

CITY OF HUBER HEIGHTS

Single Audit Reports

December 31, 2007



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Huber Heights, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2007 to December 31, 2007. 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

October 16, 2008

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CITY OF HUBER HEIGHTS, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA	Receipts	Disbursements
<u>United States Department of Justice-</u>				
<u>Office of Justice Program</u>				
Direct Funding				
Bullet Proof Vests Partnership Program	NA	16.607	\$4,672	\$1,747
Edward Byrne Memorial	NA	16.738	11,953	0
Subtotal - Department of Justice			16,625	1,747
<u>United States Department of Homeland Security</u>				
Direct Funding				
Disaster Legal Services	NA	97.033	277,724	277,724
Subtotal - Department of Homeland Security			277,724	277,724
<u>United States Department of Transportation</u>				
Passed Through Ohio Department of Public Safety:				
Highway Planning and Construction	PIDV35345	20.205	253,101	484,067
Subtotal - Department of Transportation			253,101	484,067
TOTALS			\$547,450	\$763,538

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 29, 2008. 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 opinions 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 City'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, 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.

Plattenburg & Associates, Inc.
August 29, 2008



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Huber Heights (the City), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in a City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

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 as of and for the year ended December 31, 2007, and have issued our report thereon dated August 29, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Auditor of State, City Council, 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.

Plattenburg & Associates, Inc.

August 29, 2008

CITY OF HUBER HEIGHTS, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2007

Section I – Summary of Auditor’s Results

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	CFDA #20.205 Department of Transportation
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Audit Findings and Questioned Costs

None

City of Huber Heights, Ohio

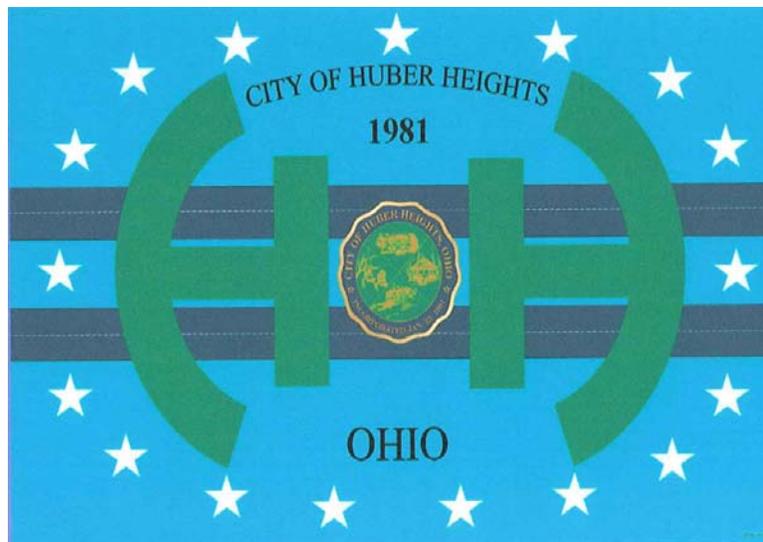
Comprehensive Annual Financial Report

For the Year Ended

December 31, 2007



City of Huber Heights, OH



City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2007

Issued by:
Department of Finance

City of Huber Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007

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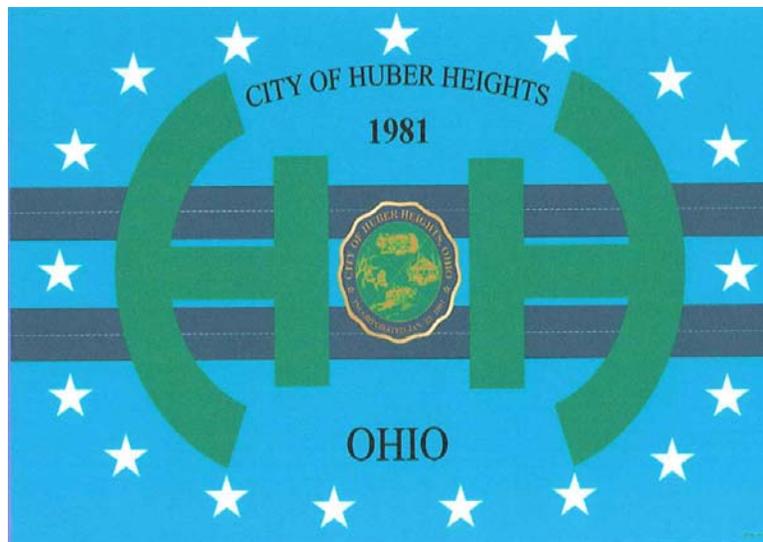
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SINGLE AUDIT REPORT

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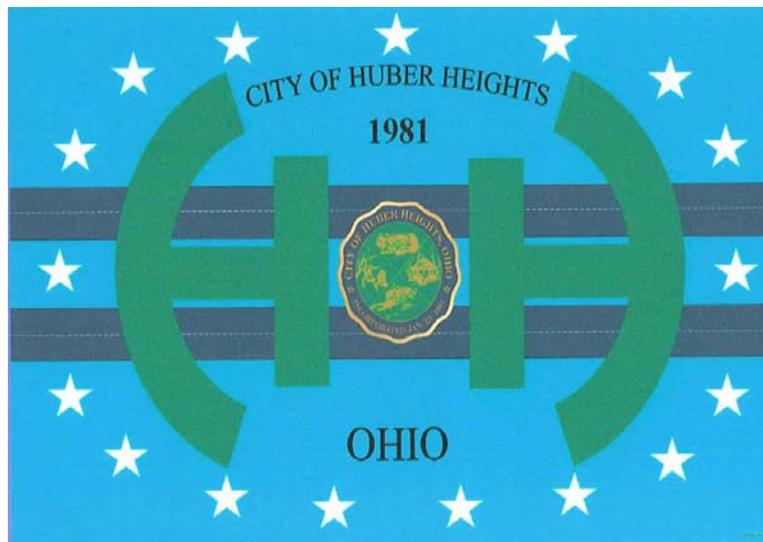
City of Huber Heights, OH



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Introduction

City of Huber Heights, OH



August 29, 2008

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

We are pleased to present our 2007 Comprehensive Annual Financial Report (CAFR) for the City of Huber Heights for your review. This report, for the year ended December 31, 2007, 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, 2007. 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, 2007. 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 2007. 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 37,667 in 2007, 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 2007, 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
Trimble Dayton

Commercial

Aldi
Bon-Ton Elder-Beerman
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 2007, 59 new businesses opened in Huber Heights. Zoning permits processed during 2007 included the issuance of 107 residential dwelling certificates, and 9 new commercial/industrial development permits. The 2007 valuation on all certificates issued totaled \$31,614,683. This represents a 94% increase in valuation of construction over 2006.

Commercial and Industrial Development

In late 2007, Premier Health Partners (Good Samaritan Hospital) broke ground 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 include the construction of a 57,000 square foot, \$18 million satellite

medical facility that will be the first phase of a multi-facility medical campus development. The facility is expected to be completed by the end of 2008. This development is anticipated 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. partnered for a 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.

In addition to the Premier Health project, the existing Huber Health Center on Old Troy Pike is slated for a major expansion and renovation. The project, which was given the green light by the City of Huber Heights Planning Commission on 3-11-08, calls for the expansion of the current medical office facility by more than 22,000 square feet. The upgrade of the facility will allow for the accommodation of new medical service providers who will serve the community. The project represents a significant potential benefit to the City by improving the City's tax base by increasing taxable real estate values by \$16 million and through the addition of an estimated 135 new health care related jobs. The project will also provide convenient accessibility to needed medical services for the residents of the City and surrounding areas.

Construction continued on a new 40-acre retail commercial development anchored by a retailer new to the City of Huber Heights, Meijer Super Center, near one of the City's three interstate interchanges and represents a continued trend of commercial expansion. The 207,000 square foot store and stand-alone fuel/convenience store will be completed in early 2008 with expected employment of 500. The development agreement between Meijer and the City 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.

While the City is experiencing the growth of greenfield development, it has also witnessed an extensive commercial redevelopment trend. Major redevelopment of the North Heights Plaza at I-70 and Old Troy Pike is nearing completion with Dick's Sporting Goods and H.H. Gregg anchoring the center's new retail offerings. The 16,000 square foot former DP&L regional facility in the City has also been redeveloped into a new restaurant and has created available land for a future hotel development. As a final example of the City's redevelopment trend, the former Frank's Nursery site on Old Troy Pike that included a 15,500 square foot retail building, vacant for years, is completing a comprehensive redevelopment and expansion that provides 30,000 square feet of revitalized retail and office development to the City.

2007 witnessed the emergence of redevelopment and continued green field development in the City including the Premier Health Partners' medical facility, described above, and the complete redevelopment of the former Frank's Nursery site on State Route 202. With the successful negotiation of a new development agreement for the former Benchrock multi-use development (see **Residential Development** below), the City is poised to experience significant new residential and commercial growth in the City's northern quadrant for the next decade. As a result, numerous commercial projects are in the planning stages that will transform the I-70 and St Rt 201 corridor from a moderately developed, yet rural portion of the City, to a thriving regional commercial center of the City.

During 2007, AIDA America Corporation, a leading global builder of metal forming and stamping presses and subsidiary of Japanese manufacturer Aida Engineering LTD, constructed a 17,500+ square foot 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 remain competitive in its industry, retaining 123 jobs in the City and by adding 15 positions with additional 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 that 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, continued to experience the steady progression of numerous residential developments, while other residential developments await City approvals for 2008. The City issued more than 100 zoning permits for new dwellings in 2007. This represents an increase from 2006 and shows that Huber Heights continues to fair better than other surrounding areas in light of the current housing market slump. Huber Heights' residential development market continues to outperform others areas of the region.

Most importantly, in 2007 the City successfully negotiated a new development agreement with DEC Investment Group, Inc. of Dublin, Ohio for the former Benchrock development site. The new project, called Carriage Trails, is projected to commence in mid 2008 and covers more than 625 acres within the City's northern quadrant. The project is envisioned to include more than 2,000 new single family and clustered residential units, along with more than 30 acres of commercial and other non-residential uses. The development plans provide for approximately 90 acres of green space to be used for bike and pedestrian trails, ponds, landscaping buffers, and will eventually connect to paths in the Carriage Hill Metro Park. In addition, the development will contain a community center, pocket parks and related amenities. The Carriage Trails development represents a significant positive development for the City's financial future and adds yet another development that will continue to draw new residents to the community and position Huber Heights as one of the top communities in the Dayton metropolitan area.

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 fourteenth 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 2006 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 2007, expenditures included the repair and rebuilding of 27 segments of neighborhood streets, and miscellaneous roadway sealing and patching throughout the City. 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 2007, 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 and fire division operations, and capital equipment purchases including eight police cruisers, in-cruiser video cameras, and computers. The permanent income taxes dedicated for street operations are 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 \$1,900,000 in taxes not previously collected.

In June of 2001, the City Council authorized the collection of Emergency Medical Service fees. During 2007, over \$898,000 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 2007, 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 \$446,791 for operation and maintenance, and \$292,584 for capital improvements for this program in 2007.

Capital Improvements

During 2007, the City completed its 23rd year of the annual sidewalk improvement/assessment program. Other major improvements included the 2007 Stormwater Management, the Signal Interconnect project, GIS mapping project, and the continuing expansion of Interstate 70 and its interchanges within the City.

The landscaping and streetscaping phase of the I-70/State Route 202 (Old Troy Pike) interchange project is expected to commence in 2008. This project, at the heart of one of the City's busiest commercial and retail districts, 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 approximately 145,000 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) continued throughout 2007. This interchange reconstruction project includes 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 Traffic Signal *Interconnect* Project, funded by a \$900,000 Federal Transportation Equity Act (TEA-21) Grant, was completed during 2007. This project coordinates the timing of traffic lights on State Routes 201 and 202 through the City, ensuring controlled, efficient traffic flow through the City.

A companion project to the signal interconnect project was the Traffic Signal *Preemption* System project. This project resulted 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 was funded by the \$289,800 2006 FEMA Firefighters Assistance Grant with the City's local share being 10 percent or \$32,200.

Three storm water management projects were completed in 2007. The first was stabilizing the south branch of Henry Creek between Evergreen Woods and the United Church of Dayton Main Driveway. The second project was the realignment of the channel and stabilization along Wildcat Run from Interstate 70 and 800 feet south. The third was stabilizing six mile creek west of Harshmanville Road. These projects will reduce erosion, prevent damage to adjacent properties and reduce sediment in storm water runoff.

Water Distribution Modeling, analyzing the water system, was completed. The outcome of this analysis showed that there was insufficient flow to various areas of the City. To implement the recommendation of this analysis, the City contracted the design connections to these missing water main areas. The design was completed. Construction on this "water main looping" project started at the end of 2007 and is expected to be completed in June of 2008.

The Taylorsville Road Low Pressure Connection project was completed in 2007. The work included switching houses on Taylorsville Road from regular pressure service and connecting them to another low pressure district. This switch will allow the operators of the Rip Rap Road Water Treatment Plant to boost the output at this facility to help meet the expected summertime water demands without creating damaging pressure-surges to the homes in the vicinity.

The design of Chambersburg Road/Miami Villa Water Main Extension was completed. Construction of this project is pending upon approval of grant funding.

Rehabilitation of the water wells at the Needmore Road wellfield started in September, 2007 and was completed in February, 2008. This work consists of surging and chemically cleaning three of the six wells located at the wellfield.

The Storm-Water Digitizing Project was completed in 2007. This project consisted of digitally mapping the storm system of all Huber plats, subdivisions and some commercial areas in order to create a storm

water atlas on the City's GIS system. The Sanitary-Sewer Infrastructure Digitizing Project started in February, 2007 and is schedule to be completed in August of 2008.

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

Achievements towards these goals during 2007 included the following:

The Department of Public Safety

During 2007, the *Fire Division* continued to make good on the promise made to the voters who passed the income tax increase to support the Public Safety Divisions in 2005 to rebuild its fleet. In April of 2007, the Division took delivery of a new state-of-the-art 105 foot Pierce Aerial Ladder Truck equipped with a 2,000 gallon-per-minute pump and was placed in service at Station #22 on Brandt Pike.

In August, the Fire Division took delivery of a new 1,500 gallon-per-minute fire engine which was placed in service in September at Station # 23 on Old Troy Pike. The new engine features fire fighting foam capabilities and has an elevating high intensity light tower, which can be used to light up emergency scenes. This vehicle acquisition should serve the community well with its enhanced capabilities. This vehicle was manufactured in Ohio by Sutphen Fire Equipment.

In May of 2007, the Fire Division entered into a contract with Horton Emergency Vehicles of Grove City, Ohio for the purchase of a new medic unit to be built on an International Harvester medium duty chassis. This will be the first medium duty chassis medic for the Fire Division, which features a more robust truck chassis than what has been used in the past. Research has shown in the field that the need for periodic maintenance such as brake replacement is lessened by the heavier duty chassis. Also the length of service as a front line medic unit can be increased from three years to five years with the medium duty units.

During 2007 the Fire Division also completed improvements needed to convert the Fire Division training facility into a functional Emergency Operations Center for the City. A new telephone system along with the acquisition of materials and supplies needed to transform the room on an emergency basis was completed as well as training for key City staff. The Division is committed to taking the steps necessary to prepare the City against natural or man made threats, which might affect the citizens and City business continuity.

The *Police Division* formulated strategic operational objectives centered on the City's three core strategic goals. Performance management was a primary focus as the Division conducted internal studies to determine the best use of personnel resources. The Division was faced with the retirement of two

lieutenants and a workload analysis was conducted to determine the proper alignment and number of management positions within the organization. As a result, a new organizational structure was developed dividing the division into two primary sections: administration and operations. Although budgetary limits prevented full funding of authorized positions, one of the objectives of the workload analysis was to make the best use of personnel resources to allow for the increase of services to be provided to the community. The realignment of lieutenants and sergeants within the new organizational structure allowed for more resources allocated to the front line services of the police division.

In addition to restoring personnel, the division was also faced with some issues with the police facility. The heating and cooling system was in need of repair; therefore, the division took the opportunity to have the system evaluated for improvements. After an engineering evaluation, it was found that the system could be improved through some modifications. Although the initial investment for the improvements totaled \$34,000 the resulting energy savings resulted in an average of \$3,000 per month. This improvement expense will result in a long term permanent savings in energy costs.

The police division also maintained its focus on improving performance and meeting the City goals and objectives by further standardizing operations and create systems to measure performance. One such accomplishment was achieving accreditation for the Communications Center. The Huber Heights Public Safety Communications Center was the first and only center in the State of Ohio to achieve international accreditation from the Commission on Accreditation for Law Enforcement Agencies (CALEA). This accomplishment was met after two years of policy development and preparation for an extensive on-site assessment of the Communications Center and its operations. The police division having both its law enforcement and communications operations separately accredited by CALEA makes it the first and only in the State to do so. This, along with many other accomplishments, shows the commitment of the management and staff of the police division to provide the best possible service to the Huber Heights community.

The Department of Finance.

In January, the *Division of Accounting* received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for its 2006 PAFR. The division also received its fourteenth consecutive Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association of the United States and Canada for the 2006 Comprehensive Annual Financial Report (CAFR). The Accounting Division helped Earth Tech, the City's third-party utility billing/collection service provider, implement the receipt of electronic payments and bill payer information from an online banking bill payment consolidator, resulting in the elimination of the need to handle/deposit hundreds of individual checks per month while updating customer account records much more quickly and efficiently. In August, the \$2,052,000 Renewal Land Acquisition Note and the \$2,375,000 Various Purpose Bonds were issued, and in December, the \$2,008,300 Public Access Easement Acquisition Note was issued.

The *Division of Taxation* expanded its programs to accept electronic remittance of withholding taxes for employers in the City, providing employers 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 can now electronically receive and process payments made by employers through the State of Ohio's Internet-based Business Gateway. By the end of 2007, 160 employers were routinely electronically transmitting their withholding taxes, totaling over \$549,000 for the year. The division's various compliance programs resulted in the collection of over \$235,000 in delinquent taxes.

The **Division of Information Systems** implemented a new Microsoft Exchange Server and a new Windows Server which allows users to collaborate and remotely access electronic mail using Microsoft

Outlook on the Web. User storage capacity was greatly enhanced along with a state-of-the art backup and restore device for archival purposes which was also integrated into the new system. All members of the Division enrolled in training on the new Microsoft Exchange system and the Active Directory component of Windows. The division also began formal training on the new Windows Vista client operating system which will begin roll-out in 2009. The geographic databases were upgraded for the Fire Department to include exact address dispatching techniques rather than open ranges that have been used for many years. This improved the accuracy of dispatching to valid locations. A new Medical Pro Q&A system was installed in Dispatch which prompts Emergency Medical Dispatchers with a variety of questions that are now posed to callers requesting service. This allows the system to more accurately recommend an automated response based on the specific medical conditions of the patient. Several new Panasonic Toughbook computers were installed in the Police Cruisers and these units replaced older outdated systems that could no longer keep pace with enhanced software upgrades. Several major software upgrades were installed to mission critical systems including the AS400 and various Dell Servers that are located throughout various divisions and departments. The Finance system was upgraded to a new Client/Server based platform which greatly improved usability and functional reporting capabilities.

The **Department of Human Resources** organized the volunteer recognition dinner in the spring to recognize those individuals who donate their time to serve the community. Human Resources led the Health Insurance Cost Containment Committee and presented the final recommendation of offering the Health Savings Account to employees, creating a potential savings of approximately \$100,000 in 2008. The Human Resources Department oversaw all public relations and communications efforts for the city, including producing the citizen's newsletter, *A View From The Heights*. Human Resources conducted training for the Bureau of Workers' Compensation's Drug Free Workplace Program and the City will be eligible for a discount on subsequent years' premiums. Human Resources, working in conjunction with Department/Division heads, was able to significantly reduce the number and severity of employee workers' compensation claims over the past four years and the City became eligible in 2007 to participate in the Ohio Bureau of Workers' Compensation Group Rating program for 2008. Doing so will reduce the City's base premium by 51%, estimated to save the City over \$68,000.

The **Department of Public Services, Division of Engineering** completed numerous infrastructure projects during 2007 including the \$1.2 million annual street improvement project, the \$150,000 annual sidewalk repair program, the 2007 Stormwater Management Program, and coordinated with the Ohio Department of Transportation 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 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 *Public Works Division* worked in conjunction with the Department of Engineering to obtain another grant from the Montgomery County Solid Waste District for the asphalt paving of the new yard waste site located on Wildcat Rd. This will ensure an overall cleaner and more importantly safer operation of yard waste site for residents. A new computerized sign machine was purchased which will be received and fully functional early 2008. The new sign making system will be a more modern, efficient, and less costly system than has been utilized in the past. This will lead to an overall better appearance of the city and its traffic marking signs. New backflow preventers were installed on all city building water supply lines in compliance with current EPA guidelines to ensure there will be no future contaminations to the city's water supply lines. The division started overall improvement and clean up of Canal Locks Park. This included the trimming and removal of trees to make park more visible to roadside as well as safer and less prone to vandalism. The Public Works Division also installed new lighting systems in its street department headquarters to become compliant with building and fire codes as well improving the working environment and appearance of the buildings.

To better serve the evolving development character of the community, the **Department of Planning and Development** continued to enhance its business attraction and retention programming. The Department's partnership with Montgomery County's business outreach and retention program, "BusinessFirst!", has paid real dividends in attracting new businesses to the City and with helping their expansion and development plans. In order to provide enhanced customer service in the field to residents and the construction community, the Department also initiated a wireless computer system for the City's zoning inspectors. This program greatly reduces inspection times and delays in construction activities.

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, \$1.279 million is appropriated to the annual interior street improvement program in 2008, to be funded solely from dedicated local income tax proceeds. The 2008 annual sidewalk repair and replacement program, totaling \$150,000, will be shared by the affected property owners and the City.

With the successful negotiation of a new development agreement for the former Benchrock multi-use development, the City is poised to experience significant new residential and commercial growth in the City's northern quadrant for the next decade. Additionally, numerous commercial projects are in the planning stages that will transform the I-70 and St Rt 201 corridor from a moderately developed, yet rural portion of the City, to a thriving regional commercial center of the City. Along with these projects, the City also continued to witness the steady progression of numerous residential developments. Huber Heights' residential development market continues to outperform others areas of the region.

Other projects planned for 2008 include: updating information technology equipment and software, including the purchase and installation of numerous personal computers in various departments and an upgrade to state-of-the-art utility billing and collection software. Major capital improvements will include the following:

- Major renovation and expansion of the City's Senior Center.
- Reconstruction of Bellefontaine Road from Oak Ridge Drive to Chambersburg Road.
- Landscaping/Streetscaping improvements to the Old Troy Pike/I-70 interchange.
- Improvements to the City's parks and facilities including the parking lot at Rip Rap Park, improvements to the NEP Building, improvements to the municipal pool, and parking lot improvements at the City Public Service Facility.
- Waterline distribution looping and gap-closure project to be funded from water utility revenues.
- Extension of a 16-inch water main south from US Route 40 to be funded from water utility revenues.
- Extensive sewer relining projects to be funded from sewer utility revenues.
- Numerous stormwater improvements throughout the City including the Bellefontaine Road culvert from Fishburg Road to Chambersburg Road to be 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, 2006. This was the fourteenth 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. 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, 2005 and 2006 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. 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.



Jeanne M. Renick, CPA CPFO
Interim Finance Director



David C. Studebaker
Interim 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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emery

Executive Director

CITY OF HUBER HEIGHTS, OHIO
LIST OF PRINCIPAL OFFICIALS
2007 ELECTED CITY OFFICIALS

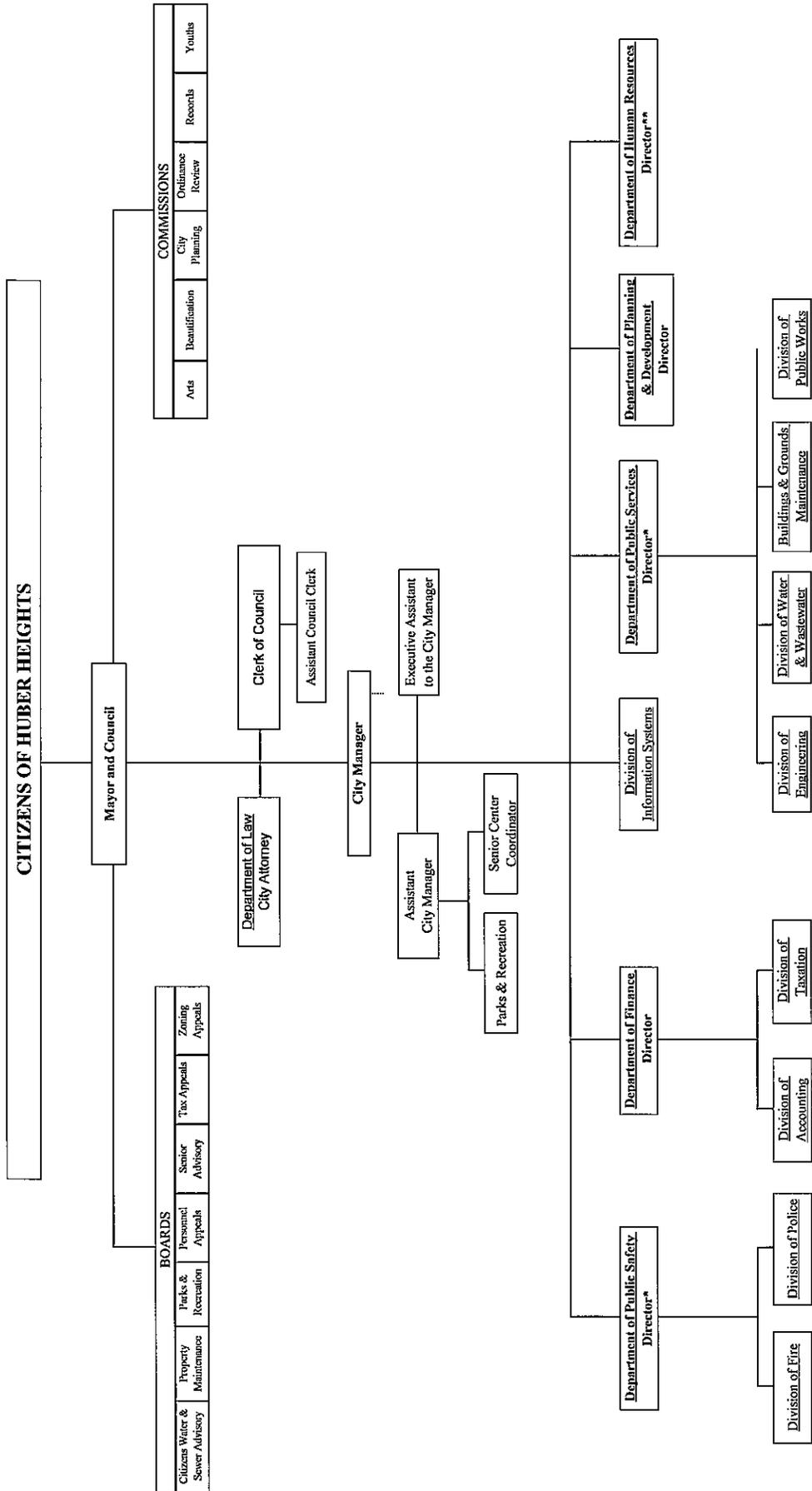
Council Members

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

2007 APPOINTED CITY OFFICIALS

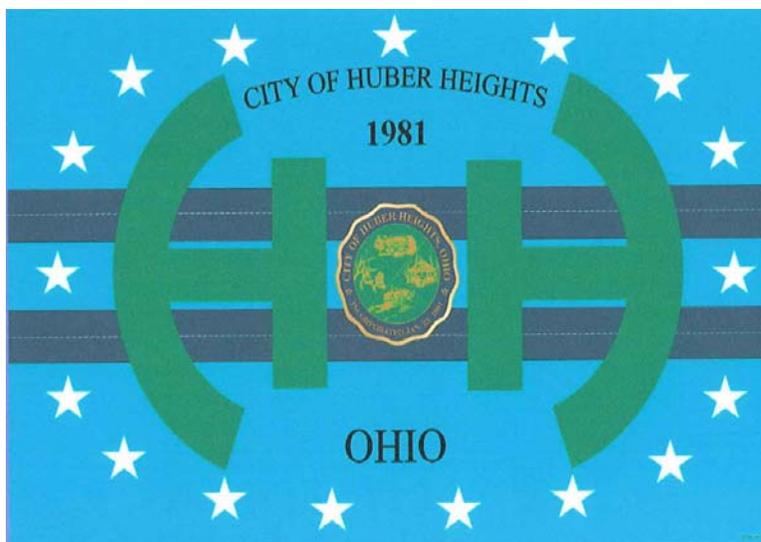
City Manager	Catherine L. Armocida, CPFO, CGFM
Director of Finance	Robert L. Mauch, CTP

City of Huber Heights Organizational Chart



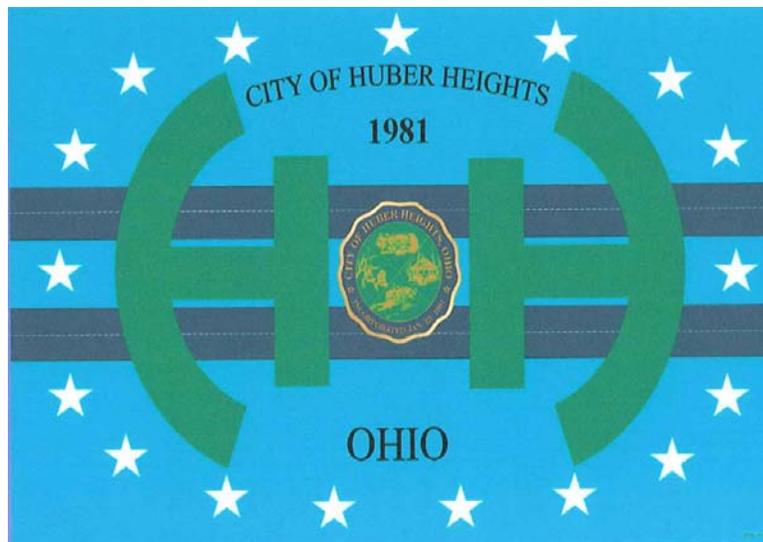
* This function is performed by the City Manager
 ** This is the function referred to in the Charter as Director of Personnel and is performed by the Assistant City Manager

City of Huber Heights, OH



Financial Section

City of Huber Heights, OH





INDEPENDENT AUDITOR'S REPORT

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 (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, 2007, and the respective changes in financial position, and cash flows, where applicable, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2008, 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 schedules, 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 and schedules 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.

