514,953	62,031	1,058,645
Special Assessments	7,989	16,724	0	24,713
Due from Other Governments	0	0	15,000	15,000
Prepaid Items	3,264	9,808	1,160	14,232
Accrued Interest Receivable	26,028	33,126	0	59,154
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	60,000	0	60,000
Cash and Cash Equivalents with Fiscal Agents	0	2,134,902	0	2,134,902
Total Current Assets	5,341,677	8,997,199	907,058	15,245,934
<i>Non-current Assets:</i>				
Restricted Cash and Cash Equivalents				
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	2,330,963	0	2,330,963
Deferred Charges	0	256,219	0	256,219
Capital Assets:				
Nondepreciable Capital Assets	7,764	9,528,560	118,534	9,654,858
Depreciable Capital Assets, Net	12,740,624	14,838,741	9,184,477	36,763,842
Investment in Joint Venture	13,629,307	0	0	13,629,307
Total Non-current Assets	26,377,695	26,954,483	9,303,011	62,635,189
Total Assets	31,719,372	35,951,682	10,210,069	77,881,123
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	211	1,111	193	1,515
Contracts Payable	176,122	120,544	7,678	304,344
Accrued Salaries Payable	2,329	3,028	0	5,357
Contracts Payable Retainage	3,182	0	0	3,182
Accrued Interest Payable	74,238	105	165	74,508
Due to Other Governments	0	3,359	0	3,359
Loan Payable	0	2,162	12,000	14,162
OWDA Loan Payable	360,098	0	0	360,098
Payable from Restricted Assets:				
Accounts Payable	0	150	0	150
Contracts Payable	0	149,876	0	149,876
Contracts Payable Retainage	0	145,863	0	145,863
Accrued Interest Payable	0	56,587	0	56,587
Current Portion of Revenue Bonds	0	1,020,000	0	1,020,000
Total Current Liabilities	616,180	1,502,785	20,036	2,139,001
<i>Long-Term Liabilities:</i>				
Loan Payable	0	5,740	0	5,740
OWDA Loan Payable	3,433,188	0	0	3,433,188
Revenue Bonds Payable	0	21,946,479	0	21,946,479
Total Long-Term Liabilities	3,433,188	21,952,219	0	25,385,407
Total Liabilities	4,049,368	23,455,004	20,036	27,524,408
Net Assets				
Invested in Capital Assets, Net of Related Debt	8,955,102	7,494,761	9,291,011	25,740,874
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	18,714,902	3,801,917	899,022	23,415,841
Total Net Assets	\$27,670,004	\$12,496,678	\$10,190,033	\$50,356,715

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2006*

	Sewer	Water	Stormwater	Total
Operating Revenues				
Charges for Services	\$3,970,675	\$2,831,544	\$545,561	\$7,347,780
Charges for Services - Pledged for Debt Service	0	1,699,044	0	1,699,044
Tap-In Fees	33,965	46,400	0	80,365
Rent	0	2,340	0	2,340
<i>Total Operating Revenues</i>	<u>4,004,640</u>	<u>4,579,328</u>	<u>545,561</u>	<u>9,129,529</u>
Operating Expenses				
Personal Services	112,322	152,379	121,411	386,112
Operations and Maintenance	2,171,448	1,590,486	65,973	3,827,907
Depreciation	354,149	375,683	226,723	956,555
<i>Total Operating Expenses</i>	<u>2,637,919</u>	<u>2,118,548</u>	<u>414,107</u>	<u>5,170,574</u>
<i>Operating Income</i>	<u>1,366,721</u>	<u>2,460,780</u>	<u>131,454</u>	<u>3,958,955</u>
Non-Operating Revenues (Expenses)				
Interest Revenue	123,853	578,970	0	702,823
Increase in Fair Value of Investments	7,153	9,113	0	16,266
Interest and Fiscal Charges	(150,627)	(1,167,036)	(2,033)	(1,319,696)
Gain on Sale of Capital Assets	0	873	0	873
Return on Investment in Joint Venture	577,368	0	0	577,368
<i>Total Non-Operating Revenues (Expenses)</i>	<u>557,747</u>	<u>(578,080)</u>	<u>(2,033)</u>	<u>(22,366)</u>
<i>Income Before Capital Contributions and Transfers</i>	<u>1,924,468</u>	<u>1,882,700</u>	<u>129,421</u>	<u>3,936,589</u>
Transfers In	3,136	0	100,627	103,763
Transfers Out	(119,876)	(82,297)	0	(202,173)
Capital Contributions	712,498	546,899	455,053	1,714,450
<i>Change in Net Assets</i>	<u>2,520,226</u>	<u>2,347,302</u>	<u>685,101</u>	<u>5,552,629</u>
<i>Net Assets Beginning of Year</i>	<u>25,149,778</u>	<u>10,149,376</u>	<u>9,504,932</u>	<u>44,804,086</u>
<i>Net Assets End of Year</i>	<u>\$27,670,004</u>	<u>\$12,496,678</u>	<u>\$10,190,033</u>	<u>\$50,356,715</u>

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2006

	Sewer	Water	Stormwater	Total
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities				
Cash Received from Customers	\$3,991,339	\$4,530,782	\$546,543	\$9,068,664
Other Operating Receipts	0	1,631	0	1,631
Cash Payments for Employee Services and Benefits	(111,484)	(152,767)	(121,411)	(385,662)
Cash Payments to Suppliers for Goods and Services	(2,249,463)	(2,731,498)	(206,901)	(5,187,862)
<i>Net Cash Provided by Operating Activities</i>	<u>1,630,392</u>	<u>1,648,148</u>	<u>218,231</u>	<u>3,496,771</u>
Cash Flows from Noncapital Financing Activities				
Transfers	(119,876)	(82,297)	0	(202,173)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>(119,876)</u>	<u>(82,297)</u>	<u>0</u>	<u>(202,173)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(43,805)	(4,638,235)	(306,688)	(4,988,728)
Proceeds from Sale of Capital Assets	0	3,800	0	3,800
Interest Paid on OWDA Loan Payable	(156,080)	0	0	(156,080)
Principal Paid on OWDA Loan Payable	(346,627)	0	0	(346,627)
Principal Paid on Loan Payable	0	(2,089)	(22,136)	(24,225)
Interest Paid on Loan Payable	0	(329)	(2,344)	(2,673)
Interest Paid on Revenue Bonds Payable	0	(801,529)	0	(801,529)
Principal Paid on Revenue Bonds Payable	0	(905,000)	0	(905,000)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(546,512)</u>	<u>(6,343,382)</u>	<u>(331,168)</u>	<u>(7,221,062)</u>
Cash Flows from Investing Activities				
Interest	104,978	554,957	0	659,935
<i>Net Increase in Cash and Cash Equivalents</i>	1,068,982	(4,222,574)	(112,937)	(3,266,529)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,753,753</u>	<u>14,976,125</u>	<u>941,804</u>	<u>19,671,682</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$4,822,735</u>	<u>\$10,753,551</u>	<u>\$828,867</u>	<u>\$16,405,153</u>

(Continued)

City of Huber Heights, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2006
(Continued)

	Sewer	Water	Stormwater	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$1,366,721	\$2,460,780	\$131,454	\$3,958,955
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	354,149	375,683	226,723	956,555
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(13,301)	(49,237)	982	(61,556)
(Increase) Decrease in Special Assessments Receivable	0	2,322	0	2,322
(Increase) Decrease in Prepaid Items	25	710	(148)	587
Increase (Decrease) in Accounts Payable	(5,088)	(122,743)	(1,440)	(129,271)
Increase (Decrease) in Contracts Payable	62,068	(986,180)	(137,990)	(1,062,102)
Increase (Decrease) in Accrued Salaries Payable	1,016	(597)	0	419
Increase (Decrease) in Contracts Payable Retainage	(6,147)	(33,445)	0	(39,592)
Increase (Decrease) in Due to Other Governments	(129,051)	855	(1,350)	(129,546)
Decrease in Deferred Charges	0	0	0	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,630,392</u>	<u>\$1,648,148</u>	<u>\$218,231</u>	<u>\$3,496,771</u>

Non-Cash Transactions:

During 2006, the Sewer and Stormwater Enterprise Funds had capital contributions for capital assets from governmental funds of \$3,136 and \$100,627, respectively. In addition, the Sewer, Water, and Stormwater Enterprise Funds had capital contributions for capital assets from developers of \$712,498, \$546,899, and \$440,053 respectively. The Water Enterprise Fund had accretion of capital appreciation bonds in the amount of \$477,464. In 2005 the City issued bonds to refund debt originally issued in 1995, which realized an accounting gain. Amortization of the accounting gain for 2006 was \$38,667.

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, 2006

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 and the Division of Taxation (income tax). The Department of Information Systems was a division under the Department of Finance in 2005 but now is directed by the City Manager. The Department of Public Services 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, 2006

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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, City income tax 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 grant 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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Measurable means the amount of the transaction can be determined and 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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2006, but were levied to finance 2007 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.

During 2006, the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), Bank of New York Trust Cash Reserve Fund, a repurchase agreement and money market securities issued by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bank, and the Federal Home Loan Bank.

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 2006. 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2006.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue of \$819,133 was credited to the General Fund during 2006, which includes \$593,853 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, 2006, 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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expended.

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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, notes, 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. The government-wide statement of net assets reports \$26,452,606 of restricted net assets of which \$1,200,000 is restricted by enabling legislation.

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

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

On the governmental fund financial statements, amortization of bond premiums, bond issuance cost, accounting loss, accrued interest payable, and the accretion of bonds is not reported.

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.

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2006.

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.
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).

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (Continued)

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	\$1,191,621	\$277,169	\$317,192
Adjustments:			
Revenue Accruals	(125,151)	(31,705)	(97,037)
Expenditure Accruals	(14,152)	(52,478)	(56,569)
Unrecorded Cash – 2005	133,805	7,297	46,622
Unrecorded Cash – 2006	(64,889)	(8,546)	(30,222)
Change in Fair Value of Investments – 2005	(45,784)	0	0
Change in Fair Value of Investments – 2006	(7,040)	0	0
Encumbrances	(822,797)	(359,353)	(457,010)
Advances	(169,175)	0	0
Budget Basis	\$76,438	(\$167,616)	(\$277,024)

NOTE 4 - FUND DEFICITS

The Capital Improvement Fund and the Issue 2 Fund had fund balance deficits at December 31, 2006, of \$2,561,237 and \$581,972, respectively. 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. The deficit in the Nonmajor Capital Project Fund is also a result of a note payable for Brandt Pike Phase 6. The deficit will be eliminated in 2007 with bond proceeds & cash.

NOTE 5 - DEPOSITS AND INVESTMENTS

The City maintains a cash and investments pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheets as "Pooled Cash and Cash Equivalents". The investment and deposit of City monies are governed by the City's legislated investment policy and the Water Revenue Bond covenants. City deposits are collateralized pursuant to State statute.

Deposits

The State of Ohio by statute has established collateral requirements for financial institutions acting as public depositories. A public depository must either pledge specific qualified collateral to individual public fund deposits at a market value of at least 102% of the value of each deposit, or pledge a pool of collateral to all public funds held by the depository at a market value of at least 105% of total public fund deposits. Pooled securities so pledged provide the equivalent of a deposit insurance fund. This approach protects all public entities against a single public depository collapse.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2006, the carrying amount of the City’s cash deposits was \$617,129 and the bank balance was \$1,187,911. Of the bank balance, \$295,006 was insured by the Federal Deposit Insurance Corporation, \$401,137 was collateralized by a direct pledge of collateral held by the bank’s agent in the City’s name, and \$491,768 was collateralized by financial institutions’ collateral pools held in the financial institutions’ names as specified by Section 135.181 of the Ohio Revised Code.

Investments

All investments are reported at fair value, which is based on quoted market prices. During 2006, the City’s legislated investment policy authorized investments in the following securities and diversification limits:

Authorized Investment	Maximum Allowable Percentage of City Cash Deposits & Investments
United States Treasury bills, notes, bonds or any other obligation or security issued by the United States Treasury or any other obligation or guaranteed as to principal and interest by the United States;	100%
Bonds, notes, debentures, or 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 Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All such securities shall be direct issuances of federal government agencies or instrumentalities	20% per obligor
No-load money market mutual funds consisting exclusively of securities described above and repurchase agreements secured by such obligations provided all such investments under this paragraph 5 shall be made with a bank or savings and loan association eligible to be a depository for public funds of Ohio subdivisions and provided further that any such fund meets the requirements of Chapter 135 of the Revised Code, including that such fund not include any investment in a “derivative”	20%
Time deposits in duly authorized depositories of the City, provided those deposits are properly insured or collateralized as required by law	20%

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Authorized Investment	Maximum Allowable Percentage of City Cash Deposits & Investments
Bonds and other obligations of the State of Ohio	20%
Ohio Subdivision's Fund (STAROhio)	100%
Overnight or term (not exceeding 30 days) repurchase agreements meeting the requirements of Section 135.14(E) of the Revised Code, with a bank or savings and loan association eligible to be a depository for public funds of Ohio subdivisions or a member of the National Association of Securities Dealers.	20%

In addition to the foregoing, the City's Water Revenue Bond covenants authorized the investment of Water utility monies in the following types of investments:

Certificates of deposit, demand deposits or time deposits of any state bank, trust company, or national bank that is a member of the FDIC (including any investment in pools of those certificate/demand/time deposits of such institutions) provided that the deposit is (1) continuously and fully insured by the FDIC, or (2) Issued by an entity that has either unsecured, unguaranteed and uninsured commercial paper rated in the highest rating category or unsecured, unguaranteed and uninsured long-term obligations rated in the third-highest rating category by a Rating Service, or each Rating Service if the obligations are rated by more than one Rating Service; or (3) to the extent not insured by the FDIC, are fully secured by direct obligations of the United States or agencies or instrumentalities of the United States that have a market value at least equal to the amount of the deposit	100% of Water Utility monies
U.S. dollar-denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks having a rating on their short-term certificates of deposit of A-1 or A-1+ by Standard & Poor's and P-1 by Moody's and maturing within no more than 360days	100% of Water Utility monies
Money market funds rated AAAM or AAAM-G or higher by Standard & Poor's	100% of Water Utility monies

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

At year-end, obligations of the following issuers represented in excess of 5% of the City's deposits and investment portfolio:

Issuer/Obligor	Percent of Investment Portfolio	Moody's / Standard & Poors Ratings
Federal Home Loan Mortgage Corporation (FHLMC)	19.00%	Aaa/AAA
Federal National Mortgage Association (FNMA)	18.83%	Aaa/AAA
Federal Home Loan Bank (FHLB)	17.16%	Aaa/AAA
State Treasury Asset Reserve (STAR Ohio)	16.05%	Unrated/AAAm
Federal Farm Credit Bank (FFCB)	13.50%	Aaa/AAA
Bank of New York Trust Cash Reserve Fund	5.57%	P1/A1+

The investment policy prohibits investment in "derivative" securities whose value or return is based upon or linked to another asset or index or both separate from the financial instrument. However, an authorized investment (set forth in the tables above) with a variable interest rate or call features is not prohibited.

The investment policy states that unless matched to a specific cash flow requirement, the City will not directly invest in fixed interest rate securities maturing more than five years from the date of purchase, and will not directly invest in variable rate securities maturing more than two years from the date of purchase. Callable securities are purchased on the assumption that they will not be called before maturity. Investments are made with the expectation that each will be held to maturity. However, securities are occasionally competitively sold for liquidity purposes.

The investment policy requires delivery of marketable securities, on a delivery-versus-pay basis, to a third-party safekeeping agent. At year-end all marketable securities were held by the City's third-party safekeeping agent in the City's name.

As of December 31, 2006, the City's investment portfolio had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 - 2	2 - 3	3 - 4
State Treasurer's Investment Pool	\$5,822,816	\$5,822,816	\$0	\$0	\$0
Money Market Mutual Funds	3,504,210	3,504,210	0	0	0
U.S. Government-Sponsored Corporations	24,853,761	9,520,712	8,883,365	5,467,494	982,190
Repurchase Agreement	1,299,851	1,299,851	0	0	0
Total	<u>\$35,480,638</u>	<u>\$20,147,589</u>	<u>\$8,883,365</u>	<u>\$5,467,494</u>	<u>\$982,190</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 6 - RECEIVABLES

Receivables at December 31, 2006, 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, 2006, was \$1,058,645. 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 \$6,657,742, and the uncollectible portion was \$2,811,330, for a net receivable of \$3,846,412. Total emergency medical service calls receivable was \$749,108 and the uncollectible portion was \$453,441, for net accounts receivable of \$295,667. Total net governmental accounts receivable of \$344,164 is the sum of the net emergency medical service calls and other miscellaneous accounts receivable of \$48,497 due 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 Sewer Fund, and the Water Fund amount to \$11,750,408, \$377,316, \$7,989, and \$16,724, respectively. The amount recorded in the Other Governmental Funds was \$515,692. At December 31, 2006, the amount of delinquent special assessments was \$39,154.

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 2006 for real and public utility property taxes represents collections of the 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) is for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

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. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible property tax is being phased out. The assessment percentage for all property including inventory for 2006 is 18.75%. This is reduced to 12.5% for 2007, 6.25% for 2008 and zero for 2009.

The full tax rate for all City operations for the year ended December 31, 2006, was \$11.54 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$646,417,910
Public Utility Tangible Personal Property	13,699,870
Tangible Personal Property	<u>31,695,189</u>
Total	<u><u>\$691,812,969</u></u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 6 – RECEIVABLES (Continued)

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, 2006, 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 2006 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.

Income Taxes

For 2006, the City levies a municipal income tax of 2.25% 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 police, fire, and EMS operations, 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 6 – RECEIVABLES (Continued)

Due from Other Governments

A summary of intergovernmental receivables follows:

Governmental Activities

Local Government and Local Government Assistance	\$600,323
Homestead and Rollback	157,096
Huber Heights City School District and Athletic Foundation	26,319
Montgomery County Courts	5,285
Estate Tax	35,104
Montgomery County/GovDeals – Online Auction	1,353
DOJ – OHS – Reimburse OT	2,941
Immobilization Fees	245
Liquor Permits	454
US Treasury DEA – Proceeds from Drug Cases	2,700
Construction, Demolition and Disposal Fee	871
Gasoline Tax	384,064
Cents per Gallon	206,033
Motor Vehicle License	176,514
County Permissive Motor Vehicle License	6,813
OJP Safety Vest Grant	4,672
TEA-21 Traffic Signalization Grant	57,910
Total Governmental Activities	<u>1,668,697</u>
<u>Business-Type Activities</u>	
Montgomery County Solid Waste Site Grant	<u>15,000</u>
Total Intergovernmental Receivables	<u>\$1,683,697</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006, was as follows:

	Balance at 12/31/05	Additions	Deductions	Balance at 12/31/06
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$21,157,487	\$ 683,233	0	\$21,840,720
Construction in Progress	1,634,967	3,650,805	(1,226,851)	4,058,921
Total Capital Assets, not being Depreciated	22,792,454	4,334,038	(1,226,851)	25,899,641
Depreciable Capital Assets:				
Buildings	9,651,370	40,828	0	9,692,198
Equipment	2,890,536	146,308	0	3,036,844
Furniture, Fixtures and Improvements	507,942	2,427	0	510,369
Vehicles	3,703,464	220,660	(41,893)	3,882,231
Infrastructure				
Bridges	652,966	0	0	652,966
Roads	170,728,177	2,071,796	0	172,799,973
Other	5,454,165	316,600	0	5,770,765
Total Depreciable Capital Assets	193,588,620	2,798,619	(41,893)	196,345,346
Less Accumulated Depreciation:				
Buildings	(2,245,284)	(211,282)	0	(2,456,566)
Equipment	(1,330,762)	(284,597)	0	(1,615,359)
Furniture, Fixtures and Improvements	(185,420)	(27,867)	0	(213,287)
Vehicles	(2,173,555)	(295,737)	39,529	(2,429,763)
Infrastructure				
Bridges	(275,330)	(15,255)	0	(290,585)
Roads	(106,877,289)	(4,709,420)	0	(111,586,709)
Other	(3,226,384)	(266,485)	0	(3,492,869)
Total Accumulated Depreciation	(116,314,024)	(5,810,643)	39,529	(122,085,138)
Depreciable Capital Assets, Net	77,274,596	(3,012,024)	(2,364)	74,260,208
Governmental Activities Capital Assets, Net	\$100,067,050	\$1,322,014	(\$1,229,215)	\$100,159,849

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance at 12/31/05	Additions	Deductions	Balance at 12/31/06
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$460,804	\$0	(\$2,927)	\$457,877
Construction in Progress	4,432,448	4,764,533	0	9,196,981
Total Capital Assets, not being Depreciated	4,893,252	4,764,533	(2,927)	9,654,858
Depreciable Capital Assets:				
Buildings	5,366,574	0	(48,551)	5,318,023
Equipment	402,769	0	(2)	402,767
Vehicles	19,802	0	0	19,802
Infrastructure				
Sewer Lines	13,764,342	849,139	0	14,613,481
Water Lines	13,155,698	546,899	0	13,702,597
Stormwater	10,488,092	728,834	0	11,216,926
Total Depreciable Capital Assets	43,197,277	2,124,872	(48,553)	45,273,596
Less Accumulated Depreciation:				
Buildings	(1,161,656)	(111,841)	0	(1,273,497)
Equipment	(92,635)	(35,435)	0	(128,070)
Vehicles	(5,940)	(3,961)	0	(9,901)
Infrastructure				
Sewer Lines	(2,097,003)	(334,920)	0	(2,431,923)
Water Lines	(2,164,444)	(267,417)	0	(2,431,861)
Stormwater	(2,031,521)	(202,981)	0	(2,234,502)
Total Accumulated Depreciation	(7,553,199)	(956,555)	0	(8,509,754)
Depreciable Capital Assets, Net	35,644,078	1,168,317	(48,553)	36,763,842
Business-Type Activities Capital Assets, Net	\$40,537,330	\$5,932,850	(\$51,480)	\$46,418,700

Depreciation expense was charged to governmental programs as follows:

Security of Persons and Property	
Fire	\$187,641
Police	243,986
Other	77,687
Leisure Time Activities	47,901
Community Environment	
Planning and Development	21,822
Engineering	34,395
Transportation	\$5,062,523

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 7 – CAPITAL ASSETS (Continued)

General Government	
Central Services	94,103
Council	3,428
Management	15,152
Finance / Accounting	8,221
Finance / Taxation	13,784
Total Depreciation Expense	<u>\$5,810,643</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 Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan.
- The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.
- The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-4601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, 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. The 2006 member contribution rates were 9.0 percent for members in state, local, and public safety classifications compared to 8.5 percent in 2005. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs and township police, contributed at a rate of 10.1 percent. The City's contribution rate was 13.7 percent of covered payroll for 2006, with 9.20 percent dedicated for pension benefits. For 2005, the City's contribution rate was 13.55 percent, with 9.55 percent dedicated for pension benefits.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

The City's required contributions for pension obligations to the Traditional and Combined Plans for the years ended December 31, 2006, 2005, and 2004 were \$289,676, \$344,824, and \$339,334, respectively; 72 percent has been contributed for 2006 and 100 percent for 2005 and 2004. The City encumbered the fourth quarter pension amount in 2006 but is not invoiced until 2007. No City employees participated in the Member-Directed Plan for 2006.

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, while 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 24.0 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 \$386,458 and \$502,741 for the year ended December 31, 2006, \$392,993 and \$510,513 for the year ended December 31, 2005, and \$385,702 and \$500,791 for the year ended December 31, 2004, equal to the required contributions for each year. The full amount has been contributed for 2005 and 2004. 72 percent has been contributed for 2006 with the remainder being reported as a liability. The City encumbered the fourth quarter pension amount in 2006 but is not invoiced until 2007.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2006, state employers contributed at a rate of 13.54 percent of covered payroll, local government employer units contributed at 13.70 percent of covered payroll, and public safety and law enforcement employer units contributed at 16.93 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units, and 18.1 percent of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in, accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2006, the employer contribution allocated to the health care plan was 4.5 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates state above, are the actuarially determined contribution requirements for OPERS. The City's contribution to fund post-employment benefits in 2006 was \$141,690 and \$144,429 in 2005. The actual contribution and the actuarially required contribution amounts are the same.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, 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 access to post-retirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Post-employment 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 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 2006 that were used to fund postemployment benefits were \$254,898 for police and \$239,769 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 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. The City Manager has no limits on the amount of vacation carried over from year to year. 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. The City Manager can convert 160 hours per year.

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-

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 10 – OTHER EMPLOYEE BENEFITS (Continued)

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. The maximum balance for all union employees except firefighters is 1,285 hours. The maximum balance for firefighters is 1,800 hours. If at the end of each contract year an employee has a balance greater than their allowed maximum, the excess hours are paid out in a 3:1 ratio at the employee's rate of pay at the contract year end.

Upon retirement, employees are paid for their accumulated leave according to the following schedules. Non-union employees are paid up to a maximum of 480 hours. For police command, patrol, and clerical, dispatch officers, and public works employees, accumulated leave between 1 and 357 is paid at a 4:1 ratio, accumulated leave between 358 and 714 is paid at a 3:1 ratio, accumulated leave between 715 and 1,071 is paid at a 2:1 ratio, and accumulated leave in excess of 1,071 is paid at a 1:1 ratio. For the firefighters, balances between 1 and 500 hours is paid at a 4:1 ratio, accumulated leave between 501 and 1,000 is paid at a 3:1 ratio, accumulated leave between 1,001 and 1,500 is paid at a 2:1 ratio, and accumulated leave in excess of 1,500 is paid at a 1:1 ratio.

In the case of death, union employees (or their estates) are paid out 100% of their sick leave balances. The non-union employees pay out is a maximum of 200 days.

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 8 overtime hours in one day or 24 hours in a two week pay period are compensated at two times the regular hourly rate. Per contract agreement, different unions can accumulate compensatory time to different levels. The maximum hours allowed are as follows: Street Division - 80 hours, Police Clerks – 48 hours, Patrol Officers – 72 hours, Command Officers – 90 hours, and Dispatch Officers – 48 hours. In addition, 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.

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. 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 10 – OTHER EMPLOYEE BENEFITS (Continued)

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.

NOTE 11 - CONTRACTUAL COMMITMENTS

As of December 31, 2006, the City had contractual purchase commitments as follows:

Company	Project	Contract Amount	Amount Expended	Balance at 12/31/2006
Woolpert LLP	Design Well # 3	\$29,488	\$24,475	\$5,013
Montgomery County TID	I70/201 Interchange ROW	512,088	464,167	47,921
Boone Water Systems Inc.	RRR Well #3	149,900	121,873	28,027
Wagner Smith Co.	Tr. Signals/Lights, Benchrock	400,200	347,673	52,527
R.B. Jergens Contractors	Chambersburg Rd. Drainage	44,557	0	44,557
Bugess & Niple, Inc.	Treatment Plant Design/Mgmt	1,186,163	1,057,307	128,856
LJB Inc.	I-70/202 Interchange	22,900	12,970	9,930
Squire Sanders & Dempsey	Bond Council	59,150	0	59,150
M-E Companies Inc.	Design New Carlisle Pike Ext.	65,000	52,237	12,763
Capital Electric Line Bldrs	Brandt VI/I70	10,780	0	10,780
McKenna Associates	Comprehensive Develop. Plan	112,500	98,648	13,852
Kinzelman Kline Gossman	I70/202 Landscape Design	20,000	0	20,000
John R. Jurgensen Co.	2006 Street Program	646,231	519,469	126,762
R.A. Miller Construction	2006 Sidewalk Program	341,600	334,632	6,968
Rob Bondurant	Digital Data Conversion	41,806	17,431	24,375
Montgomery County Treas.	Powell Rd. Relocation	57,500	0	57,500
Capital Electric Line Bldrs	MOT traffic signals	741,682	563	741,119
John R. Jurgensen Co.	Parking Lot Repairs	12,800	0	12,800
Rieck Group	HVAC Upgrade	40,000	0	40,000
Motorola	Radios	44,996	0	44,996
Shamrock Companies Inc.	Print Tax Forms	15,865	0	15,865
Peterson Construction Co.	Modify RRRWTP Impr.	25,000	0	25,000
Capital Electric Line Bldrs	Install GFI Controls	14,490	0	14,490
BIS Digital	Digital Recording Equipment	6,919	0	6,919
Kinzelman Kline Gossman	Add'l I70/202 Landscaping	14,800	0	14,800
AT&T	Inspect Underground Phone	15,000	525	14,475
M-E Companies Inc.	Brandt VII Engineering Plans	58,790	0	58,790
Creative Microsystems Inc.	Client Server Software	39,850	0	39,850
3M Company	GPS Based Traffic Signals	322,000	0	322,000
Priority Dispatch	Aqua & Pro QA Software	29,960	0	29,960
Copp Systems Inc.	Video Recording System	17,618	0	17,618
Kubota of Cincinnati	Kubota ZD21 Mower	9,100	0	9,100
HTE Var, LLC	Priority Dispatch Software	14,040	0	14,040
M-E Companies	Miami Villa Water Ext. Design	37,950	0	37,950
Totals		<u>\$5,160,723</u>	<u>\$3,051,970</u>	<u>\$2,108,753</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 Brower Insurance Services for coverage through Travelers/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 – Each Wrongful Act Limit	\$1,000,000	\$25,000
Public Entity Management Liability – Each Wrongful Act Limit	1,000,000	10,000
Employment Practices – Each Wrongful Employment Practice Limit	1,000,000	15,000
<u>Automobile:</u>		
Automobile Liability – Any Auto	1,000,000	0
Automobile Liability – Any Auto – Medical Payments	5,000	0
Automobile Physical Damage – Collision	Actual cash value on all vehicles	1,000
<u>Property:</u>		
Blanket Building/Contents/Boiler and Machinery	14,049,818	2,500
Water/Sewer Property/Boiler	68,734,268	5,000
Earthquake	10,000,000	50,000
Flood – Certain Areas	2,000,000	50,000
Radio Tower	10,000	1,000
Inland Marine	694,598	1,000
Contractors Equipment - Leased	100,000	2,500
<u>General Liability:</u>		
General Total Limit	2,000,000	0
Products & Completed Work Total Limit	2,000,000	0
Personal Injury Each Person Limit	1,000,000	0
Fire Damage – Any one fire	100,000	0
Emergency Medical Technicians	Included	0
<u>Excess Liability:</u>		
Umbrella Liability – Each Event	5,000,000	10,000

Buildings and personal property are written/insured on a replacement cost basis. Flood coverage on certain locations only. Physical damage on other property is insured by the City up to actual cash value of

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 12 - RISK MANAGEMENT (Continued)

the scheduled property less the deductible listed for the class of property for each accident and location. All property risks, including physical damage coverage on specialized-use vehicles (fire trucks and emergency vehicles), are fully insured through the City's private insurance carrier.

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 2006 follows:

	Balance at <u>12/31/05</u>	<u>Increases</u>	<u>Decreases</u>	Balance at <u>12/31/06</u>	Amounts Due in <u>One Year</u>
Special Assessment Bonds with Government Commitment:					
1991 6.70% Old Troy Pike Phase II	\$210,000	\$0	\$30,000	\$180,000	30,000
1993 4.70% Taylorsville Road	190,000	0	60,000	130,000	65,000
1995 5.75% Brandt Pike Phase IV	795,000	0	60,000	735,000	65,000
1995 5.70% Shull Road East and West	640,000	0	45,000	595,000	50,000
1996 5.70% Troy III	190,912	0	11,932	178,980	14,915
1996 5.70% North West Expansion	129,087	0	8,068	121,019	10,085
1997 5.45% Brandt Pike Phase V	330,000	0	20,000	310,000	20,000
1998 4.88%-4.95% Old Troy Pike Phase IV	505,000	0	30,000	475,000	30,000
1999 5.30%-5.38% Old Troy Pike Phase V	234,114	0	12,431	221,683	12,431
1999 5.3%-5.38% Executive Blvd Phase I	330,887	0	17,569	313,318	17,569
2000 5.63%-5.65% Executive Blvd Ph II	635,000	0	30,000	605,000	30,000
2001 3.5%-4.95% Huber East Water Main (Various Purpose Bonds Series 2001A)	130,000	0	5,000	125,000	5,000
2001 3.5%-4.95% Executive Blvd Ph III (Various Purpose Bonds - Series 2001A)	940,000	0	40,000	900,000	45,000
2001 3.5%-4.95% Troy VI (Various Purpose Bonds - Series 2001A)	595,000	0	25,000	570,000	30,000
2001 3.5%-4.95% Aaron Lane (Various Purpose Bonds - Series 2001A)	184,000	0	7,000	177,000	7,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/05	Increases	Decreases	Balance at 12/31/06	Amounts Due in One Year
2001 3.5%-4.95% Stoney Creek (Various Purpose Bonds – Series 2001A)	\$41,000	\$0	\$1,000	\$40,000	\$1,000
2001 3.5%-4.95% Lexington Place (Various Purpose Bonds – Series 2001A)	55,000	0	2,000	53,000	2,000
TOTAL Special Assessment Bonds Payable	6,135,000	0	405,000	5,730,000	435,000
	Balance at 12/31/05	Increases	Decreases	Balance at 12/31/06	Amounts Due in One Year
Voted General Obligation Bond:					
2001 2.9%-4.25% Refunding Bonds, Series 2001B, Police Facility	1,040,000	0	160,000	880,000	165,000
Unvoted General Obligation Bonds:					
1991 6.625% Water Tank	245,000	0	35,000	210,000	35,000
1993 5.35% Fire Station Renovation	1,595,000	0	90,000	1,505,000	90,000
1997 5.1%-5.25% Street Improvement	1,300,000	0	115,000	1,185,000	125,000
1997 4.15%-5.4% Court Facility Bonds	1,230,000	0	80,000	1,150,000	75,000
2001 2.9%-4.95% Various Purpose, Series 2001A	1,420,000	0	385,000	1,035,000	390,000
Amortization of Premium	\$9,194	\$0	\$2,259	\$6,935	\$0
Amortization of Accounting Loss	(26,010)	4,335	0	(21,675)	0
TOTAL - Unvoted General Obligation Bonds Payable	5,773,184	4,335	707,259	5,070,260	715,000
TOTAL – General Obligation Bonds Payable	6,813,184	4,335	867,259	5,950,260	880,000
Compensated Absences Payable	1,228,777	666,603	543,781	1,351,599	566,771

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Notes Payable:

2005 3.25% General Obligation Utility Improvement	*	\$1,248,000	\$0	\$1,248,000	\$0	\$0
2005 3.25% Special Assessment Brandt Pike Phase VI	*	1,155,000	0	1,155,000	0	0
2005 3.25% Special Assessment Street Improvement	*	7,497,000	0	7,497,000	0	0
2006 4.50% Special Assessment Street Improvement		0	7,999,000	0	7,999,000	0
Total Notes Payable		<u>9,900,000</u>	<u>7,999,000</u>	<u>9,900,000</u>	<u>7,999,000</u>	<u>0</u>

Equipment/Vehicle Loans:

1997 4.95% Vehicle Loan	89,099	0	59,559	29,540	29,540
2001 4.60% Tub Grinder Loan	97,455	0	26,281	71,174	27,503
2003 3.50% Telephone System	150,053	0	34,851	115,202	31,512
TOTAL - Equipment/Vehicle Loans	<u>336,607</u>	<u>0</u>	<u>120,691</u>	<u>215,916</u>	<u>88,555</u>

Vehicle Leases:

2006 4.60% Fire Pumper Loan	0	425,000	0	425,000	52,837
2006 5.24% Ladder Fire Truck Loan	0	687,498	70,000	617,498	48,816
TOTAL - Vehicle Leases	<u>0</u>	<u>1,112,498</u>	<u>70,000</u>	<u>1,042,498</u>	<u>101,653</u>

Infrastructure Loan:

2004 0% / 3.00% State Infrastructure Bank (SIB) Loan	0	1,323,916	0	1,323,916	0
TOTAL - SIB Loans	<u>0</u>	<u>1,323,916</u>	<u>0</u>	<u>1,323,916</u>	<u>0</u>

TOTAL - Governmental Activities	<u>\$24,413,568</u>	<u>\$11,106,352</u>	<u>\$11,906,731</u>	<u>\$23,613,189</u>	<u>\$2,071,979</u>
--	---------------------	---------------------	---------------------	---------------------	--------------------

*The 2005 Notes Payable were current refunded during 2006. The Utility Improvement and Brandt Pike Phase IV Notes were refunded using short-term Notes. The Special Assessment Street Improvement Note was refunded using Notes that qualified for Long-term Debt Classification since the notes were issued prior to the release of this report and the due date of the Notes extended more than one year beyond the current year end.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

The following table discloses the original issue amounts for the debt issued before 2006:

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 Phase I	424,589
2000 Executive Boulevard 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
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
1997 Street Improvement	2,045,000
1997 Court Bonds	1,625,000
2001 Various Purpose, Series 2001A	2,965,000
Bond Anticipation Notes:	
2003 General Obligation Utility Improvement	1,802,000
2004 General Obligation Utility Improvement 1 st Renewal	1,838,000
2005 General Obligation Utility Improvement 2 nd Renewal	1,248,000
2003 Special Assessment Street Improvement	7,308,000
2004 Special Assessment Street Improvement 1 st Renewal	7,449,000
2005 Special Assessment Street Improvement 2 nd Renewal	7,497,000
2004 Special Assessment Brandt Pike Phase VI	1,500,000
2005 Special Assessment Brandt Pike Phase VI 1 st Renewal	1,155,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Issue	Amount
Equipment/Vehicle Loans:	
1997 Vehicle Loan	\$461,215
2001 Tub Grinder Loan	202,000
2003 Telephone System	217,333

During 2006 the City also issued a \$7,999,000 bond anticipation note for the third renewal of the special assessment street improvement project. This note was refunded in 2007 with the issuance of the fourth renewal note in the amount of \$8,298,230. It is anticipated that this note will be paid with a combination of cash and bond proceeds when the project is bonded in 2008. This 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 City passed a second ordinance to assess in 2006, with collection starting at the same time as the first assessment, for additional costs on the project.