Plattenburg & Associates, Inc.
August 29, 2008

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2007
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Huber Heights's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the fiscal year ended December 31, 2007. Readers should consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found on pages i-xii of this report.

FINANCIAL HIGHLIGHTS

The City's total net assets increased \$10,491,758. Net assets of governmental activities increased \$4,928,542 primarily due to the increase in municipal income tax collections and the implementation of the tax increment financing districts. Regarding business-type activities, operating revenues and capital contributions from developers were the main factors in the increase.

The general fund transfers out totaled \$6,060,000. This is an increase of \$244,388 from the prior year. Of the total transfers out, \$4,400,000 was for fire operations, \$1,200,000 was for police operations, \$120,000 was for general obligation debt service, \$90,000 was for capital improvements, and \$250,000 was for support of special revenue fund park maintenance.

Total business-type operations reflected operating income. Each of the three enterprise funds earned an operating surplus for 2007. Business-type unrestricted net assets are \$25,050,436.

Capital assets used in governmental activities decreased \$436,716. The decrease was due to sale of a medic unit and a ladder truck. The replacement cost of these items was construction-in-progress in 2006. An increase in accumulated depreciation of \$5,212,585 also contributed to the overall decrease in net capital assets.

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's financial situation as a whole and also give a detailed view of the City's fiscal condition.

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

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

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 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 2007 compared to 2006.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities	
	2007	2006	2007	2006
Assets				
Current and Other Assets	\$49,354,507	\$42,382,560	\$20,529,614	\$17,833,116
Nondepreciable Capital Assets	23,866,936	25,899,641	680,968	9,654,858
Depreciable Capital Assets, Net	75,856,197	74,260,208	47,942,995	36,763,842
Investment in Joint Venture	0	0	13,314,521	13,629,307
Total Assets	149,077,640	142,542,409	82,468,098	77,881,123
Liabilities				
Current and Other Liabilities	8,348,979	10,295,607	733,861	744,741
Long-Term Liabilities:				
Due Within One Year	2,383,387	2,058,051	1,451,016	1,394,260
Due in More Than One Year	24,769,191	21,541,210	24,363,290	25,385,407
Total Liabilities	35,501,557	33,894,868	26,548,167	27,524,408
Net Assets				
Invested in Capital Assets, Net of Related Debt	72,199,773	74,639,351	29,669,495	25,740,874
Restricted for:				
Security of Persons and Property	5,817,840	5,045,978	0	0
Leisure Time Activities	76,994	83,811	0	0
Transportation	4,735,229	3,677,405	0	0
Debt Service	14,366,427	13,209,353	0	0
Capital Improvements	5,727,951	3,236,059	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	10,651,869	8,755,584	25,050,436	23,415,841
Total Net Assets	\$113,576,083	\$108,647,541	\$55,919,931	\$50,356,715

(Continued)

	Total	
	2007	2006
Assets		
Current and Other Assets	\$69,884,121	\$60,215,676
Nondepreciable Capital Assets	24,547,904	35,554,499
Depreciable Capital Assets, Net	123,799,192	111,024,050
Investment in Joint Venture	13,314,521	13,629,307
Total Assets	<u>231,545,738</u>	<u>220,423,532</u>
Liabilities		
Current and Other Liabilities	9,082,840	11,040,348
Long-Term Liabilities:		
Due Within One Year	3,834,403	3,452,311
Due in More Than One Year	49,132,481	46,926,617
Total Liabilities	<u>62,049,724</u>	<u>61,419,276</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	101,869,268	100,380,225
Restricted for:		
Security of Persons and Property	5,817,840	5,045,978
Leisure Time Activities	76,994	83,811
Transportation	4,735,229	3,677,405
Debt Service	14,366,427	13,209,353
Capital Improvements	5,727,951	3,236,059
Revenue Bonds Improvement and Replacement	60,000	60,000
Revenue Bonds Current Debt Service	1,140,000	1,140,000
Unrestricted	35,702,305	32,171,425
Total Net Assets	<u>\$169,496,014</u>	<u>\$159,004,256</u>

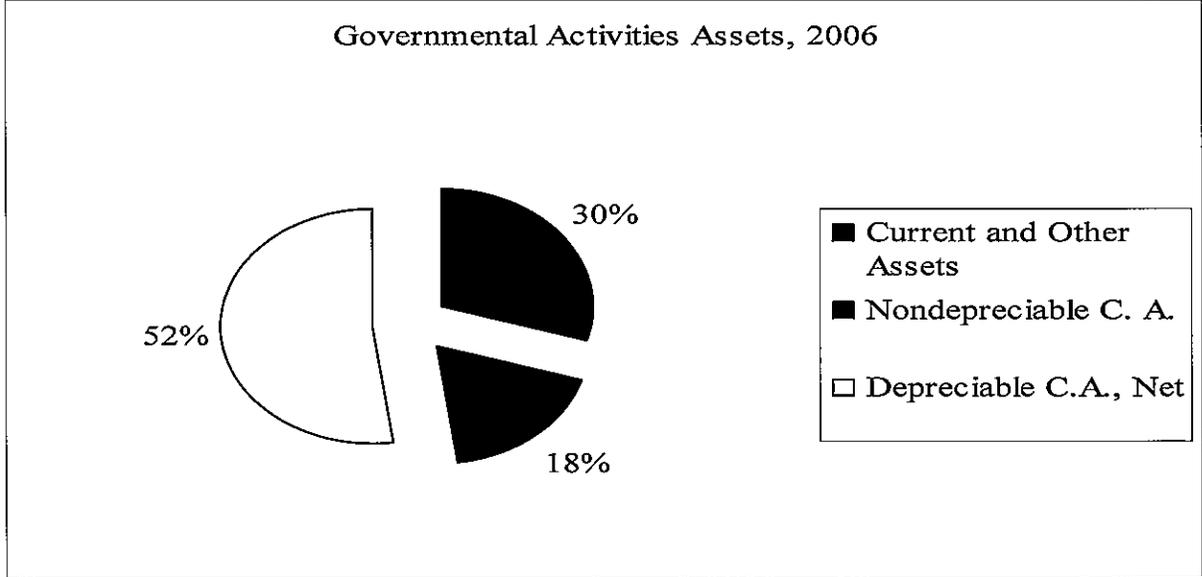
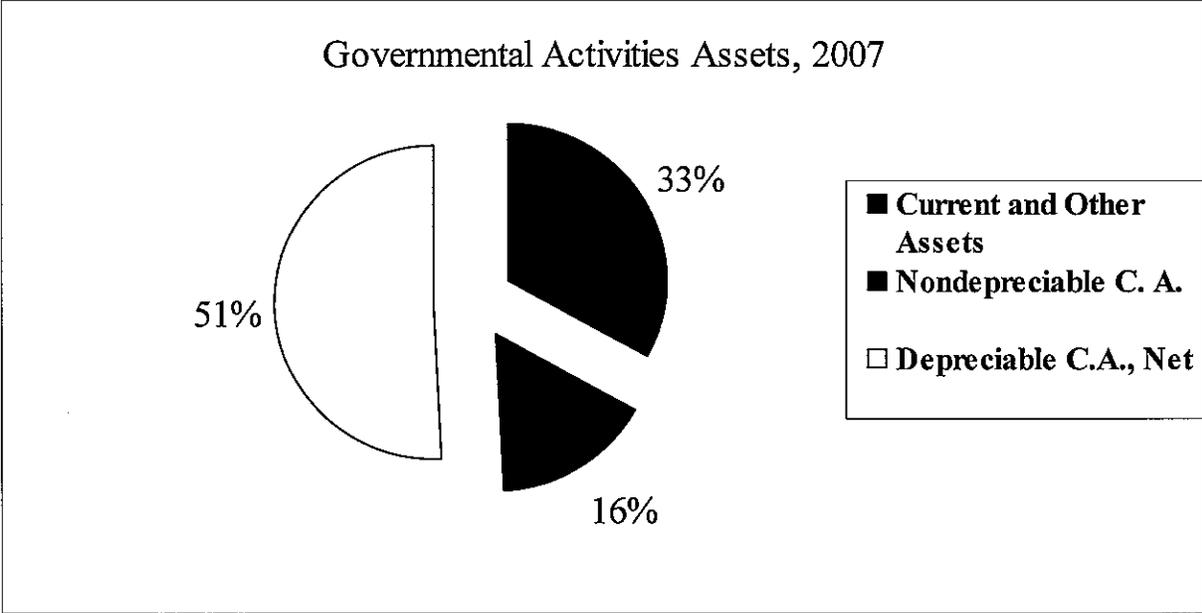
For governmental activities, equity in pooled cash and cash equivalents increased \$3,549,052 due to a general increase in income tax due and the continued income tax compliance programs resulting in an increase in collection over 2006. Equity in pooled cash and cash equivalents-unspent note proceeds increased due to issuance of a note in late December. Municipal income taxes receivable, net, decreased in 2007 by 15.2% as a result of the improved collections. Property and other taxes receivable decreased by 2.7% due to a decline in taxable value (assessed value) of taxable real estate within the City which resulted from the implementation of tax increment financing districts. The decrease was replaced by a receivable for Payments in Lieu of Taxes of \$661,590.

Accounts receivable increased substantially due to a large receivable from a local developer for a portion of improvements along Brandt Pike. EMS fees for emergency transports also showed a slight increase. Special assessments receivable decreased from 2006 due to fewer new projects. Depreciable capital assets, net of related debt, decreased due to many capital projects in process being offset by associated outstanding debt.

Accounts payable increased due to processing fewer invoices during December 2007. The City sets a cut-off date in early December after which a minimal number of payments are processed. Departments continue to order and receive goods and services, but payments are not made until the following year.

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.

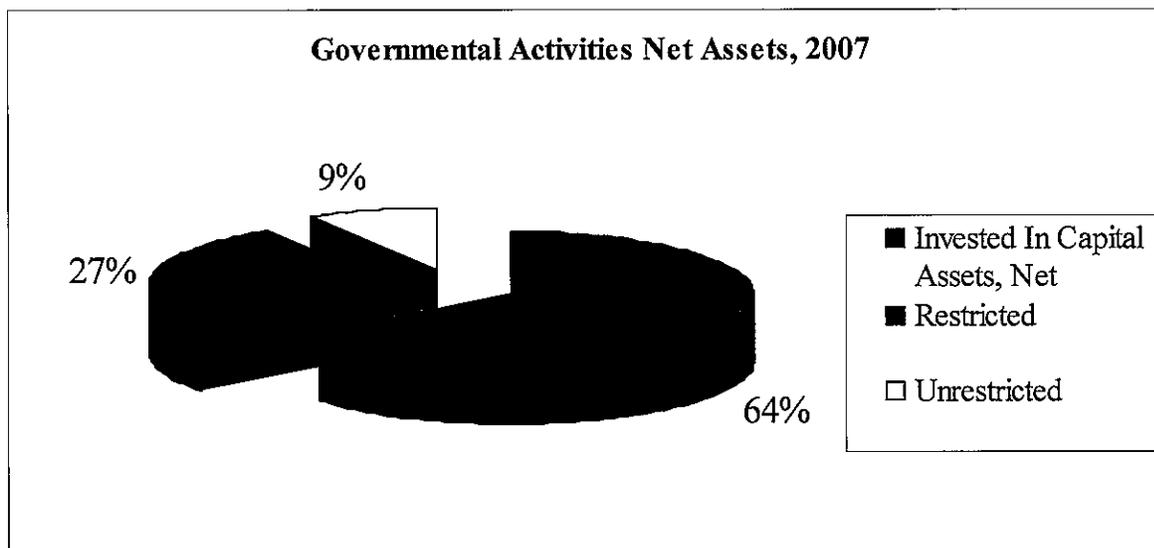
Accrued interest payable increased due to higher interest rates and higher outstanding principal amounts of note issues. During 2007, the \$7,999,000 Special Assessment Street Improvements Note was reissued with capitalized interest in the amount of \$8,298,230; the City's \$1,970,000 Real Estate Acquisition Bond Anticipation Note was renewed for \$2,052,000 which included capitalized interest; the \$1,225,100 Brandt Pike Phase VI Special Assessment Note with capitalized interest was replaced with a Special Assessment Bond of \$1,270,000; the \$1,088,200 Sewer Construction Note with capitalized interest was replaced with a General Obligation Bond of \$1,065,000; and the City issued a Public Access Easement Acquisition Note for \$2,008,300.



Current and other assets for business-type activities increased by \$2.7 million as a direct result of efficient operations which resulted in operating income of \$3.56 million.

Net assets of the City's governmental activities increased \$4,928,542 due to the increase in the income tax collections, the addition of the tax increment financing districts, and the issuance of the unspent note proceeds late in December.

Restricted net assets are subject to external restrictions as to their use. This category increased \$5,471,835 from \$25,252,606 at December 31, 2006, to \$30,724,441 at December 31, 2007. This increase in restricted net assets was due primarily to increases in income taxes collections designated for public safety and an increase in due from other governments for a pending grant reimbursement on capital projects.



The net assets of the City's business-type activities increased \$5,563,216 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 \$1,634,595. The component, "invested in capital assets, net of related debt," increased \$3,928,621 from \$25,740,874 at December 31, 2006, to \$29,669,495 at December 31, 2007. Generally, this means capital asset additions and bond principal repayments were more than depreciation expense and net book value of disposals.

The following financial ratios may be used to assess the financial stability of the City over an extended period of time:

"Liabilities to Net Assets" indicates the extent of borrowing.

<u>Liabilities to Net Assets</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Entity-Wide Summary	39.76%	37.06%	41.22%	38.63%	36.61%
Governmental	35.57%	32.22%	30.55%	31.20%	31.26%
Business-Type	52.55%	50.61%	66.55%	54.66%	47.48%

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

<u>Capital Asset Change</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Entity-Wide Summary	3.38%	0.94%	3.06%	4.25%	1.21%
Governmental	1.54%	(1.45%)	(2.04%)	0.09%	(0.44%)
Business-Type	9.93%	8.80%	18.25%	14.51%	4.75%

Table 2 shows the changes in net assets for the years ended December 31, 2007 and December 31, 2006.

Table 2
Changes in Net Assets

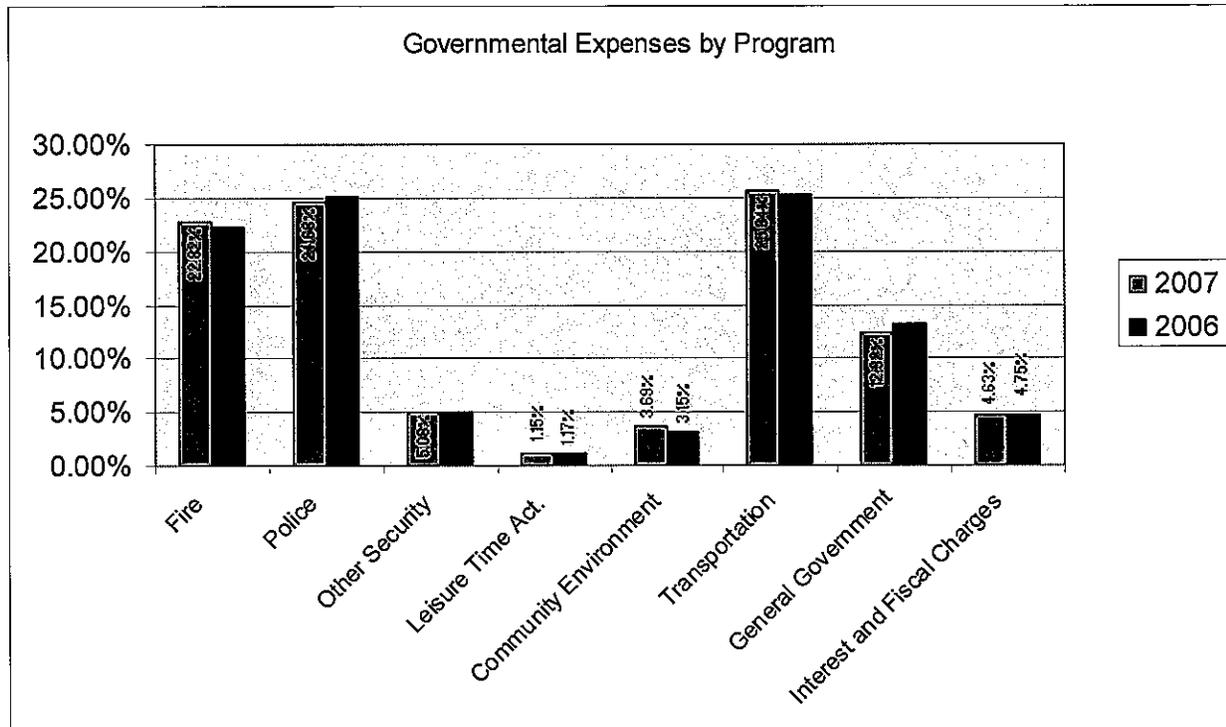
	Governmental Activities		Business-Type Activities	
	2007	2006	2007	2006
Revenues				
Program Revenues:				
Charges for Services	\$2,066,539	\$2,348,302	\$9,105,907	\$9,706,897
Operating Grants, Contributions and Interest	2,436,414	1,856,400	0	0
Capital Grants, Contributions and Interest	3,084,457	1,400,487	2,908,631	1,714,450
Total Program Revenues	<u>7,587,410</u>	<u>5,605,189</u>	<u>12,014,538</u>	<u>11,421,347</u>
General Revenues:				
Property and Other Taxes	4,233,738	4,070,458	0	0
Payments in Lieu of Taxes	1,436,504	0	0	0
Income Taxes	14,696,256	14,392,061	0	0
Grants and Entitlements	1,100,180	1,435,321	0	0
Unrestricted Investment Earnings	1,437,877	1,001,068	919,217	702,823
Miscellaneous	378,754	202,671	5,825	17,139
Total General Revenues	<u>23,283,309</u>	<u>21,101,579</u>	<u>925,042</u>	<u>719,962</u>
Total Revenues	<u>30,870,719</u>	<u>26,706,768</u>	<u>12,939,580</u>	<u>12,141,309</u>
Program Expenses:				
Security of Persons and Property				
Fire	5,972,106	5,471,252	0	0
Police	6,457,403	6,149,214	0	0
Other	1,328,469	1,248,539	0	0
Leisure Time Activities	301,582	288,143	0	0
Community Environment	964,372	773,937	0	0
Transportation	6,708,347	6,195,345	0	0
General Government	3,224,162	3,243,868	0	0
Interest and Fiscal Charges	1,210,321	1,165,096	0	0
Sewer	0	0	2,998,164	2,788,546
Water	0	0	3,706,749	3,285,584
Stormwater	0	0	446,866	416,140
Total Expenses	<u>26,166,762</u>	<u>24,535,394</u>	<u>7,151,779</u>	<u>6,490,270</u>
Excess Before Transfers	4,703,957	2,171,374	5,787,801	5,651,039
Transfers	224,585	98,410	(224,585)	(98,410)
Increase in Net Assets	4,928,542	2,269,784	5,563,216	5,552,629
Net Assets Beginning of Year	108,647,541	106,377,757	50,356,715	44,804,086
Net Assets End of Year	<u>\$113,576,083</u>	<u>\$108,647,541</u>	<u>\$55,919,931</u>	<u>\$50,356,715</u>

(Continued)

	Total	
	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$11,172,446	\$12,055,199
Operating Grants, Contributions and Interest	2,436,414	1,856,400
Capital Grants, Contributions and Interest	<u>5,993,088</u>	<u>3,114,937</u>
Total Program Revenues	<u>19,601,948</u>	<u>17,026,536</u>
General Revenues:		
Property and Other Taxes	4,233,738	4,070,458
Payments in Lieu of Taxes	1,436,504	
Income Taxes	14,696,256	14,392,061
Grants and Entitlements	1,100,180	1,435,321
Unrestricted Investment Earnings	2,357,094	1,703,891
Miscellaneous	<u>384,579</u>	<u>219,810</u>
Total General Revenues	<u>24,208,351</u>	<u>21,821,541</u>
Total Revenues	<u>43,810,299</u>	<u>38,848,077</u>
Program Expenses:		
Security of Persons and Property		
Fire	5,972,106	5,471,252
Police	6,457,403	6,149,214
Other	1,328,469	1,248,539
Leisure Time Activities	301,582	288,143
Community Environment	964,372	773,937
Transportation	6,708,347	6,195,345
General Government	3,224,162	3,243,868
Interest and Fiscal Charges	1,210,321	1,165,096
Sewer	2,998,164	2,788,546
Water	3,706,749	3,285,584
Stormwater	<u>446,866</u>	<u>416,140</u>
Total Expenses	<u>33,318,541</u>	<u>31,025,664</u>
Excess (Deficiency) Before Transfers	10,491,758	7,822,413
Transfers	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	10,491,758	7,822,413
Net Assets Beginning of Year	<u>159,004,256</u>	<u>151,181,843</u>
Net Assets End of Year	<u>\$169,496,014</u>	<u>\$159,004,256</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:

	Year Ended December 31, 2007			Year Ended December 31, 2006		
	Expense	Program Revenue	Net Program Cost	Expense	Program Revenue	Net Program Cost
Security of Persons and Property						
Fire	\$5,972,106	\$1,051,800	(\$4,920,306)	\$5,471,252	\$1,118,496	(\$4,352,756)
Police	6,457,403	704,363	(5,753,040)	6,149,214	591,384	(5,557,830)
Other	1,328,469	441,911	(886,558)	1,248,539	388,604	(859,935)
Leisure Time Activities						
Leisure Time Activities	301,582	2,516	(299,066)	288,143	298,255	10,112
Community Environment						
Community Environment	964,372	235,924	(728,448)	773,937	180,027	(593,910)
Transportation						
Transportation	6,708,347	4,991,719	(1,716,628)	6,195,345	2,822,209	(3,373,136)
General Government						
General Government	3,224,162	159,177	(3,064,985)	3,243,868	206,214	(3,037,654)
Interest and Fiscal Charges						
Interest and Fiscal Charges	1,210,321	0	(1,210,321)	1,165,096	0	(1,165,096)
Total Governmental Activities	<u>\$26,166,762</u>	<u>\$7,587,410</u>	<u>(\$18,579,352)</u>	<u>\$24,535,394</u>	<u>\$5,605,189</u>	<u>(\$18,930,205)</u>

Overall, the net program cost of governmental activities decreased by \$350,853 or 1.85%. Public safety's net program cost (security of persons and property) increased by \$789,383 over 2006 or 7.3%, due mainly to annual increases in personnel cost, building maintenance, and increased fuel costs. The additional 0.30% income tax levy effective January 1, 2006, is helping to alleviate this increased net program cost.

Leisure time activities' net program cost decreased by \$309,178 mostly due to the change in program revenue. In 2006, the YMCA made a one-time payment to the City of \$297,000. Increased costs of park maintenance and the 3% annual increase in the pool operations contract paid to the YMCA also contributed to the change. The City also pays the YMCA \$150,000 each year for parks and recreation programming. The City no longer receives the activities receipts from these operations.

Community environment's net program cost increased \$134,538 or 22.65%. The hiring of persons for positions that were vacant for most of 2006 along with the hiring of a second full time inspector contributed to the increase.

Transportation's net program cost decreased by \$1,656,508 or 49.1% due mainly to capital contributions from developers and special assessments revenue decreasing more quickly than expenditures.

The program revenue for operating grants, contributions and interest, including shared revenues, increased mainly due to increased revenue sharing for drug investigations, motor vehicle license tax, cents per gallon, and gasoline tax receipts. Capital grants, contributions and interest increased in 2007 due to developer donated infrastructure and grant reimbursement for traffic signal improvements.

The general revenue property and other taxes increased by \$27,331 (4.0%) 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 continued tax compliance programs by the Tax Division and a general increase in taxes due. 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.

Payments in lieu of taxes was a new general revenue source in 2007. The revenue resulted from the implementation of the tax increment financing districts. The implementation of the districts replaces real property taxes on new construction and improvements to existing properties. With these districts, the City will collect revenues that would have been distributed to the school district and the county in the form of real estate taxes.

The general revenue grants and entitlements decreased mainly due to reduced estate taxes levied by the State. Investment earnings were higher due to the continued investment strategy to keep the maximum possible invested and an increase in interest rates.

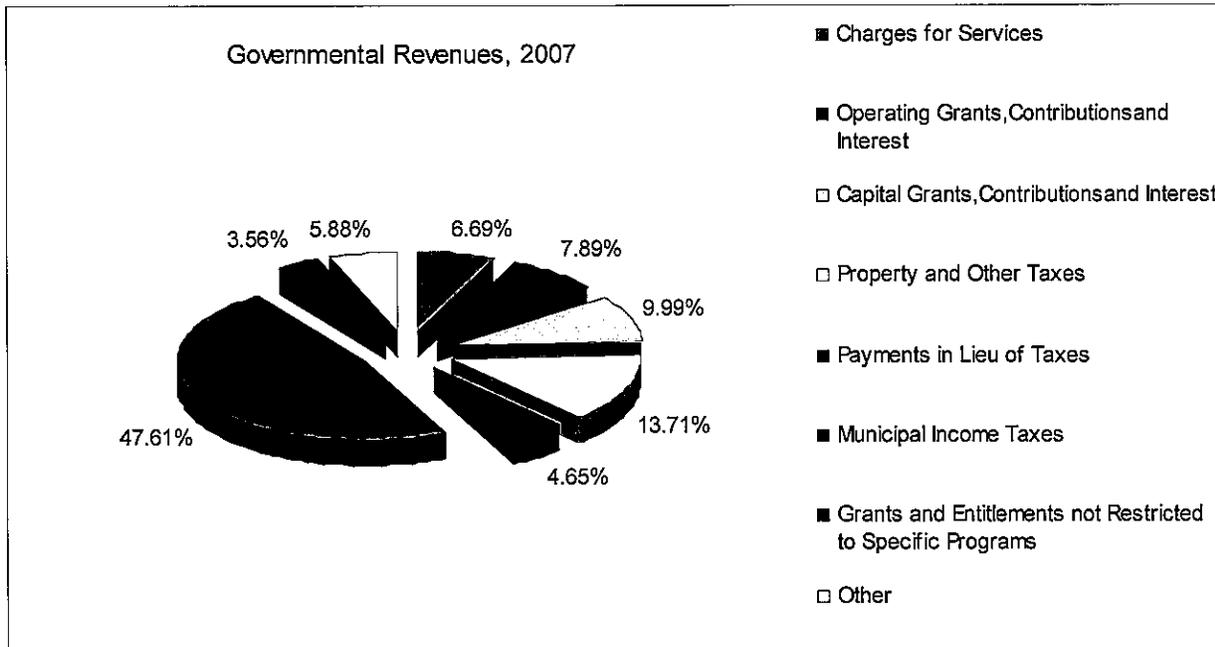
Program expenses increased \$1,631,368 or 6.65% of which the security of persons and property accounted for 54.5% and transportation accounted for 31.4%. In addition, City Council funded fewer special projects not anticipated in the original budget, resulting in fewer supplemental appropriations throughout the year. Increased fuel costs contribute to the added expenditures of these programs as these programs operate a significant vehicle fleet.

For business-type activities, 2007 program revenues for the Sewer fund increased \$593,191. The Sewer fund showed a decrease while the Water and Stormwater funds showed increases. The Sewer fund decrease was due to the decrease in the City's share of the joint venture. There were no rate increases in 2007. Capital contribution for developer constructed water and sewer lines nearly doubled over 2006. 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 2007. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

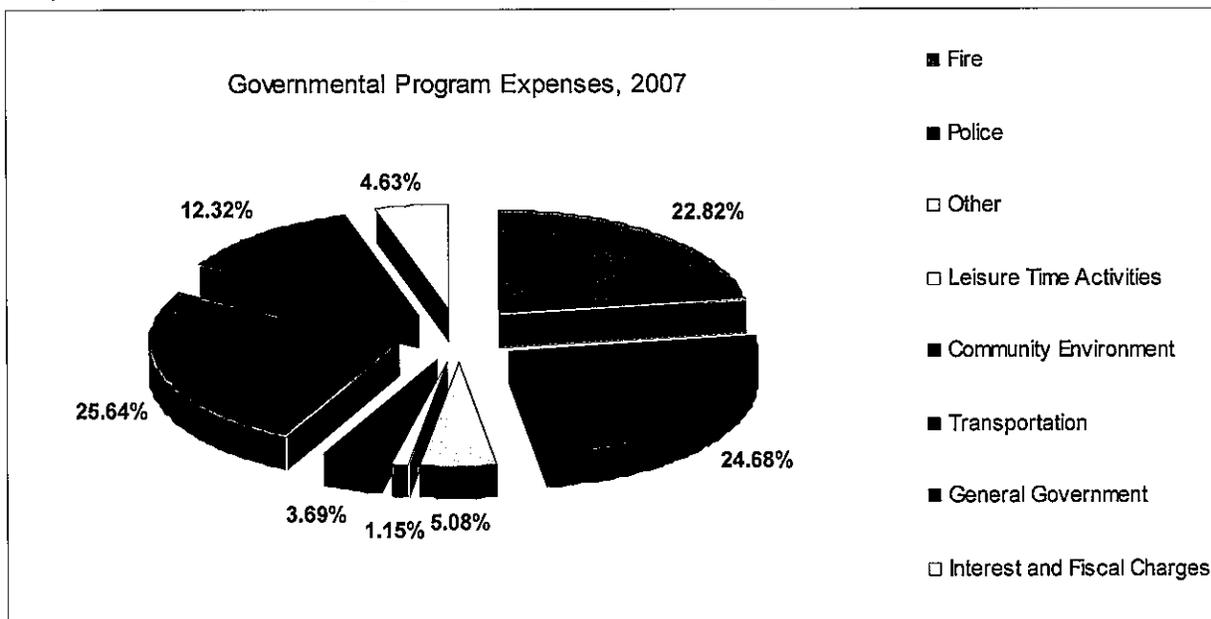
Governmental Activities

For 2007, 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 due to rate increases and new development. For 2007, municipal income tax general revenue increased 2.11% over 2006.