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.

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:

Year	Amount to be Redeemed
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.

On February 9, 2004, the City entered into 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

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, 2006, the City has borrowed \$1,323,916 on this line of credit. This loan, along with the 2005 loan described below, is secured by tax increment financing (TIF) revenues. The first interest and principal payment will be due in 2008, however, a final payment schedule will not be available until funds are drawn in full. If there is any shortfall in SIB loan repayments, the City has pledged non-tax revenues, including local government fund revenues, to make up the difference.

On June 22, 2005, the City entered into 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, 2006, 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 2006 were as follows:

	<u>Balance at</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u>	<u>Amounts</u>
	<u>12/31/05</u>			<u>12/31/06</u>	<u>Due in</u>
					<u>One Year</u>
Revenue Bonds Payable:					
1995 Water Acquisition and Upgrade Serial Bonds - Original Issue of Capital Appreciation Bonds - 5.9 – 6.2%	\$4,225,517	\$0	\$0	\$4,225,517	0
Various - 2005 Water Acquisition and Upgrade Serial Refunding Bonds – 3.50-5.00%	3,945,000	0	680,000	3,265,000	735,000
Various - 2005 Water Improvement Serial Bonds - 3.50–5.00%	3,280,000	0	225,000	3,055,000	285,000
Total - 2005 Water Acquisition and Upgrade Serial Refunding and Improvement Bonds – 3.50–5.00%	<u>7,225,000</u>	<u>0</u>	<u>905,000</u>	<u>6,320,000</u>	<u>1,020,000</u>
Various - 2005 Water Improvement Term Bonds – 3.50–5.00%	7,840,000	0	0	7,840,000	0
Subtotal - 2005 Water Revenue Bonds	<u>15,065,000</u>	<u>0</u>	<u>905,000</u>	<u>14,160,000</u>	<u>1,020,000</u>
TOTAL – Water Revenue Bonds	<u>19,290,517</u>	<u>0</u>	<u>905,000</u>	<u>18,385,517</u>	<u>1,020,000</u>
Accretion on Capital Appreciation Bonds	3,770,879	477,464	0	4,248,343	0

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/05	Increases	Decreases	Balance at 12/31/06	Amounts Due in One Year
Amortization of Premium	\$232,501	\$0	\$48,104	\$184,397	\$0
Amortization of Accounting Gain	186,889	0	38,667	148,222	0
Total – Total Accretion and Amortization	<u>4,190,269</u>	<u>477,464</u>	<u>86,771</u>	<u>4,580,962</u>	<u>0</u>
OWDA Loan Payable:					
3.85% - 1995 Sewer OWDA Loan	<u>4,139,911</u>	<u>0</u>	<u>346,625</u>	<u>3,793,286</u>	<u>360,098</u>
Long-Term Loans:					
2002 – Equipment and Vehicles Loan 3.98%	34,136	0	22,136	12,000	12,000
2003 – Telephone System Loan 3.50%	9,991	0	2,089	7,902	2,162
TOTAL – Long-Term Loans	<u>44,127</u>	<u>0</u>	<u>24,225</u>	<u>19,902</u>	<u>14,162</u>
TOTAL - Enterprise Funds	<u>\$27,664,824</u>	<u>\$477,464</u>	<u>\$1,362,621</u>	<u>\$26,779,667</u>	<u>\$1,394,260</u>

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, and \$4,225,517 was capital appreciation bonds. The capital appreciation bonds will mature in the years 2011 through 2025, and the amounts due on these dates will include 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.

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 represented serial bonds, \$4,225,517 represented original issue capital appreciation bonds, and \$3,320,329 represented interest accretion on capital appreciation bonds. Only the serial bonds were refunded. The \$11,120,000 for Water System Improvement bonds were used to refund 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 were used to build an addition to the plant to increase water treatment capacity.

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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

As of December 31, 2006, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$58,969,622 and the unvoted legal debt margin was \$31,115,306.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2006, were as follows:

Year	Governmental Activities					
	Special Assessment Bonds		General Obligation Bonds		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$435,000	\$300,787	\$880,000	\$292,003	\$88,555	\$7,504
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	17,319	300
2011	455,000	210,383	685,000	151,263	0	0
2012-2016	2,270,000	682,532	1,715,000	385,712	0	0
2017-2021	1,280,000	176,350	510,000	36,343	0	0
Totals	\$5,730,000	\$2,136,777	\$5,965,000	\$1,514,622	\$215,916	\$13,391

Year	Business-Type Activities					
	Revenue Bonds		OWDA Loans		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$1,020,000	\$679,044	\$360,098	\$142,609	\$14,162	\$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	634,623	1,071,121	419,437	83,270	0	0
2012-2016	2,724,170	5,779,748	1,847,276	163,554	0	0
2017-2021	2,082,954	6,425,221	0	0	0	0
2022-2026	2,538,770	5,962,480	0	0	0	0
2027-2030	6,035,000	772,750	0	0	0	0
Totals	\$18,385,517	\$22,442,846	\$3,793,286	\$731,078	\$19,902	\$797

*Note: This table also serves as Debt Table X of the City's continuing disclosure requirements.

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, 2006, 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. However, the City has been notified by the United States Internal Revenue Service that it has found cause to declare the interest paid by the bonds to be taxable for Federal taxation purposes. The private corporation that benefited from the issuance of the IDRB is in discussions with the Internal Revenue Service and has indicated that it will appeal the matter to the U.S. Federal tax courts. Regardless of the final disposition of the matter, the City will incur no financial obligation as a result of any change in the tax-exempt status of the IDRB.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

The City issued an IDRB in 1994 with the principal amount of \$1,305,000 outstanding at December 31, 2006. 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.

The City issued an economic development revenue bond (EDRB) on February 1, 2006, with the principal amount of \$2,423,000. The EDRB financed the purchase of land and the construction and equipping of a 15,315 square foot addition to the existing YMCA family social service center on Shull Road in the City, including parking facilities. The building addition was necessary to house a satellite campus for Sinclair Community College, which leases the building addition from the YMCA. Concurrently with the issuance of the EDRB, the City and the YMCA entered into a loan agreement whereby the YMCA unconditionally agreed to make loan payments to the bond trustee in amounts sufficient to pay the principal and interest on the EDRB. The EDRB is a special obligation of the City, payable solely from the loan payments. Concurrently with the issuance of the EDRB and the execution of the loan agreement, the City assigned all of its rights under the loan agreement to the original purchaser of the EDRB. The EDRB is not a general obligation of the City, and does not constitute a debt or pledge of the faith and credit or the taxing power of the city. The EDRB had a principal amount of \$2,392,500 outstanding at December 31, 2006.

NOTE 14 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2006, follows:

	Balance at 12/31/05	Increases	Decreases	Balance at 12/31/06
Notes Payable:				
2006A 4.00% General Obligation Utility Improvement	\$0	\$1,057,000	\$1,057,000	\$0
2006B 4.25% General Obligation Utility Improvement	0	1,088,200	0	1,088,200
2006A 4.00% Special Assessment Brandt Pike Phase VI	0	1,190,000	1,190,000	0
2006B 4.25% Special Assessment Brandt Pike Phase VI	0	1,225,100	0	1,225,100
2005 3.21% - Real Estate Acquisition	1,905,000	0	1,905,000	0
2006 4.00% - Real Estate Acquisition	0	1,970,000	0	1,970,000
Total Notes Payable	\$1,905,000	\$6,530,300	\$4,152,000	\$4,283,300

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 14 - SHORT-TERM OBLIGATIONS (Continued)

During 2006, the City issued a \$1,057,000 bond anticipation note for the third renewal of the general obligation utility improvement utility project relate to the Brandt Pike and Old Troy Pike water and sewer extensions. This note matured in November and was refunded with an issuance of a \$1,088,200 bond anticipation note, the fourth renewal. The water portion was fully paid with cash in early 2005 before the second renewal, while the sewer portion is still outstanding. It is anticipated that this note will be refunded by the issuance of a general obligation bond during 2007.

The Brandt Pike Phase VI notes are bond anticipation notes and will be paid with a combination of cash and bond proceeds in August of 2007. The note proceeds were used to widen a portion of Brandt Pike north of the I-70 interchange. The project will be completed late in 2007.

The 2006 Real Estate Acquisition Notes were the third renewal of notes originally issued in 2003 to purchase land under a settlement agreement with the previous land owners and a developer of the Benchrock development. The YMCA leases a portion of the City-owned land for its facility. It is expected that the remainder of the land will be sold in 2007, and the notes will be retired with the proceeds of the sale.

NOTE 15 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables

The General Fund had interfund receivables at December 31, 2006, of \$2,050,400. The Capital Improvement Fund had interfund payables of \$1,584,600. The Other Governmental Funds had interfund payables of \$465,800. 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 Other Governmental Funds. The General Fund had interfund receivables of \$301,000 that are not expected to be received until 2008 or later. Of this, \$125,000 is recorded as an interfund payable in the Capital Improvement Fund, and \$176,000 is recorded in the Other Governmental Funds. All interfund receivable/payable transactions met the requirements of the Ohio Revised Code.

Transfers In/Transfers Out

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$57,003	\$5,815,612
Fire Fund	4,000,000	0
Police Fund	1,400,000	0
Special Assessment Bond Retirement Fund	482,730	2,104
Capital Improvement Fund	543,904	7,492
Other Governmental Funds	<u>1,513,401</u>	<u>1,969,656</u>
Total Governmental Funds	<u>7,997,038</u>	<u>7,794,864</u>
Sewer Fund	3,136	119,876
Water Fund	0	82,297
Stormwater Fund	<u>100,627</u>	<u>0</u>
Total Enterprise Funds	<u>103,763</u>	<u>202,173</u>
Total Transfers	<u>\$8,100,801</u>	<u>\$7,997,037</u>
Difference – Transfers In Exceeds Transfers Out*	<u>\$103,764</u>	

*The \$103,763 difference between transfers in and transfers out is created due to the transfer of capital assets previously recorded as Governmental Activities assets to Enterprise Funds. Since the

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 15 - INTERFUND TRANSACTIONS (Continued)

Governmental Funds do not report capital assets, there is no option but to report the transfer of the capital assets as a transfer in for the Enterprise Funds, even though the Governmental Funds are not in a position to report a corresponding transfer out. However, transfers in and transfers out do continue to balance in the government-wide statement of activities.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All of the above transfers met the requirement of the Ohio Revised Code.

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 \$13,629,307 which represents 53.90% 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 2006 involving Tri-Cities for services provided to the City by Tri-Cities. The amount for services provided to the City was \$1,723,396.

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.

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 16 - JOINT VENTURES (Continued)

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, 2006, is \$0. Additional information can be obtained from Paul Gorte, Planning and Development Director, 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 \$17,567 during 2006. Financial information can be obtained from P. Michael Robinette, Executive Director, at 40 West Fourth Street, Dayton, Ohio 45402.

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 2006. 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 made no contributions for the operation of ED/GE during 2006. However they received \$53,555. 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 2006. 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.

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 2006. 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 Carrolton. 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

made from the General Fund. The City contributed \$100 to join the First Suburbs Consortium and another \$250 for the 2006 annual membership fee, 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 has early implemented GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” This statement addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. This statement had no effect on the City’s financial statements.

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.

Grants

For the period January 1, 2006, to December 31, 2006, 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 19 - CONTINGENT LIABILITIES (Continued)

The following table shows the total yearly lease payments:

<u>Year</u>	<u>Amount</u>
2007	\$40,655
2008	41,280
2009	41,905
2010	42,530
2011	43,155
2012-2013	<u>88,185</u>
Total	<u>\$297,710</u>

NOTE 20 - SUBSEQUENT EVENTS

The City approved two collective bargaining agreements with the FOP/OLC, Inc. representing both the Patrol Officers and the Command Officers in the Division of Police. The agreements were approved January 22, 2007 and March 13, 2007 respectively.

On February 26, 2007, the City approved the micro-surfacing of State Route 201 from Harshman Rd. to Fishburg Rd. The project will be completed in conjunction with the Ohio Department of Transportation, who is financing 100% of the improvement. Any costs for repairs beyond the resurfacing will be 100% the responsibility of the City.

On February 26, 2007, the City approved the resurfacing of State Route 40 from Bridgewater Rd. to the Montgomery/Miami County Line and State Route 201 from Fishburg Rd. to Interstate 70. The City is to share to cost of this project with the Ohio Department of Transportation on an 80/20 basis, with the City paying 20% up to a maximum of \$222,000.

On March 12, 2007, the City renewed the Street Improvement (East-West Connector) Special Assessment Notes by issuing \$8,298,230. This is the fourth renewal and will mature on March 12, 2008. The interest rate on the notes is 4.00%.

The City authorized the following contractual commitments after December 31, 2006:

<u>Company</u>	<u>Project</u>	<u>Amount</u>
Plattenburg & Assoc.	FYE 2006 Audit	\$30,875
Earth Tech, Inc.	RRRWTP Improvement Contract Modification	2,640
Burgess & Niple, Inc.	Water System Distribution Model Development	40,800
ARS Group	Sanitary Sewer Digital Data Conversion	54,750
Treasurer, State of Ohio	Two Fire Staff Vehicles	36,928
Alex Hynds	Consulting Services for Public Works – Contract Ext.	25,000
L.J. DeWeese, Ohio	2007 Stormwater Management Program, section 1	15,000
Jergens Bales, Ohio	2007 Stormwater Management Program, sections 2 & 4	236,200
J & J Construction	2007 Sidewalk Program	150,000
A-1 Concrete Leveling Co	2007 Sidewalk Program	4,400
Wright Patterson AFB	Contribution to Fireworks Display	20,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 20 - SUBSEQUENT EVENTS (Continued)

<u>Company</u>	<u>Project</u>	<u>Amount</u>
R.A. Miller Co.	2007 Street Program	\$380,000
Brower Insurance Agency	Annual Insurance Premium and Fee	299,500
Bob Ross Buick, Inc.	2007 GMC Sierra 1500	19,715
Taylor Chevrolet	8 2007 Police Vehicles	152,000
Barrett Paving Materials	2007 Street Program, Shullgate Park, & Leaf Drop Site	984,000
American Pavements	2007 Street Program	14,280
Kinnison Excavating Inc.	2007 Street Program	74,000
Total		<u>\$2,540,088</u>

NOTE 20 - CAPITAL LEASES

The City entered into two lease agreements as lessee for the purchase of two vehicles for the Fire division. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future lease payments as of the inception date. The acquisition costs of the pumper and ladder trucks were \$425,000 and 687,498 respectively. The value is part of the governmental activities construction in progress as the vehicles are in the process of being built and will not be available for approximately one year. Therefore, no depreciation has accumulated on these vehicles.

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2006, were as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2007	\$163,561
2008	163,561
2009	163,561
2010	163,561
2011	163,561
2012-2013	<u>545,175</u>
Total	1,362,980
Less: Amount representing interest	<u>320,482</u>
Present value of minimum lease payments	<u>\$1,042,498</u>

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.

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.

(Continued)

Combining Statements – Nonmajor Governmental Funds
(Continued)

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.

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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,301,785	\$1,001,032	\$3,324,029	\$7,626,846
Receivables:				
Property and Other Taxes	13,410	239,186	0	252,596
Municipal Income Taxes, Net	438,587	0	529,284	967,871
Special Assessments	373,797	0	141,895	515,692
Due from Other Governments	775,232	12,604	2,700	790,536
Prepaid Items	1,756	0	0	1,756
Supplies Inventory	174,648	0	1,386	176,034
<i>Total Assets</i>	<u>\$5,079,215</u>	<u>\$1,252,822</u>	<u>\$3,999,294</u>	<u>\$10,331,331</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$127,040	\$677	\$101,077	\$228,794
Contracts Payable	0	0	4,395	4,395
Contracts Payable Retainage	0	0	63,193	63,193
Accrued Salaries Payable	15,676	0	0	15,676
Due to Other Governments	65,282	0	1,999	67,281
Interfund Payable	289,800	0	176,000	465,800
Deferred Revenue	1,289,230	251,790	463,491	2,004,511
Accrued Interest Payable	0	0	6,653	6,653
Notes Payable	0	0	1,225,100	1,225,100
<i>Total Liabilities</i>	<u>1,787,028</u>	<u>252,467</u>	<u>2,041,908</u>	<u>4,081,403</u>
Fund Balances				
Reserved for Encumbrances	374,261	4,706	491,201	870,168
Reserved for Supplies Inventory	174,648	0	1,386	176,034
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	2,743,278	0	0	2,743,278
Debt Service Fund	0	995,649	0	995,649
Capital Projects Funds	0	0	1,464,799	1,464,799
<i>Total Fund Balances</i>	<u>3,292,187</u>	<u>1,000,355</u>	<u>1,957,386</u>	<u>6,249,928</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,079,215</u>	<u>\$1,252,822</u>	<u>\$3,999,294</u>	<u>\$10,331,331</u>

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Byrne Memorial Grant	City Motor Vehicle License Permissive Tax	County Motor Vehicle Permissive Tax
Assets			
Equity in Pooled Cash and Cash Equivalents	\$298	\$56,223	\$20,416
Receivables:			
Property and Other Taxes	0	13,410	0
Municipal Income Taxes, Net	0	0	0
Special Assessments	0	0	0
Due from Other Governments	0	0	6,813
Prepaid Items	0	0	0
Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$298</u>	<u>\$69,633</u>	<u>\$27,229</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
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	0	0	0
Reserved for Supplies Inventory	0	0	0
Unreserved (Deficit)	298	69,633	27,229
<i>Total Fund Balances (Deficit)</i>	<u>298</u>	<u>69,633</u>	<u>27,229</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$298</u>	<u>\$69,633</u>	<u>\$27,229</u>

(Continued)

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006
(Continued)

	Drug Law Enforcement	Firefighters Assistance Grant	Law Enforcement	Lighting
Assets				
Equity in Pooled Cash and Cash Equivalents	\$935	\$291,860	\$13,329	\$349,603
Receivables:				
Property and Other Taxes	0	0	0	0
Municipal Income Taxes, Net	0	0	0	0
Special Assessments	0	0	0	373,797
Due from Other Governments	109	0	828	0
Prepaid Items	0	0	0	0
Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$1,044</u>	<u>\$291,860</u>	<u>\$14,157</u>	<u>\$723,400</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Salaries Payable	0	0	0	136
Due to Other Governments	0	0	0	0
Interfund Payable	0	289,800	0	0
Deferred Revenue	0	0	0	373,797
<i>Total Liabilities</i>	<u>0</u>	<u>289,800</u>	<u>0</u>	<u>373,933</u>
Fund Balances				
Reserved for Encumbrances	0	289,800	0	18,650
Reserved for Supplies Inventory	0	0	0	0
Unreserved (Deficit)	1,044	(287,740)	14,157	330,817
<i>Total Fund Balances (Deficit)</i>	<u>1,044</u>	<u>2,060</u>	<u>14,157</u>	<u>349,467</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,044</u>	<u>\$291,860</u>	<u>\$14,157</u>	<u>\$723,400</u>