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 \$6.5 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 78% 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 increased \$1,982,221 as a result of a increase in operating grants and capital contributions. Program expenses for 2007 increased 1,631,368. General revenues increased by \$2,181,730 due to the implementation of tax increment financing districts and an increase in investment earnings, which was offset by an similar decrease in unrestricted grants and entitlements. No general revenues were used to support the business-type activities of the City as in the past.

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. Currently, there are no plans for any rate increases, however, the City is initiating a new rate study to ensure that it can maintain operations and planned capital improvements.

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 \$27.77 million and expenditures of \$25.2 million. The net change in fund balance for the General Fund increased by \$1,457,985. 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, and court facility). Within the General Fund, income tax revenue increased \$443,464 and interest revenue increased \$188,995. Revenues exceeded expenditures by \$7.47 million. Transfers to other funds such as the Capital Improvement funds, Debt Service funds, and Special Revenue

funds totaled \$6,060,000. 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 \$404,175. Fund balance at December 31, 2007, was \$1,959,547. The net change in fund balance for the Police Fund increased \$278,190. Fund balance at December 31, 2007, was \$3,081,871. These increases were directly related to the operating transfers provided by the General fund.

The net change in fund balance for the Special Assessment Bond Retirement Fund was a decrease of \$63,610, with fund balance at year-end of \$378,589. 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 an increase of \$430,411. This was due to the operating transfer from the General fund. The fund balance at December 31, 2007, was (\$2,130,826), reflecting \$2,052,000 note 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 2007, like previous years, is a balanced budget, meaning only 2007 revenues are expected to be spent in 2007, along with any carryover from 2006. 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 incomes for 2007. 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 provided 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 \$1,519,214, reflecting a reduction in cash payments to suppliers for goods and services during 2007, offset by an increase in payments for employee services and benefits and the acquisition of capital assets.

The Water fund's statement of cash flows has a net cash increase of \$1,015,829 primarily due to the reflecting significant decreases in cash payments to suppliers of goods and services and acquisition of capital assets.

The Stormwater fund's statement of cash flows has a net cash increase of \$111,316, reflecting a reduction in cash payments to suppliers for goods and services, principal and interest, and the proceeds from capital grants.

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 2007, there were eight revisions to the General fund budget. The net effect of the revisions was an increase in the appropriations of \$420,255, 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 within the broad categories of personal services and other expenditures with the approval of the City Manager, as long as the total does not exceed the total current budget appropriation. All other changes require Council approval.

Original General fund budgeted revenues including other financing sources were \$10,509,036. The final budgeted amount including other financing sources was \$12,004,555. 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 2007 the City received just over under \$66,000 down from \$215,000 in 2006. Charges for services increased due to an increase in emergency medical service fees due to an aggressive collection policy for non-residents. Interest revenue increased due to higher investment balances. Advances In decreased due to fewer than anticipated returns from other funds during 2007.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

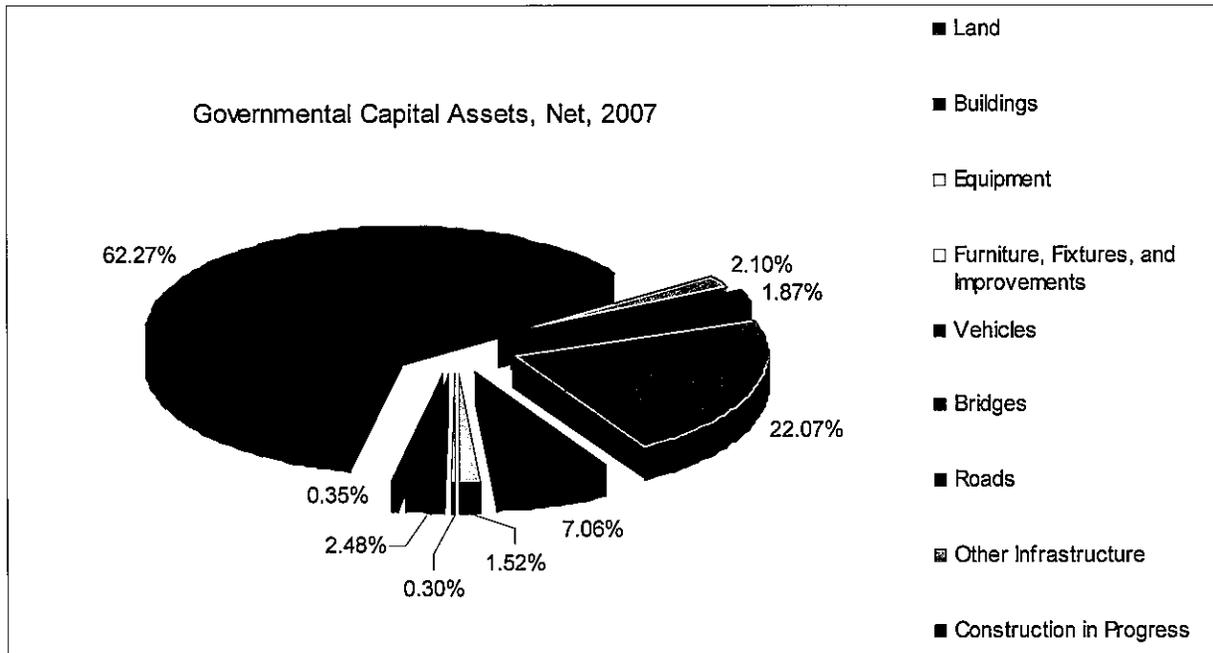
Table 3
Capital Assets

	Governmental Activities		Business-Type Activities	
	2007	2006	2007	2006
Land	\$22,006,371	\$21,840,720	\$487,577	\$457,877
Buildings	7,036,664	7,235,632	12,814,985	4,044,526
Equipment	1,511,371	1,421,485	310,282	274,697
Furniture, Fixtures, and Improvements	300,013	297,082	0	0
Vehicles	2,468,423	1,452,468	5,941	9,901
Infrastructure				
Bridges	347,127	362,381	0	0
Roads	62,097,073	61,213,264	0	0
Other	2,095,526	2,277,896	0	0
Sewer Lines	0	0	13,044,126	12,181,558
Water Lines	0	0	12,005,735	11,270,736
Stormwater	0	0	9,761,926	8,982,424
Construction in Progress	1,860,565	4,058,921	193,391	9,196,981
Total	\$99,723,133	\$100,159,849	\$48,623,963	\$46,418,700

(Continued)

	Total	
	2007	2006
Land	\$22,493,948	\$22,298,597
Buildings	19,851,649	11,280,158
Equipment	1,821,653	1,696,182
Furniture, Fixtures, and Improvements	300,013	297,082
Vehicles	2,474,364	1,462,369
Infrastructure		
Bridges	347,127	362,381
Roads	62,097,073	61,213,264
Other	2,095,526	2,277,896
Sewer Lines	13,044,126	12,181,558
Water Lines	12,005,735	11,270,736
Stormwater	9,761,926	8,982,424
Construction in Progress	2,053,956	13,255,902
Total	\$148,347,096	\$146,578,549

See Note 8 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 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.

2007 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 \$147,383.

2007 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 2007 of approximately \$1.3 million. These street improvements were made on 29 streets throughout the City, including Fishburg Road, Harshmanville Road, Merrily Way, Powell Road, Shull 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.

Traffic Signal Preemption Grant – This project provided for the preemption of traffic signal by emergency response vehicles to improve safety to the citizens. The project was funded with a Firefighter Assistance Grant of 277,724 and required a 10% City match.

Business-Type Activities

Stormwater Management Program – This project stabilized the South Branch of Henry Creek, the upper section of Six Mile Creek, and Wildcat Run South of Interstate 70 at a total project cost of \$251,200.

Rip Rap Road Wastewater Treatment Plant Upgrade – This ongoing project provided for the construction of the plant expansion taking capacity from 1.44 million gallons per day to 7 million gallons per day. The project was completed in 2007 at a final cost of \$9,136,397.

Debt

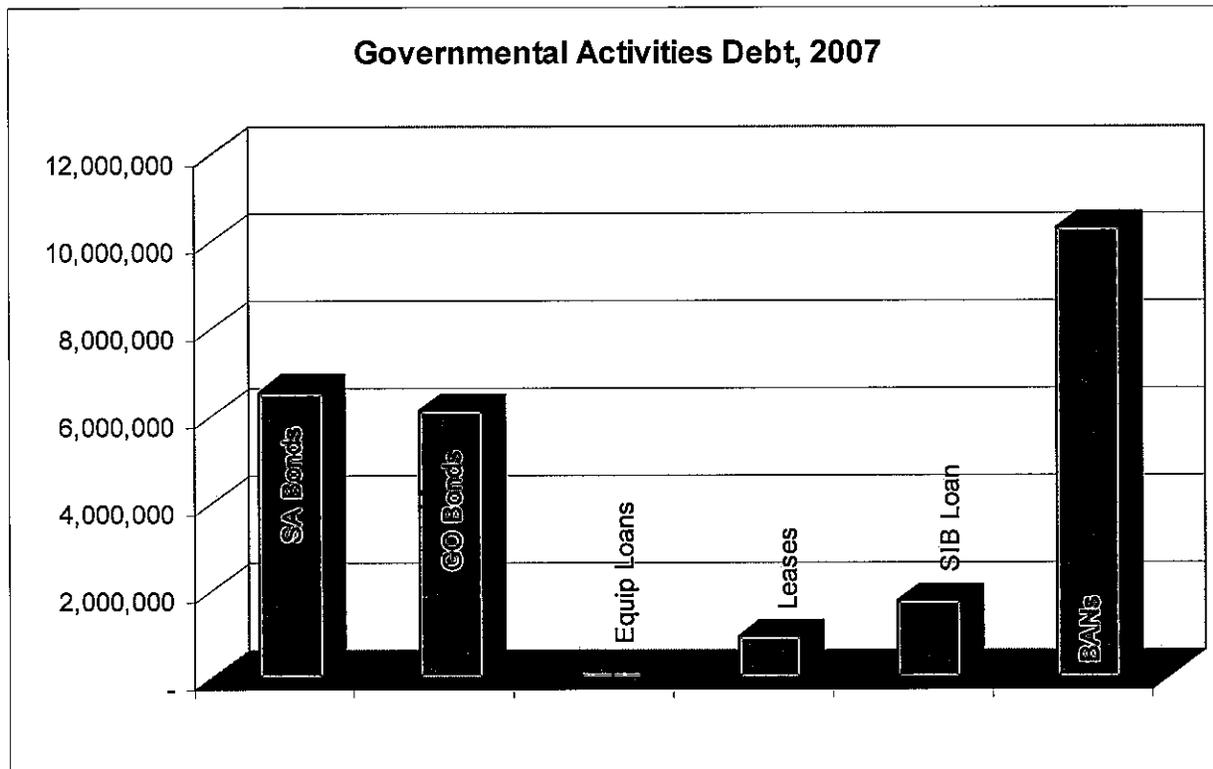
At December 31, 2007, the City of Huber Heights had \$51,641,728 in debt outstanding.

Table 4
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities	
	2007	2006	2007	2006
Special Assessment Bonds	\$6,565,000	\$5,730,000	\$0	\$0
General Obligation Bonds	6,137,336	5,950,260	0	0
Equipment/Vehicle Loans	127,360	215,916	5,740	19,902
Vehicle Leases	940,845	1,042,498	0	0
State Infrastructure Loan	1,760,034	1,323,916	0	0
Notes Payable	10,306,530	7,999,000	0	0
Revenue Bonds Payable	0	0	22,365,695	22,966,479
OWDA Loan Payable	0	0	3,433,188	3,793,284
Total	\$25,837,105	\$22,261,590	\$25,804,623	\$26,779,665

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 2008. 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 2007, the 5½% unvoted debt limitation was \$38,577,983, and \$8,182,279 of City debt was within this limitation. Therefore, there remained \$30,395,704 of debt-issuing capacity available to the City under this limitation. The 10 ½% total indebtedness limitation was \$73,648,877, and \$8,897,279 of City debt was within this limitation. Therefore, there remained \$64,751,598 of debt-issuing capacity available to the City under this limitation. See Note 14 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 Jeanne Renick, Accounting Administrator, 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, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$23,241,666	\$15,041,242	\$38,282,908
Cash and Cash Equivalents with Fiscal Agents	0	1,914,373	1,914,373
Accrued Interest Receivable	184,460	93,757	278,217
Accounts Receivable, Net	538,713	1,101,318	1,640,031
Municipal Income Taxes Receivable, Net	3,259,888	0	3,259,888
Due from Other Governments	2,394,929	0	2,394,929
Property and Other Taxes Receivable	3,549,216	0	3,549,216
Payments in Lieu of Taxes Receivable	661,590	0	661,590
Prepaid Items	69,591	15,276	84,867
Supplies Inventory	330,790	4,237	335,027
Equity in Pooled Cash and Cash Equivalents-Unspent Note Proceeds	2,595,537	2,095,897	4,691,434
Deferred Charges	60,305	241,123	301,428
Special Assessments Receivable	12,467,822	22,391	12,490,213
Nondepreciable Capital Assets	23,866,936	680,968	24,547,904
Depreciable Capital Assets, Net	75,856,197	47,942,995	123,799,192
Investment in Joint Venture	0	13,314,521	13,314,521
Total Assets	149,077,640	82,468,098	231,545,738
Liabilities			
Accounts Payable	1,161,274	61,603	1,222,877
Contracts Payable	118,293	224,271	342,564
Accrued Salaries Payable	264,779	8,300	273,079
Matured Compensated Absences Payable	27,992	0	27,992
Due to Other Governments	1,042,565	286,681	1,329,246
Accrued Interest Payable	397,107	120,454	517,561
Contracts Payable Retainage	107,190	8,103	115,293
Notes Payable	2,052,000	0	2,052,000
Arbitrage Payable	0	24,449	24,449
Deferred Revenue	3,177,779	0	3,177,779
Long-Term Liabilities:			
Due Within One Year	2,383,387	1,451,016	3,834,403
Due in More Than One Year	24,769,191	24,363,290	49,132,481
Total Liabilities	35,501,557	26,548,167	62,049,724
Net Assets			
Invested in Capital Assets, Net of Related Debt	72,199,773	29,669,495	101,869,268
Restricted for:			
Security of Persons and Property	5,817,840	0	5,817,840
Leisure Time Activities	76,994	0	76,994
Transportation	4,735,229	0	4,735,229
Debt Service	14,366,427	0	14,366,427
Capital Improvements	5,727,951	0	5,727,951
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Unrestricted	10,651,869	25,050,436	35,702,305
Total Net Assets	\$113,576,083	\$55,919,931	\$169,496,014

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
Security of Persons and Property:				
Fire	\$5,972,106	\$897,903	\$153,897	\$0
Police	6,457,403	116,690	501,182	86,491
Other	1,328,469	441,911	0	0
Leisure Time Activities	301,582	2,516	0	0
Community Environment	964,372	230,834	0	5,090
Transportation	6,708,347	217,508	1,781,335	2,992,876
General Government	3,224,162	159,177	0	0
Interest and Fiscal Charges	1,210,321	0	0	0
<i>Total Governmental Activities</i>	<u>26,166,762</u>	<u>2,066,539</u>	<u>2,436,414</u>	<u>3,084,457</u>
Business-Type Activities				
Sewer	2,998,164	3,876,270	0	1,122,506
Water	3,706,749	4,679,429	0	1,038,911
Stormwater	446,866	550,208	0	747,214
<i>Total Business-Type Activities</i>	<u>7,151,779</u>	<u>9,105,907</u>	<u>0</u>	<u>2,908,631</u>
<i>Total Activities</i>	<u>\$33,318,541</u>	<u>\$11,172,446</u>	<u>\$2,436,414</u>	<u>\$5,993,088</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 Operations				
Police Operations				
Local Street Operating				
Local Street Capital Improvement				
Fire Capital Equipment				
Payments in Lieu of Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Unrestricted Investment Earnings				
Miscellaneous				
Transfers				
<i>Total General Revenues and Transfers</i>				
Change in Net Assets				
<i>Net Assets Beginning of Year</i>				
<i>Net Assets End of Year</i>				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$4,920,306)	\$0	(\$4,920,306)
(5,753,040)	0	(5,753,040)
(886,558)	0	(886,558)
(299,066)	0	(299,066)
(728,448)	0	(728,448)
(1,716,628)	0	(1,716,628)
(3,064,985)	0	(3,064,985)
(1,210,321)	0	(1,210,321)
<u>(18,579,352)</u>	<u>0</u>	<u>(18,579,352)</u>
0	2,000,612	2,000,612
0	2,011,591	2,011,591
0	850,556	850,556
<u>0</u>	<u>4,862,759</u>	<u>4,862,759</u>
<u>(18,579,352)</u>	<u>4,862,759</u>	<u>(13,716,593)</u>
1,415,264	0	1,415,264
1,093,238	0	1,093,238
1,311,813	0	1,311,813
242,875	0	242,875
170,548	0	170,548
6,883,155	0	6,883,155
468,577	0	468,577
3,701,293	0	3,701,293
1,637,475	0	1,637,475
1,308,244	0	1,308,244
697,512	0	697,512
1,436,504		1,436,504
1,100,180	0	1,100,180
1,437,877	919,217	2,357,094
378,754	5,825	384,579
224,585	(224,585)	0
<u>23,507,894</u>	<u>700,457</u>	<u>24,208,351</u>
4,928,542	5,563,216	10,491,758
<u>108,647,541</u>	<u>50,356,715</u>	<u>159,004,256</u>
<u>\$113,576,083</u>	<u>\$55,919,931</u>	<u>\$169,496,014</u>

City of Huber Heights, Ohio
Balance Sheet
Governmental Funds
December 31, 2007

	General	Fire	Police
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,806,095	\$2,435,741	\$3,365,438
Receivables:			
Property and Other Taxes	1,092,639	1,005,363	1,200,332
Municipal Income Taxes, Net	1,554,272	88,215	799,067
Payments in Lieu of Taxes Receivable	0	0	0
Accounts, Net	324,919	0	89
Special Assessments	0	0	0
Accrued Interest	184,460	0	0
Due from Other Governments	509,678	82,728	129,366
Prepaid Items	57,602	4,500	5,685
Supplies Inventory	56,417	23,781	60,545
Interfund Receivable	2,166,400	0	0
<i>Total Assets</i>	<u>\$11,752,482</u>	<u>\$3,640,328</u>	<u>\$5,560,522</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$394,713	\$83,275	\$241,607
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Accrued Salaries Payable	52,765	91,617	97,964
Due to Other Governments	231,249	374,079	368,746
Interfund Payable	0	0	0
Deferred Revenue	2,789,576	1,107,363	1,766,789
Matured Compensated Absences Payable	0	24,447	3,545
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>3,468,303</u>	<u>1,680,781</u>	<u>2,478,651</u>
Fund Balances			
Reserved for Encumbrances	544,622	37,057	141,316
Reserved for Supplies Inventory	56,417	23,781	60,545
Reserved for Long-Term Interfund Loans	201,000	0	0
Reserved for Unclaimed Monies	6,229	0	0
Unreserved:			
Undesignated, Reported in:			
General Fund	7,475,911	0	0
Special Revenue Funds	0	1,898,709	2,880,010
Debt Service Funds	0	0	0
Capital Projects Funds (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>8,284,179</u>	<u>1,959,547</u>	<u>3,081,871</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,752,482</u>	<u>\$3,640,328</u>	<u>\$5,560,522</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$378,589	\$1,669,277	\$12,182,063	\$25,837,203
0	0	250,882	3,549,216
0	0	818,334	3,259,888
0	0	661,590	661,590
0	200,000	13,705	538,713
11,464,085	407,021	596,716	12,467,822
0	0	0	184,460
0	720,566	952,591	2,394,929
0	0	1,804	69,591
0	0	190,047	330,790
0	0	0	2,166,400
<u>\$11,842,674</u>	<u>\$2,996,864</u>	<u>\$15,667,732</u>	<u>\$51,460,602</u>
\$0	\$0	\$441,679	\$1,161,274
0	26,939	91,354	118,293
0	89,222	17,968	107,190
0	334	22,099	264,779
0	0	68,491	1,042,565
0	1,600,600	565,800	2,166,400
11,464,085	1,327,587	2,811,377	21,266,777
0	0	0	27,992
0	31,008	0	31,008
0	2,052,000	0	2,052,000
<u>11,464,085</u>	<u>5,127,690</u>	<u>4,018,768</u>	<u>28,238,278</u>
0	236,671	417,097	1,376,763
0	0	190,047	330,790
0	0	0	201,000
0	0	0	6,229
0	0	0	7,475,911
0	0	4,820,425	9,599,144
378,589	0	1,061,793	1,440,382
0	(2,367,497)	5,159,602	2,792,105
<u>378,589</u>	<u>(2,130,826)</u>	<u>11,648,964</u>	<u>23,222,324</u>
<u>\$11,842,674</u>	<u>\$2,996,864</u>	<u>\$15,667,732</u>	<u>\$51,460,602</u>

City of Huber Heights, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2007*

Total Governmental Fund Balances	\$23,222,324
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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	99,723,133	
Deferred Charges	<u>60,305</u>	
		99,783,438

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

Municipal Income Taxes	1,920,955	
Property and Other Taxes	364,778	
Payments in Lieu of Taxes	661,590	
Intergovernmental	2,041,836	
Special Assessments	12,467,822	
Charges for Services	316,050	
Other	213,862	
Accrued Interest	<u>102,105</u>	
		18,088,998

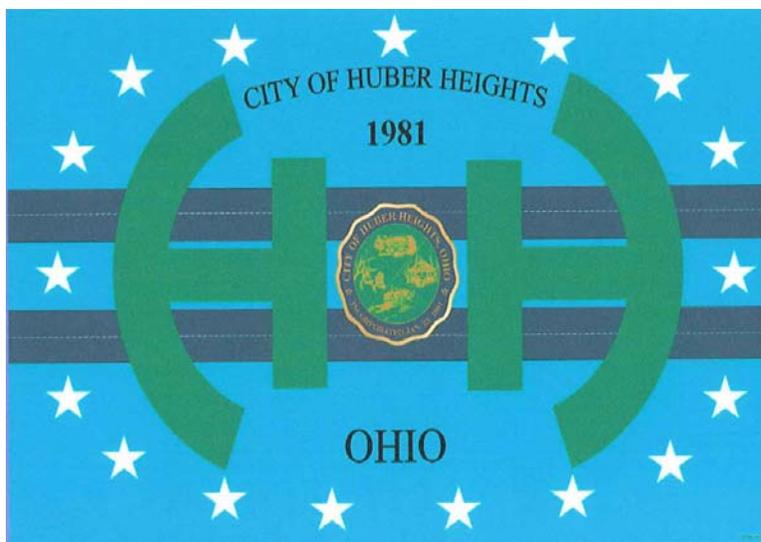
Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued Interest	(366,099)	
Premiums on Refunding Bonds	(4,676)	
Accounting Loss on Various Purpose Bonds	17,340	
General Obligation Bonds	(6,150,000)	
Special Assessment Bonds	(6,565,000)	
Notes Payable	(10,306,530)	
Equipment/Vehicle/Infrastructure Loans	(2,828,239)	
Compensated Absences	<u>(1,315,473)</u>	
		<u>(27,518,677)</u>

<i>Net Assets of Governmental Activities</i>	<u><u>\$113,576,083</u></u>
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See accompanying notes to the basic financial statements

City of Huber Heights, OH



City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Fire	Police
Revenues			
Municipal Income Taxes	\$7,089,287	\$476,245	\$3,802,277
Property and Other Taxes	1,416,356	1,084,991	1,301,241
Payments in Lieu of Taxes	0	0	0
Intergovernmental	1,316,046	142,037	184,260
Special Assessments	0	0	0
Charges for Services	920,561	4,899	113,649
Fines, Licenses and Permits	187,608	0	0
Interest	1,008,128	0	0
Rent	31,664	1,644	0
Net Increase in Fair Value of Investments	314,169	0	0
Other	71,721	4,966	50,665
<i>Total Revenues</i>	<u>12,355,540</u>	<u>1,714,782</u>	<u>5,452,092</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire	0	5,620,553	0
Police	0	0	6,113,908
Other	858,334	0	0
Leisure Time Activities	0	0	0
Community Environment	884,252	0	0
Transportation	0	0	0
General Government	2,852,374	0	0
Capital Outlay	275,394	38,629	263,596
Debt Service:			
Principal Retirement	9,715	59,901	10,180
Issuance Costs	0	0	0
Interest and Fiscal Charges	1,148	819	1,204
<i>Total Expenditures</i>	<u>4,881,217</u>	<u>5,719,902</u>	<u>6,388,888</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,474,323</u>	<u>(4,005,120)</u>	<u>(936,796)</u>
Other Financing Sources (Uses)			
Issuance of Bond Anticipation Notes	0	0	0
Issuance of State Infrastructure Bank Loan	0	0	0
Issuance of General Obligation Bonds	0	0	0
Issuance of Special Assessment Bonds	0	0	0
Proceeds from Sale of Capital Assets	2,858	9,295	14,986
Current Refunding	0	0	0
Transfers In	40,804	4,400,000	1,200,000
Transfers Out	(6,060,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,016,338)</u>	<u>4,409,295</u>	<u>1,214,986</u>
<i>Net Change in Fund Balances</i>	1,457,985	404,175	278,190
<i>Fund Balances (Deficit) Beginning of Year</i>	6,816,933	1,549,142	2,789,895
Increase in Reserve for Inventory	9,261	6,230	13,786
<i>Fund Balances (Deficit) End of Year</i>	<u>\$8,284,179</u>	<u>\$1,959,547</u>	<u>\$3,081,871</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$3,751,729	\$15,119,538
0	0	397,536	4,200,124
0	0	774,914	774,914
0	85,171	2,093,665	3,821,179
286,323	119,602	429,088	835,013
0	0	2,516	1,041,625
0	0	0	187,608
1,979	334	81,494	1,091,935
0	0	135,936	169,244
0	0	0	314,169
16,712	60,511	7,225	211,800
<u>305,014</u>	<u>265,618</u>	<u>7,674,103</u>	<u>27,767,149</u>
0	0	11,867	5,632,420
0	0	2,061	6,115,969
0	0	353,047	1,211,381
0	0	244,627	244,627
0	0	0	884,252
0	0	1,416,004	1,416,004
11,805	14,484	103,539	2,982,202
0	1,396,730	2,015,903	3,990,252
435,000	0	990,413	1,505,209
15,192	0	17,611	32,803
<u>685,550</u>	<u>113,875</u>	<u>384,764</u>	<u>1,187,360</u>
<u>1,147,547</u>	<u>1,525,089</u>	<u>5,539,836</u>	<u>25,202,479</u>
<u>(842,533)</u>	<u>(1,259,471)</u>	<u>2,134,267</u>	<u>2,564,670</u>
8,298,230	0	2,008,300	10,306,530
0	436,118	0	436,118
0	0	1,065,000	1,065,000
1,270,000	0	0	1,270,000
0	0	100,000	127,139
(7,999,000)	0	0	(7,999,000)
475,000	1,319,527	2,412,601	9,847,932
<u>(1,265,307)</u>	<u>(65,763)</u>	<u>(2,335,145)</u>	<u>(9,726,215)</u>
<u>778,923</u>	<u>1,689,882</u>	<u>3,250,756</u>	<u>5,327,504</u>
(63,610)	430,411	5,385,023	7,892,174
442,199	(2,561,237)	6,249,928	15,286,860
0	0	14,013	43,290
<u>\$378,589</u>	<u>(\$2,130,826)</u>	<u>\$11,648,964</u>	<u>\$23,222,324</u>

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, 2007*

Net Change in Fund Balances - Total Governmental Funds		\$7,892,174
<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	\$3,373,071	
Capital Contributions	2,261,790	
Depreciation	<u>(5,850,307)</u>	
Excess of Capital Outlay over Depreciation Expense		(215,446)
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	(174,047)	
Loss on Assets Sold	<u>(47,223)</u>	
		(221,270)
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	880,000	
Special Assessment Bond Principal Payments	435,000	
Long-Term Notes Principal Payments	7,999,000	
Capital Lease Principal Payments	101,653	
Equipment/Vehicle Loan Principal Payments	<u>88,556</u>	
		9,504,209
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	(423,282)	
Property and Other Taxes	33,614	
Payment in Lieu of Taxes	661,590	
Intergovernmental	620,587	
Special Assessments	(175,594)	
Interest	31,773	
Charges for Services	8,643	
Other	<u>213,862</u>	
		971,193
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.		
		43,290
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.		
		(13,077,648)
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)	
Bond Issuance Cost (Deferred Charges)	32,803	
Amortization of Bond Issuance Costs (Deferred Charges)	(4,970)	
Net Increase in Accrued Interest	<u>(15,915)</u>	
		9,842
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.		
Decrease in Compensated Absences	<u>22,198</u>	
		<u>22,198</u>
Change in Net Assets of Governmental Activities		<u>\$4,928,542</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$5,858,106	\$7,159,792	\$7,159,792	\$0
Property and Other Local Taxes	998,978	1,416,964	1,416,964	0
Intergovernmental	1,001,768	1,224,363	1,224,363	0
Charges for Services	764,104	933,890	933,890	0
Fines, Licenses and Permits	152,719	186,653	186,653	0
Interest	765,454	935,540	935,540	0
Rent	25,907	31,663	31,663	0
Other	0	72,018	72,018	0
<i>Total Revenues</i>	<u>9,567,036</u>	<u>11,960,883</u>	<u>11,960,883</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property:				
Other	961,677	966,794	893,381	73,413
Community Environment	1,165,179	1,248,357	944,200	304,157
General Government	3,879,657	4,077,292	3,449,893	627,399
Capital Outlay	248,512	405,646	359,285	46,361
Debt Service:				
Principal Retirement	14,501	9,716	9,715	1
Interest and Fiscal Charges	1,364	1,149	1,148	1
<i>Total Expenditures</i>	<u>6,270,890</u>	<u>6,708,954</u>	<u>5,657,622</u>	<u>1,051,332</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,296,146</u>	<u>5,251,929</u>	<u>6,303,261</u>	<u>1,051,332</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	2,858	2,858	0
Advances In	942,000	0	0	0
Advances Out	0	(116,000)	(116,000)	0
Transfers In	0	40,804	40,804	0
Transfers Out	(6,060,000)	(6,060,000)	(6,060,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,118,000)</u>	<u>(6,132,338)</u>	<u>(6,132,338)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,821,854)</u>	<u>(880,409)</u>	<u>170,923</u>	<u>1,051,332</u>
<i>Fund Balance Beginning of Year</i>	<u>3,705,701</u>	<u>3,705,701</u>	<u>3,705,701</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>630,909</u>	<u>630,909</u>	<u>630,909</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,514,756</u>	<u>\$3,456,201</u>	<u>\$4,507,533</u>	<u>\$1,051,332</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$259,338	\$477,131	\$477,131	\$0
Property and Other Local Taxes	1,035,407	1,084,991	1,084,991	0
Intergovernmental	65,092	119,757	119,757	0
Charges for Services	2,663	4,899	4,899	0
Rent	894	1,644	1,644	0
Other	0	5,076	5,076	0
<i>Total Revenues</i>	<u>1,363,394</u>	<u>1,693,498</u>	<u>1,693,498</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	6,432,156	6,453,633	5,874,049	579,584
Capital Outlay	35,936	47,075	47,075	0
Debt Service				
Principal Retirements	59,901	59,901	59,901	0
Interest and Fiscal Charges	819	819	819	0
<i>Total Expenditures</i>	<u>6,528,812</u>	<u>6,561,428</u>	<u>5,981,844</u>	<u>579,584</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,165,418)</u>	<u>(4,867,930)</u>	<u>(4,288,346)</u>	<u>579,584</u>
Other Financing Sources				
Transfers In	4,400,000	4,400,000	4,400,000	0
Proceeds from Sale of Capital Assets	0	9,295	9,295	0
<i>Total Other Financing Sources</i>	<u>4,400,000</u>	<u>4,409,295</u>	<u>4,409,295</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(765,418)</u>	<u>(458,635)</u>	<u>120,949</u>	<u>579,584</u>
<i>Fund Balance at Beginning of Year</i>	1,689,589	1,689,589	1,689,589	0
Prior Year Encumbrances Appropriated	301,568	301,568	301,568	0
<i>Fund Balance at End of Year</i>	<u>\$1,225,739</u>	<u>\$1,532,522</u>	<u>\$2,112,106</u>	<u>\$579,584</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
Police Fund
For the Year Ended December 31, 2007

	<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	\$2,948,104	\$3,818,236	\$3,818,236	\$0
Property and Other Local Taxes	1,231,882	1,301,241	1,301,241	0
Intergovernmental	124,278	160,958	160,958	0
Charges for Services	89,900	116,434	116,434	0
Other	0	51,554	51,554	0
<i>Total Revenues</i>	<u>4,394,164</u>	<u>5,448,423</u>	<u>5,448,423</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	7,028,576	7,138,874	6,470,868	668,006
Capital Outlay	216,798	293,889	293,397	492
Debt Service				
Principal Retirements	10,180	10,180	10,180	0
Interest and Fiscal Charges	1,204	1,204	1,204	0
<i>Total Expenditures</i>	<u>7,256,758</u>	<u>7,444,147</u>	<u>6,775,649</u>	<u>668,498</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,862,594)</u>	<u>(1,995,724)</u>	<u>(1,327,226)</u>	<u>668,498</u>
Other Financing Sources				
Transfers In	1,200,000	1,200,000	1,200,000	0
Proceeds from Sale of Capital Assets	0	14,986	14,986	0
<i>Total Other Financing Sources</i>	<u>1,200,000</u>	<u>1,214,986</u>	<u>1,214,986</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,662,594)</u>	<u>(780,738)</u>	<u>(112,240)</u>	<u>668,498</u>
<i>Fund Balance at Beginning of Year</i>	2,646,964	2,646,964	2,646,964	0
Prior Year Encumbrances Appropriated	321,668	321,668	321,668	0
<i>Fund Balance at End of Year</i>	<u>\$1,306,038</u>	<u>\$2,187,894</u>	<u>\$2,856,392</u>	<u>\$668,498</u>

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2007

	Sewer	Water	Stormwater	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$6,341,949	\$7,699,110	\$940,183	\$14,981,242
Receivables:				
Accounts	494,546	540,698	66,074	1,101,318
Special Assessments	7,989	14,402	0	22,391
Prepaid Items	4,423	9,391	1,462	15,276
Supplies Inventory	0	0	4,237	4,237
Accrued Interest Receivable	42,566	51,191	0	93,757
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	60,000		60,000
Cash and Cash Equivalents with Fiscal Agents	0	1,914,373	0	1,914,373
Total Current Assets	6,891,473	10,289,165	1,011,956	18,192,594
<i>Non-current Assets:</i>				
Restricted Cash and Cash Equivalents				
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	2,095,897	0	2,095,897
Deferred Charges	0	241,123	0	241,123
Capital Assets:				
Nondepreciable Capital Assets	43,807	623,864	13,297	680,968
Depreciable Capital Assets, Net	13,607,772	24,349,630	9,985,593	47,942,995
Investment in Joint Venture	13,314,521	0	0	13,314,521
Total Non-current Assets	26,966,100	27,310,514	9,998,890	64,275,504
Total Assets	33,857,573	37,599,679	11,010,846	82,468,098
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	2,973	4,323	54,307	61,603
Contracts Payable	27,257	194,348	2,666	224,271
Contracts Payable Retainage	0	3,213	4,890	8,103
Accrued Salaries Payable	4,150	4,150	0	8,300
Compensated Absences Payable	4,841	4,842	0	9,683
Due to Other Governments	284,364	967	1,350	286,681
Accrued Interest Payable	67,190	77	0	67,267
Arbitrage Payable	0	24,449	0	24,449
Loan Payable	0	2,238	0	2,238
OWDA Loan Payable	374,095	0	0	374,095
Payable from Restricted Assets:				
Accrued Interest Payable	0	53,187	0	53,187
Current Portion of Revenue Bonds	0	1,065,000	0	1,065,000
Total Current Liabilities	764,870	1,356,794	63,213	2,184,877
<i>Long-Term Liabilities:</i>				
Loan Payable	0	3,502	0	3,502
OWDA Loan Payable	3,059,093	0	0	3,059,093
Revenue Bonds Payable	0	21,300,695	0	21,300,695
Total Long-Term Liabilities	3,059,093	21,304,197	0	24,363,290
Total Liabilities	3,823,963	22,660,991	63,213	26,548,167
Net Assets				
Invested in Capital Assets, Net of Related Debt	10,218,319	9,452,286	9,998,890	29,669,495
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	19,815,291	4,286,402	948,743	25,050,436
Total Net Assets	\$30,033,610	\$14,938,688	\$10,947,633	\$55,919,931

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, 2007*

	Sewer	Water	Stormwater	Total
Operating Revenues				
Charges for Services	\$3,842,895	\$2,924,447	\$550,208	\$7,317,550
Charges for Services - Pledged for Debt Service	0	1,703,244	0	1,703,244
Tap-In Fees	33,375	51,738	0	85,113
Other	0	5,825	0	5,825
<i>Total Operating Revenues</i>	<u>3,876,270</u>	<u>4,685,254</u>	<u>550,208</u>	<u>9,111,732</u>
Operating Expenses				
Personal Services	128,871	177,141	125,661	431,673
Operations and Maintenance	2,060,527	1,766,083	76,566	3,903,176
Depreciation	358,419	611,317	244,564	1,214,300
<i>Total Operating Expenses</i>	<u>2,547,817</u>	<u>2,554,541</u>	<u>446,791</u>	<u>5,549,149</u>
<i>Operating Income</i>	<u>1,328,453</u>	<u>2,130,713</u>	<u>103,417</u>	<u>3,562,583</u>
Non-Operating Revenues (Expenses)				
Interest Revenue	293,121	468,889	0	762,010
Increase in Fair Value of Investments	71,690	85,517	0	157,207
Interest and Fiscal Charges	(135,561)	(1,134,633)	(75)	(1,270,269)
Loss on Sale of Capital Assets	0	(17,575)	0	(17,575)
Return on Investment in Joint Venture	(314,786)	0	0	(314,786)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(85,536)</u>	<u>(597,802)</u>	<u>(75)</u>	<u>(683,413)</u>
<i>Income Before Capital Contributions and Transfers</i>	<u>1,242,917</u>	<u>1,532,911</u>	<u>103,342</u>	<u>2,879,170</u>
Transfers In	13,688	400	1,150	15,238
Transfers Out	(15,505)	(130,212)	(94,106)	(239,823)
Capital Grants and Contributions	1,122,506	1,038,911	747,214	2,908,631
<i>Change in Net Assets</i>	<u>2,363,606</u>	<u>2,442,010</u>	<u>757,600</u>	<u>5,563,216</u>
<i>Net Assets Beginning of Year</i>	<u>27,670,004</u>	<u>12,496,678</u>	<u>10,190,033</u>	<u>50,356,715</u>
<i>Net Assets End of Year</i>	<u>\$30,033,610</u>	<u>\$14,938,688</u>	<u>\$10,947,633</u>	<u>\$55,919,931</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, 2007

	Sewer	Water	Stormwater	Total
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities				
Cash Received from Customers	\$3,863,385	\$4,658,591	\$546,165	\$9,068,141
Other Operating Receipts	0	3,240	0	3,240
Cash Payments for Employee Services and Benefits	(121,237)	(172,928)	(125,661)	(419,826)
Cash Payments to Suppliers for Goods and Services	(1,927,579)	(1,981,967)	(25,763)	(3,935,309)
<i>Net Cash Provided by Operating Activities</i>	<u>1,814,569</u>	<u>2,506,936</u>	<u>394,741</u>	<u>4,716,246</u>
Cash Flows from Noncapital Financing Activities				
Transfers	(15,505)	(106,212)	0	(121,717)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>(15,505)</u>	<u>(106,212)</u>	<u>0</u>	<u>(121,717)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(125,416)	(255,300)	(304,185)	(684,901)
Proceeds from Sale of Capital Assets	0	0	0	0
Proceeds from Capital Grant	0	35,526	33,000	68,526
Interest Paid on OWDA Loan Payable	(142,609)	0	0	(142,609)
Principal Paid on OWDA Loan Payable	(360,098)	0	0	(360,098)
Principal Paid on Loan Payable	0	(2,162)	(12,000)	(14,162)
Interest Paid on Loan Payable	0	(256)	(240)	(496)
Interest Paid on Revenue Bonds Payable	0	(679,044)	0	(679,044)
Principal Paid on Revenue Bonds Payable	0	(1,020,000)	0	(1,020,000)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(628,123)</u>	<u>(1,921,236)</u>	<u>(283,425)</u>	<u>(2,832,784)</u>
Cash Flows from Investing Activities				
Interest	348,273	536,341	0	884,614
<i>Net Increase in Cash and Cash Equivalents</i>	1,519,214	1,015,829	111,316	2,646,359
<i>Cash and Cash Equivalents Beginning of Year</i>	4,822,735	10,753,551	828,867	16,405,153
<i>Cash and Cash Equivalents End of Year</i>	<u>\$6,341,949</u>	<u>\$11,769,380</u>	<u>\$940,183</u>	<u>\$19,051,512</u>

(Continued)

City of Huber Heights, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2007
(Continued)

	Sewer	Water	Stormwater	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$1,328,453	\$2,130,713	\$103,417	\$3,562,583
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	358,419	611,317	244,564	1,214,300
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(12,885)	(25,745)	(4,043)	(42,673)
(Increase) Decrease in Special Assessments Receivable	0	2,322	0	2,322
(Increase) Decrease in Prepaid Items	(1,159)	417	(302)	(1,044)
(Increase) Decrease in Supplies Inventory	0	0	(4,237)	(4,237)
Increase (Decrease) in Accounts Payable	2,762	3,062	54,114	59,938
Increase (Decrease) in Contracts Payable	(148,865)	(76,072)	(5,012)	(229,949)
Increase (Decrease) in Accrued Salaries Payable	1,821	1,122	0	2,943
Increase (Decrease) in Compensated Absences Payable	4,841	4,842	0	9,683
Increase (Decrease) in Contracts Payable Retainage	(3,182)	(142,650)	4,890	(140,942)
Increase (Decrease) in Due to Other Governments	284,364	(2,392)	1,350	283,322
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,814,569</u>	<u>\$2,506,936</u>	<u>\$394,741</u>	<u>\$4,716,246</u>

Non-Cash Transactions:

During 2007, the Sewer, Water and Stormwater Enterprise Funds had capital contributions for capital assets from governmental funds of \$13,688, \$400 and \$1,150, respectively. In addition, the Sewer, Water, and Stormwater Enterprise Funds had capital contributions for capital assets from developers of \$1,122,506, \$1,003,385, and \$729,214, respectively. The Water Enterprise Fund had accretion of capital appreciation bonds in the amount of \$505,987. In 2005, the City issued bonds to refund debt originally issued in 1995, which realized an accounting gain. Amortization of the accounting gain for 2007 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, 2007

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). In 2007, the Communications Division was also awarded accreditation by CALEA, the first ever awarded in the State of Ohio. 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, 2007

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 17.

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 18.

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, 2007

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, 2007

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, 2007

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, 2007

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, 2007, but were levied to finance 2008 operations, have been recorded as deferred revenue. Payments in lieu of taxes, 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 2007, 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 2007. 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue of \$1,008,128 was credited to the General Fund during 2007, which includes \$718,320 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, 2007, 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.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of five thousand dollars. Improvements are

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

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

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

Interfund Balances

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

Compensated Absences

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

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

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

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Arbitrage

The Federal Tax Reform Act of 1986 Requires issuers of tax-exempt debt to make payments to the United States Treasury of Investment Income received at yields that exceed the issuer's tax-exempt borrowing rates. Although arbitrage earnings are rebated to the U. S. Treasury on a five-year installment basis, the City's bond counsel prepared rebate calculations to assure that the City stays current on compliance issues and to facility accountability for any potential rebate liability. For the year ended December 31, 2007, the City determined that an arbitrage liability existed related to the Water System Improvement Notes, Series 2005 and the Water System Improvement Bond Anticipation Note, First (2005) Renewal issued during 2005. However, the rebate calculation was not completed until March 14, 2008, even though payment was due on or before December 30, 2005. This was due to the necessity to convert the City's records into a form that was consistent with the requirements of the rebate calculation and because of the complexity of the rebate calculation. The liability is presented as Arbitrage Payable on the financial statements.

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 \$31,924,441 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses

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

Fund Balance Reserves

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

Interfund Transactions

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

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

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

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

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

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level for all funds (personal services and other). Any budgetary modifications at this level may only be made by resolution of Council. The City Manager may approve line item modifications within these object levels.

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 2007.

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 - CHANGES IN ACCOUNTING PRINCIPALS

For 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues".

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future receivables for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

NOTE 4 – 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).

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (Continued)

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).

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	\$1,457,985	\$404,175	\$278,190
Adjustments:			
Revenue Accruals	99,202	(24,182)	17,891
Expenditure Accruals	(43,629)	56,046	70,401
Unrecorded Cash – 2006	64,889	8,546	30,222
Unrecorded Cash – 2007	(244,579)	(5,648)	(51,782)
Change in Fair Value of Investments – 2006	7,040	0	0
Change in Fair Value of Investments – 2007	(321,209)	0	0
Encumbrances	(732,776)	(317,988)	(457,162)
Advances	(116,000)	0	0
Budget Basis	\$170,923	\$120,949	(\$112,240)

NOTE 5 - FUND DEFICITS

The Capital Improvement Fund and the Economic Development/Government Equity Fund (ED/GE) had fund balance deficits at December 31, 2007, of \$2,130,826 and \$44,604, 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 the result of a payable for a pass-through grant. The deficit will be eliminated in 2008 with the reimbursement from the Montgomery County ED/GE program.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 6 - 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.

At December 31, 2007, the carrying amount of the City's cash deposits was \$1,165,566 and the bank balance was \$1,332,339. Of the bank balance, \$300,000 was insured by the Federal Deposit Insurance Corporation, \$675,833 was collateralized by a direct pledge of collateral held by the bank's agent in the City's name, and \$356,506 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 2007, 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, 2007

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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:

<p>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</p>	100% of Water Utility monies
<p>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 360 days</p>	100% of Water Utility monies
<p>Money market funds rated AAAM or AAAM-G or higher by Standard & Poor's</p>	100% of Water Utility monies

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)	17.9%	Aaa/AAA
Federal National Mortgage Association (FNMA)	17.9%	Aaa/AAA
Federal Home Loan Bank (FHLB)	17.8%	Aaa/AAA
State Treasury Asset Reserve (STAR Ohio)	15.0%	Unrated/AAAm
Federal Farm Credit Bank (FFCB)	17.0%	Aaa/AAA

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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, 2007, the City’s investment portfolio had the following investments and maturities:

Investment Type	Fair Value	Less than 1	1 - 2	2 - 3	3 - 4	4 - 5
State Treasurer’s Investment Pool	\$6,727,203	\$6,727,203				
Money Market Mutual Funds	3,170,937	3,170,937				
U.S. Government-Sponsored Corporations Repurchase Agreement	31,679,129	13,225,856	8,642,095	5,472,057	2,384,128	1,954,993
	2,089,808	2,089,808				
Total	\$43,667,077	\$25,213,804	\$8,642,095	\$5,472,057	\$2,384,128	\$1,954,993

NOTE 7 - RECEIVABLES

Receivables at December 31, 2007, 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, 2007, was \$1,101,318. 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 \$6,548,133, and the uncollectible portion was \$3,288,245, for a net receivable of \$3,259,888. Total emergency medical service calls receivable was \$880,130 and the uncollectible portion was \$592,481, for net accounts receivable of \$287,649. Total net governmental accounts receivable of \$538,713 is the sum of the net emergency medical service calls and other various accounts receivable of \$251,064 for development fees, contract administration fees, and 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 \$11,464,085, \$407,021, \$7,989, and \$14,402, respectively. The amount recorded in the Other Governmental Funds was \$596,716. At December 31, 2007, the amount of delinquent special assessments was \$30,992.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 7 – RECEIVABLES (Continued)

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. 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 2007 is 12.5%. This is reduced to 6.25% for 2008 and zero for 2009.

The full tax rate for all City operations for the year ended December 31, 2007, was \$11.67 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$661,829,890
Public Utility Tangible Personal Property	13,085,090
Tangible Personal Property	<u>26,502,893</u>
Total	<u>\$701,417,873</u>

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The City receives property taxes from Montgomery, Miami and Greene 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, 2007, 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 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 7 – RECEIVABLES (Continued)

Income Taxes

For 2007, 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.

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 and fire operations, fire capital equipment and a new fire house facility, local street improvements and local street capital improvements.

Due from Other Governments

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Local Government and Local Government Assistance	\$409,123
Homestead and Rollback	202,889
Huber Heights City School District and Athletic Foundation	25,143
Montgomery County Courts	7,114
Estate Tax	11,430
Montgomery County/GovDeals – Online Auction	89
DOJ – DEA – Reimburse OT	676
Immobilization Fees	35
Liquor Permits	140
US Treasury DEA – Proceeds from Drug Cases	4,781
Construction, Demolition and Disposal Fee	652
Gasoline Tax	448,453
Cents per Gallon	231,523
Motor Vehicle License	135,355
County Permissive Motor Vehicle License	13,718
Bureau of Workers Compensation – Refund	82,754
City of Shaker Heights – Reimburse OT	3,697
Montgomery County – 911 Wireless Improvement	190,850
TEA-21 Traffic Signalization Grant	520,690
Economic Development/Government Equity Program	91,354
ODOT – I70/202 Grant	9,026
OJP Safety Vest Grant	2,437
Continued Professional Training Grant	3,000
	<hr/>
Total Intergovernmental Receivables	<u>\$2,394,929</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance at 12/31/06	Additions	Deductions	Balance at 12/31/07
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$21,840,720	\$168,221	(\$2,570)	\$22,006,371
Construction in Progress	4,058,921	1,233,609	(3,431,965)	1,860,565
Total Capital Assets, not being Depreciated	25,899,641	1,401,830	(3,434,535)	23,866,936
Depreciable Capital Assets:				
Buildings	9,692,198	14,424	0	9,706,622
Equipment	3,036,844	428,614	(73,841)	3,391,617
Furniture, Fixtures and Improvements	510,369	31,860	0	542,229
Vehicles	3,882,231	1,478,816	(782,581)	4,578,466
Infrastructure				
Bridges	652,966	0	0	652,966
Roads	172,799,973	5,664,967	0	178,464,940
Other	5,770,765	46,315	0	5,817,080
Total Depreciable Capital Assets	196,345,346	7,664,996	(856,422)	203,153,920
Less Accumulated Depreciation:				
Buildings	(2,456,566)	(213,392)	0	(2,669,958)
Equipment	(1,615,359)	(299,383)	34,496	(1,880,246)
Furniture, Fixtures and Improvements	(213,287)	(28,929)	0	(242,216)
Vehicles	(2,429,763)	(283,506)	603,226	(2,110,043)
Infrastructure				
Bridges	(290,585)	(15,254)	0	(305,839)
Roads	(111,586,709)	(4,781,158)	0	(116,367,867)
Other	(3,492,869)	(228,685)	0	(3,721,554)
Total Accumulated Depreciation	(122,085,138)	(5,850,307)	637,722	(127,297,723)
Depreciable Capital Assets, Net	74,260,208	1,814,689	(218,700)	75,856,197
Governmental Activities Capital Assets, Net	\$100,159,849	\$3,216,519	(\$3,653,235)	\$99,723,133

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 8 – CAPITAL ASSETS (Continued)

	Balance at 12/31/06	Additions	Deductions	Balance at 12/31/07
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$457,877	\$29,700	\$0	\$487,577
Construction in Progress	9,196,981	307,679	(9,311,269)	193,391
Total Capital Assets, not being Depreciated	9,654,858	337,379	(9,311,269)	680,968
Depreciable Capital Assets:				
Buildings	5,318,023	9,136,399	(22,825)	14,431,597
Equipment	402,767	72,112	0	474,879
Vehicles	19,802	0	0	19,802
Infrastructure				
Sewer Lines	14,613,481	1,201,174	0	15,814,655
Water Lines	13,702,597	1,003,383	0	14,705,980
Stormwater	11,216,926	997,960	0	12,214,886
Total Depreciable Capital Assets	45,273,596	12,411,028	(22,825)	57,661,799
Less Accumulated Depreciation:				
Buildings	(1,273,497)	(348,365)	5,250	(1,616,612)
Equipment	(128,070)	(36,527)	0	(164,597)
Vehicles	(9,901)	(3,960)	0	(13,861)
Infrastructure				
Sewer Lines	(2,431,923)	(338,606)	0	(2,770,529)
Water Lines	(2,431,861)	(268,384)	0	(2,700,245)
Stormwater	(2,234,502)	(218,458)	0	(2,452,960)
Total Accumulated Depreciation	(8,509,754)	(1,214,300)	5,250	(9,718,804)
Depreciable Capital Assets, Net	36,763,842	11,196,728	(17,575)	47,942,995
Business-Type Activities Capital Assets, Net	\$46,418,700	\$11,534,107	(\$9,328,844)	\$48,623,963

Depreciation expense was charged to governmental programs as follows:

Security of Persons and Property	
Fire	\$201,750
Police	229,845
Other	79,345
Leisure Time Activities	49,400
Community Environment	
Planning and Development	22,907
Engineering	42,903
Transportation	5,084,312

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 8 – CAPITAL ASSETS (Continued)

General Government	
Central Services	\$95,204
Council	4,612
Management	10,021
Finance	30,008
Total Depreciation Expense	<u>\$5,850,307</u>

NOTE 9 - 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, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007, 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 2007 member contribution rates were 9.5 percent for members in state and local classifications and 9.75 percent for public safety members as compared to 9.0 percent in 2006 for all three classifications. 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 13.85 percent of covered payroll for 2007, with 8.85 percent (January 1, 2007 to June 30, 2007) and 7.85 percent (July 1, 2007 to December 31, 2007) dedicated for pension benefits. For 2006, the City's contribution rate was 13.77 percent, with 9.20 percent dedicated for pension benefits. For both the law enforcement and public safety divisions, the employer contribution rate for 2007 was 17.17 percent.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 9 - 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, 2007, 2006, and 2005 were \$ 300,115, \$289,676, and \$344,824, respectively; 75 percent has been contributed for 2007 and 100 percent for 2006 and 2005. The City encumbered the fourth quarter pension amount in 2007 but is not invoiced until 2008. No City employees participated in the Member-Directed Plan for 2007.

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 12.75 percent dedicated to fund pension obligations. For firefighters, the City is required to contribute 24.0 percent, with 17.25 percent dedicated to fund pension obligations. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$ 464,735 and \$595,364 for the year ended December 31, 2007, \$386,458 and \$502,741 for the year ended December 31, 2006, and \$392,993 and \$510,513 for the year ended December 31, 2005, equal to the required contributions for each year. The full amount has been contributed for 2006 and 2005. 72 percent has been contributed for 2007 with the remainder being reported as a liability. The City encumbered the fourth quarter pension amount in 2007 but is not invoiced until 2008.

NOTE 10 - 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.

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, Attention: Finance Director, 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 2007, state employers contributed at a rate of 13.77 percent of covered payroll, local government employer units contributed at 13.85 percent of covered payroll, and public safety and law enforcement employer units contributed at 17.17 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 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0 percent and 6.0 percent of covered payroll, respectively. 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 stated above, are the contractually required contribution rates for OPERS. The City's contribution to fund post-employment benefits in 2007 was \$213,351 and \$141,690 in 2006.

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

Ohio Police and Fire Pension Fund

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

The OP&F provides access to post-retirement healthcare coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post employment healthcare plan was established and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F board of trustees. The board of trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401h account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401h.

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

From the City's actual contributions, the amount allocated to the healthcare plan for police and firefighters was \$246,036 and \$232,969 for year ended December 31, 2007, \$254,898 and \$239,769 for year ended December 31, 2006, and \$259,208 and \$243,475 for year ended December 31, 2005. The OP&F's total health care expense for the year ended December 31, 2006, (the latest information available) was \$120,373,722, which was net of member contributions of \$58,532,848. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006, was 14,120 for police and 10,563 for firefighters.

NOTE 11 – 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 11 – OTHER EMPLOYEE BENEFITS (Continued)

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-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 1:3 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 1:4 ratio, accumulated leave between 358 and 714 is paid at a 1:3 ratio, accumulated leave between 715 and 1,071 is paid at a 1:2 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 1:4 ratio, accumulated leave between 501 and 1,000 is paid at a 1:3 ratio, accumulated leave between 1,001 and 1,500 is paid at a 1:2 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 11 – OTHER EMPLOYEE BENEFITS (Continued)

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 2007. For 2007, these employees still pay 5% of the monthly premium, but the cap was increased to \$20 per pay. For 2008, the cap was increased to \$40 per pay. Full-time employees hired after January 1, 1995 continue to pay 10% of the monthly premium for health, dental, and vision insurance.