Local Street Operating	Parks and Recreation	State Highway	Street Maintenance and Repair	Total Nonmajor Special Revenue Funds
\$1,009,355	\$89,950	\$155,401	\$1,314,415	\$3,301,785
0	0	0	0	13,410
438,587	0	0	0	438,587
0	0	0	0	373,797
871	0	57,502	709,109	775,232
527	1,176	0	53	1,756
124,349	0	2,784	47,515	174,648
<u>\$1,573,689</u>	<u>\$91,126</u>	<u>\$215,687</u>	<u>\$2,071,092</u>	<u>\$5,079,215</u>
\$85,420	\$3,799	\$9,220	\$28,601	\$127,040
10,148	292	0	5,100	15,676
1,638	1,482	0	62,162	65,282
0	0	0	0	289,800
271,502	0	48,300	595,631	1,289,230
<u>368,708</u>	<u>5,573</u>	<u>57,520</u>	<u>691,494</u>	<u>1,787,028</u>
35,842	12,776	780	16,413	374,261
124,349	0	2,784	47,515	174,648
1,044,790	72,777	154,603	1,315,670	2,743,278
<u>1,204,981</u>	<u>85,553</u>	<u>158,167</u>	<u>1,379,598</u>	<u>3,292,187</u>
<u>\$1,573,689</u>	<u>\$91,126</u>	<u>\$215,687</u>	<u>\$2,071,092</u>	<u>\$5,079,215</u>

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,517	\$146,750	\$177,888
Supplies Inventory	0	0	0
Receivables:			
Municipal Income Taxes, Net	0	0	0
Special Assessments	0	0	0
Due from Other Governments	0	0	2,700
<i>Total Assets</i>	<u>\$1,517</u>	<u>\$146,750</u>	<u>\$180,588</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$21,177
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Due to Other Governments	0	0	0
Interfund Payable	0	100,000	0
Deferred Revenue	0	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>100,000</u>	<u>21,177</u>
Fund Balances			
Reserved for Encumbrances	0	51,183	22,228
Reserved for Inventory	0	0	0
Unreserved (Deficit)	1,517	(4,433)	137,183
<i>Total Fund Balances</i>	<u>1,517</u>	<u>46,750</u>	<u>159,411</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,517</u>	<u>\$146,750</u>	<u>\$180,588</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$379,660	\$735,428	\$47	\$1,882,739	\$3,324,029
0	0	0	1,386	1,386
176,880	0	0	352,404	529,284
0	141,895	0	0	141,895
0	0	0	0	2,700
<u>\$556,540</u>	<u>\$877,323</u>	<u>\$47</u>	<u>\$2,236,529</u>	<u>\$3,999,294</u>
\$25,437	\$0	\$0	\$54,463	\$101,077
0	4,395	0	0	4,395
0	5,252	0	57,941	63,193
1,999	0	0	0	1,999
0	76,000	0	0	176,000
103,832	141,895	0	217,764	463,491
0	6,653	0	0	6,653
0	1,225,100	0	0	1,225,100
<u>131,268</u>	<u>1,459,295</u>	<u>0</u>	<u>330,168</u>	<u>2,041,908</u>
40,649	160,957	47	216,137	491,201
0	0	0	1,386	1,386
384,623	(742,929)	0	1,688,838	1,464,799
<u>425,272</u>	<u>(581,972)</u>	<u>47</u>	<u>1,906,361</u>	<u>1,957,386</u>
<u>\$556,540</u>	<u>\$877,323</u>	<u>\$47</u>	<u>\$2,236,529</u>	<u>\$3,999,294</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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$1,589,255	\$0	\$1,917,676	\$3,506,931
Property and Other Taxes	173,545	157,233	0	330,778
Intergovernmental	1,624,754	16,485	298,115	1,939,354
Special Assessments	400,789	15,894	5,730	422,413
Charges for Services	1,100	0	0	1,100
Interest	48,910	0	8,696	57,606
Rent	0	135,936	0	135,936
Other	6,406	9,405	0	15,811
<i>Total Revenues</i>	<u>3,844,759</u>	<u>334,953</u>	<u>2,230,217</u>	<u>6,409,929</u>
Expenditures				
Current:				
Security of Persons and Property:				
Other	390,831	0	11,683	402,514
Leisure Time Activities	239,893	0	0	239,893
Transportation	1,363,889	0	0	1,363,889
General Government	0	3,194	0	3,194
Capital Outlay	25,267	0	2,291,518	2,316,785
Debt Service:				
Principal Retirement	30,092	865,000	138,598	1,033,690
Interest and Fiscal Charges	4,224	327,928	80,107	412,259
<i>Total Expenditures</i>	<u>2,054,196</u>	<u>1,196,122</u>	<u>2,521,906</u>	<u>5,772,224</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,790,563</u>	<u>(861,169)</u>	<u>(291,689)</u>	<u>637,705</u>
Other Financing Sources (Uses)				
Proceeds of Capital Lease	0	0	1,112,498	1,112,498
Current Refunding	0	0	(1,155,000)	(1,155,000)
Transfers In	252,068	1,205,736	55,597	1,513,401
Transfers Out	(1,469,839)	(237,301)	(262,516)	(1,969,656)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,217,771)</u>	<u>968,435</u>	<u>(249,421)</u>	<u>(498,757)</u>
<i>Net Change in Fund Balances</i>	572,792	107,266	(541,110)	138,948
<i>Fund Balances Beginning of Year</i>	2,632,389	893,089	2,497,110	6,022,588
Increase in Reserve for Inventory	87,006	0	1,386	88,392
<i>Fund Balances End of Year</i>	<u>\$3,292,187</u>	<u>\$1,000,355</u>	<u>\$1,957,386</u>	<u>\$6,249,928</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, 2006

	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	173,545	0
Intergovernmental	0	0	89,287
Special Assessments	0	0	0
Charges for Services	0	0	0
Interest	200	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>200</u>	<u>173,545</u>	<u>89,287</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	0	0	0
Leisure Time Activities	0	0	0
Transportation	0	0	0
Capital Outlay	13,055	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>13,055</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,855)</u>	<u>173,545</u>	<u>89,287</u>
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers Out	0	(170,000)	(96,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(170,000)</u>	<u>(96,000)</u>
<i>Net Change in Fund Balances</i>	(12,855)	3,545	(6,713)
<i>Fund Balances (Deficit) Beginning of Year</i>	13,153	66,088	33,942
Increase (Decrease) in Reserve for Inventory	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$298</u>	<u>\$69,633</u>	<u>\$27,229</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, 2006
(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	8,998	7,975	13,419	0
Special Assessments	0	0	0	400,789
Charges for Services	0	0	0	0
Interest	0	0	0	0
Other	0	0	739	0
<i>Total Revenues</i>	<u>8,998</u>	<u>7,975</u>	<u>14,158</u>	<u>400,789</u>
Expenditures				
Current:				
Security of Persons and Property:				
Other	15,150	747	12,055	362,879
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
Capital Outlay	0	1,468	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>15,150</u>	<u>2,215</u>	<u>12,055</u>	<u>362,879</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,152)</u>	<u>5,760</u>	<u>2,103</u>	<u>37,910</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(6,152)	5,760	2,103	37,910
<i>Fund Balances (Deficit) Beginning of Year</i>	7,196	(3,700)	12,054	311,557
<i>Increase (Decrease) in Reserve for Inventory</i>	0	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,044</u>	<u>\$2,060</u>	<u>\$14,157</u>	<u>\$349,467</u>

Local Street Operating	Parks and Recreation	State Highway	Street Maintenance and Repair	Total Nonmajor Special Revenue Funds
\$1,589,255	\$0	\$0	\$0	\$1,589,255
0	0	0	0	173,545
12,461	0	111,801	1,380,813	1,624,754
0	0	0	0	400,789
0	1,100	0	0	1,100
0	0	4,536	44,174	48,910
4,210	42	0	1,415	6,406
<u>1,605,926</u>	<u>1,142</u>	<u>116,337</u>	<u>1,426,402</u>	<u>3,844,759</u>
0	0	0	0	390,831
0	239,893	0	0	239,893
741,643	0	44,100	578,146	1,363,889
6,828	1,931	0	1,985	25,267
26,281	2,445	0	1,366	30,092
4,181	27	0	16	4,224
<u>778,933</u>	<u>244,296</u>	<u>44,100</u>	<u>581,513</u>	<u>2,054,196</u>
<u>826,993</u>	<u>(243,154)</u>	<u>72,237</u>	<u>844,889</u>	<u>1,790,563</u>
0	252,068	0	0	252,068
(622,649)	0	(25,000)	(556,190)	(1,469,839)
<u>(622,649)</u>	<u>252,068</u>	<u>(25,000)</u>	<u>(556,190)</u>	<u>(1,217,771)</u>
204,344	8,914	47,237	288,699	572,792
917,975	76,639	112,414	1,085,071	2,632,389
82,662	0	(1,484)	5,828	87,006
<u>\$1,204,981</u>	<u>\$85,553</u>	<u>\$158,167</u>	<u>\$1,379,598</u>	<u>\$3,292,187</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, 2006

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Revenues			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	0	0	253,070
Special Assessments	0	0	0
Interest	0	0	6,516
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>259,586</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	0	0	1,408
Capital Outlay	0	0	115,137
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>116,545</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>0</u>	<u>143,041</u>
Other Financing Sources (Uses)			
Proceeds of Capital Leases	0	0	0
Current Refunding	0	0	0
Transfers In	0	11,000	0
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>11,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	11,000	143,041
<i>Fund Balances Beginning of Year</i>	1,517	35,750	16,370
Increase in Reserve for Inventory	0	0	0
<i>Fund Balances End of Year</i>	<u>\$1,517</u>	<u>\$46,750</u>	<u>\$159,411</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$653,233	\$0	\$0	\$1,264,443	\$1,917,676
0	37,759	0	7,286	298,115
0	5,730	0	0	5,730
2,180	0	0	0	8,696
<u>655,413</u>	<u>43,489</u>	<u>0</u>	<u>1,271,729</u>	<u>2,230,217</u>
10,275	0	0	0	11,683
1,115,136	6,419	0	1,054,826	2,291,518
138,598	0	0	0	138,598
1,262	78,845	0	0	80,107
<u>1,265,271</u>	<u>85,264</u>	<u>0</u>	<u>1,054,826</u>	<u>2,521,906</u>
<u>(609,858)</u>	<u>(41,775)</u>	<u>0</u>	<u>216,903</u>	<u>(291,689)</u>
1,112,498	0	0	0	1,112,498
0	(1,155,000)	0	0	(1,155,000)
0	44,597	0	0	55,597
<u>(175,333)</u>	<u>(33,678)</u>	<u>0</u>	<u>(53,505)</u>	<u>(262,516)</u>
<u>937,165</u>	<u>(1,144,081)</u>	<u>0</u>	<u>(53,505)</u>	<u>(249,421)</u>
327,307	(1,185,856)	0	163,398	(541,110)
97,965	603,884	47	1,741,577	2,497,110
0	0	0	1,386	1,386
<u>\$425,272</u>	<u>(\$581,972)</u>	<u>\$47</u>	<u>\$1,906,361</u>	<u>\$1,957,386</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$5,898,127	\$6,545,909	\$6,545,909	\$0
Property and Other Taxes	915,397	1,380,817	1,380,817	0
Intergovernmental	1,347,088	1,495,037	1,495,037	0
Charges for Services	846,149	939,080	939,080	0
Fines, Licenses and Permits	128,600	142,724	142,724	0
Interest	701,115	778,117	778,117	0
Rent	339,606	376,904	376,904	0
Other	0	71,128	71,128	0
<i>Total Revenues</i>	<u>10,176,082</u>	<u>11,729,716</u>	<u>11,729,716</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Dispatch	826,154	809,368	786,372	22,996
General Lighting	117,837	117,837	63,291	54,546
Community Environment				
Planning and Development	538,011	445,701	389,210	56,491
Engineering	523,886	517,219	430,526	86,693
General Government				
Central Services	1,013,243	917,675	882,830	34,845
Mayor	19,195	18,127	11,304	6,823
Council	147,935	182,355	169,818	12,537
Management Office	221,492	256,149	205,277	50,872
Finance / Accounting	619,868	524,381	480,861	43,520
Finance / Taxation	672,499	659,623	602,872	56,751
Legal	313,308	515,069	433,938	81,131
Information Services	248,277	259,075	257,296	1,779
Human Resources	283,500	262,285	246,748	15,537
Buildings and Grounds	112,086	113,139	106,029	7,110
Court Facility	72,193	72,350	54,310	18,040
Capital Outlay	398,532	719,071	593,948	125,123
Debt Service:				
Principal Retirement	14,387	10,745	10,744	1
Interest and Fiscal Charges	1,478	120	120	0
<i>Total Expenditures</i>	<u>6,143,881</u>	<u>6,400,289</u>	<u>5,725,494</u>	<u>674,795</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,032,201</u>	<u>5,329,427</u>	<u>6,004,222</u>	<u>674,795</u>
Other Financing Sources (Uses)				
Advances In	1,154,625	1,031,625	1,031,625	0
Advances Out	0	(1,200,800)	(1,200,800)	0
Transfers In	0	57,003	57,003	0
Transfers Out	(6,055,612)	(5,815,612)	(5,815,612)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,900,987)</u>	<u>(5,927,784)</u>	<u>(5,927,784)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(868,786)	(598,357)	76,438	674,795
<i>Fund Balance Beginning of Year</i>	2,542,760	2,542,760	2,542,760	0
Prior Year Encumbrances Appropriated	894,615	894,615	894,615	0
<i>Fund Balance End of Year</i>	<u>\$2,568,589</u>	<u>\$2,839,018</u>	<u>\$3,513,813</u>	<u>\$674,795</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$194,130	\$213,370	\$213,370	\$0
<i>Total Revenues</i>	<u>194,130</u>	<u>213,370</u>	<u>213,370</u>	<u>0</u>
Expenditures				
Current:				
General Government	15,000	15,000	10,213	4,787
Debt Service:				
Principal Retirement	9,437,518	10,247,000	10,247,000	0
Issuance Costs	15,000	20,051	19,263	
Interest and Fiscal Charges	525,000	634,441	634,441	0
<i>Total Expenditures</i>	<u>9,992,518</u>	<u>10,916,492</u>	<u>10,910,917</u>	<u>5,575</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(9,798,388)</u>	<u>(10,703,122)</u>	<u>(10,697,547)</u>	<u>5,575</u>
Other Financing Sources				
Special Assessment Notes Issued	9,202,071	10,114,100	10,114,100	0
Premium from Special Assessment Notes Issued	77,242	84,898	84,898	0
Transfers Out		(12)	(12)	
Transfers In	449,190	482,730	482,730	0
<i>Total Other Financing Sources</i>	<u>9,728,503</u>	<u>10,681,716</u>	<u>10,681,716</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(69,885)</u>	<u>(21,406)</u>	<u>(15,831)</u>	<u>5,575</u>
<i>Fund Balance at Beginning of Year</i>	<u>534,517</u>	<u>534,517</u>	<u>534,517</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$464,632</u>	<u>\$513,111</u>	<u>\$518,686</u>	<u>\$5,575</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$154,039	\$56,473	\$56,473	\$0
Special Assessments	343,850	126,061	126,061	0
Interest	3,691	1,353	1,353	0
<i>Total Revenues</i>	<u>501,580</u>	<u>183,887</u>	<u>183,887</u>	<u>0</u>
Expenditures				
Current:				
General Government	723,442	13,712	13,711	1
Capital Outlay	4,919,275	3,717,566	3,088,185	629,381
<i>Total Expenditures</i>	<u>5,642,717</u>	<u>3,731,278</u>	<u>3,101,896</u>	<u>629,382</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,141,137)</u>	<u>(3,547,391)</u>	<u>(2,918,009)</u>	<u>629,382</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	4,429,474	1,623,916	1,623,916	0
Advances In	0	911,000	911,000	0
Advances Out	(923,000)	(800,000)	(800,000)	0
Transfers In	313,000	313,000	313,000	0
Transfers Out	0	(7,492)	(7,492)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,819,474</u>	<u>2,040,424</u>	<u>2,040,424</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,321,663)</u>	<u>(1,506,967)</u>	<u>(877,585)</u>	<u>629,382</u>
<i>Fund Balance at Beginning of Year</i>	1,197,619	1,197,619	1,197,619	0
Prior Year Encumbrances Appropriated	696,270	696,270	696,270	0
<i>Fund Balance at End of Year</i>	<u>\$572,226</u>	<u>\$386,922</u>	<u>\$1,016,304</u>	<u>\$629,382</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,737,821	\$3,963,831	\$3,963,831	\$0
Tap In Fees	32,736	34,715	34,715	0
Interest	99,529	105,547	105,547	0
<i>Total Revenues</i>	<u>3,870,086</u>	<u>4,104,093</u>	<u>4,104,093</u>	<u>0</u>
Expenses				
Personal Services	123,970	124,992	111,484	13,508
Operations and Maintenance	2,963,734	2,955,858	2,888,295	67,563
Capital Outlay	961,380	1,084,534	237,885	846,649
Debt Service:				
Principal Retirement	346,626	346,626	346,625	1
Interest and Fiscal Charges	156,083	156,083	156,082	1
<i>Total Expenses</i>	<u>4,551,793</u>	<u>4,668,093</u>	<u>3,740,371</u>	<u>927,722</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>(681,707)</u>	<u>(564,000)</u>	<u>363,722</u>	<u>927,722</u>
Transfers Out	<u>(112,000)</u>	<u>(119,876)</u>	<u>(119,876)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	<u>(793,707)</u>	<u>(683,876)</u>	<u>243,846</u>	<u>927,722</u>
<i>Fund Equity at Beginning of Year</i>	3,162,186	3,162,186	3,162,186	0
Prior Year Encumbrances Appropriated	<u>524,770</u>	<u>524,770</u>	<u>524,770</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$2,893,249</u>	<u>\$3,003,080</u>	<u>\$3,930,802</u>	<u>\$927,722</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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$4,009,957	\$4,480,572	\$4,480,572	\$0
Tap In Fees	42,466	47,450	47,450	0
Interest	533,341	595,935	595,935	0
Rent	2,094	2,340	2,340	0
Proceeds from Sales of Capital Assets	3,401	3,800	3,800	0
Other	0	761	761	0
<i>Total Revenues</i>	<u>4,591,259</u>	<u>5,130,858</u>	<u>5,130,858</u>	<u>0</u>
Expenses				
Personal Services	171,550	172,572	154,116	18,456
Operations and Maintenance	1,885,074	1,872,223	1,768,838	103,385
Capital Outlay	7,546,013	7,795,041	6,184,916	1,610,125
Debt Service:				
Principal Retirement	988,080	920,580	907,086	13,494
Interest and Fiscal Charges	734,396	801,896	801,861	35
<i>Total Expenses</i>	<u>11,325,113</u>	<u>11,562,312</u>	<u>9,816,817</u>	<u>1,745,495</u>
<i>Excess of Revenues Under Expenses</i>	(6,733,854)	(6,431,454)	(4,685,959)	1,745,495
Transfers Out	(51,232)	(86,699)	(82,297)	4,402
<i>Net Change in Fund Equity</i>	(6,785,086)	(6,518,153)	(4,768,256)	1,754,299
<i>Fund Equity at Beginning of Year</i>	8,656,629	8,656,629	8,656,629	0
Prior Year Encumbrances Appropriated	6,076,602	6,076,602	6,076,602	0
<i>Fund Equity at End of Year</i>	<u>\$7,948,145</u>	<u>\$8,215,078</u>	<u>\$9,964,975</u>	<u>\$1,754,299</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$528,979	\$548,829	\$548,829	\$0
<i>Total Revenues</i>	528,979	548,829	548,829	0
Expenses				
Personal Services	121,411	121,411	121,411	0
Operations and Maintenance	54,709	59,982	59,943	39
Capital Outlay	449,624	930,805	597,822	332,983
Debt Service:				
Principal Retirement	23,304	22,136	22,136	0
Interest and Fiscal Charges	1,176	2,344	2,344	0
<i>Total Expenses</i>	650,224	1,136,678	803,656	333,022
<i>Net Change in Fund Equity</i>	(121,245)	(587,849)	(254,827)	333,022
<i>Fund Equity at Beginning of Year</i>	811,952	811,952	811,952	0
Prior Year Encumbrances Appropriated	121,245	121,245	121,245	0
<i>Fund Equity at End of Year</i>	\$811,952	\$345,348	\$678,370	\$333,022