The City 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 12- CONTRACTUAL COMMITMENTS

As of December 31, 2007, the City had contractual purchase commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 12/31/2007</u>
Woolpert LLP	Design Well # 3	\$29,488	\$24,475	\$5,013
Montgomery County TID	I70/201 Interchange ROW	512,088	490,655	21,433
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
Burgess & Niple, Inc.	Treatment Plant Design/Mgmt	1,186,163	1,144,036	42,127
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
Montgomery County Treas.	Powell Road Relocation	57,500	0	57,500
Capital Electric Line Bldrs	MOT traffic signals	841,682	733,778	107,904
John R. Jurgensen Co.	Parking Lot Repairs	12,800	0	12,800

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 12- CONTRACTUAL COMMITMENTS (Continued)

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 12/31/2007</u>
Peterson Construction Co.	RRRWTP Improvements	\$25,000	\$20,573	\$4,427
AT&T	Inspect Underground Conduit	30,000	2,459	27,541
M-E Companies Inc.	Brandt VII Engineering Plans	58,790	49,873	8,917
Sungard HTE, LLC	Priority Dispatch Software	14,040	11,640	2,400
Burgess & Niple, Inc.	Develop Water System Model	40,800	35,496	5,304
Horton Emergency Vehicles	Build EMS Vehicle	175,000	0	175,000
Choice One Engineering	Water Main Improvements	30,000	4,263	25,737
Squire Sanders & Dempsey	Legal Services – Carriage Trails	40,000	15,785	24,215
Taylor Made Construction	Construct Water Course Swale	15,725	10,165	5,560
Boone Water Systems Inc.	Rehab Water Wells	75,567	0	75,567
Traff Tech, Inc.	Purchase New Sign Machine	22,000	0	22,000
D&M Excavating Inc.	Water Main Improvements	66,200	0	66,200
Star Ex Inc.	Water Main Improvements	722,435	0	722,435
Totals		<u>\$4,820,265</u>	<u>\$3,176,599</u>	<u>\$1,643,666</u>

NOTE 13 - 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	69,336,263	5,000
Earthquake	5,000,000	25,000

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City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 13 - RISK MANAGEMENT (Continued)

Type of Coverage	Limit	Deductible
Flood – Certain Areas	\$2,000,000	\$50,000
Radio Tower	10,000	1,000
Inland Marine	869,424	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 is valid on certain locations only. Physical damage on other property is insured by the City up to actual cash value of the scheduled property less the deductible listed for the class of property for each accident and location. All property risks, 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 14 - LONG-TERM OBLIGATIONS

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2007 follows:

	Balance at 12/31/06	Increases	Decreases	Balance at 12/31/07	Amounts Due in One Year
Special Assessment Bonds with Government Commitment:					
1991 6.70% Old Troy Pike Phase II	\$180,000	\$0	\$30,000	\$150,000	\$35,000
1993 4.70% Taylorsville Road	130,000	0	65,000	65,000	65,000
1995 5.75% Brandt Pike Phase IV	735,000	0	65,000	670,000	65,000
1995 5.70% Shull Road East and West	595,000	0	50,000	545,000	55,000
1996 5.70% Troy III	178,980	0	14,915	164,066	14,915
1996 5.70% North West Expansion	121,019	0	10,085	110,934	10,085
1997 5.45% Brandt Pike Phase V	310,000	0	20,000	290,000	25,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/06	Increases	Decreases	Balance at 12/31/07	Amounts Due in One Year
1998 4.88%-4.95% Old Troy Pike Phase IV	\$475,000	\$0	\$30,000	\$445,000	\$30,000
1999 5.30%-5.38% Old Troy Pike Phase V	221,683	0	12,431	209,252	12,431
1999 5.3%-5.38% Executive Blvd Phase I	313,318	0	17,569	295,748	17,569
2000 5.63%-5.65% Executive Blvd Ph II	605,000	0	30,000	575,000	30,000
2001 3.5%-4.95% Huber East Water Main (Various Purpose Bonds Series 2001A)	125,000	0	5,000	120,000	5,000
2001 3.5%-4.95% Executive Blvd Ph III (Various Purpose Bonds - Series 2001A)	900,000	0	45,000	855,000	45,000
2001 3.5%-4.95% Troy VI (Various Purpose Bonds – Series 2001A)	570,000	0	30,000	540,000	30,000
2001 3.5%-4.95% Aaron Lane (Various Purpose Bonds – Series 2001A)	177,000	0	7,000	170,000	10,000
2001 3.5%-4.95% Stoney Creek (Various Purpose Bonds – Series 2001A)	40,000	0	1,000	39,000	2,000
2001 3.5%-4.95% Lexington Place (Various Purpose Bonds – Series 2001A)	53,000	0	2,000	51,000	3,000
2007 4.00% - 4.75% Brandt Pike Phase VI (Various Purpose Bonds – Series 2007)	0	1,270,000	0	1,270,000	30,000
TOTAL Special Assessment Bonds Payable	5,730,000	1,270,000	435,000	6,565,000	485,000
Voted General Obligation Bond:					
2001 2.9%-4.25% Refunding Bonds, Series 2001B, Police Facility	880,000	0	165,000	715,000	170,000
Unvoted General Obligation Bonds:					
1991 6.625% Water Tank	210,000	0	35,000	175,000	40,000
1993 5.35% Fire Station Renovation	1,505,000	0	90,000	1,415,000	95,000
1997 5.1%-5.25% Street Improvement	1,185,000	0	125,000	1,060,000	130,000
1997 4.15%-5.4% Court Facility Bonds	1,150,000	0	75,000	1,075,000	80,000
2001 2.9%-4.95% Various Purpose, Series 2001A	1,035,000	0	390,000	645,000	405,000
2007 4.00% - 4.75% Sewer Construction (Various Purpose Bonds - Series 2007)	0	1,065,000	0	1,065,000	25,000
Amortization of Premium	6,935	0	2,259	4,676	0
Amortization of Accounting Loss	(21,675)	4,335	0	(17,340)	0
TOTAL - Unvoted General Obligation Bonds Payable	5,070,260	1,069,335	717,559	5,422,336	775,000
TOTAL – General Obligation Bonds Payable	5,950,260	1,069,335	882,259	6,137,336	945,000
Compensated Absences Payable	1,351,599	719,670	755,796	1,315,473	733,600

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/06	Increases	Decreases	Balance at 12/31/07	Amounts Due in One Year
Notes Payable:					
2007 3.20% General Obligation Public Access Easement Acquisition*		\$2,008,300	\$0	\$2,008,300	\$0
2006 4.50% Special Assessment Street Improvement*	7,999,000	0	7,999,000	0	0
2007 4.00% Special Assessment Street Improvement	0	8,298,230	0	8,298,230	0
Total Notes Payable	7,999,000	10,306,530	7,999,000	10,306,530	0
Equipment/Vehicle Loans:					
1997 4.95% Vehicle Loan	29,540	0	29,540	0	0
2001 4.60% Tub Grinder Loan	71,174	0	27,504	43,670	28,782
2003 3.50% Telephone System	115,202	0	31,512	83,690	32,615
TOTAL - Equipment/Vehicle Loans	215,916	0	88,556	127,360	61,397
Vehicle Leases:					
2006 4.60% Fire Pumper Loan	425,000	0	52,837	372,163	51,043
2006 5.24% Ladder Fire Truck Loan	617,498	0	48,816	568,682	51,374
TOTAL - Vehicle Leases	1,042,498	0	101,653	940,845	102,417
Infrastructure Loan:					
2004 0% / 3.00% State Infrastructure Bank Loan (SIB)	1,323,916	436,118	0	1,760,034	55,973
TOTAL - SIB Loans	1,323,916	436,118	0	1,760,034	55,973
TOTAL - Governmental Activities	\$23,613,189	\$13,801,653	\$10,262,264	\$27,152,578	\$2,383,387

* The 2006 Street Improvement Note Payable was current refunded during 2007. The General Obligation Public Access Easement Acquisition Note and the 2007 Special Assessment Street Improvement Note were refunded in the first quarter of 2008 using long-term Bonds.

The following table discloses the original issue amounts for the debt issued before 2007:

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

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

(Amounts for debt issued before 2007, Continued)

Issue	Amount
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
2006 General Obligation Utility Improvement 3 rd Renewal	1,088,200
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
2006 Special Assessment Street Improvement 3 rd Renewal	7,999,000
2004 Special Assessment Brandt Pike Phase VI	1,500,000
2005 Special Assessment Brandt Pike Phase VI 1 st Renewal	1,155,000
2006 Special Assessment Brandt Pike Phase VI 2 nd Renewal	1,225,100
Equipment/Vehicle Loans:	
1997 Vehicle Loan	\$461,215
2001 Tub Grinder Loan	202,000
2003 Telephone System	217,333
2006 Fire Pumper Truck Lease	425,000
2006 Fire Ladder Truck Lease	696,100

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

During 2007 the City issued a \$8,298,230 bond anticipation note for the fourth renewal of the special assessment street improvement project. This note was refunded in 2008 with the issuance of a 20-year general obligation special assessment bond in the amount of \$8,940,000. 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 2009. 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.

During 2007 the City also issued a \$2,008,300 bond anticipation note for the purchase of public access easements. This note was refunded in 2008 with the issuance of a 20-year general obligation bond in the amount of \$2,105,000 to be paid from the General Fund of the City or from tax increment financing (TIF) revenues.

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 an original issue amount of \$4,300,000 in serial bonds and \$905,000 in term bonds. The term bonds maturing on December 1, 2021, will be subject to mandatory sinking fund redemption as follows:

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

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

The Refunding Bonds, Series 2001B consists of an original issue amount of \$1,755,000 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 funded at least in part by 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 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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

year of 0%, commencing at closing. For the next nine years, the interest rate is 3%. As of December 31, 2007, the City has borrowed \$1,720,455 on this line of credit. Under the terms of the loan agreement, the loan began accruing interest on the outstanding principal balance as of February 1, 2007 at a rate of 3%. As of December 31, 2007, \$39,579 of interest had accrued and was capitalized. Therefore, the amount outstanding on this loan at December 31, 2007 is \$1,760,034. 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, 2007, the City has not borrowed on this line of credit. Closing on the loan is expected approximately January 1, 2009. 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:

	Balance at 12/31/06	Increases	Decreases	Balance at 12/31/07	Amounts Due in One Year
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
2005 Refunding of 1995 Water Acquisition and Upgrade Serial Bonds 3.50% - 5.00%	3,265,000	0	735,000	2,530,000	780,000
2005 Water System Improvement Serial Bonds 3.50–5.00%	3,055,000	0	285,000	2,770,000	285,000
Total - 2005 Refunding of 1995 Water Acquisition and Upgrade Serial Bonds and Water System Improvement Serial Bonds 3.50% - 5.00%	6,320,000	0	1,020,000	5,300,000	1,065,000
2005 Water Improvement Term Bonds 3.50–5.00%	7,840,000	0	0	7,840,000	0
Subtotal - 2005 Water Revenue Bonds	14,160,000	0	1,020,000	13,140,000	1,065,000
TOTAL – Water Revenue Bonds	18,385,517	0	1,020,000	17,365,517	1,065,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/06	Increases	Decreases	Balance at 12/31/07	Due in One Year
Accretion on Capital Appreciation Bonds	4,248,343	505,987	0	4,754,330	0
Amortization of Premium	184,397	0	48,104	136,293	0
Amortization of Accounting Gain	148,222	0	38,667	109,555	0
Total – Total Accretion and Amortization	<u>4,580,962</u>	<u>505,987</u>	<u>86,771</u>	<u>5,000,178</u>	<u>0</u>
Compensated Absences Payable	<u>0</u>	<u>9,683</u>	<u>0</u>	<u>9,683</u>	<u>9,683</u>
OWDA Loan Payable:					
3.85% - 1995 Sewer OWDA Loan	<u>3,793,286</u>	<u>0</u>	<u>360,098</u>	<u>3,433,188</u>	<u>374,095</u>
Long-Term Loans:					
2002 – Equipment and Vehicles Loan 3.98%	12,000	0	12,000	0	0
2003 – Telephone System Loan 3.50%	<u>7,902</u>	<u>0</u>	<u>2,162</u>	<u>5,740</u>	<u>2,238</u>
TOTAL – Long-Term Loans	<u>19,902</u>	<u>0</u>	<u>14,162</u>	<u>5,740</u>	<u>2,238</u>
TOTAL - Enterprise Funds	<u>\$26,779,667</u>	<u>\$515,670</u>	<u>\$1,481,031</u>	<u>\$25,814,306</u>	<u>\$1,451,016</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 City has pledged future revenues, net of operating expenses, to repay the revenue bonds in the Water fund. The debt is solely payable from the net revenues and are payable through 2030. Annual principal and interest on the debt issues are expected to require 39 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$39,129,320. Principal and interest paid for the current year and total net revenues were \$1,699,044 and \$4,335,747 respectively.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

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

The City has pledged future revenues, net of operating expenses, to repay the loan in the Sewer fund. The debt is solely payable from the net revenues and are payable through 2015. Annual principal and interest on the debt issues are expected to require 30 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,021,656. Principal and interest paid for the current year and total net revenues were \$502,707 and \$1,686,872 respectively.

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

As of December 31, 2007, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$64,751,598 and the unvoted legal debt margin was \$30,395,704.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2007, were as follows:

Government Activities				
Year	Special Assessment Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2008	\$485,000	\$351,558	\$945,000	\$314,955
2009	450,000	308,270	650,000	257,416
2010	475,000	284,629	685,000	225,889
2011	505,000	259,499	725,000	192,245
2012	495,000	232,629	420,000	156,413
2013-2017	2,430,000	758,893	1,850,000	458,568
2018-2022	1,300,000	240,903	520,000	119,333
2023-2027	425,000	53,771	355,000	44,911
Totals	<u>\$6,565,000</u>	<u>\$2,490,151</u>	<u>\$6,150,000</u>	<u>\$1,769,730</u>

Government Activities				
Year	Equipment/Vehicle Loans		State Infrastructure Bank Loan	
	Principal	Interest	Principal	Interest
2008	\$61,397	\$4,303	\$55,973	\$26,459
2009	48,645	1,824	114,477	50,386
2010	17,319	300	117,936	46,926
2011	0		121,501	43,362
2012	0		125,174	39,689
2013-2017	0		1,224,973	108,359
Totals	<u>\$127,361</u>	<u>\$6,427</u>	<u>\$1,760,034</u>	<u>\$315,181</u>

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

Year	Business-Type Activities					
	Revenue Bonds		OWDA Loans		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$1,065,000	\$638,244	\$374,095	\$128,611	\$2,238	\$495
2009	1,115,000	584,994	388,637	114,070	2,316	180
2010	1,170,000	529,244	403,743	98,964	1,186	102
2011	634,623	1,071,121	419,437	83,270	0	20
2012	599,142	1,101,602	435,741	66,966	0	0
2013-2017	2,593,478	5,912,841	1,411,535	96,587	0	0
2018-2022	1,953,828	6,551,953	0	0	0	0
2023-2027	3,599,446	4,902,804	0	0	0	0
2028-2030	4,635,000	471,000	0	0	0	0
Totals	<u>\$17,365,517</u>	<u>\$21,763,803</u>	<u>\$3,433,188</u>	<u>\$588,468</u>	<u>\$5,740</u>	<u>\$797</u>

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

The City issued an IDR in 1994 with the principal amount of \$1,185,000 outstanding at December 31, 2007. 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, in 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 \$2,269,250 outstanding at December 31, 2007.

NOTE 15 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2007, follows:

	Balance at 12/31/06	Increases	Decreases	Balance at 12/31/07
Notes Payable:				
2006B 4.25% General Obligation Utility Improvement	\$1,088,200	\$0	\$1,088,200	\$0
2006 4.25% Special Assessment Brandt Pike Phase VI	1,225,100	0	1,225,100	0
2006 4.00% - Real Estate Acquisition	1,970,000	\$0	1,970,000	\$0
2007 4.00% - Real Estate Acquisition	0	2,052,000	0	2,052,000
Total Notes Payable	<u>\$4,283,300</u>	<u>\$2,052,000</u>	<u>\$4,283,300</u>	<u>\$2,052,000</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 15 - SHORT-TERM OBLIGATIONS (Continued)

The Utility Improvement and Brandt Pike Phase VI Notes were refunded using long-term Bonds. The 2006 and 2007 Real Estate Acquisition Notes were the third and fourth renewals 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. The land was sold in 2008, and the notes were retired with the proceeds from the sale.

NOTE 16 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables

The General Fund had interfund receivables at December 31, 2007, of \$2,166,400. The Capital Improvement Fund had interfund payables of \$1,600,600. The Other Governmental Funds had interfund payables of \$565,800. 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 \$201,000 that are not expected to be received until 2009 or later. Of this, \$25,000 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	\$48,804	\$6,060,000
Fire Fund	4,400,000	0
Police Fund	1,200,000	0
Special Assessment Bond Retirement Fund	475,000	1,265,307
Capital Improvement Fund	1,319,527	65,763
Other Governmental Funds	<u>2,412,601</u>	<u>2,335,145</u>
Total Governmental Funds	<u>9,847,932</u>	<u>9,726,215</u>
Sewer Fund	13,688	15,505
Water Fund	400	130,212
Stormwater Fund	<u>1,150</u>	<u>94,106</u>
Total Enterprise Funds	<u>15,238</u>	<u>239,823</u>
Total Transfers	<u>\$9,863,170</u>	<u>\$9,966,038</u>
Difference – Transfers In Exceeds Transfers Out*	<u>\$102,868</u>	

*The \$102,868 difference between transfers in and transfers out is created due to the transfer of capital assets previously recorded as Enterprise Fund assets to Governmental Activities. Since the Governmental Funds do not report capital assets, there is no option but to report the transfer of the capital assets as a transfer out for the Enterprise Funds, even though the Governmental Funds are not in a position to report a corresponding transfer in. 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 17 - 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 \$13,314,521 which represents 51.10% 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 2007 involving Tri-Cities for services provided to the City by Tri-Cities. The amount for services provided to the City was \$1,649,226.

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 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, 2007, is \$0. Additional information can be obtained from the City of Huber Heights, Planning and Development Department, 6131 Taylorsville Road, Huber Heights, Ohio 45424-2951.

NOTE 18 - 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,

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 2007. Financial information can be obtained from Donald R. Spang, Executive Director, at 1 Dayton Centre, Suite 260, 1 South Main 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 2007. Financial information can be obtained from Scott Anding, Executive Director, at 444 West Third Street, Suite 20-231, Dayton, Ohio 45402-1460.

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

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2010. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City was only required to make contributions of \$327 during 2007 for the operation of ED/GE. 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,

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 2007. Financial information can be obtained by writing to the NMVLGA, at Miami County, 100 Market Street, Troy, Ohio 45373.

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 2007. Financial information can be obtained from the fiscal agent by writing to the RERT, c/o The City of Beavercreek, William Kucera, Financial Administrative Services Director, at 1368 Research Park Drive, Beavercreek, Ohio 45432.

The First Suburbs Consortium of Dayton, Ohio Council of Governments (First Suburbs Consortium) is a jointly governed organization between the following cities and Harrison Township: Centerville, Clayton, Huber Heights, Kettering, Miamisburg, Moraine, Oakwood, Trotwood, Vandalia, and West Carrollton. The organization was created through an agreement by the governments to establish a regional council of governments. The purpose of the First Suburbs Consortium is to provide organizational status to cooperative efforts between member communities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development. The mission is to initiate and promote public policies and practices that maintain the vitality of communities, protects and redevelops mature communities, and fosters regional cooperation. The First Suburbs Consortium advocates: public policies that do not create disposable communities; balanced investments in new and existing infrastructure; maintenance and enhancement of the tax base; and creation of redevelopment opportunities. The Board of the First Suburbs Consortium is made up of two representatives from each government. Payments to the First Suburbs Consortium are made from the General Fund. The City paid \$250 for the 2007 annual membership fee. Financial information can be obtained from the fiscal agent by writing to the First Suburbs Consortium of Dayton Ohio, c/o Jack Jensen, Executive Director, P.O. Box 49552, Dayton, Ohio 45449-0552.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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, 2007, to December 31, 2007, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Lease Agreement

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

The following table shows the total yearly lease payments:

<u>Year</u>	<u>Amount</u>
2008	41,280
2009	41,905
2010	42,530
2011	43,155
2012	43,780
2013	44,405
Total	<u>\$257,055</u>

NOTE 20 - SUBSEQUENT EVENTS

On January 15, 2008, the City approved a local-let project agreement with the Ohio Department of Transportation that will enable the City to construct landscaping enhancements at the State Route 202/I-70 interchange. The estimated project cost is \$892,551 with ODOT providing 78 percent of the funding of eligible costs up to a maximum of \$308,551.

On March 1, 2008, the City refunded the 2007 Street Improvement (East-West Connector) Special Assessment Notes with a 20 year general obligation special assessment bond in the amount of \$8,940,000. The assessments that will be used to pay this bond have been legislated to begin collection in 2009.

Also on March 1, 2008, the City refunded the 2007 Public Access Easements Notes with a 20 year general obligation bond. The amount of this bond is \$2,105,000 and will be paid for from either the General Fund or tax-increment financing revenues. These easements are part of Carriage Trails and were

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 20 - SUBSEQUENT EVENTS Continued)

authorized with the development agreement with DEC Land Co., Inc. that was finalized in 2007.

On August 13, 2008, City Council passed an ordinance to submit to the electorate a reduction in the city income tax rate of .25% for general use and the conversion of a .20% renewable (due to expire May 31, 2009) to a .20% permanent income tax levy for the exclusive use for street construction, reconstruction, maintenance and repairs. If approved by the electorate on November 4, 2008, the City's income tax rate will decrease from the current 2.25% to 2.0%.

The City authorized the following contractual commitments after December 31, 2007:

Company	Project	Amount
Horton Emergency Vehicles	Emergency Medical Vehicle	\$182,867
OZscapes	Mowing/Trimming of Private Properties	18,000
Atlas Blue Print	Historical Document Scanning Project	13,000
R.A. Miller Construction	2008 Sidewalk Program/Concrete Portion of Street Prog.	548,676
Capital Electric	Traffic Signal Maintenance	13,500
ARS Group	Digital Data Conversion – Water System, Phase 1	35,000
D & M Excavating	Water Main Improvements and Gap Closures, Sect. B	15,805
Associated Excavating	Shull Rd. Lift Station and Force Main	149,620
Virgel Wiley Oil Distr.	Diesel and Unlead Fuel	180,904
A-1 Concrete Leveling Co	2008 Sidewalk Program	1,259
Wright Patterson AFB	Contribution to Fireworks Display	20,000
John R. Jurgensen Co.	2008 Street Program	580,000
Brower Insurance Agency	Annual Insurance Premium and Fee	224,500
International Truck & Engine	2 ½ Ton Dump Truck	116,671
Boone Water Systems	Rehabilitation of Water Wells	30,897
Taylor Chevrolet	Seven 2008 Police Vehicles	128,976
American Pavements	2008 Street Program	14,840
Total		<u>\$2,274,515</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 21 - CAPITAL LEASES

In 2006, the City entered into two lease agreements as lessee for the purchase of two vehicles for the Fire division. In 2006, the vehicles were recorded as construction in process. In 2007, vehicles were placed in service. The final acquisition costs of the pumper and ladder trucks were \$394,639 and 695,494 respectively and the City recorded depreciation for 2007 of \$9,866 and 17,387 respectively. The 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 future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2007, are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2008	\$163,561
2009	163,561
2010	163,561
2011	163,561
2012	163,561
2013	<u>381,604</u>
Total	1,199,409
Less: Amount representing interest	<u>258,564</u>
Present value of minimum lease payments	<u>\$ 940,845</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.

Montgomery County TIF District

To account for payments in lieu of taxes collected for the commercial tax increment financing district. The monies will be used to repay the State Infrastructure Bank Loan and for future capital projects that benefit the district.

(Continued)

Combining Statements – Nonmajor Governmental Funds
(Continued)

Miami County TIF District

To account for payments in lieu of taxes collected for the three residential tax increment financing districts. The monies will be used to repay the State Infrastructure Bank Loan and for future capital projects that benefit the district.

Enterprise Zone Management

To account for fees allowed by the Ohio Revised Code that are collected to cover the administrative costs of managing the enterprise zone participants.

Street Maintenance and Repair

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

NONMAJOR DEBT SERVICE FUND

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

General Obligation Bond Retirement

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Capital Equipment

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

Economic Development/Government Equity Improvement

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

Federal Equity Sharing

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

Fire Capital Equipment

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

Issue II

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

(Continued)

Combining Statements – Nonmajor Governmental Funds
(Continued)

Local Law Enforcement Block Grant

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

Local Street Capital Improvement

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

Public Access Easement Acquisition

To account for the issuance of the bond anticipation note for the acquisition of public access easements in the Carriage Trials development.

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,282,741	\$1,061,793	\$5,837,529	\$12,182,063
Receivables:				
Property and Other Taxes	13,187	237,695	0	250,882
Municipal Income Taxes, Net	369,664	0	448,670	818,334
Payments in Lieu of Taxes	661,590			661,590
Accounts, Net	13,705	0	0	13,705
Special Assessments	416,269	0	180,447	596,716
Due from Other Governments	840,359	16,097	96,135	952,591
Prepaid Items	1,804	0	0	1,804
Supplies Inventory	189,487	0	560	190,047
<i>Total Assets</i>	<u>\$7,788,806</u>	<u>\$1,315,585</u>	<u>\$6,563,341</u>	<u>\$15,667,732</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$257,243	\$0	\$184,436	\$441,679
Contracts Payable	0	0	91,354	91,354
Contracts Payable Retainage	0	0	17,968	17,968
Accrued Salaries Payable	22,099	0	0	22,099
Due to Other Governments	68,491	0	0	68,491
Interfund Payable	289,800	0	276,000	565,800
Deferred Revenue	2,019,436	253,792	538,149	2,811,377
<i>Total Liabilities</i>	<u>2,657,069</u>	<u>253,792</u>	<u>1,107,907</u>	<u>4,018,768</u>
Fund Balances				
Reserved for Encumbrances	121,825	0	295,272	417,097
Reserved for Supplies Inventory	189,487	0	560	190,047
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	4,820,425	0	0	4,820,425
Debt Service Fund	0	1,061,793	0	1,061,793
Capital Projects Funds	0	0	5,159,602	5,159,602
<i>Total Fund Balances</i>	<u>5,131,737</u>	<u>1,061,793</u>	<u>5,455,434</u>	<u>11,648,964</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,788,806</u>	<u>\$1,315,585</u>	<u>\$6,563,341</u>	<u>\$15,667,732</u>

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Byrne Memorial Grant	City Motor Vehicle License Permissive Tax	County Motor Vehicle Permissive Tax	Drug Law Enforcement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$12,421	\$71,994	\$22,740	\$6,110
Receivables:				
Property and Other Taxes	0	13,187	0	0
Municipal Income Taxes, Net	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Accounts, Net	0	0	0	0
Special Assessments	0	0	0	0
Due from Other Governments	0	0	13,718	145
Prepaid Items	0	0	0	0
Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$12,421</u>	<u>\$85,181</u>	<u>\$36,458</u>	<u>\$6,255</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$12,251	\$0	\$0	\$4,369
Accrued Salaries Payable	0	0	0	0
Due to Other Governments	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	13,187	7,051	0
<i>Total Liabilities</i>	<u>12,251</u>	<u>13,187</u>	<u>7,051</u>	<u>4,369</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0
Unreserved	170	71,994	29,407	1,886
<i>Total Fund Balances</i>	<u>170</u>	<u>71,994</u>	<u>29,407</u>	<u>1,886</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,421</u>	<u>\$85,181</u>	<u>\$36,458</u>	<u>\$6,255</u>

(Continued)

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007
(Continued)

	Firefighters Assistance Grant	Law Enforcement	Lighting	Local Street Operating
Assets				
Equity in Pooled Cash and Cash Equivalents	\$291,360	\$19,253	\$397,310	\$1,681,943
Receivables:				
Property and Other Taxes	0	0	0	0
Municipal Income Taxes, Net	0	0	0	369,664
Payments in Lieu of Taxes	0	0	0	0
Accounts, Net	0	0	0	565
Special Assessments	0	0	416,269	0
Due from Other Governments	0	289	0	652
Prepaid Items	0	0	0	864
Supplies Inventory	0	0	0	109,976
Total Assets	\$291,360	\$19,542	\$813,579	\$2,163,664
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$14,564	\$0	\$114,313
Accrued Salaries Payable	0	0	167	15,135
Due to Other Governments	0	0	0	0
Interfund Payable	289,800	0	0	0
Deferred Revenue	0	0	416,269	222,107
Total Liabilities	289,800	14,564	416,436	351,555
Fund Balances				
Reserved for Encumbrances	0	0	0	45,698
Reserved for Supplies Inventory	0	0	0	109,976
Unreserved	1,560	4,978	397,143	1,656,435
Total Fund Balances	1,560	4,978	397,143	1,812,109
Total Liabilities and Fund Balances	\$291,360	\$19,542	\$813,579	\$2,163,664

Parks and Recreation	State Highway	Montgomery County TIF	Miami County TIF	Enterprise Zone Management	Street Maintenance and Repair	Total Nonmajor Special Revenue Funds
\$87,782	\$222,377	\$774,914	\$0	\$0	\$1,694,537	\$5,282,741
0	0	0	0	0	0	13,187
0	0	0	0	0	0	369,664
0	0	627,866	33,724	0	0	661,590
0	0	0	0	13,140	0	13,705
0	0	0	0	0	0	416,269
0	61,144	0	2,872	0	761,539	840,359
892	0	0	0	0	48	1,804
0	7,882	0	0	0	71,629	189,487
<u>\$88,674</u>	<u>\$291,403</u>	<u>\$1,402,780</u>	<u>\$36,596</u>	<u>\$13,140</u>	<u>\$2,527,753</u>	<u>\$7,788,806</u>
\$8,410	\$7,799	\$0	\$0	\$0	\$95,537	\$257,243
373	0	0	0	0	6,424	22,099
1,320	0	0	0	0	67,171	68,491
0	0	0	0	0	0	289,800
0	51,235	627,866	36,596	13,140	631,985	2,019,436
<u>10,103</u>	<u>59,034</u>	<u>627,866</u>	<u>36,596</u>	<u>13,140</u>	<u>801,117</u>	<u>2,657,069</u>
9,221	3,721	0	0	0	63,185	121,825
0	7,882	0	0	0	71,629	189,487
69,350	220,766	774,914	0	0	1,591,822	4,820,425
78,571	232,369	774,914	0	0	1,726,636	5,131,737
<u>\$88,674</u>	<u>\$291,403</u>	<u>\$1,402,780</u>	<u>\$36,596</u>	<u>\$13,140</u>	<u>\$2,527,753</u>	<u>\$7,788,806</u>