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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$200	\$200	\$200	\$0
<i>Total Revenues</i>	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	13,353	13,353	13,055	298
<i>Total Expenditures</i>	<u>13,353</u>	<u>13,353</u>	<u>13,055</u>	<u>298</u>
<i>Net Change in Fund Balance</i>	(13,153)	(13,153)	(12,855)	298
<i>Fund Balance at Beginning of Year</i>	98	98	98	0
<i>Prior Year Encumbrances Appropriated</i>	<u>13,055</u>	<u>13,055</u>	<u>13,055</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$298</u>	<u>\$298</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$170,000	\$172,295	\$172,295	\$0
<i>Total Revenues</i>	<u>170,000</u>	<u>172,295</u>	<u>172,295</u>	<u>0</u>
Other Financing Uses				
Transfers Out	(170,000)	(170,000)	(170,000)	0
<i>Total Other Financing Uses</i>	<u>(170,000)</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	2,295	2,295	0
<i>Fund Balance at Beginning of Year</i>	<u>53,927</u>	<u>53,927</u>	<u>53,927</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$53,927</u></u>	<u><u>\$56,222</u></u>	<u><u>\$56,222</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
County Motor Vehicle Permissive Tax Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$85,000	\$88,690	\$88,690	\$0
<i>Total Revenues</i>	85,000	88,690	88,690	0
Other Financing Uses				
Transfers Out	(85,000)	(96,000)	(96,000)	0
<i>Total Other Financing Uses</i>	(85,000)	(96,000)	(96,000)	0
<i>Net Change in Fund Balance</i>	0	(7,310)	(7,310)	0
<i>Fund Balance at Beginning of Year</i>	27,726	27,726	27,726	0
<i>Fund Balance at End of Year</i>	\$27,726	\$20,416	\$20,416	\$0

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$260	\$8,294	\$8,294	\$0
<i>Total Revenues</i>	260	8,294	8,294	0
Expenditures				
Current:				
Security of Persons and Property	11,051	18,670	18,670	0
<i>Total Expenditures</i>	11,051	18,670	18,670	0
<i>Net Change in Fund Balance</i>	(10,791)	(10,376)	(10,376)	0
<i>Fund Balance at Beginning of Year</i>	7,792	7,792	7,792	0
Prior Year Encumbrances Appropriated	3,520	3,520	3,520	0
<i>Fund Balance at End of Year</i>	\$521	\$936	\$936	\$0

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, 2006

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$29,866	\$7,975	\$7,975	\$0
<i>Total Revenues</i>	<u>29,866</u>	<u>7,975</u>	<u>7,975</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	7,850	7,850	7,850	0
Capital Outlay	138,360	428,160	428,160	0
<i>Total Expenditures</i>	<u>146,210</u>	<u>436,010</u>	<u>436,010</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(116,344)</u>	<u>(428,035)</u>	<u>(428,035)</u>	<u>0</u>
Other Financing Sources (Uses)				
Advances In	0	289,800	289,800	0
Advances Out	(129,600)	(129,600)	(129,600)	0
<i>Total Other Financing Sources(Uses)</i>	<u>(129,600)</u>	<u>160,200</u>	<u>160,200</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(245,944)	(267,835)	(267,835)	0
<i>Fund Balance at Beginning of Year</i>	123,684	123,684	123,684	0
Prior Year Encumbrances Appropriated	<u>146,210</u>	<u>146,210</u>	<u>146,210</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$23,950</u>	<u>\$2,059</u>	<u>\$2,059</u>	<u>\$0</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$13,319	\$13,319	\$0
Other	0	11	11	0
<i>Total Revenues</i>	<u>0</u>	<u>13,330</u>	<u>13,330</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	12,055	12,055	12,055	0
<i>Total Expenditures</i>	<u>12,055</u>	<u>12,055</u>	<u>12,055</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(12,055)	1,275	1,275	0
<i>Fund Balance at Beginning of Year</i>	<u>12,055</u>	<u>12,055</u>	<u>12,055</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$13,330</u></u>	<u><u>\$13,330</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
Lighting Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$358,491	\$400,789	\$400,789	\$0
<i>Total Revenues</i>	<u>358,491</u>	<u>400,789</u>	<u>400,789</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	381,403	381,535	381,522	13
<i>Total Expenditures</i>	<u>381,403</u>	<u>381,535</u>	<u>381,522</u>	<u>13</u>
<i>Net Change in Fund Balance</i>	(22,912)	19,254	19,267	13
<i>Fund Balance at Beginning of Year</i>	288,773	288,773	288,773	0
Prior Year Encumbrances Appropriated	<u>22,912</u>	<u>22,912</u>	<u>22,912</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$288,773</u></u>	<u><u>\$330,939</u></u>	<u><u>\$330,952</u></u>	<u><u>\$13</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,488,895	\$1,575,733	\$1,575,733	\$0
Intergovernmental	11,387	12,051	12,051	0
Other	3,978	4,210	4,210	0
<i>Total Revenues</i>	<u>1,504,260</u>	<u>1,591,994</u>	<u>1,591,994</u>	<u>0</u>
Expenditures				
Current:				
Transportation	897,365	869,484	791,231	78,253
Capital Outlay	7,340	37,760	20,358	17,402
Debt Service:				
Principal Retirement	26,283	26,283	26,281	2
Interest and Fiscal Charges	4,182	4,182	4,181	1
<i>Total Expenditures</i>	<u>935,170</u>	<u>937,709</u>	<u>842,051</u>	<u>95,658</u>
<i>Excess of Revenues Over Expenditures</i>	<u>569,090</u>	<u>654,285</u>	<u>749,943</u>	<u>95,658</u>
Other Financing Uses				
Transfers Out	(622,649)	(622,649)	(622,649)	0
<i>Total Other Financing Uses</i>	<u>(622,649)</u>	<u>(622,649)</u>	<u>(622,649)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(53,559)	31,636	127,294	95,658
<i>Fund Balance at Beginning of Year</i>	785,446	785,446	785,446	0
Prior Year Encumbrances Appropriated	17,906	17,906	17,906	0
<i>Fund Balance at End of Year</i>	<u>\$749,793</u>	<u>\$834,988</u>	<u>\$930,646</u>	<u>\$95,658</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$1,100	\$1,100	\$0
Other	0	42	42	0
<i>Total Revenues</i>	0	1,142	1,142	0
Expenditures				
Current:				
Leisure Time Activities	269,267	273,177	251,150	22,027
Capital Outlay	3,628	13,675	12,877	798
Debt Service:				
Principal Retirement	2,133	2,445	2,445	0
Interest and Fiscal Charges	337	27	27	0
<i>Total Expenditures</i>	275,365	289,324	266,499	22,825
<i>Excess of Revenues Under Expenditures</i>	(275,365)	(288,182)	(265,357)	22,825
Other Financing Sources				
Transfers In	250,000	252,068	252,068	0
<i>Total Other Financing Sources</i>	250,000	252,068	252,068	0
<i>Net Change in Fund Balance</i>	(25,365)	(36,114)	(13,289)	22,825
<i>Fund Balance at Beginning of Year</i>	77,007	77,007	77,007	0
Prior Year Encumbrances Appropriated	8,856	8,856	8,856	0
<i>Fund Balance at End of Year</i>	\$60,498	\$49,749	\$72,574	\$22,825

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Uses				
Advances Out	(\$102,025)	(\$102,025)	(\$102,025)	\$0
<i>Total Other Financing Uses</i>	(102,025)	(102,025)	(102,025)	0
<i>Net Change in Fund Balance</i>	(102,025)	(102,025)	(102,025)	0
<i>Fund Balance at Beginning of Year</i>	102,025	102,025	102,025	0
<i>Fund Balance at End of Year</i>	<u>\$0</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
State Highway Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$110,385	\$109,518	\$109,518	\$0
Interest	4,525	4,489	4,489	0
<i>Total Revenues</i>	114,910	114,007	114,007	0
Expenditures				
Current:				
Transportation	45,563	45,563	45,563	0
<i>Total Expenditures</i>	45,563	45,563	45,563	0
<i>Excess of Revenues Over Expenditures</i>	69,347	68,444	68,444	0
Other Financing Uses				
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Uses</i>	(25,000)	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	44,347	43,444	43,444	0
<i>Fund Balance at Beginning of Year</i>	100,351	100,351	100,351	0
<i>Fund Balance at End of Year</i>	\$144,698	\$143,795	\$143,795	\$0

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,370,783	\$1,352,655	\$1,352,655	\$0
Interest	44,904	44,310	44,310	0
Other	1,538	1,518	1,518	0
<i>Total Revenues</i>	<u>1,417,225</u>	<u>1,398,483</u>	<u>1,398,483</u>	<u>0</u>
Expenditures				
Current:				
Transportation	727,411	666,352	661,751	4,601
Capital Outlay	0	69,909	3,335	66,574
Debt Service:				
Principal Retirement	1,195	1,367	1,366	1
Interest and Fiscal Charges	188	16	16	0
<i>Total Expenditures</i>	<u>728,794</u>	<u>737,644</u>	<u>666,468</u>	<u>71,176</u>
<i>Excess of Revenues Over Expenditures</i>	<u>688,431</u>	<u>660,839</u>	<u>732,015</u>	<u>71,176</u>
Other Financing Uses				
Transfers Out	(556,190)	(556,190)	(556,190)	0
<i>Total Other Financing Uses</i>	<u>(556,190)</u>	<u>(556,190)</u>	<u>(556,190)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	132,241	104,649	175,825	71,176
<i>Fund Balance Beginning of Year</i>	999,204	999,204	999,204	0
Prior Year Encumbrances Appropriated	47,875	47,875	47,875	0
<i>Fund Balance End of Year</i>	<u>\$1,179,320</u>	<u>\$1,151,728</u>	<u>\$1,222,904</u>	<u>\$71,176</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$201,632	\$157,233	\$157,233	\$0
Intergovernmental	9,858	16,687	16,687	0
Special Assessments	9,389	15,894	15,894	0
Rent	80,302	135,936	135,936	0
Other	5,556	9,405	9,405	0
<i>Total Revenues</i>	<i>306,737</i>	<i>335,155</i>	<i>335,155</i>	<i>0</i>
Expenditures				
Current:				
General Government	10,000	7,493	2,533	4,960
Debt Service:				
Principal Retirement	3,040,000	5,075,000	5,075,000	0
Interest and Fiscal Charges	614,929	470,050	469,415	635
<i>Total Expenditures</i>	<i>3,664,929</i>	<i>5,552,543</i>	<i>5,546,948</i>	<i>5,595</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(3,358,192)</i>	<i>(5,217,388)</i>	<i>(5,211,793)</i>	<i>5,595</i>
Other Financing Sources (Uses)				
General Obligation Notes Issued	2,430,974	4,115,200	4,115,200	0
Transfers In	1,140,826	1,205,736	1,205,736	0
Transfers Out	0	(6,397)	(6,397)	0
<i>Total Other Financing Sources (Uses)</i>	<i>3,571,800</i>	<i>5,314,539</i>	<i>5,314,539</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>213,608</i>	<i>97,151</i>	<i>102,746</i>	<i>5,595</i>
<i>Fund Balance at Beginning of Year</i>	<i>810,814</i>	<i>810,814</i>	<i>810,814</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$1,024,422</i>	<i>\$907,965</i>	<i>\$913,560</i>	<i>\$5,595</i>

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, 2006

	<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>
Expenditures				
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,518</u>	<u>1,518</u>	<u>1,518</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,518</u></u>	<u><u>\$1,518</u></u>	<u><u>\$1,518</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
Economic Development/Government Equity Improvement Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$5,000	\$0	\$0	\$0
<i>Total Revenues</i>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay	51,183	51,183	51,183	0
<i>Total Expenditures</i>	<u>51,183</u>	<u>51,183</u>	<u>51,183</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(46,183)</u>	<u>(51,183)</u>	<u>(51,183)</u>	<u>0</u>
Other Financing Sources				
Transfers In	11,000	11,000	11,000	0
<i>Total Other Financing Source</i>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(35,183)</u>	<u>(40,183)</u>	<u>(40,183)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	84,567	84,567	84,567	0
Prior Year Encumbrances Appropriated	51,183	51,183	51,183	0
<i>Fund Balance at End of Year</i>	<u>\$100,567</u>	<u>\$95,567</u>	<u>\$95,567</u>	<u>\$0</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$7,226	\$257,769	\$257,769	\$0
Interest	174	6,198	6,198	0
<i>Total Revenues</i>	7,400	263,967	263,967	0
Expenditures				
Current:				
Security of Persons and Property	0	2,520	2,512	8
Capital Outlay	16,006	269,550	143,412	126,138
<i>Total Expenditures</i>	16,006	272,070	145,924	126,146
<i>Net Change in Fund Balance</i>	(8,606)	(8,103)	118,043	126,146
<i>Fund Balance at Beginning of Year</i>	8,903	8,903	8,903	0
<i>Prior Year Encumbrances Appropriated</i>	7,178	7,178	7,178	0
<i>Fund Balance at End of Year</i>	\$7,475	\$7,978	\$134,124	\$126,146

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$584,532	\$618,741	\$618,741	\$0
Other	0	2,043	2,043	0
<i>Total Revenues</i>	<u>584,532</u>	<u>620,784</u>	<u>620,784</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	97,152	22,408	10,000	12,408
Capital Outlay	243,482	1,369,660	1,164,077	205,583
Debt Retirement:				
Principal Retirement	64,609	138,598	138,598	0
Interest and Fiscal Charges	5,254	1,265	1,262	3
<i>Total Expenditures</i>	<u>410,497</u>	<u>1,531,931</u>	<u>1,313,937</u>	<u>217,994</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>174,035</u>	<u>(911,147)</u>	<u>(693,153)</u>	<u>217,994</u>
Other Financing Sources (Uses)				
Proceeds from Capital Lease	0	1,112,498	1,112,498	0
Transfers Out	(175,333)	(175,333)	(175,333)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(175,333)</u>	<u>937,165</u>	<u>937,165</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,298)	26,018	244,012	217,994
<i>Fund Balance at Beginning of Year</i>	78,596	78,596	78,596	0
Prior Year Encumbrances Appropriated	8,017	8,017	8,017	0
<i>Fund Balance at End of Year</i>	<u>\$85,315</u>	<u>\$112,631</u>	<u>\$330,625</u>	<u>\$217,994</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$835,331	\$37,759	\$37,759	\$0
Special Assessments	126,763	5,730	5,730	0
<i>Total Revenues</i>	962,094	43,489	43,489	0
Expenditures				
Capital Outlay	1,237,528	568,233	302,023	266,210
<i>Total Expenditures</i>	1,237,528	568,233	302,023	266,210
<i>Excess of Revenues Under Expenditures</i>	(275,434)	(524,744)	(258,534)	266,210
Other Financing Sources (Uses)				
Transfers In	42,505	42,505	42,505	0
Transfers Out	0	(33,678)	(33,678)	0
<i>Total Other Financing Sources (Uses)</i>	42,505	8,827	8,827	0
<i>Net Change in Fund Balance</i>	(232,929)	(515,917)	(249,707)	266,210
<i>Fund Balance at Beginning of Year</i>	575,507	575,507	575,507	0
Prior Year Encumbrances Appropriated	239,023	239,023	239,023	0
<i>Fund Balance at End of Year</i>	<u>\$581,601</u>	<u>\$298,613</u>	<u>\$564,823</u>	<u>\$266,210</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>47</u>	<u>47</u>	<u>47</u>	<u>0</u>
<i>Total Expenditures</i>	<u>47</u>	<u>47</u>	<u>47</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(47)	(47)	(47)	0
<i>Fund Balance at Beginning of Year</i>	<u>47</u>	<u>47</u>	<u>47</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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
Local Street Capital Improvement Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$1,214,681	\$1,295,565	\$1,295,565	\$0
Intergovernmental	6,831	7,286	7,286	0
<i>Total Revenues</i>	<u>1,221,512</u>	<u>1,302,851</u>	<u>1,302,851</u>	<u>0</u>
Expenditures				
Capital Outlay	1,244,050	1,305,433	1,299,824	5,609
<i>Total Expenditures</i>	<u>1,244,050</u>	<u>1,305,433</u>	<u>1,299,824</u>	<u>5,609</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(22,538)</u>	<u>(2,582)</u>	<u>3,027</u>	<u>5,609</u>
Other Financing Uses				
Transfers Out	(53,505)	(53,505)	(53,505)	0
<i>Total Other Financing Uses</i>	<u>(53,505)</u>	<u>(53,505)</u>	<u>(53,505)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(76,043)</u>	<u>(56,087)</u>	<u>(50,478)</u>	<u>5,609</u>
<i>Fund Balance at Beginning of Year</i>	1,595,134	1,595,134	1,595,134	0
Prior Year Encumbrances Appropriated	44,183	44,183	44,183	0
<i>Fund Balance at End of Year</i>	<u>\$1,563,274</u>	<u>\$1,583,230</u>	<u>\$1,588,839</u>	<u>\$5,609</u>



30-11-2020 - 20-11-2020

This Page is Intentionally Left Blank.

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.	124-138
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.	139-148
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.	150-156
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.	157-167
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.	168-169

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 Six Years
(accrual basis of accounting)

	Year					
	2001	2002	2003	2004	2005	2006
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	\$74,639,351
Restricted for:						
Security of Persons and Property (6)	0	0	0	0	0	5,045,978
Leisure Time Activities (6)	0	0	0	0	0	83,811
Transportation (6)	0	0	0	0	0	3,677,405
Debt Service (2)	5,101,236	5,531,382	5,922,966	14,263,041	12,673,044	13,209,353
Capital Improvements (3)	1,945,938	632,385	1,403,234	2,042,658	1,940,327	3,236,059
Fire	1,507,520	1,317,846	647,145	1,154,588	767,251	0
Police	2,752,404	2,694,463	2,644,642	2,778,383	2,709,669	0
Other Purposes (1), (6)	3,770,296	3,584,532	2,995,779	3,161,672	3,903,073	0
Unrestricted (4)	11,638,427	8,180,399	7,911,615	6,097,773	6,038,189	8,755,584
<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>	<u>108,647,541</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	25,740,874
Restricted for:						
Revenue Bonds Improvement and Replacement	60,000	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	1,140,000
Unrestricted	15,166,589	16,461,034	15,650,819	16,739,783	20,067,560	23,415,841
<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>	<u>50,356,715</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	100,380,225
Restricted for:						
Security of Persons and Property	0	0	0	0	0	5,045,978
Leisure Time Activities	0	0	0	0	0	83,811
Transportation	0	0	0	0	0	3,677,405
Fire	1,507,520	1,317,846	647,145	1,154,588	767,251	0
Police	2,752,404	2,694,463	2,644,642	2,778,383	2,709,669	0
Other Purposes	3,770,296	3,584,532	2,995,779	3,161,672	3,903,073	0
Debt Service	5,101,236	5,531,382	5,922,966	14,263,041	12,673,044	13,209,353
Capital Improvements	1,945,938	632,385	1,403,234	2,042,658	1,940,327	3,236,059
Revenue Bonds Improvement and Replacement	60,000	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	1,140,000
Unrestricted	26,805,016	24,641,433	23,562,434	22,837,556	26,105,749	32,171,425
<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>	<u>\$159,004,256</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) 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 projects 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.
- (6) Starting 2006, Other Purposes has been further defined into program expenditures.

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

	Year					
	2001	2002	2003	2004	2005	2006
Expenses						
Governmental Activities						
Security of Persons and Property:						
Fire	\$4,710,405	\$5,290,078	\$4,992,739	\$5,230,564	\$5,315,835	\$5,471,252
Police	5,158,811	6,004,693	6,079,238	5,947,297	6,003,211	6,149,214
Other	1,029,574	1,173,945	1,160,082	1,156,715	1,548,125	1,248,539
Public Health	40,954	27,142	0	0	0	0
Leisure Time Activities	231,707	310,037	252,634	206,014	360,125	288,143
Community Environment	755,132	915,387	956,321	973,583	806,281	773,937
Transportation (1)	5,480,981	6,145,863	6,377,671	7,253,184	6,317,991	6,195,345
General Government (2)	2,491,396	2,822,899	3,139,385	3,072,859	3,138,228	3,243,868
Interest and Fiscal Charges	1,141,978	931,452	976,918	935,657	1,008,724	1,165,096
<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>	<u>24,535,394</u>
Business-Type Activities						
Sewer	2,697,519	2,569,255	2,522,087	2,608,912	2,724,278	2,788,546
Water	2,667,458	2,654,056	2,505,512	2,918,082	2,946,993	3,285,584
Stormwater (3)	0	456,037	324,982	329,689	525,792	416,140
<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>	<u>6,490,270</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>	<u>31,025,664</u>
Program Revenues						
Governmental Activities						
Charges for Services:						
Security of Persons and Property:						
Fire	213,057	76,846	35,872	66,328	11,001	1,005,362
Police	99,116	101,577	122,924	208,370	130,129	138,383
Other	165,328	188,508	689,899	1,292,233	1,327,579	377,849
Leisure Time Activities	63,094	59,846	40,891	68,997	9,205	298,255
Community Environment	185,973	141,727	148,550	194,278	167,297	180,027
Transportation	164,751	773,510	368,111	279,077	480,537	142,212
General Government	28,578	180,508	285,582	241,407	236,476	206,214
Operating Grants, Contributions and Interest	4,013,074	1,663,098	1,402,598	1,640,456	2,007,051	1,856,400
Capital Grants, Contributions and Interest (4)	2,417,015	509,504	2,520,528	9,398,793	1,381,583	1,400,487
<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>	<u>5,605,189</u>
Business-Type Activities						
Charges for Services						
Sewer (5)	2,639,901	2,796,505	3,387,517	3,863,808	4,154,008	4,582,008
Water (5)	2,479,742	2,642,578	3,156,316	3,691,848	4,247,856	4,579,328
Stormwater (3)	0	247,270	521,909	623,339	544,584	545,561
Capital Grants, Contributions and Interest	397,754	273,055	0	95,151	2,215,636	1,714,450
<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>	<u>11,421,347</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>	<u>17,026,536</u>
Net (Expense)/Revenue (6)						
Governmental Activities	(13,690,952)	(19,926,372)	(18,320,033)	(11,385,934)	(18,747,662)	(18,930,205)
Business-Type Activities	152,420	280,060	1,713,161	2,417,463	4,965,021	4,931,077
Total Net Expense	<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>	<u>(13,999,128)</u>

(Continued)

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

	Year					
	2001	2002	2003	2004	2005	2006
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	\$1,393,195
Fire	1,047,758	1,004,769	1,023,456	992,635	981,949	1,067,074
Police	1,262,070	1,205,736	1,218,424	1,198,875	1,172,794	1,277,889
Debt Service	197,965	177,609	187,922	162,230	163,224	158,755
City Permissive Tax Levied for Transportation (7)	0	0	169,138	167,207	161,575	173,545
Municipal Income Taxes Levied for:						
General Purposes	5,736,929	5,787,873	5,168,328	5,411,453	6,104,671	6,842,970
Fire Operating (10)	0	0	0	0	0	392,186
Police	2,700,972	2,547,969	2,393,829	2,363,127	2,720,037	3,545,945
Local Street Operating	1,402,411	1,452,405	1,367,094	1,359,776	1,545,793	1,636,399
Local Street Capital Improvement	1,151,042	1,199,861	1,132,304	1,131,166	1,314,396	1,301,952
Fire Capital Equipment	144,747	356,846	338,798	356,421	366,543	672,609
Grants and Entitlements not Restricted to Specific Programs	1,406,293	1,360,770	2,080,752	1,662,720	1,791,527	1,435,321
Gain on Sale of Capital Assets	192,181	0	0	0	0	0
Unrestricted Investment Earnings (8)	725,525	319,967	224,674	273,764	550,710	1,001,068
Increase/(Decrease) in Fair Value of Investments	6,970	7,158	(3,134)	(13,643)	(43,135)	202,671
Other	126,148	76,571	147,010	28,772	0	0
Transfers (9)	50,838	(6,801,147)	(3,095,514)	(1,444,803)	(432,500)	98,410
Total Governmental Activities	<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>	<u>21,199,989</u>
Business-Type Activities						
Gain on Sale of Capital Assets	0	0	0	0	0	873
Investment in Joint Venture (11)	195,401	521,342	244,910	332,354	603,516	0
Unrestricted Investment Earnings (8)	184,675	82,841	44,527	72,953	453,471	702,823
Increase/(Decrease) in Fair Value of Investments	7,970	(7,970)	0	0	0	16,266
Transfers (9)	(50,838)	6,801,147	3,095,514	1,444,803	432,500	(98,410)
Total Business-Type Activities	<u>337,208</u>	<u>7,397,360</u>	<u>3,384,951</u>	<u>1,850,110</u>	<u>1,489,487</u>	<u>621,552</u>
Total General Revenues and Other Changes in Net Assets	<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>	<u>21,821,541</u>
Changes in Net Assets						
Governmental Activities	3,512,137	(9,999,333)	(4,784,126)	3,447,935	(1,084,561)	2,269,784
Business-Type Activities	489,628	7,677,420	5,098,112	4,267,573	6,454,508	5,552,629
Total Changes in Net Assets	<u>\$4,001,765</u>	<u>(\$2,321,913)</u>	<u>\$313,986</u>	<u>\$7,715,508</u>	<u>\$5,369,947</u>	<u>\$7,822,413</u>

- (1) Transportation increased in all but 2005 and 2006 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 had declined due to lower interest rates and declining capital projects funds' balances until 2005 when interest rates and investable cash increased.
- (9) Transfers have varied due to transfers of assets from governmental activities to business-type activities for various projects.
- (10) 2006 is the first year that municipal income tax became a revenue source for Fire Operating due to the .30% increase passed November, 2005 which became effective January 1, 2006.
- (11) Starting in 2006, Investment in Joint Venture is treated as program income since the City participates in the Joint Venture for the provision of services.



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

	Year			
	1997	1998	1999	2000
General Fund				
Reserved (1)	\$1,584,043	\$2,416,657	\$1,939,881	\$2,893,809
Unreserved (2)	6,705,805	6,867,486	7,242,739	6,710,504
<i>Total General Fund</i>	<u>8,289,848</u>	<u>9,284,143</u>	<u>9,182,620</u>	<u>9,604,313</u>
All Other Governmental Funds				
Reserved (3)	3,536,069	1,450,131	1,582,478	2,878,460
Unreserved, reported in:				
Special Revenue Funds	2,930,610	2,729,536	3,219,340	3,557,220
Debt Service Funds (4)	426,212	628,998	801,123	942,275
Capital Projects Funds (5)	(107,295)	(776,594)	(665,761)	(1,873,547)
<i>Total All Other Governmental Funds</i>	<u>6,785,596</u>	<u>4,032,071</u>	<u>4,937,180</u>	<u>5,504,408</u>
<i>Total Governmental Funds</i>	<u>\$15,075,444</u>	<u>\$13,316,214</u>	<u>\$14,119,800</u>	<u>\$15,108,721</u>

- (1) Reserves fluctuated mainly due to advances and encumbrances.
- (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.

2001	2002	2003	2004	2005	2006
\$2,879,932	\$2,200,762	\$1,670,586	\$775,096	\$1,632,674	\$931,430
6,731,007	6,093,953	5,632,055	4,734,737	3,989,157	5,885,503
9,610,939	8,294,715	7,302,641	5,509,833	5,621,831	6,816,933
2,194,906	3,580,381	4,801,825	1,538,507	1,238,332	2,515,159
4,866,139	5,162,177	4,568,880	5,453,228	5,892,439	6,719,602
1,348,576	1,366,000	1,467,197	2,300,338	1,342,517	1,432,551
585,481	(3,102,089)	(905,649)	744,215	79,346	(2,197,385)
8,995,102	7,006,469	9,932,253	10,036,288	8,552,634	8,469,927
<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>	<u>\$15,286,860</u>

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

	1997	1998	1999	2000	2001	2002
Revenues						
Municipal Income Taxes (1)	\$7,794,467	\$8,012,927	\$8,893,193	\$10,154,413	\$10,429,230	\$11,116,054
Property and Other Taxes	2,965,593	3,050,929	3,136,025	3,274,204	3,478,642	3,617,226
Intergovernmental	4,553,636	4,658,372	4,000,391	4,075,128	3,889,006	3,581,912
Special Assessments	717,507	764,426	879,671	720,123	881,884	813,483
Charges for Services (2)	182,450	75,114	108,165	153,501	648,723	1,097,082
Fines, Licenses and Permits	269,188	300,918	467,977	278,838	218,045	168,641
Interest	794,824	883,465	757,638	1,068,332	815,914	339,756
Rent (3)	0	0	206,058	207,665	198,331	216,354
Increase (Decrease) in Fair Value of Investments (4)	0	0	0	0	6,970	7,158
Other (5)	257,164	804,142	367,546	272,925	983,048	298,528
Total Revenues	17,534,829	18,550,293	18,816,664	20,205,129	21,549,793	21,256,194
Expenditures						
Current:						
Security of Persons and Property:						
Fire	3,958,744	3,523,994	3,713,398	4,028,514	4,754,330	4,859,323
Police	4,335,059	4,355,509	4,515,681	4,894,405	5,037,460	5,740,324
Other	958,271	1,056,410	955,776	980,343	1,009,761	1,186,384
Public Health (6)	0	0	0	0	40,954	27,142
Leisure Time Activities	216,574	249,231	259,605	255,909	229,434	270,095
Community Environment	570,328	752,771	795,426	763,555	665,905	901,889
Transportation:						
Local Street Capital Improvement	0	0	0	4,347	4,616	0
Other	1,425,517	1,372,840	1,545,383	1,548,396	1,672,188	1,466,131
General Government	1,789,151	1,833,945	2,100,684	1,903,393	2,502,364	2,672,289
Capital Outlay	3,382,218	5,843,792	3,837,220	4,046,898	3,122,714	5,169,854
Debt Service:						
Principal Retirement	868,352	1,022,640	1,096,446	1,061,225	1,373,587	1,588,315
Interest and Fiscal Charges	1,000,304	1,105,255	1,091,105	1,078,050	1,152,618	924,975
Issuance Costs (7)	0	0	0	0	43,297	0
Current Refunding (8)	0	0	0	0	4,543,350	0
Total Expenditures	18,504,518	21,116,387	19,910,724	20,565,035	26,152,578	24,806,721
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(969,689)</i>	<i>(2,566,094)</i>	<i>(1,094,060)</i>	<i>(359,906)</i>	<i>(4,602,785)</i>	<i>(3,550,527)</i>
Other Financing Sources (Uses)						
Special Assessment Bonds Issued	461,000	665,000	725,000	750,000	2,240,000	0
General Obligation Bonds Issued	3,670,000	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	4,720,000	0
Long-Term Loans Issued	469,738	0	333,500	486,921	725,874	341,364
Special Assessment Notes Issued	0	0	0	0	0	0
General Obligation Notes Issued	0	0	0	0	0	0
Proceeds from Capital Leases	0	0	0	0	0	0
Premium on Special Assessment Bonds Issued	841	770	1,776	3,640	0	0
Premium on General Obligation Bonds Issued	6,699	0	0	0	0	0
Premium from Refunding Bonds Issued	0	0	0	0	18,230	0
Premium on Special Assessment Notes Issued	3,548	0	0	0	0	0
Premium on General Obligation Notes Issued	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	124,817	38,067	793,588	47,151	347,568	277,615
Current Refunding	0	0	0	0	0	0
Transfers In	5,094,741	5,418,508	7,252,861	6,883,546	7,662,283	8,777,140
Transfers Out	(5,043,242)	(5,368,364)	(7,204,041)	(6,831,054)	(7,611,445)	(9,118,870)
Total Other Financing Sources (Uses)	4,788,142	753,981	1,902,684	1,340,204	8,102,510	277,249
Net Change in Fund Balances	\$3,818,453	(\$1,812,113)	\$808,624	\$980,298	\$3,499,725	(\$3,273,278)
Debt Service as a Percentage of Noncapital Expenditures (9)	10.70%	11.38%	12.31%	10.90%	11.54%	12.54%

- (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 delinquencies 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. In November 2005, taxpayers approved an additional .30% increase which is effective January 1, 2006.
- (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. In 2006, the increase is due to a one-time payment from the YMCA.
- (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.

2003	2004	2005	2006
\$10,826,083	\$11,127,693	\$11,760,071	\$13,977,428
3,728,248	3,722,157	3,843,387	4,033,096
5,094,102	5,267,573	4,036,451	3,726,467
745,209	824,394	897,559	761,844
1,075,663	990,286	1,002,493	1,061,357
161,949	180,379	178,315	147,675
320,874	341,248	603,363	877,912
219,300	207,990	217,301	514,483
(3,134)	(13,643)	(43,135)	52,824
507,332	286,498	188,355	207,812
<u>22,675,826</u>	<u>22,934,575</u>	<u>22,684,160</u>	<u>25,360,898</u>
4,877,731	5,238,124	5,095,123	5,326,131
5,858,898	5,815,324	5,793,797	5,922,786
1,161,277	1,131,283	1,480,623	1,161,733
0	0	0	0
205,312	156,038	310,169	239,893
960,001	1,003,393	769,706	723,380
0	0	0	0
1,504,775	1,493,925	1,481,196	1,363,889
3,034,788	3,011,530	3,026,588	2,969,671
10,172,043	6,778,164	3,122,285	4,794,386
1,610,560	10,625,090	12,174,365	1,460,691
909,068	1,003,594	984,879	1,136,067
250	3,771	2,549	0
0	0	0	0
<u>30,294,703</u>	<u>36,260,236</u>	<u>34,241,280</u>	<u>25,098,627</u>
<u>(7,618,877)</u>	<u>(13,325,661)</u>	<u>(11,557,120)</u>	<u>262,271</u>
0	0	0	0
0	0	0	0
0	0	0	0
217,333	0	0	0
7,308,000	8,951,289	8,652,000	9,322,916
1,802,000	1,835,711	1,248,000	0
0	0	0	1,112,498
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	0
37,227	21,472	18,429	7,412
0	0	0	(9,900,000)
8,072,606	9,670,289	7,440,740	7,997,038
<u>(8,005,171)</u>	<u>(8,980,764)</u>	<u>(7,253,203)</u>	<u>(7,794,864)</u>
<u>9,492,446</u>	<u>11,600,019</u>	<u>10,176,196</u>	<u>745,000</u>
<u>\$1,873,569</u>	<u>(\$1,725,642)</u>	<u>(\$1,380,924)</u>	<u>\$1,007,271</u>
10.83%	35.71%	41.57%	12.82%

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

	2001	2002	2003	2004	2005	2006
Function/Program						
Governmental Activities						
Security of Persons and Property:						
Fire (1)	\$678,156	\$210,991	\$51,925	\$97,964	\$33,644	\$1,118,496
Police	242,013	263,842	210,973	292,137	232,748	591,384
Other (2)	2,125,765	253,075	690,111	1,348,868	1,590,580	388,604
Public Health	41,994	26,102	0	0	0	0
Leisure Time Activities (3)	63,094	65,446	69,476	195,049	70,422	298,255
Community Environment	263,899	313,323	148,550	226,571	167,297	180,027
Transportation (4)	3,859,404	2,381,837	4,141,449	10,987,943	3,419,691	2,822,209
General Government	75,661	180,508	302,471	241,407	236,476	206,214
<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>	<u>5,605,189</u>
Business-Type Activities						
Sewer	2,684,111	2,925,914	3,387,517	3,867,582	4,998,982	5,294,506
Water	2,833,286	2,747,032	3,156,316	3,783,225	5,064,612	5,126,227
Stormwater	0	286,462	521,909	623,339	1,098,490	1,000,614
<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>	<u>11,421,347</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>	<u>\$17,026,536</u>

- (1) For 2006, Fire increased and Other decreased due to a change in classification of the EMS fees.
- (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) Leisure Time Activities increased due to a one time payment received from the YMCA.
- (4) Transportation decreased in 2002 and 2006 due 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
2006	\$13,977,428	\$4,033,096	\$18,010,524
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
Change 1997-2006	79.33%	36.00%	67.38%

(1) Municipal income taxes have varied over the period due to a rate increases and control over collections (See page 130).