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,517	\$246,750	\$184,579
Receivables:			
Municipal Income Taxes, Net	0	0	0
Special Assessments	0	0	0
Due from Other Governments	0	91,354	4,781
Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$1,517</u>	<u>\$338,104</u>	<u>\$189,360</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$85,144
Contracts Payable	0	91,354	0
Contracts Payable Retainage	0	0	0
Interfund Payable	0	200,000	0
Deferred Revenue	0	91,354	3,099
<i>Total Liabilities</i>	<u>0</u>	<u>382,708</u>	<u>88,243</u>
Fund Balances			
Reserved for Encumbrances	0	51,183	1,322
Reserved for Inventory	0	0	0
Unreserved (<i>Deficit</i>)	1,517	(95,787)	99,795
<i>Total Fund Balances(Deficit)</i>	<u>1,517</u>	<u>(44,604)</u>	<u>101,117</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,517</u>	<u>\$338,104</u>	<u>\$189,360</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Public Access Easement Acquisition	Total Nonmajor Capital Projects Funds
\$773,531	\$666,913	\$47	\$1,952,950	\$2,011,242	\$5,837,529
151,895	0	0	296,775	0	448,670
0	180,447	0	0	0	180,447
0	0	0	0	0	96,135
0	0	0	560	0	560
<u>\$925,426</u>	<u>\$847,360</u>	<u>\$47</u>	<u>\$2,250,285</u>	<u>\$2,011,242</u>	<u>\$6,563,341</u>
\$35,557	\$0	\$0	\$55,435	\$8,300	\$184,436
0	0	0	0	0	91,354
0	0	0	17,968	0	17,968
0	76,000	0	0	0	276,000
86,120	180,447	0	177,129	0	538,149
<u>121,677</u>	<u>256,447</u>	<u>0</u>	<u>250,532</u>	<u>8,300</u>	<u>1,107,907</u>
187,259	34,694	47	20,767	0	295,272
0	0	0	560	0	560
616,490	556,219	0	1,978,426	2,002,942	5,159,602
<u>803,749</u>	<u>590,913</u>	<u>47</u>	<u>1,999,753</u>	<u>2,002,942</u>	<u>5,455,434</u>
<u>\$925,426</u>	<u>\$847,360</u>	<u>\$47</u>	<u>\$2,250,285</u>	<u>\$2,011,242</u>	<u>\$6,563,341</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, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$1,687,626	\$0	\$2,064,103	\$3,751,729
Property and Other Taxes	157,361	240,175	0	397,536
Payments in Lieu of Taxes	774,914	0	0	774,914
Intergovernmental	2,005,223	25,550	62,892	2,093,665
Special Assessments	399,439	16,305	13,344	429,088
Charges for Services	2,516	0	0	2,516
Interest	68,005	2,169	11,320	81,494
Rent	0	135,936	0	135,936
Other	3,888	0	3,337	7,225
<i>Total Revenues</i>	<u>5,098,972</u>	<u>420,135</u>	<u>2,154,996</u>	<u>7,674,103</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire	0	0	11,867	11,867
Police	2,061	0	0	2,061
Other	351,763	0	1,284	353,047
Leisure Time Activities	244,627	0	0	244,627
Transportation	1,416,004	0	0	1,416,004
General Government	0	3,885	99,654	103,539
Capital Outlay	435,394	0	1,580,509	2,015,903
Debt Service:				
Principal Retirement	30,945	880,000	79,468	990,413
Issuance Costs	0	17,611	0	17,611
Interest and Fiscal Charges	3,367	294,968	86,429	384,764
<i>Total Expenditures</i>	<u>2,484,161</u>	<u>1,196,464</u>	<u>1,859,211</u>	<u>5,539,836</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,614,811</u>	<u>(776,329)</u>	<u>295,785</u>	<u>2,134,267</u>
Other Financing Sources (Uses)				
Issuance of Bond Anticipation Notes	0	0	2,008,300	2,008,300
Issuance of General Obligation Bonds	0	1,065,000	0	1,065,000
Proceeds from Sale of Capital Assets	0	0	100,000	100,000
Transfers In	250,000	897,294	1,265,307	2,412,601
Transfers Out	(1,040,100)	(1,124,527)	(170,518)	(2,335,145)
<i>Total Other Financing Sources (Uses)</i>	<u>(790,100)</u>	<u>837,767</u>	<u>3,203,089</u>	<u>3,250,756</u>
<i>Net Change in Fund Balances</i>	1,824,711	61,438	3,498,874	5,385,023
<i>Fund Balances Beginning of Year</i>	3,292,187	1,000,355	1,957,386	6,249,928
Increase (Decrease) in Reserve for Inventory	14,839	0	(826)	14,013
<i>Fund Balances End of Year</i>	<u>\$5,131,737</u>	<u>\$1,061,793</u>	<u>\$5,455,434</u>	<u>\$11,648,964</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, 2007

	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	157,361	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	11,953	0	87,178
Special Assessments	0	0	0
Charges for Services	0	0	0
Interest	170	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>12,123</u>	<u>157,361</u>	<u>87,178</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police	0	0	0
Other	0	0	0
Leisure Time Activities	0	0	0
Transportation	0	0	0
Capital Outlay	12,251	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>12,251</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(128)</u>	<u>157,361</u>	<u>87,178</u>
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers Out	0	(155,000)	(85,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(155,000)</u>	<u>(85,000)</u>
<i>Net Change in Fund Balances</i>	(128)	2,361	2,178
<i>Fund Balances Beginning of Year</i>	298	69,633	27,229
Increase (Decrease) in Reserve for Inventory	0	0	0
<i>Fund Balances End of Year</i>	<u>\$170</u>	<u>\$71,994</u>	<u>\$29,407</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, 2007
(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
Payments in Lieu of Taxes	0	0	0	0
Intergovernmental	5,211	277,724	7,446	0
Special Assessments	0	0	0	399,439
Charges for Services	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>5,211</u>	<u>277,724</u>	<u>7,446</u>	<u>399,439</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	0	2,061	0
Other	0	0	0	351,763
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
Capital Outlay	4,369	278,224	14,564	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>4,369</u>	<u>278,224</u>	<u>16,625</u>	<u>351,763</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>842</u>	<u>(500)</u>	<u>(9,179)</u>	<u>47,676</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>	842	(500)	(9,179)	47,676
<i>Fund Balances Beginning of Year</i>	1,044	2,060	14,157	349,467
Increase (Decrease) in Reserve for Inventory	0	0	0	0
<i>Fund Balances End of Year</i>	<u>\$1,886</u>	<u>\$1,560</u>	<u>\$4,978</u>	<u>\$397,143</u>

Local Street Operating	Parks and Recreation	State Highway	Montgomery County TIF	Street Maintenance and Repair	Total Nonmajor Special Revenue Funds
\$1,687,626	\$0	\$0	\$0	\$0	\$1,687,626
0	0	0	0	0	157,361
0	0	0	774,914	0	774,914
9,721	0	119,798	0	1,486,192	2,005,223
0	0	0	0	0	399,439
0	2,516	0	0	0	2,516
0	0	7,607	0	60,228	68,005
1,866	141	86	0	1,795	3,888
<u>1,699,213</u>	<u>2,657</u>	<u>127,491</u>	<u>774,914</u>	<u>1,548,215</u>	<u>5,098,972</u>
0	0	0	0	0	2,061
0	0	0	0	0	351,763
0	244,627	0	0	0	244,627
767,483	0	33,387	0	615,134	1,416,004
37,666	12,545	0	0	75,775	435,394
27,503	2,206	0	0	1,236	30,945
2,960	261	0	0	146	3,367
<u>835,612</u>	<u>259,639</u>	<u>33,387</u>	<u>0</u>	<u>692,291</u>	<u>2,484,161</u>
<u>863,601</u>	<u>(256,982)</u>	<u>94,104</u>	<u>774,914</u>	<u>855,924</u>	<u>2,614,811</u>
0	250,000	0	0	0	250,000
(242,100)	0	(25,000)	0	(533,000)	(1,040,100)
<u>(242,100)</u>	<u>250,000</u>	<u>(25,000)</u>	<u>0</u>	<u>(533,000)</u>	<u>(790,100)</u>
621,501	(6,982)	69,104	774,914	322,924	1,824,711
1,204,981	85,553	158,167	0	1,379,598	3,292,187
(14,373)	0	5,098	0	24,114	14,839
<u>\$1,812,109</u>	<u>\$78,571</u>	<u>\$232,369</u>	<u>\$774,914</u>	<u>\$1,726,636</u>	<u>\$5,131,737</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, 2007

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Revenues			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	0	0	62,892
Special Assessments	0	0	0
Interest	0	0	6,743
Other	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>69,635</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire	0	0	0
Police	0	0	1,284
General Government	0	91,354	0
Capital Outlay	0	0	126,645
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>91,354</u>	<u>127,929</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(91,354)</u>	<u>(58,294)</u>
Other Financing Sources (Uses)			
Issuance of Bond Anticipation Notes	0	0	0
Proceeds from Sale of Capital Assets	0	0	0
Transfers In	0	0	0
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(91,354)	(58,294)
<i>Fund Balances (Deficit) Beginning of Year</i>	1,517	46,750	159,411
Increase (Decrease) in Reserve for Inventory	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,517</u>	<u>(\$44,604)</u>	<u>\$101,117</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Public Access Easement Acquisition	Total Nonmajor Capital Projects Funds
\$715,224	\$0	\$0	\$1,348,879	\$0	\$2,064,103
0	0	0	0	0	62,892
0	13,344	0	0	0	13,344
1,635	0	0	0	2,942	11,320
3,337	0	0	0	0	3,337
<u>720,196</u>	<u>13,344</u>	<u>0</u>	<u>1,348,879</u>	<u>2,942</u>	<u>2,154,996</u>
11,867	0	0	0	0	11,867
0	0	0	0	0	1,284
0	0	0	0	8,300	99,654
126,991	72,212	0	1,254,661	0	1,580,509
79,468	0	0	0	0	79,468
52,875	33,554	0	0	0	86,429
<u>271,201</u>	<u>105,766</u>	<u>0</u>	<u>1,254,661</u>	<u>8,300</u>	<u>1,859,211</u>
448,995	(92,422)	0	94,218	(5,358)	295,785
0	0	0	0	2,008,300	2,008,300
100,000	0	0	0	0	100,000
0	1,265,307	0	0	0	1,265,307
<u>(170,518)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(170,518)</u>
<u>(70,518)</u>	<u>1,265,307</u>	<u>0</u>	<u>0</u>	<u>2,008,300</u>	<u>3,203,089</u>
378,477	1,172,885	0	94,218	2,002,942	3,498,874
425,272	(581,972)	47	1,906,361	0	1,957,386
0	0	0	(826)	0	(826)
<u>\$803,749</u>	<u>\$590,913</u>	<u>\$47</u>	<u>\$1,999,753</u>	<u>\$2,002,942</u>	<u>\$5,455,434</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property and Other Local Taxes	\$998,978	\$1,416,964	\$1,416,964	\$0
Municipal Income Taxes	5,858,106	7,159,792	7,159,792	0
Charges for Services	764,104	933,890	933,890	0
Licenses and Permits	152,719	186,653	186,653	0
Intergovernmental	1,001,768	1,224,363	1,224,363	0
Interest	765,454	935,540	935,540	0
Rent	25,907	31,663	31,663	0
Other	0	72,018	72,018	0
Total Revenues	9,567,036	11,960,883	11,960,883	0
Expenditures				
Current:				
Security of Persons and Property				
Dispatch				
Personal Services	749,140	769,090	736,373	32,717
Operations and Maintenance	112,174	97,341	95,123	2,218
Capital Outlay	5,670	10,053	9,553	500
Total - Dispatch	866,984	876,484	841,049	35,435
General Lighting				
Operations and Maintenance	100,363	100,363	61,885	38,478
Total - General Lighting	100,363	100,363	61,885	38,478
Total - Security of Persons and Property	967,347	976,847	902,934	73,913
Community and Economic Development				
Planning and Development				
Personal Services	493,549	578,303	443,934	134,369
Operations and Maintenance	117,583	130,880	82,759	48,121
Capital Outlay	10,910	52,144	51,772	372
Total - Planning and Development	622,042	761,327	578,465	182,862
Engineering				
Personal Services	508,425	487,625	366,779	120,846
Operations and Maintenance	45,622	51,549	50,728	821
Capital Outlay	38,000	37,173	37,147	26
Total - Engineering	592,047	576,347	454,654	121,693
Total - Community and Economic Development	1,214,089	1,337,674	1,033,119	304,555
General Government				
Mayor				
Personal Services	9,301	9,301	9,168	133
Operations and Maintenance	9,872	9,872	1,177	8,695
Total - Mayor	19,173	19,173	10,345	8,828

(Continued)

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, 2007
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Council				
Personal Services	\$127,384	\$129,409	\$127,103	\$2,306
Operations and Maintenance	28,051	28,051	18,489	9,562
Capital Outlay	22,498	22,498	22,498	0
Total - Council	177,933	179,958	168,090	11,868
Central Services				
Operations and Maintenance	937,017	924,774	784,513	140,261
Capital Outlay	0	72,242	59,806	12,436
Debt Service:				
Principal Retirement	11,419	6,634	6,634	0
Interest and Fiscal Charges	1,000	785	784	1
Total - Central Services	949,436	1,004,435	851,737	152,698
Management				
Personal Services	295,640	508,763	315,223	193,540
Operations and Maintenance	13,176	23,526	20,070	3,456
Capital Outlay	10,058	26,708	5,124	21,584
Total - Management	318,874	558,997	340,417	218,580
Accounting				
Personal Services	410,384	399,573	365,488	34,085
Operations and Maintenance	149,418	143,508	128,710	14,798
Capital Outlay	51,144	57,054	46,997	10,057
Total - Accounting	610,946	600,135	541,195	58,940
Taxation				
Personal Services	491,555	492,055	426,827	65,228
Operations and Maintenance	211,748	211,748	152,966	58,782
Capital Outlay	21,492	21,492	20,636	856
Debt Service:				
Principal Retirement	3,082	3,082	3,081	1
Interest and Fiscal Charges	364	364	364	0
Total - Taxation	728,241	728,741	603,874	124,867
Legal				
Operations and Maintenance	426,329	506,329	485,629	20,700
Total - Legal	426,329	506,329	485,629	20,700
Information Services				
Personal Services	260,362	260,562	252,026	8,536
Operations and Maintenance	21,473	21,507	21,284	223
Capital Outlay	30,216	30,182	30,182	0
Total - Information Services	312,051	312,251	303,492	8,759

(Continued)

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, 2007
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Resources				
Personal Services	\$213,125	\$94,383	\$93,709	\$674
Operations and Maintenance	70,512	74,976	66,913	8,063
Capital Outlay	6,251	8,106	8,064	42
Total - Human Resources	289,888	177,465	168,686	8,779
Buildings and Grounds Maintenance				
Personal Services	67,480	70,680	66,901	3,779
Operations and Maintenance	32,861	32,140	28,759	3,381
Capital Outlay	16,382	18,903	18,903	0
Total - Buildings and Grounds Maintenance	116,723	121,723	114,563	7,160
Court Facility				
Personal Services	18,246	21,446	21,058	388
Operations and Maintenance	51,841	51,841	41,054	10,787
Total - Court Facility	70,087	73,287	62,112	11,175
Total - General Government	4,019,681	4,282,494	3,650,140	632,354
Non-departmental Projects				
Operations and Maintenance	52,128	84,294	43,884	40,410
Capital Outlay	17,645	27,645	27,545	100
Total - Non-departmental Projects	69,773	111,939	71,429	40,510
Total Expenditures	6,270,890	6,708,954	5,657,622	1,051,332
Excess of Revenues Over Expenditures	3,296,146	5,251,929	6,303,261	1,051,332
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	2,858	2,858	0
Advances In	942,000	0	0	0
Advances Out	0	(116,000)	(116,000)	0
Transfers In	0	40,804	40,804	0
Transfers Out	(6,060,000)	(6,060,000)	(6,060,000)	0
Total Other Financing Sources (Uses)	(5,118,000)	(6,132,338)	(6,132,338)	0
Net Change in Fund Balance	(1,821,854)	(880,409)	170,923	1,051,332
Fund Balance at Beginning of Year	3,705,701	3,705,701	3,705,701	0
Prior Year Encumbrances Appropriated	630,909	630,909	630,909	0
Fund Balance at End of Year	\$2,514,756	\$3,456,201	\$4,507,533	\$1,051,332

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$259,338	\$477,131	\$477,131	\$0
Property and Other Local Taxes	1,035,407	1,084,991	1,084,991	0
Intergovernmental	65,092	119,757	119,757	0
Charges for Services	2,663	4,899	4,899	0
Rent	894	1,644	1,644	0
Other	0	5,076	5,076	0
<i>Total Revenues</i>	<u>1,363,394</u>	<u>1,693,498</u>	<u>1,693,498</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	5,904,659	5,924,619	5,348,120	576,499
Operations and Maintenance	527,497	529,014	525,929	3,085
Capital Outlay	35,936	47,075	47,075	0
Debt Service				
Principal Retirements	59,901	59,901	59,901	0
Interest and Fiscal Charges	819	819	819	0
<i>Total Expenditures</i>	<u>6,528,812</u>	<u>6,561,428</u>	<u>5,981,844</u>	<u>579,584</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,165,418)</u>	<u>(4,867,930)</u>	<u>(4,288,346)</u>	<u>579,584</u>
Other Financing Sources				
Transfers In	4,400,000	4,400,000	4,400,000	0
Proceeds from Sale of Capital Assets	0	9,295	9,295	0
<i>Total Other Financing Sources</i>	<u>4,400,000</u>	<u>4,409,295</u>	<u>4,409,295</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(765,418)</u>	<u>(458,635)</u>	<u>120,949</u>	<u>579,584</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,689,589</u>	<u>1,689,589</u>	<u>1,689,589</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>301,568</u>	<u>301,568</u>	<u>301,568</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,225,739</u>	<u>\$1,532,522</u>	<u>\$2,112,106</u>	<u>\$579,584</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2007

	<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	\$2,948,104	\$3,818,236	\$3,818,236	\$0
Property and Other Local Taxes	1,231,882	1,301,241	1,301,241	0
Intergovernmental	124,278	160,958	160,958	0
Charges for Services	89,900	116,434	116,434	0
Other	0	51,554	51,554	0
<i>Total Revenues</i>	<u>4,394,164</u>	<u>5,448,423</u>	<u>5,448,423</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services				
Operations and Maintenance	6,108,264	6,207,014	5,546,308	660,706
Capital Outlay	920,312	931,860	924,560	7,300
Police	216,798	293,889	293,397	492
Debt Service:				
Principal Retirement	10,180	10,180	10,180	0
Interest and Fiscal Charges	1,204	1,204	1,204	0
<i>Total Expenditures</i>	<u>7,256,758</u>	<u>7,444,147</u>	<u>6,775,649</u>	<u>668,498</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,862,594)</u>	<u>(1,995,724)</u>	<u>(1,327,226)</u>	<u>668,498</u>
Other Financing Sources and Uses				
Proceeds from Sale of Capital Assets	0	14,986	14,986	0
Transfers In	1,200,000	1,200,000	1,200,000	0
<i>Total Other Financing Sources</i>	<u>1,200,000</u>	<u>1,214,986</u>	<u>1,214,986</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,662,594)</u>	<u>(780,738)</u>	<u>(112,240)</u>	<u>668,498</u>
<i>Fund Balance at Beginning of Year</i>	2,646,964	2,646,964	2,646,964	0
Prior Year Encumbrances Appropriated	321,668	321,668	321,668	0
<i>Fund Balance at End of Year</i>	<u>\$1,306,038</u>	<u>\$2,187,894</u>	<u>\$2,856,392</u>	<u>\$668,498</u>

See accompanying notes to the basic financial statements

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$284,555	\$286,323	\$286,323	\$0
Interest	0	1,979	1,979	0
Other	16,550	16,712	16,712	0
<i>Total Revenues</i>	<u>301,105</u>	<u>305,014</u>	<u>305,014</u>	<u>0</u>
Expenditures				
Current:				
General Government				
Accounting				
Operations and Maintenance	15,000	15,000	13,599	1,401
Debt Service:				
Principal Retirement	9,664,000	9,659,100	9,659,100	0
Issuance Costs	20,236	20,774	15,192	5,582
Interest and Fiscal Charges	657,594	725,757	725,757	0
<i>Total Expenditures</i>	<u>10,356,830</u>	<u>10,420,631</u>	<u>10,413,648</u>	<u>6,983</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(10,055,725)</u>	<u>(10,115,617)</u>	<u>(10,108,634)</u>	<u>6,983</u>
Other Financing Sources				
Issuance of Special Assessment Bonds	1,261,909	1,270,000	1,270,000	0
Insurance of Bond Anticipation Notes	8,245,361	8,298,230	8,298,230	0
Transfers In	475,000	475,000	475,000	0
<i>Total Other Financing Sources</i>	<u>9,982,270</u>	<u>10,043,230</u>	<u>10,043,230</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(73,455)</u>	<u>(72,387)</u>	<u>(65,404)</u>	<u>6,983</u>
<i>Fund Balance at Beginning of Year</i>	518,689	518,689	518,689	0
<i>Prior Year Encumbrances Appropriated</i>	7,088	7,088	7,088	0
<i>Fund Balance at End of Year</i>	<u>\$452,322</u>	<u>\$453,390</u>	<u>\$460,373</u>	<u>\$6,983</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$825,414	\$85,171	\$85,171	\$0
Special Assessments	1,159,094	119,602	119,602	0
Interest	3,663	378	378	0
Other	930,428	60,511	60,511	0
<i>Total Revenues</i>	<u>2,918,599</u>	<u>265,662</u>	<u>265,662</u>	<u>0</u>
Expenditures				
General Government				
Accounting				
Current:				
Personal Services	14,192	14,492	14,423	69
Total - General Government	<u>14,192</u>	<u>14,492</u>	<u>14,423</u>	<u>69</u>
Capital Projects				
Capital Outlay	3,535,767	2,297,055	1,730,687	566,368
Total - Capital Outlay	<u>3,535,767</u>	<u>2,297,055</u>	<u>1,730,687</u>	<u>566,368</u>
<i>Total Expenditures</i>	<u>3,549,959</u>	<u>2,311,547</u>	<u>1,745,110</u>	<u>566,437</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(631,360)</u>	<u>(2,045,885)</u>	<u>(1,479,448)</u>	<u>566,437</u>
Other Financing Sources (Uses)				
Issuance of Loans	3,882,533	436,118	436,118	0
Advances In	0	16,000	16,000	0
Advances Out	(942,000)	0	0	0
Transfers In	195,000	195,000	195,000	0
Transfers Out	0	(65,763)	(65,763)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,135,533</u>	<u>581,355</u>	<u>581,355</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,504,173	(1,464,530)	(898,093)	566,437
<i>Fund Balance at Beginning of Year</i>	1,074,285	1,074,285	1,074,285	0
Prior Year Encumbrances Appropriated	<u>1,140,252</u>	<u>1,140,252</u>	<u>1,140,252</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$4,718,710</u>	<u>\$750,007</u>	<u>\$1,316,444</u>	<u>\$566,437</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,723,396	\$3,860,015	\$3,860,015	\$0
Tap In Fees	40,840	33,375	33,375	0
Interest	304,655	248,968	248,968	0
<i>Total Revenues</i>	<u>5,068,891</u>	<u>4,142,358</u>	<u>4,142,358</u>	<u>0</u>
Expenses				
Personal Services	131,927	166,624	121,237	45,387
Operations and Maintenance	3,361,743	3,346,237	2,872,381	473,856
Capital Outlay	1,488,192	1,252,515	194,380	1,058,135
Debt Service:				
Principal Retirement	346,625	360,098	360,098	0
Interest and Fiscal Charges	156,081	142,609	142,609	0
<i>Total Expenses</i>	<u>5,484,568</u>	<u>5,268,083</u>	<u>3,690,705</u>	<u>1,577,378</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(415,677)	(1,125,725)	451,653	1,577,378
Transfers Out	0	(15,505)	(15,505)	0
<i>Net Change in Fund Equity</i>	(415,677)	(1,141,230)	436,148	1,577,378
<i>Fund Equity at Beginning of Year</i>	3,938,404	3,938,404	3,938,404	0
Prior Year Encumbrances Appropriated	825,310	825,310	825,310	0
<i>Fund Equity at End of Year</i>	<u>\$4,348,037</u>	<u>\$3,622,484</u>	<u>\$5,199,862</u>	<u>\$1,577,378</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$4,291,597	\$4,641,118	\$4,641,118	\$0
Tap In Fees	47,842	51,738	51,738	0
Interest	382,850	414,031	414,031	0
Capital Grants and Contributions	32,851	35,526	35,526	0
Other	2,996	3,240	3,240	0
<i>Total Revenues</i>	4,758,136	5,145,653	5,145,653	0
Expenses				
Personal Services	178,132	242,079	172,928	69,151
Operations and Maintenance	1,952,570	2,001,629	1,897,159	104,470
Capital Outlay	1,276,781	2,116,081	1,437,904	678,177
Debt Service:				
Principal Retirement	1,022,162	1,022,162	1,022,162	0
Interest and Fiscal Charges	679,300	679,300	679,300	0
<i>Total Expenses</i>	5,108,945	6,061,251	5,209,453	851,798
<i>Excess of Revenues Under Expenses</i>	(350,809)	(915,598)	(63,800)	851,798
Other Financing Sources (Uses)				
Transfers In	156,372	0	0	0
Transfers Out	(237,285)	(262,584)	(106,212)	156,372
<i>Total Other Financing Sources (Uses)</i>	(80,913)	(262,584)	(106,212)	156,372
<i>Net Change in Fund Equity</i>	(431,722)	(1,178,182)	(170,012)	1,008,170
<i>Fund Equity at Beginning of Year</i>	9,986,996	9,986,996	9,986,996	0
Prior Year Encumbrances Appropriated	538,268	538,268	538,268	0
<i>Fund Equity at End of Year</i>	\$10,093,542	\$9,347,082	\$10,355,252	\$1,008,170

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$515,714	\$549,953	\$549,953	\$0
Capital Grants and Contributions	30,946	33,000	33,000	0
<i>Total Revenues</i>	<u>546,660</u>	<u>582,953</u>	<u>582,953</u>	<u>0</u>
Expenses				
Personal Services	125,661	125,661	125,661	0
Operations and Maintenance	58,283	54,134	54,134	0
Capital Outlay	461,465	816,250	486,032	330,218
Debt Service:				
Principal Retirement	12,000	12,000	12,000	0
Interest and Fiscal Charges	240	240	240	0
<i>Total Expenses</i>	<u>657,649</u>	<u>1,008,285</u>	<u>678,067</u>	<u>330,218</u>
<i>Excess of Revenues Under Expenses</i>	<u>(110,989)</u>	<u>(425,332)</u>	<u>(95,114)</u>	<u>330,218</u>
<i>Net Change in Fund Equity</i>	(110,989)	(425,332)	(95,114)	330,218
<i>Fund Equity at Beginning of Year</i>	679,660	679,660	679,660	0
Prior Year Encumbrances Appropriated	<u>142,887</u>	<u>142,887</u>	<u>142,887</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$711,558</u></u>	<u><u>\$397,215</u></u>	<u><u>\$727,433</u></u>	<u><u>\$330,218</u></u>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$11,953	\$11,953	\$11,953	\$0
Interest	0	121	121	0
<i>Total Revenues</i>	<u>11,953</u>	<u>12,074</u>	<u>12,074</u>	<u>0</u>
Expenditures				
Security of Persons and Property				
Police				
Current:				
Capital Outlay	12,251	12,251	12,251	0
<i>Total Expenditures</i>	<u>12,251</u>	<u>12,251</u>	<u>12,251</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(298)</u>	<u>(177)</u>	<u>(177)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(298)</u>	<u>(177)</u>	<u>(177)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	298	298	298	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$121</u>	<u>\$121</u>	<u>\$0</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, 2007