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

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Transportation	General Government	Interest and Fiscal Charges	Total
2006	\$12,869,005	\$0	\$288,143	\$773,937	\$6,195,345	\$3,243,868	\$1,165,096	\$24,535,394
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 Six 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		
2006	\$2,348,302	\$1,856,400	\$1,400,487	\$4,070,458	\$14,392,061	\$1,435,321	\$1,001,068	\$202,671	\$0	\$26,706,768	
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
2006	\$786,424	\$723,380	\$2,940,745	\$427,132	\$10,864	\$4,888,545
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

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
2006	\$6,645,823	\$1,379,838	\$1,420,771	\$931,727	\$147,675	\$819,133	\$376,903	\$52,824	\$64,081	\$11,838,775
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

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-Two Years

	Year	Amount	Percent Change	
(8)	2006	\$14,120,262	11.96 %	
(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.
- (8) In November 2005, voters passed a 0.30% additional income tax levy to be used for public safety, effective January 1, 2006.

Source: City of Huber Heights Finance Records

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
2006	\$1.50	\$4.29	\$5.50	\$0.25	\$11.54	\$60.48	\$18.24	\$2.58	\$1.25
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

Source: County Auditor; Montgomery County, Ohio. The County Auditor for Miami County, Ohio has a \$1.10 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	2006			1997		
	2005 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2006 (1)	Rank	Percentage of Total Assessed Valuation	1996 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 1997 (1)	Rank	Percentage of Total Assessed Valuation
Kir Huber Heights L P	\$8,735,800	1	1.32%			
Dayton Power and Light Company	8,183,600	2	1.24	12,134,600	1	2.71
Wal-Mart Stores Incorporated	3,604,380	3	0.55	1,888,730	5	0.42
Fifth Third Bank	3,233,700	4	0.49			
Lowe's Home Center Incorporated	3,108,170	5	0.47			
National Amusement Incorporated	2,883,660	6	0.44	1,610,810	7	0.36
Waynetowne Associates	2,866,360	7	0.43	2,532,930	4	0.57
Ohio Bell Telephone	2,698,450	8	0.41	7,992,900	2	1.84
Target Corporation	2,297,150	9	0.35			
C. H. Huber Enterprise Incorporated	2,065,460	10	0.31	1,611,070	6	0.36
Wildcat Development Limited				6,013,800	3	1.50
Spectra - Physics Laserplane Incorporated (2)				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
Total Assessed Valuation	\$39,676,730		6.01%	\$37,311,690		8.63%
	\$660,117,780			\$455,048,030		

(1) Assessed valuation based on the valuation of property for taxes collected in 2006 and 1997, respectively, and a review of the ten largest taxpayers for the City.
(2) Trimble Navigation bought out Spectra - Physics Laserplane Incorporated 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) Real	(1) Public Utility Personal	(1) Tangible Personal	(1) Total Assessed Value	(2) Estimated Value	Percentage of Assessed Value To Estimated True Value
2006	\$646,417,910	\$13,699,870	\$31,695,189	\$691,812,969	\$2,019,833,252	34.25%
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

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 2006 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 Five Years (1)
(cash basis of accounting)

Year	Individual		Total		Corporate	Percentage	Total	Income Tax Rate		
	Withholding	Percentage	Non-withholding	Percentage					Individual	Percentage
2006	\$10,573,877	76.30%	\$1,886,487	13.61%	\$12,460,364	89.91%	\$1,398,295	10.09%	\$13,858,659	2.25%
2005	9,330,120	74.51%	1,910,262	15.25%	11,240,382	89.76%	1,282,037	10.24%	12,522,419	1.95%
2004	8,674,525	78.50%	1,719,659	15.56%	10,394,184	94.06%	656,577	5.94%	11,050,761	1.95%
2003	8,743,601	77.61%	1,764,529	15.66%	10,508,130	93.28%	757,568	6.72%	11,265,698	1.95%
2002	8,705,817	77.40%	1,831,422	16.28%	10,537,239	93.69%	709,918	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 2.25% 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
2006	\$3,603,704	\$3,471,825	96.34%	\$135,723	\$3,607,548	100.11%	\$174,822	4.85%
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

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 Five Years

Income Averages for the City Tax Years 2001-2005, Collection Years 2002-2006

Tax Year/ Collection Year	Income Range	Number of Filers	Percent of Filers	Total Taxable Income	Percent of Taxable Income
2005/2006	\$0-\$19,999	9,522	49.72%	\$46,736,983	8.77%
2005/2006	\$20,000-\$49,999	6,223	32.50%	206,841,364	38.82%
2005/2006	\$50,000-\$74,999	2,328	12.16%	140,917,214	26.45%
2005/2006	\$75,000-\$99,999	719	3.75%	60,944,565	11.44%
2005/2006	Over \$100,000	358	1.87%	77,349,693	14.52%
	Total	19,150		532,789,819	
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	
2006	\$781,636	\$751,019	96.08%	\$405,000	\$321,518	1.03
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

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>
2,006	\$781,636	\$751,019	96.08%
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

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 Bonded Debt (3)	Debt Service Monies Available (4)	Net Bonded Debt	Ratio of	
						Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2006	38,212	\$646,872,780	\$5,965,000	\$1,442,554	\$4,522,446	0.70%	\$118.35
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

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, 2006

Authorized	Millage Rate		Purpose	Last Collection Year
	Levied For Current Collection Year (1)			
	Res./Agr.	All Other		
1.000	0.261699	0.337187	Police	Continuing
2.370	0.620226	0.799133	Police	Continuing
0.630	0.165301	0.212983	Police	Continuing
1.500	0.504217	0.609648	Police	Continuing
0.790	0.206742	0.266377	Fire	Continuing
0.420	0.109913	0.141618	Fire	Continuing
0.290	0.076091	0.098040	Fire	Continuing
0.170	0.057152	0.068569	Fire	Continuing
2.250	0.756326	0.914472	Fire	Continuing
0.370	0.125299	0.150379	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

	1997	1998	1999	2000	2001
Total Debt Outstanding:					
Governmental Activities:					
Short-Term General Obligation Notes	\$0	\$0	\$0	\$0	\$0
Long-Term General Obligation Notes	0	0	0	0	0
Short-Term Special Assessment Notes	1,430,600	1,723,000	726,000	2,500,000	0
Long-Term Special Assessment Notes	0	0	0	0	0
General Obligation Bonds - Voted	1,975,000	1,880,000	1,780,000	1,675,000	1,620,000
General Obligation Bonds - Unvoted	10,598,727	9,993,537	9,327,605	8,841,673	8,410,000
	<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	4,092,272	4,581,462	5,092,394	5,598,326	7,555,000
Equipment/Vehicle Loans	585,843	439,203	656,257	916,954	1,259,241
Total Governmental Activities	<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
Revenue Bonds Payable - Unvoted (1)	11,975,517	11,635,517	11,260,517	10,850,517	10,400,517
OWDA Loan - Unvoted	6,484,568	6,229,082	5,963,665	5,687,931	5,401,479
Equipment/Vehicle Loans	0	0	0	0	0
Total Business-Type Activities	<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>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)	\$953.86	\$936.90	\$910.88	\$932.39	\$895.58
Percentage of Personal Income (3)	6.49%	6.37%	6.20%	4.45%	4.27%
Less: Exempt Debt					
Governmental Activities:					
Short-Term Special Assessment Notes	(1,430,600)	(1,723,000)	(726,000)	(2,500,000)	0
Long-Term Special Assessment Notes	0	0	0	0	0
Special Assessment Bonds - Unvoted	(4,092,272)	(4,581,462)	(5,092,394)	(5,598,326)	(7,555,000)
Total Governmental Activities	<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
Revenue Bonds Payable - Unvoted	(11,975,517)	(11,635,517)	(11,260,517)	(10,850,517)	(10,400,517)
OWDA Loan - Unvoted	(6,484,568)	(6,229,082)	(5,963,665)	(5,687,931)	(5,401,479)
Equipment/Vehicle Loans	0	0	0	0	0
Total Business-Type Activities	<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>(23,982,957)</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	13,159,570	12,312,740	11,763,862	11,433,627	11,289,241
Less: Bond Retirement Fund Balance	(320,150)	(466,383)	(575,678)	(609,472)	(722,183)
Net Debt Subject to 10 1/2 Percent Limitation	<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)	50,863,319	51,144,286	51,887,771	58,654,054	59,814,719
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$38,023,899</u>	<u>\$39,297,929</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	25.24%	23.16%	21.56%	18.45%	17.67%
Legal Debt Margin as a Percentage of the Debt Limit	74.76%	76.84%	78.44%	81.55%	82.33%
Debt Within 5 1/2 Percent Limitation	\$11,184,570	\$10,432,740	\$9,983,862	\$9,758,627	\$9,669,241
Less: Bond Retirement Fund Balance	(320,150)	(466,383)	(575,678)	(609,472)	(722,183)
Net Debt Within 5 1/2 Percent Limitation	<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)	26,642,691	26,789,864	27,179,309	30,723,552	31,331,520
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$15,778,271</u>	<u>\$16,823,507</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	40.78%	37.20%	34.62%	29.78%	28.56%
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	59.22%	62.80%	65.38%	70.22%	71.44%
Net General Bonded Debt	12,253,577	11,407,154	10,531,927	9,907,201	9,307,817
Ratio of Net Bonded Debt to Assessed Valuation (4)	2.53%	2.34%	2.13%	1.77%	1.63%
Net Bonded Debt Per Capita (2)	\$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 147 for population data.

(3) See page 157 for personal income data.

(4) See page 141 for assessed valuation data.

2002	2003	2004	2005	2006
\$1,820,000	\$1,852,000	\$1,885,000	\$1,905,000	\$3,058,200
0	1,802,000	1,838,000	1,248,000	0
1,670,000	1,200,000	360,000	0	1,225,100
0	7,308,000	8,949,000	8,652,000	7,999,000
1,485,000	1,340,000	1,195,000	1,040,000	880,000
7,780,000	7,130,000	6,475,000	5,790,000	5,085,000
9,265,000	8,470,000	7,670,000	6,830,000	5,965,000
7,250,000	6,895,000	6,515,000	6,135,000	5,730,000
1,082,290	839,063	503,973	336,607	215,916
21,087,290	28,366,063	27,720,973	25,106,607	24,193,216
0	0	1,705,000	0	0
9,910,517	9,380,517	8,805,517	19,290,517	18,385,517
5,103,892	4,794,738	4,473,566	4,139,911	3,793,286
114,229	101,912	71,491	44,127	19,902
15,128,638	14,277,167	15,055,574	23,474,555	22,198,705
36,215,928	42,643,230	42,776,547	48,581,162	46,391,921
\$936.15	\$1,115.96	\$1,119.45	\$1,271.36	\$1,214.07
4.47%	5.33%	5.34%	6.07%	5.79%
(1,670,000)	(1,200,000)	(360,000)	0	(1,225,100)
0	(7,308,000)	(8,949,000)	(8,652,000)	(7,999,000)
(7,250,000)	(6,895,000)	(6,515,000)	(6,135,000)	(5,730,000)
(8,920,000)	(15,403,000)	(15,824,000)	(14,787,000)	(14,954,100)
0	0	(1,705,000)	0	0
(9,910,517)	(9,380,517)	(8,805,517)	(19,290,517)	(18,385,517)
(5,103,892)	(4,794,738)	(4,473,566)	(4,139,911)	(3,793,286)
(114,229)	(101,912)	(71,491)	(44,127)	(19,902)
(15,128,638)	(14,277,167)	(15,055,574)	(23,474,555)	(22,198,705)
(24,048,638)	(29,680,167)	(30,879,574)	(38,261,555)	(37,152,805)
12,167,290	12,963,063	11,896,973	10,319,607	9,239,116
(725,299)	(756,494)	(1,356,175)	(889,784)	(1,442,554)
11,441,991	12,206,569	10,540,798	9,429,823	7,796,562
60,525,733	65,664,584	66,376,976	66,766,184	66,766,184
\$49,083,742	\$53,458,015	\$55,836,178	\$57,336,361	\$58,969,622
18.90%	18.59%	15.88%	14.12%	11.68%
81.10%	81.41%	84.12%	85.88%	88.32%
\$10,682,290	\$11,623,063	\$10,701,973	\$9,279,607	\$8,359,116
(725,299)	(756,494)	(1,356,175)	(889,784)	(1,442,554)
9,956,991	10,866,569	9,345,798	8,389,823	6,916,562
31,703,956	34,395,735	34,768,892	34,972,763	38,031,868
\$21,746,965	\$23,529,166	\$25,423,094	\$26,582,940	\$31,115,306
31.41%	31.59%	26.88%	23.99%	18.19%
68.59%	68.41%	73.12%	76.01%	81.81%
8,539,701	7,713,506	6,313,825	5,940,216	4,522,446
1.48%	1.23%	1.00%	0.93%	0.65%
\$220.74	\$201.86	\$165.23	\$155.45	\$118.35

City of Huber Heights, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2006

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City of Huber Heights	Amount Applicable To City of Huber Heights
City of Huber Heights (1)	\$4,522,446	100.00%	\$4,522,446
Miami County (2)	12,135,000	0.86	104,361
Montgomery County (3)	46,399,375	8.41	3,902,187
			<u>\$8,528,994</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	
2006	\$5,715,183	\$1,742,865	\$3,972,318	\$905,000	\$801,533	\$1,706,533	2.33
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

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
2006	\$1,222,929	\$4,888,545	25.02%
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

Source: Department of Finance, City of Huber Heights

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

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

Employer	Nature of Activity or Business	2006		2006		2006		1998	
		Approximate Number of Employees	Rank	Percentage of Total City Employment	Rank	Approximate Number of Employees	Rank	Percentage of Total City Employment	
A B F Freight Systems	Truck Terminal	825	1	4.37%	1	735	1	3.71%	
Huber Heights City Schools	Education	567	2	3.00%	2	585	3	2.95%	
Trimble Dayton	Laser Manufacturing	430	3	2.28%	3	680	2	3.43%	
Fedex Freight	Package Delivery	300	4	1.59%	4	-	-	-	
Wal-Mart Stores Incorporated	General Merchandise	243	5	1.29%	5	295	4	1.49%	
Coca Cola Enterprises, Inc.	Warehouser and Distributor	210	6	1.11%	6	-	-	-	
City of Huber Heights	City Government	185	7	0.98%	7	177	8	0.89%	
Bowser Morner	Testing Laboratory	160	8	0.85%	8	172	10	0.87%	
Lowe's Home Centers, Inc.	Home Improvement Sales	150	9	0.79%	9	-	-	-	
Kroger Limited	Grocery Store	130	10	0.69%	10	100	20	0.51%	
Dayton Freight Lines, Inc.	Truck Terminal	129	11	0.68%	11	87	24	0.44%	
Kohl's Department Stores, Inc.	General Merchandise	128	12	0.68%	12	180	7	0.91%	
AIDA-Dayton Technologies Corp	Press Manufacturing	123	13	0.65%	13	80	25	0.40%	
Enginetics Aerospace	Aerospace Parts	110	14	0.58%	14	144	15	0.73%	
Target Corporation	General Merchandise	110	15	0.58%	15	150	13	0.76%	
Bon-Ton Elder-Beerman	General Merchandise	104	16	0.55%	16	140	16	0.71%	
Veehla Environmental Services (formerly Onyx Industrial Services)	Treatment Plant Operator	99	17	0.52%	17	-	-	-	
LaserMike Inc	Laser Gauging	70	18	0.37%	18	155	12	0.78%	
Carlrow Industries	Gas Pump Nozzle Manufacturing	67	19	0.35%	19	75	27	0.38%	
U.S. Postal Service	Postal Service	66	20	0.35%	20	74	28	0.37%	
TGI Friday's	Restaurant	65	21	0.34%	21	-	-	-	
FedEx Ground Package Systems Inc	Package Delivery	65	22	0.34%	22	-	-	-	
Fukuvi USA Inc.	Plastic Building Materials Manufacturing	65	23	0.34%	23	-	-	-	
Spring Creek Nursing Center	Nursing Home	65	24	0.34%	24	106	19	0.54%	
Metokote Corp	Powder-coated Metals	63	25	0.33%	25	-	-	-	
Apache Technologies	Laser Equipment Manufacturing	61	26	0.32%	26	-	-	-	
Huber Investment Corporation	Property Management	60	27	0.32%	27	-	-	-	
Cub Foods	Grocery Store	60	28	0.32%	28	176	9	0.89%	
Stoops Freightliner	Heavy Duty Truck/Trailer Sales and Service	56	29	0.30%	29	-	-	-	
Hughes Peters (MJO)	Electronic Component Assembly and Distribution	55	30	0.29%	30	-	-	-	
Globe Products, Inc.	Winding Equipment	-	-	-	-	161	11	0.81%	
Montgomery Development Center	Handicapped Home	-	-	-	-	214	6	1.08%	
Paxar Corporation	Paper Products Manufacturing	-	-	-	-	225	5	1.14%	
Applebee's	Restaurant	-	-	-	-	110	18	0.56%	
St. Peter's Catholic Church	Church and School	-	-	-	-	95	21	0.48%	
Howard's Pharmacy	Drugstore	-	-	-	-	90	22	0.45%	
Old Country Buffet	Restaurant	-	-	-	-	90	23	0.45%	
Furrow's Building Materials	Retail Building Materials	-	-	-	-	78	26	0.39%	
Waste Management Industrial	Sewer Cleaning	-	-	-	-	70	30	0.35%	
Pizzeria Uno	Restaurant	-	-	-	-	120	17	0.61%	
K-Mart Corp	General Merchandise	-	-	-	-	150	14	0.76%	
Steak 'N Shake	Restaurant	-	-	-	-	71	29	0.36%	

Source: City of Huber Heights, Planning and Development Department

(1) Information at December 31, 1997 is not available.

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

Employer	Nature of Activity or Business	2006 Rank	2002 Rank
Wright Patterson Air Force Base	Military Base	1	1
Huber Heights City Schools	Education	2	3
Trimble Dayton	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
State of Ohio	State Government	7	7
Wal-Mart Stores Incorporated	General Merchandise	8	10
AIDA-Dayton Technologies Corp	Press Manufacturing	9	8
Enginetics Aerospace	Aerospace Parts	10	20
Coca Cola Enterprises, Inc.	Warehouser and Distributor	11	14
Dayton Freight Lines, Inc.	Truck Terminal	12	13
Paxar Corporation	Paper Products Manufacturing	13	9
LaserMike Inc	Laser Gauging	14	12
Huber Investment Corporation	Residential Rental	15	11
Kroger Limited	Grocery Store	16	16
National City Bank	Banking	17	22
Lowe's Home Center Incorporated	Home Improvement Sales	18	19
Bowser Morner	Testing Laboratory	19	17
Reed Elsevier, Inc.	Data Storage	20	
CBS Personnel Service	Temporary Employment Agency	21	
Kokosing Construction Co. Inc.	Road Construction	22	
Apache Technologies, Inc.	Laser Manufacturing	23	
Dayton Regional Dialysis Inc	Healthcare	24	26
Yellow Transportation, Inc.	Truck Terminal	25	29
Tristate Healthcare	Healthcare	26	
Stoops of Ohio, Inc.	Freightliner Sales	27	
Millat Industries	Precision Machinery Manufacturing	28	
Providence Medical Group	Family Medical/Dental Services	29	
Metokote Corp	Powder-coated Metals	30	24
Integrated of Spring Creek	Nursing Home		15
LEXIS-NEXIS	Electronic Information Services		18
Fukuvi USA Inc.	Plastic Building Materials Manufacturing		21
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 Withheld Income Taxes		52.81%	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. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore, the City does not have, nor can it obtain, this type of information.

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)
2006	38,212	\$800,579,612	\$20,951	\$49,073	34.4	18.9%	\$121,638	6,542	6.00%
2005	38,212	800,579,612	20,951	49,073	34.4	18.9%	117,122	6,861	6.40%
2004	38,212	800,579,612	20,951	49,073	34.4	18.9%	112,410	6,761	6.20%
2003	38,212	800,579,612	20,951	49,073	34.4	18.9%	108,268	6,826	6.30%
2002	38,686	810,510,386	20,951	49,073	34.4	18.9%	103,096	6,888	5.60%
2001	38,686	810,510,386	20,951	49,073	34.4	18.9%	100,001	7,045	4.30%
2000	38,686	810,510,386	20,951	49,073	34.4	18.9%	100,000	7,228	3.80%
1999	38,212	561,831,036	14,703	38,459	30.5	22.1%	100,000	7,288	3.80%
1998	38,939	572,520,117	14,703	38,459	30.5	22.1%	100,000	7,410	4.10%
1997	38,939	572,520,117	14,703	38,459	30.5	22.1%	100,000	7,373	4.00%

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 (2005 Price Range: \$41,500 - \$332,500).

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

Source: (5) Ohio Bureau of Employment Services.

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)	
2006	\$1,847,153,229	89	\$12,866,903	4	\$2,055,000	\$262,397,000
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

(1) Estimated actual real property values (Public Utility Real Property not included). Miami and Greene Counties information added.

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

Source: (3) Federal Reserve Bank of Cleveland. No main office in 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, 2006

Taxpayer	2005 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2006	Percentage of Total Assessed Valuation
1. Kir Huber Heights L P	\$8,735,800	1.32%
2. Dayton Power and Light Company	8,183,600	1.24
3. Wal-Mart Stores Incorporated	3,604,380	0.55
4. Fifth Third Bank	3,233,700	0.49
5. Lowe's Home Center Incorporated	3,108,170	0.47
6. National Amusement Incorporated	2,883,660	0.44
7. Waynetowne Associates	2,866,360	0.43
8. Ohio Bell Telephone	2,698,450	0.41
9. Target Corporation	2,297,150	0.35
10. C. H. Huber Enterprise Incorporated	2,065,460	0.31
Total	<u>\$39,676,730</u>	<u>6.01%</u>

Taxpayer	2005 Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2006	Percentage of Total Assessed Valuation
1. Trimble Dayton	\$4,326,950	13.65%
2. AIDA-Dayton Technologies Corp	3,392,421	10.70
3. Enginetics Aerospace	2,918,240	9.21
4. Wal-Mart Stores Incorporated	1,588,120	5.01
5. Lowe's Home Center Incorporated	1,164,580	3.67
6. Paxar Corporation	1,051,910	3.32
7. Stoops of Ohio, Inc.	952,920	3.01
8. Fukuvi USA, Inc.	836,840	2.64
9. Gander Mountain Co.	752,180	2.37
10. Kroger Limited	732,530	2.31
Total	<u>\$17,716,691</u>	<u>55.89%</u>

Source: County Auditor; Montgomery County, Ohio

City of Huber Heights, Ohio
Labor Force and Unemployment Rates
Last Twenty-Five 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)
2006	20,000	5.6 %	272.8	6.0 %	55.1	5.5 %	427.2	5.8 %	5,934.0	5.5 %	5,934.0	4.6 %
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

- 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, 2006

Employer	Nature of Activity or Business	Approximate Number of Employees
Wright-Patterson Air Force Base	Military Base	22,000
Premier Health Partners	Healthcare	12,291
Kettering Medical Center Network	Hospital	5,461
Delphi Automotive Systems	Manufacturing	5,300
Montgomery County	Government	4,982
GM Moraine Assembly Plant	Manufacturing	4,000
Dayton Public Schools	Education	3,029
Kroger Co.	Grocery Store	3,000
LexisNexis	Electronic Information Services	3,000
AK Steel	Manufacturing	3,000
National City	Banking	2,955
Community Mercy Health Partners	Hospital	2,879
Honda of America Manufacturing, Inc.	Manufacturing	2,800
City of Dayton	Government	2,496
National City Mortgage	Real Estate Financing	2,440
Wright State University	Education	2,220
Sinclair Community College	Education	2,023
NCR Corporation	Manufacturing	2,000
Frisch's Restaurants, Inc.	Food Service	2,000
University of Dayton	Education	1,966
Meijer, Inc.	Grocery and Retail Merchandise	1,908
US Postal Service	Mail Delivery	1,876
Upper Valley Medical Center	Healthcare	1,822
Behr Dayton Thermal Products	Manufacturing	1,800
Copeland Corporation	Manufacturing	1,700
Reynolds & Reynolds Co.	Business Information Services	1,700
Veterans Affairs Medical Center	Hospital	1,567
AT&T	Communication	1,500
Cox-Ohio Publishing	Newspaper Publishing	1,488
Bon-Ton Stores Inc.	Retail Department Store	1,381

Source: Dayton Business Journal, published December 2006, 2005 Ranking

City of Huber Heights, Ohio
Principal Employers
Based on Income Tax Withholdings
For the Year Ended December 31, 2006

Employer	Nature of Activity or Business
Wright-Patterson Air Force Base	Military Base
Huber Heights City Schools	Education
Trimble Dayton	Laser Manufacturing
A B F Freight Systems	Truck Terminal
Fedex Freight	Package Delivery
City of Huber Heights	City Government
State of Ohio	State Government
Wal-Mart Stores Incorporated	General Merchandise
AIDA-Dayton Technologies Corp.	Press Manufacturing
Enginetics Aerospace	Aerospace Parts
Coca Cola Enterprises, Inc.	Warehouser and Distributor
Dayton Freight Lines, Inc.	Truck Terminal
Paxar Corporation	Paper Products Manufacturing
LaserMike, Inc.	Laser Gauging
Huber Investment Corporation	Residential Rental
Kroger Limited	Grocery Store
National City Bank	Banking
Lowe's Home Center Incorporated	Home Improvement Sales
Bowser Morner	Testing Laboratory
Reed Elsevier, Inc.	Data Storage
CBS Personnel Service	Temporary Employment Agency
Kokosing Construction Co., Inc.	Road Construction
Apache Technologies, Inc.	Laser Manufacturing
Dayton Regional Dialysis, Inc.	Healthcare
Yellow Transportation, Inc.	Truck Terminal
Tristate Healthcare	Healthcare
Stoops of Ohio, Inc.	Freightliner Sales
Millat Industries	Precision Machinery Manufacturing
Providence Medical Group	Family Medical/Dental Services
Metokote Corporation	Powder-coated Metals

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

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore, the City does not have, nor can it obtain, this type of information.

City of Huber Heights, Ohio
Land Use (Zoning Classification) by Acres and Valuation
 December 31, 2006

Land Use	Area (in acres) (1)	Percent of Assessed Valuation of Real Property (2006 Valuation) (2)
Residential	6,168	78.95%
Commercial/Industrial	4,663	20.53
Governmental, Public Utility, Other Tax Exempt	441	(a),(b)
Agricultural	3,724	0.52
Undeveloped (Estimated)	1,100 (c)	(d)

(a) Not available from County Auditor

(b) Not applicable. Exempt from property taxation

(c) Developable (but currently undeveloped) land zoned Residential, Commercial, or Industrial

(d) Included in above categories.

Source: (1) City of Huber Heights Planning and Development Department, 2006

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

City of Huber Heights, Ohio
Principal Employers
Based on Number of Employees
December 31, 2006

Employer	Nature of Activity or Business	Approximate Number of Employees
A B F Freight Systems	Distribution Terminal	825
Huber Heights City Schools	Education	567
Trimble Dayton	Laser Technology/Manufacturing	430
FedEx Freight	Package Delivery	324
Wal-Mart Super Center	General Retail	243
Coca Cola Enterprises	Warehouser & Distributor	210
The City of Huber Heights	City Government	185
Bowser Morner	Testing Laboratory	160
Lowe's Home Improvement	Home Improvement Retail	150
Kroger Limited	Grocery Retail	130
Dayton Freight Lines	Truck Terminal	129
Kohl's Department Stores, Inc.	General Retail	128
AIDA-Dayton Technologies	Press Manufacturing	123
Enginetics Aerospace Corporation	Aerospace Metal Engineering	110
Target Corporation	General Retail	110
Elder Beerman Department Stores (Bon-Ton)	Department Store	104
Veolia Environmental Services	Treatment Plant Operator	99
Beta LaserMike Inc.	Laser Gauging	70
Catlow Industries	Commercial Pump Manufacturing	67
US Postal Office	Postal Service	66
TGI Friday's	Restaurant	65
Fedex Ground Package Systems Inc	Package Delivery	65
Fukuvi U.S.A. Inc.	Plastic Building Materials Manufacturing	65
Spring Creek Nursing Center	Nursing Home	65
MetoKote Corporation	Powder-coated Metals	63
Apache Technologies	Laser Equipment Manufacturing	61
Huber Investment Corp	Property Management	60
Cub Foods	Grocery Retail	60
Stoops Freightliner	Truck Terminal	56
Hughes Peters (MJO)	Electronic Component Assembly and Distribution	55

Source: City of Huber Heights, Planning and Development Department

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

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Security of Persons and Property:										
Fire (1)	44	44	44	44	50	52	52	52	52	52
Police (2)	52	52	52	52	53	53	55	55	55	55
Other (3)	10	10	11	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 (4)	1	1	1	1	1	1	1	1	0	0
Pool (5)	24	24	24	24	24	24	24	24	0	0
Community Environment:										
Planning and Development	9	9	9	9	9	9	9	9	9	9
Engineering (6)	7	7	7	7	7	7	7	7	7	7
Transportation (7)	18	18	18	18	18	18	18	18	18	18
General Government (8):										
Mayor	1	1	1	1	1	1	1	1	1	1
Council (9)	10	10	10	10	10	10	10	10	10	10
Management (6)	8	8	8	8	8	8	8	8	2	2
Finance-Accounting (6)	6	6	6	6	6	6	6	7	7	7
Finance-Income Tax (10)	0	0	0	0	0	0	0	0	0	0
Management Information Systems (6) (11)	0	0	0	0	0	0	0	0	0	0
Human Resources (11)	0	0	0	0	0	0	0	0	0	0
Buildings and Grounds	2	2	2	2	2	2	2	2	2	2
Volunteers:										
Police	0	0	0	0	0	0	0	0	0	0
Fire	8	7	7	4	1	1	1	1	1	1
Non-Security of Persons and Property	4	3	3	0	0	0	0	0	0	0
Total	205	203	204	198	211	213	215	216	191	191

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) In 2005, the management of Parks and Recreation was transferred to the Division of Public Works.

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

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

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

(8) The Legal Division is a contractual service.

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

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

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

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

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Security of Persons and Property:										
Fire										
Number of fire calls	1,202	1,034	1,131	1,130	1,040	998	989	1,091	1,105	963
Number of EMS calls	3,722	3,604	3,755	3,956	3,855	3,868	3,908	3,879	3,878	4,021
Number of fire reports	(a)	(a)	(a)	(a)	(a)	(a)	1,910	2,037	1,105	1,871
Number of EMS reports	(a)	(a)	(a)	(a)	(a)	(a)	4,055	3,923	3,981	4,064
Police										
Calls for service	46,810	45,765	46,759	47,719	49,829	51,155	56,963	55,754	56,209	56,121
Total police incident reports taken and other activity	(a)	(a)	(a)	(a)	(a)	(a)	15,329	15,044	14,481	15,817
Offenses	(a)	(a)	(a)	(a)	(a)	(a)	5,747	5,382	5,339	5,008
Arrests	(a)	(a)	(a)	(a)	(a)	(a)	1,948	1,617	2,100	2,109
Field intervention	(a)	(a)	(a)	(a)	(a)	(a)	77	290	112	715
Juvenile	(a)	(a)	(a)	(a)	(a)	(a)	539	589	530	513
Stolen property	(a)	(a)	(a)	(a)	(a)	(a)	742	692	0	0
Citations	(a)	(a)	(a)	(a)	(a)	(a)	4,203	4,381	5,534	5,188
Warrants	(a)	(a)	(a)	(a)	(a)	(a)	718	590	854	715
Accidents	(a)	(a)	(a)	(a)	(a)	(a)	1,291	1,502	12	1,187
Intelligence	(a)	(a)	(a)	(a)	(a)	(a)	26	1	0	5
Pawn	(a)	(a)	(a)	(a)	(a)	(a)	38	0	0	377
Community Environment:										
Planning and Development										
Residential construction permits issued	35	47	46	77	105	130	124	142	123	89
Estimated value of residential construction	\$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	\$12,866,903
Commercial construction permits issued	4	4	4	3	11	40	13	8	9	4
Estimated value of commercial construction	\$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	\$2,055,000
Industrial construction permits issued	(a)	(a)	6	6	4	4	2	5	9	1
Estimated value of industrial construction	(a)	(a)	(a)	(a)	\$3,519,665	\$4,789,725	\$4,136,315	\$1,256,600	\$2,234,500	\$1,400,000
General Government:										
Finance-Income Tax										
Number of income tax returns processed	(b)	(b)	(b)	(b)	(b)	20,531	19,610	19,081	22,578	21,658
Number of incoming phone calls processed	(b)	(b)	(b)	(b)	(b)	6,217	11,847	8,385	7,543	6,735
Number of letters sent out	(b)	(b)	(b)	(b)	(b)	(b)	6,007	12,798	14,382	13,704
Number of walk-in customers helped	(b)	(b)	(b)	(b)	(b)	2,176	4,995	5,326	5,967	5,864
Water:										
Water main breaks repaired	(a)	(a)	(a)	(a)	(a)	357	48	52	29	14
Hydrants flushed	(a)	(a)	(a)	(a)	(a)	8,106	327	1,722	343	1,850
Drinking water produced (billions of gallons)	(a)	(a)	(a)	(a)	(a)	11.2	1,435.198	1,426.608	1,402.850	1,359.220

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.

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Security of Persons and Property:										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	(a)	(a)	(a)	(a)	(a)	18	17	16	14
Police cruisers	(a)	(a)	(a)	(a)	(a)	(a)	29	29	28	33
Leisure Time Activities:										
Parks and Recreation	9	13	13	13	13	13	13	13	13	15
Number of parks	0	0	0	1	1	1	1	1	1	1
Pool										
Community Environment:										
Planning and Development										
Vehicles	(a)	(a)	(a)	(a)	(a)	(a)	4	4	4	5
Engineering										
City area (square miles)	20.24	20.41	20.41	20.41	22.00	22.00	22.00	22.06	22.06	22.06
Streets (miles)	167.0	171.0	171.0	171.4	172.3	172.3	172.3	173.5	180.0	181.1
Streetslights	2,260	2,261	2,261	2,261	2,288	2,308	2,322	2,348	2,395	2,466
Vehicles	(a)	(a)	(a)	(a)	(a)	(a)	6	5	5	6
Transportation										
Buildings	(a)	(a)	(a)	(a)	(a)	(a)	8	8	8	8
Vehicles	(a)	(a)	(a)	(a)	(a)	(a)	22	22	22	21
General Government:										
Central Services										
Building	1	1	1	1	1	1	1	1	1	1
Automobiles	(a)	(a)	(a)	(a)	(a)	(a)	1	1	1	0
Management										
Automobiles	(a)	(a)	(a)	(a)	(a)	(a)	1	1	1	3
Finance-Accounting										
Automobiles	(a)	(a)	(a)	(a)	(a)	(a)	2	2	2	1
Finance-Income Tax										
Total square footage occupied in leased Income Tax Office	n/a	n/a	n/a	n/a	1,250	1,250	2,262	2,262	2,262	2,262
Automobiles	n/a	n/a	n/a	n/a	(a)	(a)	2	2	2	1
Management Information Systems										
Automobiles	(a)	(a)	(a)	(a)	(a)	(a)	1	1	1	3
Courts										
Building	0	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	136.73	140.53	140.53	142.93	143.85	144.96	144.96	146.12	152.90	154.43
Sewer:										
Sanitary sewers (miles)	131.35	134.80	134.80	135.20	136.02	137.56	137.56	138.66	145.24	147.39
Storm Water:										
Storm sewers (miles)	123.18	126.68	126.68	127.02	127.82	130.45	130.45	131.49	138.02	139.59

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, 2006

Year of Incorporation	1981
Form of Government	Council/Manager
Number of Employees (excluding police and fire)	
Full-Time	61
Part-Time	12
Seasonal	1
Area	22.063 Square Miles
Miles of Streets	181.06 Miles
Number of Street Lights	2,466
Recreation and Culture:	
Number of Parks	15
Libraries	1
Fire Protection:	
Number of Stations	2
Number of Fire Personnel and Officers	52
Number of Volunteers	1
Number of Fire Calls	963
Number of EMS Calls	4,021
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	55
Number of Dispatchers	11
Number of Calls	56,121
Sewer and Water:	
Miles of Sanitary Sewers	147.39
Miles of Storm Sewers	139.59
Miles of Water Lines	154.43
Education (K-12) (Public Only):	
Attendance Centers	10
Number of Classrooms	373
Number of Teachers	558
Number of Support Staff	358
Number of Students	6,542

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

Company	Type of Business	2006 Rank	2005 Rank	2004 Rank
Bowser Morner, Inc.	Testing Laboratory	1	1	5
Montgomery Development Center	Handicapped Home	2	2	2
Spring Creek Nursing Home	Nursing Home	3	3	1
YMCA of Greater Dayton	Fitness Center	4	-	-
Huber Heights City School District	Education	5	6	6
Huber Investment Corporation	Residential Rental	6	7	4
Huber Heights YMCA Pool	Swimming Pool	7	-	-
Wal-Mart Stores Incorporated	General Merchandise	8	10	-
Travelodge	Hotel	9	-	-
Holiday Inn Express	Hotel	10	8	8

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

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



FURBER
HEADWATERS
CROSSING ABOVE BRIDGE



Mary Taylor, CPA
Auditor of State

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
AUGUST 14, 2007**