	<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	\$195,000	\$170,771	\$170,771	\$0
<i>Total Revenues</i>	<u>195,000</u>	<u>170,771</u>	<u>170,771</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>195,000</u>	<u>170,771</u>	<u>170,771</u>	<u>0</u>
Other Financing Uses				
Transfers Out	155,000	155,000	155,000	0
<i>Total Other Financing Uses</i>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	40,000	15,771	15,771	0
<i>Fund Balance at Beginning of Year</i>	<u>56,222</u>	<u>56,222</u>	<u>56,222</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$96,222</u>	<u>\$71,993</u>	<u>\$71,993</u>	<u>\$0</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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$90,000	\$87,324	\$87,324	\$0
<i>Total Revenues</i>	<u>90,000</u>	<u>87,324</u>	<u>87,324</u>	<u>0</u>
Other Financing Uses				
Transfers Out	85,000	85,000	85,000	0
<i>Total Other Financing Uses</i>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	5,000	2,324	2,324	0
<i>Fund Balance at Beginning of Year</i>	<u>20,416</u>	<u>20,416</u>	<u>20,416</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$25,416</u></u>	<u><u>\$22,740</u></u>	<u><u>\$22,740</u></u>	<u><u>\$0</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,333	\$5,175	\$5,175	\$0
<i>Total Revenues</i>	<u>3,333</u>	<u>5,175</u>	<u>5,175</u>	<u>0</u>
Expenditures				
Security of Persons and Property				
Police				
Current:				
Capital Outlay	936	4,369	4,369	0
<i>Total Expenditures</i>	<u>936</u>	<u>4,369</u>	<u>4,369</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,397</u>	<u>806</u>	<u>806</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,397	806	806	0
<i>Fund Balance at Beginning of Year</i>	<u>936</u>	<u>936</u>	<u>936</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,333</u></u>	<u><u>\$1,742</u></u>	<u><u>\$1,742</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
Firefighters Assistance Grant Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$289,800	\$277,724	\$277,724	\$0
<i>Total Revenues</i>	<u>289,800</u>	<u>277,724</u>	<u>277,724</u>	<u>0</u>
Expenditures				
Security of Persons and Property				
Fire				
Current:				
Capital Outlay	278,224	278,224	278,224	0
<i>Total Expenditures</i>	<u>278,224</u>	<u>278,224</u>	<u>278,224</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,576</u>	<u>(500)</u>	<u>(500)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	11,576	(500)	(500)	0
<i>Fund Balance at Beginning of Year</i>	13,635	13,635	13,635	0
Prior Year Encumbrances Appropriated	<u>278,224</u>	<u>278,224</u>	<u>278,224</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$303,435</u>	<u>\$291,359</u>	<u>\$291,359</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$728	\$7,985	\$7,985	\$0
<i>Total Revenues</i>	<u>728</u>	<u>7,985</u>	<u>7,985</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Operations and Maintenance	0	847	611	236
Capital Outlay	14,058	17,113	16,014	1,099
<i>Total Expenditures</i>	<u>14,058</u>	<u>17,960</u>	<u>16,625</u>	<u>1,335</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(13,330)</u>	<u>(9,975)</u>	<u>(8,640)</u>	<u>1,335</u>
<i>Net Change in Fund Balance</i>	<u>(13,330)</u>	<u>(9,975)</u>	<u>(8,640)</u>	<u>1,335</u>
<i>Fund Deficit at Beginning of Year</i>	<u>13,330</u>	<u>13,330</u>	<u>13,330</u>	<u>0</u>
<i>Fund Deficit at End of Year</i>	<u>\$0</u>	<u>\$3,355</u>	<u>\$4,690</u>	<u>\$1,335</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	<u>\$389,386</u>	<u>\$399,439</u>	<u>\$399,439</u>	<u>\$0</u>
<i>Total Revenues</i>	<u>389,386</u>	<u>399,439</u>	<u>399,439</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
General Lighting				
Personal Services	7,096	7,296	7,212	84
Operations and Maintenance	<u>382,290</u>	<u>382,290</u>	<u>344,520</u>	<u>37,770</u>
<i>Total Expenditures</i>	<u>389,386</u>	<u>389,586</u>	<u>351,732</u>	<u>37,854</u>
<i>Excess of Revenues Over Expenditures</i>	<u>0</u>	<u>9,853</u>	<u>47,707</u>	<u>37,854</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>9,853</u>	<u>47,707</u>	<u>37,854</u>
<i>Fund Balance at Beginning of Year</i>	<u>349,602</u>	<u>349,602</u>	<u>349,602</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$349,602</u>	<u>\$359,455</u>	<u>\$397,309</u>	<u>\$37,854</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,536,235	\$1,697,397	\$1,697,397	\$0
Intergovernmental	9,169	10,131	10,131	0
Other	1,689	1,866	1,866	0
<i>Total Revenues</i>	<u>1,547,093</u>	<u>1,709,394</u>	<u>1,709,394</u>	<u>0</u>
Expenditures				
Current:				
Transportation				
Public Works				
Personal Services	742,142	720,844	635,502	85,342
Operations and Maintenance	215,849	198,048	190,290	7,758
Capital Outlay	19,442	55,232	55,177	55
Debt Service:				
Principal Retirement	27,503	27,503	27,503	0
Interest and Fiscal Charges	2,960	2,960	2,960	0
<i>Total Expenditures</i>	<u>1,007,896</u>	<u>1,004,587</u>	<u>911,432</u>	<u>93,155</u>
<i>Excess of Revenues Over Expenditures</i>	<u>539,197</u>	<u>704,807</u>	<u>797,962</u>	<u>93,155</u>
Other Financing Uses				
Transfers Out	(242,100)	(242,100)	(242,100)	0
<i>Total Other Financing Uses</i>	<u>(242,100)</u>	<u>(242,100)</u>	<u>(242,100)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>297,097</u>	<u>462,707</u>	<u>555,862</u>	<u>93,155</u>
<i>Fund Balance at Beginning of Year</i>	934,007	934,007	934,007	0
Prior Year Encumbrances Appropriated	66,137	66,137	66,137	0
<i>Fund Balance at End of Year</i>	<u>\$1,297,241</u>	<u>\$1,462,851</u>	<u>\$1,556,006</u>	<u>\$93,155</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for Services	\$0	\$2,516	\$2,516	\$0
Other	0	141	141	0
<i>Total Revenues</i>	<u>0</u>	<u>2,657</u>	<u>2,657</u>	<u>0</u>
Expenditures:				
Current:				
Lesiure Time Services				
Senior Citizens Center				
Personal Services	19,734	19,884	19,517	367
Operations and Maintenance	27,761	28,321	28,017	304
Capital Outlay	560	0	0	0
Total - Senior Citizens Center	<u>48,055</u>	<u>48,205</u>	<u>47,534</u>	<u>671</u>
Parks and Recreation				
Operations and Maintenance	179,045	189,241	180,956	8,285
Capital Outlay	13,346	12,846	12,845	1
Total - Parks and Recreation	<u>192,391</u>	<u>202,087</u>	<u>193,801</u>	<u>8,286</u>
Pool				
Operations and Maintenance	37,810	38,644	28,644	10,000
Total - Pool	<u>37,810</u>	<u>38,644</u>	<u>28,644</u>	<u>10,000</u>
Total Leisure Services	<u>278,256</u>	<u>288,936</u>	<u>269,979</u>	<u>18,957</u>
Debt Service:				
Principal Retirement	2,133	2,206	2,206	0
Interest and Fiscal Charges	337	264	261	3
Total Debt Service	<u>2,470</u>	<u>2,470</u>	<u>2,467</u>	<u>3</u>
<i>Total Expenditures</i>	<u>280,726</u>	<u>291,406</u>	<u>272,446</u>	<u>18,960</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(280,726)</u>	<u>(288,749)</u>	<u>(269,789)</u>	<u>18,960</u>
Other Financing Sources:				
Transfers In	250,000	250,000	250,000	0
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(30,726)</u>	<u>(38,749)</u>	<u>(19,789)</u>	<u>18,960</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	75,022	75,022	75,022	0
Prior Year Encumbrances Appropriated	14,925	14,925	14,925	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$59,221</u>	<u>\$51,198</u>	<u>\$70,158</u>	<u>\$18,960</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$116,129	\$115,967	\$115,967	\$0
Interest	7,063	7,053	7,053	0
Other	0	86	86	0
<i>Total Revenues</i>	<u>123,192</u>	<u>123,106</u>	<u>123,106</u>	<u>0</u>
Expenditures				
Current:				
Transportation				
Public Works				
Personal Services	24,793	0	0	0
Operations and Maintenance	28,935	53,728	46,328	7,400
<i>Total Expenditures</i>	<u>53,728</u>	<u>53,728</u>	<u>46,328</u>	<u>7,400</u>
<i>Excess of Revenues Over Expenditures</i>	<u>69,464</u>	<u>69,378</u>	<u>76,778</u>	<u>7,400</u>
Other Financing Uses				
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Uses</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	44,464	44,378	51,778	7,400
<i>Fund Balance at Beginning of Year</i>	145,630	145,630	145,630	0
<i>Prior Year Encumbrances Appropriated</i>	<u>8,165</u>	<u>8,165</u>	<u>8,165</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$198,259</u>	<u>\$198,173</u>	<u>\$205,573</u>	<u>\$7,400</u>

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Montgomery County Tax Increment Financing Fund
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Lieu of Taxes	\$0	\$774,914	\$774,914	\$0
<i>Total Revenues</i>	<u>0</u>	<u>774,914</u>	<u>774,914</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>0</u>	<u>774,914</u>	<u>774,914</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	774,914	774,914	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$774,914</u>	<u>\$774,914</u>	<u>\$0</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,461,835	\$1,431,597	\$1,431,597	\$0
Interest	57,527	56,337	56,337	0
Other	0	1,795	1,795	0
<i>Total Revenues</i>	<u>1,519,362</u>	<u>1,489,729</u>	<u>1,489,729</u>	<u>0</u>
Expenditures				
Current:				
Transportation				
Public Works				
Personal Services	529,102	524,176	463,721	60,455
Operations and Maintenance	326,384	310,797	234,324	76,473
Capital Outlay	63,350	141,937	106,920	35,017
Debt Service:				
Principal Retirement	1,236	1,236	1,236	0
Interest and Fiscal Charges	146	146	146	0
<i>Total Expenditures</i>	<u>920,218</u>	<u>978,292</u>	<u>806,347</u>	<u>171,945</u>
<i>Excess of Revenues Over Expenditures</i>	<u>599,144</u>	<u>511,437</u>	<u>683,382</u>	<u>171,945</u>
Other Financing Uses				
Transfers Out	(533,000)	(533,000)	(533,000)	0
<i>Total Other Financing Uses</i>	<u>(533,000)</u>	<u>(533,000)</u>	<u>(533,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	66,144	(21,563)	150,382	171,945
<i>Fund Balance Beginning of Year</i>	1,237,094	1,237,094	1,237,094	0
Prior Year Encumbrances Appropriated	58,717	58,717	58,717	0
<i>Fund Balance End of Year</i>	<u>\$1,361,955</u>	<u>\$1,274,248</u>	<u>\$1,446,193</u>	<u>\$171,945</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$253,074	\$240,175	\$240,175	\$0
Intergovernmental	27,961	25,862	25,862	0
Special Assessments	17,629	16,305	16,305	0
Interest	0	2,169	2,169	0
Rent	146,971	135,936	135,936	0
<i>Total Revenues</i>	<u>445,635</u>	<u>420,447</u>	<u>420,447</u>	<u>0</u>
Expenditures				
Current:				
General Government				
Accounting				
Operations and Maintenance	10,000	4,843	4,555	288
Debt Service:				
Principal Retirement	3,942,000	3,946,200	3,938,200	8,000
Bond Issuance Costs	40,202	40,202	17,611	22,591
Interest and Fiscal Charges	405,184	413,295	413,295	0
<i>Total Expenditures</i>	<u>4,397,386</u>	<u>4,404,540</u>	<u>4,373,661</u>	<u>30,879</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,951,751)</u>	<u>(3,984,093)</u>	<u>(3,953,214)</u>	<u>30,879</u>
Other Financing Sources (Uses)				
Issuance of General Obligation Bonds	1,151,454	1,065,000	1,065,000	0
Issuance of General Obligation Notes	2,218,577	2,052,000	2,052,000	0
Transfers In	831,531	897,294	897,294	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,201,562</u>	<u>4,014,294</u>	<u>4,014,294</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	249,811	30,201	61,080	30,879
<i>Fund Balance at Beginning of Year</i>	913,559	913,559	913,559	0
<i>Prior Year Encumbrances Appropriated</i>	5,383	5,383	5,383	0
<i>Fund Balance at End of Year</i>	<u>\$1,168,753</u>	<u>\$949,143</u>	<u>\$980,022</u>	<u>\$30,879</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$51,183	\$0	\$0	\$0
<i>Total Revenues</i>	<u>51,183</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
General Government				
Capital Outlay	151,183	151,183	51,183	100,000
<i>Total Expenditures</i>	<u>151,183</u>	<u>151,183</u>	<u>51,183</u>	<u>100,000</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(100,000)</u>	<u>(151,183)</u>	<u>(51,183)</u>	<u>100,000</u>
Other Financing Sources				
Advances In	0	100,000	100,000	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(100,000)	(51,183)	48,817	100,000
<i>Fund Balance at Beginning of Year</i>	95,567	95,567	95,567	0
Prior Year Encumbrances Appropriated	<u>51,183</u>	<u>51,183</u>	<u>51,183</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$46,750</u>	<u>\$95,567</u>	<u>\$195,567</u>	<u>\$100,000</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,455	\$63,910	\$63,910	\$0
Interest	245	6,369	6,369	0
<i>Total Revenues</i>	<u>2,700</u>	<u>70,279</u>	<u>70,279</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Police				
Operations and Maintenance	0	1,284	1,284	0
Capital Outlay	174,231	210,897	149,144	61,753
<i>Total Expenditures</i>	<u>174,231</u>	<u>212,181</u>	<u>150,428</u>	<u>61,753</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(171,531)</u>	<u>(141,902)</u>	<u>(80,149)</u>	<u>61,753</u>
<i>Net Change in Fund Balance</i>	(171,531)	(141,902)	(80,149)	61,753
<i>Fund Balance at Beginning of Year</i>	137,422	137,422	137,422	0
<i>Prior Year Encumbrances Appropriated</i>	<u>40,107</u>	<u>40,107</u>	<u>40,107</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$5,998</u>	<u>\$35,627</u>	<u>\$97,380</u>	<u>\$61,753</u>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$584,532	\$720,910	\$720,910	\$0
Interest	535	1,663	1,663	0
Other	0	3,337	3,337	0
<i>Total Revenues</i>	<u>585,067</u>	<u>725,910</u>	<u>725,910</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Operations and Maintenance	2,447	12,068	11,621	447
Capital Outlay	433,806	651,913	321,213	330,700
Debt Service:				
Principal Retirement	51,171	79,470	79,468	2
Interest and Fiscal Charges	0	52,875	52,875	0
<i>Total Expenditures</i>	<u>487,424</u>	<u>796,326</u>	<u>465,177</u>	<u>331,149</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>97,643</u>	<u>(70,416)</u>	<u>260,733</u>	<u>331,149</u>
Other Financing Sources (Uses)				
Proceeds from Sales of Capital Assets	32,172	100,000	100,000	0
Transfers Out	(170,518)	(170,518)	(170,518)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(138,346)</u>	<u>(70,518)</u>	<u>(70,518)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(40,703)</u>	<u>(140,934)</u>	<u>190,215</u>	<u>331,149</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>337,287</u>	<u>337,287</u>	<u>337,287</u>	<u>0</u>
Prior Year Encumbrances Appropriated	40,703	40,703	40,703	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$337,287</u>	<u>\$237,056</u>	<u>\$568,205</u>	<u>\$331,149</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$6,094	\$13,344	\$13,344	\$0
<i>Total Revenues</i>	<u>6,094</u>	<u>13,344</u>	<u>13,344</u>	<u>0</u>
Expenditures				
Capital Projects				
Capital Outlay	381,763	381,763	116,553	265,210
<i>Total Expenditures</i>	<u>381,763</u>	<u>381,763</u>	<u>116,553</u>	<u>265,210</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(375,669)</u>	<u>(368,419)</u>	<u>(103,209)</u>	<u>265,210</u>
<i>Net Change in Fund Balance</i>	<u>(375,669)</u>	<u>(368,419)</u>	<u>(103,209)</u>	<u>265,210</u>
<i>Fund Balance at Beginning of Year</i>	618,873	618,873	618,873	0
Prior Year Encumbrances Appropriated	<u>116,553</u>	<u>116,553</u>	<u>116,553</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$359,757</u></u>	<u><u>\$367,007</u></u>	<u><u>\$632,217</u></u>	<u><u>\$265,210</u></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, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Projects				
Capital Outlay	<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>Excess of Revenues Under Expenditures</i>	<u>(47)</u>	<u>(47)</u>	<u>(47)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(47)</u>	<u>(47)</u>	<u>(47)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>47</u>	<u>47</u>	<u>47</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>47</u>	<u>47</u>	<u>47</u>	
<i>Fund Balance at End of Year</i>	<u><u>\$47</u></u>	<u><u>\$47</u></u>	<u><u>\$47</u></u>	<u><u>\$0</u></u>

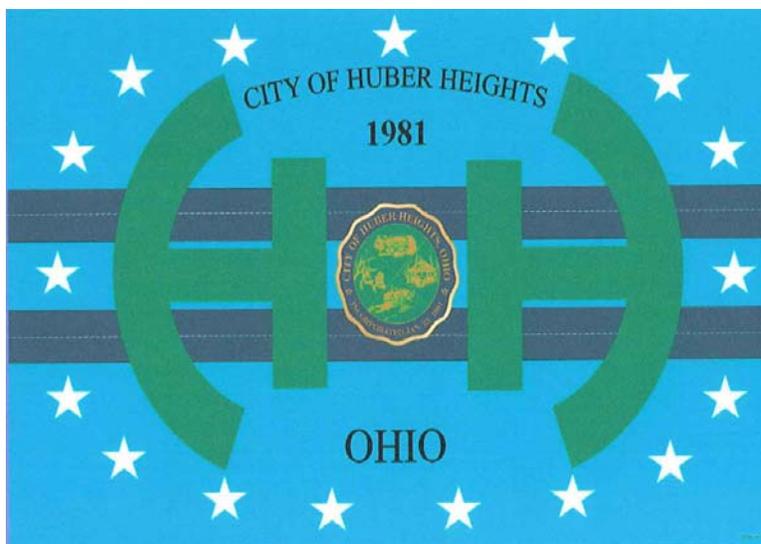
City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Street Capital Improvement Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Income Taxes	\$1,244,251	\$1,367,413	\$1,367,413	\$0
<i>Total Revenues</i>	<u>1,244,251</u>	<u>1,367,413</u>	<u>1,367,413</u>	<u>0</u>
Expenditures				
Capital Projects				
Capital Outlay	1,346,191	1,503,164	1,346,405	156,759
<i>Total Expenditures</i>	<u>1,346,191</u>	<u>1,503,164</u>	<u>1,346,405</u>	<u>156,759</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(101,940)</u>	<u>(135,751)</u>	<u>21,008</u>	<u>156,759</u>
<i>Net Change in Fund Balance</i>	(101,940)	(135,751)	21,008	156,759
<i>Fund Balance at Beginning of Year</i>	1,740,775	1,740,775	1,740,775	0
Prior Year Encumbrances Appropriated	135,178	135,178	135,178	0
<i>Fund Balance at End of Year</i>	<u>\$1,774,013</u>	<u>\$1,740,202</u>	<u>\$1,896,961</u>	<u>\$156,759</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Access Easement Acquisition Fund
For the Year Ended December 31, 2007

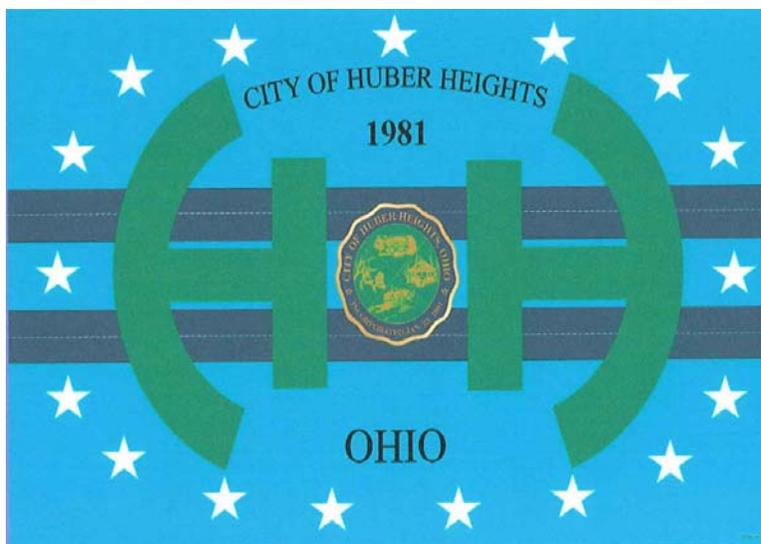
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$0	\$0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Current:				
General Government				
Accounting				
Operations and Maintenance	8,300	8,300	8,300	0
Capital Projects				
Capital Outlay	2,000,000	2,000,000	0	2,000,000
<i>Total Expenditures</i>	<u>2,008,300</u>	<u>2,008,300</u>	<u>8,300</u>	<u>2,000,000</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,008,300)</u>	<u>(2,008,300)</u>	<u>(8,300)</u>	<u>2,000,000</u>
Other Financing Sources				
Bond Anticipation Notes Issued	2,008,300	2,008,300	2,008,300	0
<i>Total Other Financing Sources</i>	<u>2,008,300</u>	<u>2,008,300</u>	<u>2,008,300</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	2,000,000	2,000,000
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>

City of Huber Heights, OH



Statistical Inference

City of Huber Heights, OH



STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	128-142
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and the municipal income tax.	143-152
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	154-161
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.	162-172
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.	173-174

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Note: The City implemented GASB Statement No. 34 in 2001, therefore schedules presenting government-wide information are reported for seven years beginning in that year.

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

	2001	2002	2003	2004	2005	2006	2007
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	\$73,036,568
Restricted for:							
Security of Persons and Property (6)	0	0	0	0	0	5,045,978	5,817,840
Leisure Time Activities (6)	0	0	0	0	0	83,811	76,994
Transportation (6)	0	0	0	0	0	3,677,405	4,735,229
Debt Service (2)	5,101,236	5,531,382	5,922,966	14,263,041	12,673,044	13,209,353	14,366,427
Capital Improvements (3)	1,945,938	632,385	1,403,234	2,042,658	1,940,327	3,236,059	5,727,951
Fire	1,507,520	1,317,846	647,145	1,154,588	767,251	0	0
Police	2,752,404	2,694,463	2,644,642	2,778,383	2,709,669	0	0
Other Purposes (1), (6)	3,770,296	3,584,532	2,995,779	3,161,672	3,903,073	0	0
Unrestricted (4)	11,638,427	8,180,399	7,911,615	6,097,773	6,038,189	8,755,584	9,815,074
Total Governmental Activities Net Assets	115,584,294	108,831,375	104,014,385	107,462,320	106,377,759	108,647,541	113,576,083
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	29,669,495
Restricted for:							
Revenue Bonds Improvement and Replacement	60,000	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	1,140,000
Unrestricted	15,166,589	16,461,034	15,650,819	16,739,783	20,067,560	23,415,841	25,050,436
Total Business-Type Activities Net Assets	21,176,371	28,853,791	34,082,005	38,349,578	44,804,086	50,356,715	55,919,931
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	102,706,063
Restricted for:							
Security of Persons and Property	0	0	0	0	0	5,045,978	5,817,840
Leisure Time Activities	0	0	0	0	0	83,811	76,994
Transportation	0	0	0	0	0	3,677,405	4,735,229
Fire	1,507,520	1,317,846	647,145	1,154,588	767,251	0	0
Police	2,752,404	2,694,463	2,644,642	2,778,383	2,709,669	0	0
Other Purposes	3,770,296	3,584,532	2,995,779	3,161,672	3,903,073	0	0
Debt Service	5,101,236	5,531,382	5,922,966	14,263,041	12,673,044	13,209,353	14,366,427
Capital Improvements	1,945,938	632,385	1,403,234	2,042,658	1,940,327	3,236,059	5,727,951
Revenue Bonds Improvement and Replacement	60,000	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	1,140,000
Unrestricted	26,805,016	24,641,433	23,562,434	22,837,556	26,105,749	32,171,425	34,865,510
Total Net Assets	\$136,760,665	\$137,685,166	\$138,096,390	\$145,811,898	\$151,181,845	\$159,004,256	\$169,496,014

- (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 Seven Years

(accrual basis of accounting)

	Year						
	2001	2002	2003	2004	2005	2006	2007
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	\$5,972,106
Police	5,158,811	6,004,693	6,079,238	5,947,297	6,003,211	6,149,214	6,457,403
Other	1,029,574	1,173,945	1,160,082	1,156,715	1,548,125	1,248,539	1,328,469
Public Health	40,954	27,142	0	0	0	0	0
Leisure Time Activities	231,707	310,037	252,634	206,014	360,125	288,143	301,582
Community Environment	755,132	915,387	956,321	973,583	806,281	773,937	964,372
Transportation (1)	5,480,981	6,145,863	6,377,671	7,253,184	6,317,991	6,195,345	6,708,347
General Government (2)	2,491,396	2,822,899	3,139,385	3,072,859	3,138,228	3,243,868	3,224,162
Interest and Fiscal Charges	1,141,978	931,452	976,918	935,657	1,008,724	1,165,096	1,210,321
<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>	<u>26,166,762</u>
Business-Type Activities							
Sewer	2,697,519	2,569,255	2,522,087	2,608,912	2,724,278	2,788,546	2,998,164
Water	2,667,458	2,654,056	2,505,512	2,918,082	2,946,993	3,285,584	3,706,749
Stormwater (3)	0	456,037	324,982	329,689	525,792	416,140	446,866
<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>	<u>7,151,779</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>	<u>33,318,541</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	897,903
Police	99,116	101,577	122,924	208,370	130,129	138,383	116,690
Other	165,328	188,508	689,899	1,292,233	1,327,579	377,849	441,911
Leisure Time Activities	63,094	59,846	40,891	68,997	9,205	298,255	2,516
Community Environment	185,973	141,727	148,550	194,278	167,297	180,027	230,834
Transportation	164,751	773,510	368,111	279,077	480,537	142,212	217,508
General Government	28,578	180,508	285,582	241,407	236,476	206,214	159,177
Operating Grants, Contributions and Interest	4,013,074	1,663,098	1,402,598	1,640,456	2,007,051	1,856,400	2,436,414
Capital Grants, Contributions and Interest (4)	2,417,015	509,504	2,520,528	9,398,793	1,381,583	1,400,487	3,084,457
<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>	<u>7,587,410</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	3,876,270
Water (5)	2,479,742	2,642,578	3,156,316	3,691,848	4,247,856	4,579,328	4,679,429
Stormwater (3)	0	247,270	521,909	623,339	544,584	545,561	550,208
Capital Grants, Contributions and Interest	397,754	273,055	0	95,151	2,215,636	1,714,450	2,908,631
<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>	<u>12,014,538</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>	<u>19,601,948</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)	(18,579,352)
Business-Type Activities	152,420	280,060	1,713,161	2,417,463	4,965,021	4,931,077	4,862,759
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>	<u>(13,716,593)</u>

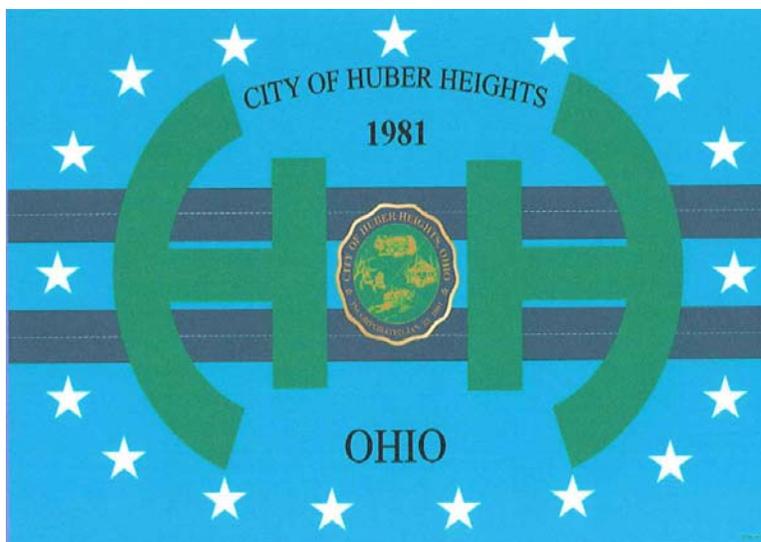
(Continued)

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

	Year						
	2001	2002	2003	2004	2005	2006	2007
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	\$1,415,264
Fire	1,047,758	1,004,769	1,023,456	992,635	981,949	1,067,074	1,093,238
Police	1,262,070	1,205,736	1,218,424	1,198,875	1,172,794	1,277,889	1,311,813
Debt Service	197,965	177,609	187,922	162,230	163,224	158,755	242,845
City Permissive Tax Levied for Transportation (7)	0	0	169,138	167,207	161,575	173,545	170,548
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	6,883,155
Fire Operating (10)	0	0	0	0	0	392,186	468,577
Police	2,700,972	2,547,969	2,393,829	2,363,127	2,720,037	3,545,945	3,701,293
Local Street Operating	1,402,411	1,452,405	1,367,094	1,359,776	1,545,793	1,636,399	1,637,475
Local Street Capital Improvement	1,151,042	1,199,861	1,132,304	1,131,166	1,314,396	1,301,952	1,308,244
Fire Capital Equipment	144,747	356,846	338,798	356,421	366,543	672,609	697,512
Payments in Lieu of Taxes (12)	0	0	0	0	0	0	1,436,504
Grants and Entitlements not Restricted to Specific Progr	1,406,293	1,360,770	2,080,752	1,662,720	1,791,527	1,435,321	1,100,180
Gain on Sale of Capital Assets	192,181	0	0	0	0	0	0
Unrestricted Investment Earnings (8)	725,525	319,967	224,674	273,764	550,710	1,001,068	1,437,877
Increase/(Decrease) in Fair Value of Investments	6,970	7,158	(3,134)	(13,643)	(43,135)	0	0
Other	126,148	76,571	147,010	28,772	0	202,671	378,754
Transfers (9)	50,838	(6,801,147)	(3,095,514)	(1,444,803)	(432,500)	98,410	224,585
Total Governmental Activities	17,203,089	9,927,039	13,535,907	14,833,869	17,663,101	21,199,989	23,507,864
Business-Type Activities							
Gain on Sale of Capital Assets	0	0	0	0	0	873	0
Investment in Joint Venture (11)	195,401	521,342	244,910	332,354	603,516	0	0
Unrestricted Investment Earnings (8)	184,675	82,841	44,527	72,953	453,471	702,823	919,217
Increase/(Decrease) in Fair Value of Investments	7,970	(7,970)	0	0	0	0	0
Other	0	0	0	0	0	16,266	5,825
Transfers (9)	(50,838)	6,801,147	3,095,514	1,444,803	432,500	(98,410)	(224,585)
Total Business-Type Activities	337,208	7,397,360	3,384,951	1,850,110	1,489,487	621,552	700,457
Total General Revenues and Other Changes in Net Assets	17,540,297	17,324,399	16,920,858	16,683,979	19,152,588	21,821,541	24,208,321
Changes in Net Assets							
Governmental Activities	3,512,137	(9,999,333)	(4,784,126)	3,447,935	(1,084,561)	2,269,784	4,928,512
Business-Type Activities	489,628	7,677,420	5,098,112	4,267,573	6,454,508	5,552,629	5,563,216
Total Changes in Net Assets	\$4,001,765	(\$2,321,913)	\$313,986	\$7,715,508	\$5,369,947	\$7,822,413	\$10,491,728

- (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.
- (12) 2007 was the first year for the revenue source Payment in Lieu of Taxes. This was generated by the creation of the Tax Increment Financing Districts.

City of Huber Heights, OH



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

	Year			
	1998	1999	2000	2001
General Fund				
Reserved (1)	\$2,416,657	\$1,939,881	\$2,893,809	\$2,879,932
Unreserved (2)	6,867,486	7,242,739	6,710,504	6,731,007
<i>Total General Fund</i>	<u>9,284,143</u>	<u>9,182,620</u>	<u>9,604,313</u>	<u>9,610,939</u>
All Other Governmental Funds				
Reserved (3)	1,450,131	1,582,478	2,878,460	2,194,906
Unreserved, reported in:				
Special Revenue Funds	2,729,536	3,219,340	3,557,220	4,866,139
Debt Service Funds (4)	628,998	801,123	942,275	1,348,576
Capital Project Funds (5)	(776,594)	(665,761)	(1,873,547)	585,481
<i>Total All Other Governmental Funds</i>	<u>4,032,071</u>	<u>4,937,180</u>	<u>5,504,408</u>	<u>8,995,102</u>
<i>Total Governmental Funds</i>	<u><u>\$13,316,214</u></u>	<u><u>\$14,119,800</u></u>	<u><u>\$15,108,721</u></u>	<u><u>\$18,606,041</u></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 balances 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.

2002	2003	2004	2005	2006	2007
\$2,200,762	\$1,670,586	\$775,096	\$1,632,674	\$931,430	\$808,268
6,093,953	5,632,055	4,734,737	3,989,157	5,885,503	7,475,911
8,294,715	7,302,641	5,509,833	5,621,831	6,816,933	8,284,179
3,580,381	4,801,825	1,538,507	1,238,332	2,515,159	1,106,514
5,162,177	4,568,880	5,453,228	5,892,439	6,719,602	9,599,144
1,366,000	1,467,197	2,300,338	1,342,517	1,432,551	1,440,382
(3,102,089)	(905,649)	744,215	79,346	(2,197,385)	2,792,105
7,006,469	9,932,253	10,036,288	8,552,634	8,469,927	14,938,145
\$15,301,184	\$17,234,894	\$15,546,121	\$14,174,465	\$15,286,860	\$23,222,324

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

	1998	1999	2000	2001	2002	2003
Revenues						
Municipal Income Taxes (1)	\$8,012,927	\$8,893,193	\$10,154,413	\$10,429,230	\$11,116,054	\$10,826,083
Property and Other Taxes	3,050,929	3,136,025	3,274,204	3,478,642	3,617,226	3,728,248
Payments in Lieu of Taxes (2)	0	0	0	0	0	0
Intergovernmental	4,658,372	4,000,391	4,075,128	3,889,006	3,581,912	5,094,102
Special Assessments	764,426	879,671	720,123	881,884	813,483	745,209
Charges for Services (3)	75,114	108,165	153,501	648,723	1,097,082	1,075,663
Fines, Licenses and Permits	300,918	467,977	278,838	218,045	168,641	161,949
Interest	883,465	757,638	1,068,332	815,914	339,756	320,874
Rent (4)	0	206,058	207,665	198,331	216,354	219,300
Increase (Decrease) in Fair Value of Investments (5)	0	0	0	6,970	7,158	(3,134)
Other (6)	804,142	367,546	272,925	983,048	298,528	507,532
Total Revenues	18,550,293	18,816,664	20,205,129	21,549,793	21,256,194	22,675,826
Expenditures						
Current:						
Security of Persons and Property:						
Fire	3,523,994	3,713,398	4,028,514	4,754,330	4,859,323	4,877,731
Police	4,355,509	4,515,681	4,894,405	5,037,460	5,740,324	5,858,898
Other	1,056,410	955,776	980,343	1,009,761	1,186,384	1,161,277
Public Health (7)	0	0	0	40,954	27,142	0
Leisure Time Activities	249,231	259,605	255,909	229,434	270,095	205,312
Community Environment	752,771	795,426	763,555	665,905	901,889	960,001
Transportation:						
Local Street Capital Improvement	0	0	4,347	4,616	0	0
Other	1,372,840	1,545,383	1,548,396	1,672,188	1,466,131	1,504,775
General Government	1,833,945	2,100,684	1,903,393	2,502,364	2,672,289	3,034,788
Capital Outlay	5,843,792	3,837,220	4,046,898	3,122,714	5,169,854	10,172,043
Debt Service:						
Principal Retirement	1,022,640	1,096,446	1,061,225	1,373,587	1,588,315	1,610,560
Interest and Fiscal Charges	1,105,255	1,091,105	1,078,050	1,152,618	924,975	909,068
Issuance Costs (8)	0	0	0	43,297	0	250
Current Refunding (9)	0	0	0	4,543,350	0	0
Total Expenditures	21,116,387	19,910,724	20,565,035	26,152,578	24,806,721	30,294,703
<i>Excess of Revenues Over (Under) Expenditures</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>	<i>(7,618,877)</i>
Other Financing Sources (Uses)						
Special Assessment Bonds Issued	665,000	725,000	750,000	2,240,000	0	0
General Obligation Bonds Issued	0	0	0	0	0	0
Refunding Bonds Issued	0	0	0	4,720,000	0	0
Long-Term Loans Issued	0	333,500	486,921	725,874	341,364	217,333
Bond Anticipation Notes Issued	0	0	0	0	0	0
Special Assessment Notes Issued	0	0	0	0	0	7,308,000
General Obligation Notes Issued	0	0	0	0	0	1,802,000
Proceeds from Capital Leases	0	0	0	0	0	0
Premium on Special Assessment Bonds Issued	770	1,776	3,640	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0	0
Premium from Refunding Bonds Issued	0	0	0	18,230	0	0
Premium on Special Assessment Notes Issued	0	0	0	0	0	48,281
Premium on General Obligation Notes Issued	0	0	0	0	0	12,170
Proceeds from Sale of Capital Assets	38,067	793,588	47,151	347,568	277,615	37,227
Current Refunding	0	0	0	0	0	0
Transfers In	5,418,508	7,252,861	6,883,546	7,662,283	8,777,140	8,072,606
Transfers Out	(5,368,364)	(7,204,041)	(6,831,054)	(7,611,445)	(9,118,870)	(8,005,171)
Total Other Financing Sources (Uses)	753,981	1,902,684	1,340,204	8,102,510	277,249	9,492,446
Net Change in Fund Balances	\$(1,812,113)	\$808,624	\$980,298	\$3,499,725	\$(3,273,278)	\$1,873,569
Debt Service as a Percentage of Noncapital Expenditures (10)	11.38%	12.31%	10.90%	11.54%	12.54%	10.83%

- (1) The City tax rate increased from 1.75% to 1.95% on June 1, 1999. Actual collections were not fully realized until 2000. Municipal income taxes had a one-time increase in 2002. On September 14, 2001, the City terminated the income tax collection contract with the City of Dayton, establishing a collection office itself. The collection process was accelerated, as well as delinquents decreasing. During 2003, the City Attorney determined that over-the-road, interstate, non-resident truck drivers are not required to have local income taxes withheld. Prior to 2003, trucking companies withheld 100% for these employees. In November 2005, taxpayers approved an additional .30% increase which is effective January 1, 2006.
- (2) 2007 was the first year for the revenue source Payment in Lieu of Taxes. This was generated by the creation of the Tax Increment Financing Districts.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) Other revenue increased in 2001 due to reimbursements from the pension systems for employer and employee shares of compensation that were not pensionable.
- (7) 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.
- (8) Issuance costs were first separated from interest and fiscal charges in 2001.
- (9) 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.
- (10) Debt service only includes principal and interest. In 2004 and 2005, the City's percentage increased due to the renewal of several note issues.

2004	2005	2006	2007
\$11,127,693	\$11,760,071	\$13,977,428	\$15,119,538
3,722,157	3,843,387	4,033,096	4,200,124
0	0	0	774,914
5,267,573	4,036,451	3,726,467	3,821,179
824,394	897,559	761,844	835,013
990,286	1,002,493	1,061,357	1,041,625
180,379	178,315	147,675	187,608
341,248	603,363	877,912	1,091,935
207,990	217,301	514,483	169,244
(13,643)	(43,135)	52,824	314,169
286,498	188,355	207,812	211,800
<u>22,934,575</u>	<u>22,684,160</u>	<u>25,360,898</u>	<u>27,767,149</u>
5,238,124	5,095,123	5,326,131	5,632,420
5,815,324	5,793,797	5,922,786	6,115,969
1,131,283	1,480,623	1,161,733	1,211,381
0	0	0	0
156,038	310,169	239,893	244,627
1,003,393	769,706	723,380	884,252
0	0	0	0
1,493,925	1,481,196	1,363,889	1,416,004
3,011,530	3,026,588	2,969,671	2,982,202
6,778,164	3,122,285	4,794,386	3,990,252
10,625,090	12,174,365	1,460,691	1,505,209
1,003,594	984,879	1,136,067	1,187,360
3,771	2,549	0	32,803
0	0	0	0
<u>36,260,236</u>	<u>34,241,280</u>	<u>25,098,627</u>	<u>25,202,479</u>
<u>(13,325,661)</u>	<u>(11,557,120)</u>	<u>262,271</u>	<u>2,564,670</u>
0	0	0	1,270,000
0	0	0	1,065,000
0	0	0	0
0	0	0	0
0	0	0	10,742,648
8,951,289	8,652,000	9,322,916	0
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	0
72,089	60,042	0	0
29,933	10,188	0	0
21,472	18,429	7,412	127,139
0	0	(9,900,000)	(7,999,000)
9,670,289	7,440,740	7,997,038	9,847,932
<u>(8,980,764)</u>	<u>(7,253,203)</u>	<u>(7,794,864)</u>	<u>(9,726,215)</u>
<u>11,600,019</u>	<u>10,176,196</u>	<u>745,000</u>	<u>5,327,504</u>
<u>(\$1,725,642)</u>	<u>(\$1,380,924)</u>	<u>\$1,007,271</u>	<u>\$7,892,174</u>
35.71%	41.57%	12.82%	12.33%

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

	2001	2002	2003	2004	2005	2006	2007
Function/Program							
Governmental Activities							
Security of Persons and Property:							
Fire (1)	\$678,156	\$210,991	\$51,925	\$97,964	\$33,644	\$1,118,496	\$1,051,800
Police	242,013	263,842	210,973	292,137	232,748	591,384	704,363
Other (2)	2,125,765	253,075	690,111	1,348,868	1,590,580	388,604	441,911
Public Health	41,994	26,102	0	0	0	0	0
Leisure Time Activities (3)	63,094	65,446	69,476	195,049	70,422	298,255	2,516
Community Environment	263,899	313,323	148,550	226,571	167,297	180,027	235,924
Transportation (4)	3,859,404	2,381,837	4,141,449	10,987,943	3,419,691	2,822,209	4,991,719
General Government	75,661	180,508	302,471	241,407	236,476	206,214	159,177
<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>	<u>7,587,410</u>
Business-Type Activities							
Sewer	2,684,111	2,925,914	3,387,517	3,867,582	4,998,982	5,294,506	4,998,776
Water	2,833,286	2,747,032	3,156,316	3,783,225	5,064,612	5,126,227	5,718,340
Stormwater	0	286,462	521,909	623,339	1,098,490	1,000,614	1,297,422
<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>	<u>12,014,538</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>	<u>\$19,601,948</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
2007	\$15,119,538	\$4,200,124	\$19,319,662
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
Change 1998-2007	88.69%	37.67%	74.62%

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

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

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Transportation	General Government	Interest and Fiscal Charges	Total
2007	\$13,757,978	\$0	\$301,582	\$964,372	\$6,708,347	\$3,224,162	\$1,210,321	\$26,166,762
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 Seven 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	Payment in Lieu of Taxes (2)	Entitlements not Restricted to Specific Programs	Unrestricted Investment Earnings	Change in Fair Value of Investments	Other	
2007	\$2,066,539	\$2,436,414	\$3,084,457	\$4,233,738	\$14,696,256	\$1,436,504	\$1,100,180	\$1,437,877	\$0	\$378,754	\$30,870,719
2006	2,348,302	1,856,400	1,400,487	4,070,458	14,392,061	0	1,435,321	1,001,068	0	202,671	26,706,768
2005	2,362,224	2,007,051	1,381,583	3,745,059	12,051,440	0	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	0	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	0	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	0	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	0	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.

(2) 2007 was the first year for the revenue source Payment in Lieu of Taxes. It was generated by the creation of the Tax Increment Financing Districts.

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
2007	\$858,334	\$884,252	\$2,852,374	\$275,394	\$10,863	\$4,881,217
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

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
2007	\$7,089,287	\$1,416,356	\$1,316,046	\$920,561	\$187,608	\$1,008,128	\$31,664	\$314,169	\$71,721	\$12,355,540
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

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-Three Years

	Year	Amount	Percent Change	
	2007	\$15,692,456	11.13	%
(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
2007	\$1.50	\$4.29	\$5.50	\$0.38	\$11.67	\$60.48	\$18.24	\$2.58	\$1.25
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

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 one half of public utility tangible personal and 25% for the remaining half, 12.5% 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	2007				1998			
	2006 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2007 (1)	Rank	Percentage of Total Assessed Valuation	1997 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 1998 (1)	Rank	Percentage of Total Assessed Valuation		
Kir Huber Heights LP	\$8,735,800	1	1.29%					
Dayton Power and Light Company	8,183,600	2	1.21	12,134,600	1	2.49		
DEC Land Co. LLC	3,744,160	3	0.55					
Wal-Mart Stores Incorporated	3,604,380	4	0.53	1,888,730	5	0.39		
Lowe's Home Center Incorporated	3,108,170	5	0.46					
National Amusement Incorporated	2,883,660	6	0.43	1,610,810	7	0.33		
Waynetowne Associates	2,866,360	7	0.42	2,532,930	4	0.52		
Ohio Bell Telephone	2,698,450	8	0.40	7,592,900	2	1.56		
Target Corporation	2,297,150	9	0.34					
C. H. Huber Enterprise Incorporated	2,065,460	10	0.31	1,611,070	6	0.33		
Wildcat Development Limited				6,013,800	3	1.24		
Spectra - Physics Laserplane Incorporated (2)				1,442,290	8	0.30		
Columbia Building Company (3)				1,315,840	9	0.27		
Imperial Heights Partners Limited				1,168,720	10	0.24		
Total Assessed Valuation	\$40,187,190		5.94%	\$37,311,690		7.67%		
	\$674,914,980			\$456,886,950				

(1) Assessed valuation based on the valuation of property for taxes collected in 2007 and 1998, 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 18 - Contingent Liabilities.

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

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

Collection Year	(1)			(1) Total Assessed Value	(2) Estimated Value	Percentage of Assessed Value To Estimated True Value
	(1) Real	(1) Public Utility Personal	(1) Tangible Personal			
2007	\$661,829,890	\$13,085,090	\$26,502,893	\$701,417,873	\$2,136,570,577	32.83%
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

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 2007 were 35 percent for real property and public utility real, 88 percent for one half of public utility tangible personal with 25 percent for the remaining half, and 12.5 percent for tangible personal property.

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

Year	Individual		Total		Corporate	Percentage	Total	Income Tax Rate
	Withholding	Percentage	Non-withholding	Percentage				
2007	\$11,208,882	71.77%	\$2,340,611	14.99%	\$13,549,493	86.75%	\$2,069,367	13.25%
2006	10,573,877	76.30%	1,886,487	13.61%	12,460,364	89.91%	1,398,295	10.09%
2005	9,330,120	74.51%	1,910,262	15.25%	11,240,382	89.76%	1,282,037	10.24%
2004	8,674,525	78.50%	1,719,659	15.56%	10,394,184	94.06%	656,577	5.94%
2003	8,743,601	77.61%	1,764,529	15.66%	10,508,130	93.28%	757,568	6.72%
2002	8,705,817	77.40%	1,831,422	16.28%	10,537,239	93.69%	709,918	6.31%

(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
			To Tax Levy	To Tax Levy			To Tax Levy	To Tax Levy		
2007	\$3,734,698	\$3,479,307	93.16%		\$163,456	\$4,417,677	118.29%		\$199,224	5.33%
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

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 2002-2006, Collection Years 2003-2007

<u>Tax Year/ Collection Year</u>	<u>Income Range</u>	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Total Taxable Income</u>	<u>Percent of Taxable Income</u>
2006/2007	\$0-\$19,999	9,628	49.77%	\$45,879,290	8.00%
2006/2007	\$20,000-\$49,999	6,069	31.37%	202,270,844	35.26%
2006/2007	\$50,000-\$74,999	2,427	12.54%	146,967,541	25.62%
2006/2007	\$75,000-\$99,999	762	3.94%	64,779,348	11.29%
2006/2007	Over \$100,000	460	2.38%	113,727,665	19.83%
	Total	19,346		573,624,688	
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	

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	
2007	\$847,290	\$816,999	96.42%	\$435,000	\$300,787	1.11
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

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>
2007	\$847,290	\$816,999	96.42%
2006	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

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
2007	38,212	\$701,417,873	\$6,150,000	\$1,440,382	\$4,709,618	0.67%	\$123.25
2006	38,212	691,812,969	5,965,000	1,442,554	4,522,446	0.65	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

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, 2007

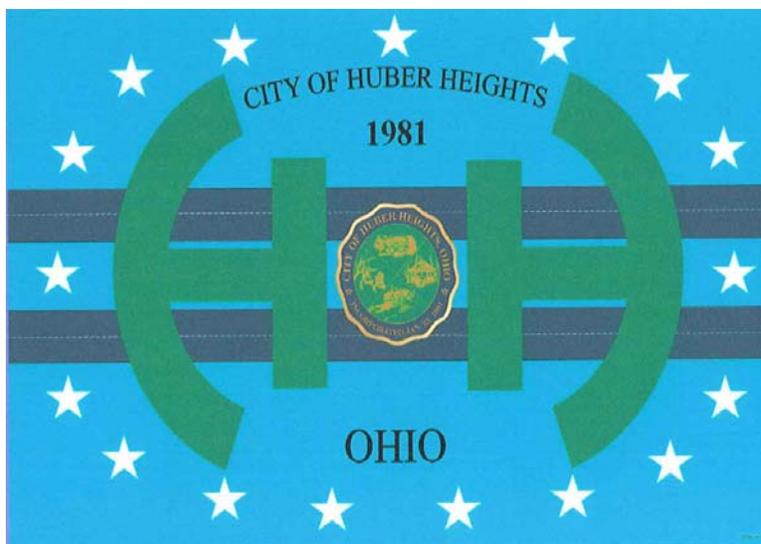
<u>Authorized</u>	<u>Millage Rate</u>		<u>Purpose</u>	<u>Last Collection Year</u>
	Levied			
	For Current Collection Year (1)			
	<u>Res./Agr.</u>	<u>All Other</u>		
1.000	0.260565	0.334574	Police	Continuing
2.370	0.617539	0.792940	Police	Continuing
0.630	0.164585	0.211332	Police	Continuing
1.500	0.502032	0.604923	Police	Continuing
0.790	0.205846	0.264313	Fire	Continuing
0.420	0.109437	0.140521	Fire	Continuing
0.290	0.075761	0.097280	Fire	Continuing
0.170	0.056904	0.068038	Fire	Continuing
2.250	0.753048	0.907384	Fire	Continuing
0.370	0.124756	0.149214	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, OH



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

	1998	1999	2000	2001	2002
Total Debt Outstanding:					
Governmental Activities:					
Short-Term General Obligation Notes	\$0	\$0	\$0	\$0	\$1,820,000
Long-Term General Obligation Notes	0	0	0	0	0
Short-Term Special Assessment Notes	1,723,000	726,000	2,500,000	0	1,670,000
Long-Term Special Assessment Notes	0	0	0	0	0
General Obligation Bonds - Voted	1,880,000	1,780,000	1,675,000	1,620,000	1,485,000
General Obligation Bonds - Unvoted	9,993,537	9,327,605	8,841,673	8,410,000	7,780,000
	<u>11,873,537</u>	<u>11,107,605</u>	<u>10,516,673</u>	<u>10,030,000</u>	<u>9,265,000</u>
Special Assessment Bonds - Unvoted	4,581,462	5,092,394	5,598,326	7,555,000	7,250,000
Equipment/Vehicle Loans	439,203	656,257	916,954	1,259,241	1,082,290
Total Governmental Activities	<u>18,617,202</u>	<u>17,582,256</u>	<u>19,531,953</u>	<u>18,844,241</u>	<u>21,087,290</u>
Business-Type Activities:					
Short-Term General Obligation Notes	0	0	0	0	0
Revenue Bonds Payable - Unvoted (1)	11,635,517	11,260,517	10,850,517	10,400,517	9,910,517
OWDA Loan - Unvoted	6,229,082	5,963,665	5,687,931	5,401,479	5,103,892
Equipment/Vehicle Loans	0	0	0	0	114,229
Total Business-Type Activities	<u>17,864,599</u>	<u>17,224,182</u>	<u>16,538,448</u>	<u>15,801,996</u>	<u>15,128,638</u>
Total	<u>36,481,801</u>	<u>34,806,438</u>	<u>36,070,401</u>	<u>34,646,237</u>	<u>36,215,928</u>
Total Debt Per Capita (2)	\$936.90	\$910.88	\$932.39	\$895.58	\$936.15
Percentage of Personal Income (3)	6.37%	6.20%	4.45%	4.27%	4.47%
Less: Exempt Debt					
Governmental Activities:					
Short-Term Special Assessment Notes	(1,723,000)	(726,000)	(2,500,000)	0	(1,670,000)
Long-Term Special Assessment Notes	0	0	0	0	0
Special Assessment Bonds - Unvoted	(4,581,462)	(5,092,394)	(5,598,326)	(7,555,000)	(7,250,000)
Total Governmental Activities	<u>(6,304,462)</u>	<u>(5,818,394)</u>	<u>(8,098,326)</u>	<u>(7,555,000)</u>	<u>(8,920,000)</u>
Business-Type Activities:					
Short-Term General Obligation Notes	0	0	0	0	0
Revenue Bonds Payable - Unvoted	(11,635,517)	(11,260,517)	(10,850,517)	(10,400,517)	(9,910,517)
OWDA Loan - Unvoted	(6,229,082)	(5,963,665)	(5,687,931)	(5,401,479)	(5,103,892)
Equipment/Vehicle Loans	0	0	0	0	(114,229)
Total Business-Type Activities	<u>(17,864,599)</u>	<u>(17,224,182)</u>	<u>(16,538,448)</u>	<u>(15,801,996)</u>	<u>(15,128,638)</u>
Total	<u>(24,169,061)</u>	<u>(23,042,576)</u>	<u>(24,636,774)</u>	<u>(23,356,996)</u>	<u>(24,048,638)</u>
Debt Within 10 1/2 Percent Limitation	12,312,740	11,763,862	11,433,627	11,289,241	12,167,290
Less: Bond Retirement Fund Balance	(466,383)	(575,678)	(609,472)	(722,183)	(725,299)
Net Debt Subject to 10 1/2 Percent Limitation	<u>11,846,357</u>	<u>11,188,184</u>	<u>10,824,155</u>	<u>10,567,058</u>	<u>11,441,991</u>
Overall Debt Limitation					
10 1/2 Percent of Assessed Valuation (4)	51,144,286	51,887,771	58,654,054	59,814,719	60,525,733
Legal Debt Margin Within 10 1/2 Percent Limitation	<u>\$39,297,929</u>	<u>\$40,699,587</u>	<u>\$47,829,899</u>	<u>\$49,247,661</u>	<u>\$49,083,742</u>
Net Debt Subject to 10 1/2 Percent Limitation as a percentage of debt limit	23.16%	21.56%	18.45%	17.67%	18.90%
Legal Debt Margin as a Percentage of the Debt Limit	76.84%	78.44%	81.55%	82.33%	81.10%
Debt Within 5 1/2 Percent Limitation	\$10,432,740	\$9,983,862	\$9,758,627	\$9,669,241	\$10,682,290
Less: Bond Retirement Fund Balance	(466,383)	(575,678)	(609,472)	(722,183)	(725,299)
Net Debt Within 5 1/2 Percent Limitation	<u>9,966,357</u>	<u>9,408,184</u>	<u>9,149,155</u>	<u>8,947,058</u>	<u>9,956,991</u>
Unvoted Debt Limitation					
5 1/2 Percent of Assessed Valuation (3)	26,789,864	27,179,309	30,723,552	31,331,520	31,703,956
Legal Debt Margin Within 5 1/2 Percent Limitation	<u>\$16,823,507</u>	<u>\$17,771,125</u>	<u>\$21,574,397</u>	<u>\$22,384,462</u>	<u>\$21,746,965</u>
Net Debt Within 5 1/2 Percent Limitation as a percentage of debt limit	37.20%	34.62%	29.78%	28.56%	31.41%
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	62.80%	65.38%	70.22%	71.44%	68.59%
Net General Bonded Debt	11,407,154	10,531,927	9,907,201	9,307,817	8,539,701
Ratio of Net Bonded Debt to Assessed Valuation (4)	2.34%	2.13%	1.77%	1.63%	1.48%
Net Bonded Debt Per Capita (2)	\$292.95	\$275.62	\$256.09	\$240.60	\$220.74

Source: Department of Finance, City of Huber Heights

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

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

(2) See page 151 for population data.

(3) See page 162 for personal income data.

(4) See page 145 for assessed valuation data.

2003	2004	2005	2006	2007
\$1,852,000	\$1,885,000	\$1,905,000	\$3,058,200	\$2,052,000
1,802,000	1,838,000	1,248,000	0	2,008,300
1,200,000	360,000	0	1,225,100	0
7,308,000	8,949,000	8,652,000	7,999,000	8,298,230
1,340,000	1,195,000	1,040,000	880,000	715,000
7,130,000	6,475,000	5,790,000	5,085,000	5,435,000
8,470,000	7,670,000	6,830,000	5,965,000	6,150,000
6,895,000	6,515,000	6,135,000	5,730,000	6,565,000
839,063	503,973	336,607	215,916	127,361
28,366,063	27,720,973	25,106,607	24,193,216	25,200,891
0	1,705,000	0	0	0
9,380,517	8,805,517	19,290,517	18,385,517	17,365,517
4,794,738	4,473,566	4,139,911	3,793,286	3,433,188
101,912	71,491	44,127	19,902	5,740
14,277,167	15,055,574	23,474,555	22,198,705	20,804,445
42,643,230	42,776,547	48,581,162	46,391,921	46,005,336
\$1,115.96	\$1,119.45	\$1,271.36	\$1,214.07	\$1,203.95
5.33%	5.34%	6.07%	5.79%	5.75%
(1,200,000)	(360,000)	0	(1,225,100)	0
(7,308,000)	(8,949,000)	(8,652,000)	(7,999,000)	(8,298,230)
(6,895,000)	(6,515,000)	(6,135,000)	(5,730,000)	(6,565,000)
(15,403,000)	(15,824,000)	(14,787,000)	(14,954,100)	(14,863,230)
0	(1,705,000)	0	0	0
(9,380,517)	(8,805,517)	(19,290,517)	(18,385,517)	(17,365,517)
(4,794,738)	(4,473,566)	(4,139,911)	(3,793,286)	(3,433,188)
(101,912)	(71,491)	(44,127)	(19,902)	(5,740)
(14,277,167)	(15,055,574)	(23,474,555)	(22,198,705)	(20,804,445)
(29,680,167)	(30,879,574)	(38,261,555)	(37,152,805)	(35,667,675)
12,963,063	11,896,973	10,319,607	9,239,116	10,337,661
(756,494)	(1,356,175)	(889,784)	(1,442,554)	(1,440,382)
12,206,569	10,540,798	9,429,823	7,796,562	8,897,279
65,664,584	66,376,976	66,766,184	66,766,184	73,648,877
\$53,458,015	\$55,836,178	\$57,336,361	\$58,969,622	\$64,751,598
18.59%	15.88%	14.12%	11.68%	12.08%
81.41%	84.12%	85.88%	88.32%	87.92%
\$11,623,063	\$10,701,973	\$9,279,607	\$8,359,116	\$9,622,661
(756,494)	(1,356,175)	(889,784)	(1,442,554)	(1,440,382)
10,866,569	9,345,798	8,389,823	6,916,562	8,182,279
34,395,735	34,768,892	34,972,763	38,031,868	38,577,983
\$23,529,166	\$25,423,094	\$26,582,940	\$31,115,306	\$30,395,704
31.59%	26.88%	23.99%	18.19%	21.21%
68.41%	73.12%	76.01%	81.81%	78.79%
7,713,506	6,313,825	5,940,216	4,522,446	4,709,618
1.23%	1.00%	0.93%	0.65%	0.68%
\$201.86	\$165.23	\$155.45	\$118.35	\$123.25

City of Huber Heights, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2007

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City of Huber Heights	Amount Applicable To City of Huber Heights
City of Huber Heights (1)	\$4,709,618	100.00%	\$4,709,618
Miami County (2)	18,935,000	1.03	195,031
Montgomery County (3)	44,021,951	8.59	3,781,486
			<u>\$8,686,134</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	
2007	\$6,278,971	\$1,943,224	\$4,335,747	\$1,020,000	\$679,044	\$1,699,044	2.55
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

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
OWDA Loan Coverage - Sewer Fund
Last Ten Years

Year	Revenues (1)	Operating Expenses (2)	Net Revenue Available Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2007	\$3,876,270	\$2,189,398	\$1,686,872	\$360,098	\$142,609	\$502,707	3.36
2006	4,004,640	2,283,770	1,720,870	346,625	156,082	502,707	3.42
2005	4,154,008	2,294,923	1,859,085	333,656	169,051	502,707	3.70
2004	3,863,808	2,220,490	1,643,318	321,172	181,536	502,708	3.27
2003	3,387,517	2,133,616	1,253,901	309,154	193,554	502,708	2.49
2002	2,796,505	2,159,393	637,112	297,587	205,120	502,707	1.27
2001	2,639,901	2,276,641	363,260	286,452	216,254	502,706	0.72
2000	2,743,412	2,315,381	428,031	275,734	226,972	502,706	0.85
1999	2,816,400	2,122,415	693,985	265,417	237,290	502,707	1.38
1998	2,660,646	2,100,351	560,295	255,486	247,220	502,706	1.11

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) - Revenues includes operating revenues only.

(2) - Total operating expenses exclusive of depreciation.

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
2007	\$1,172,003	\$4,881,217	24.01%
2006	1,192,929	4,888,545	24.40
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

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 Nine Years Ago

Employer	Nature of Activity or Business	2007		2007		2007		1998		1998	
		Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment	
A B F Freight Systems	Truck Terminal	825	1	4.37%	735	1	3.71%				
Huber Heights City Schools	Education	558	2	2.95%	585	3	2.95%				
Trimble Navigation	Laser Manufacturing	430	3	2.28%	680	2	3.43%				
Fedex Freight	Package Delivery	324	4	1.71%	-	-	-				
Wal-Mart Stores Incorporated	General Merchandise	239	5	1.26%	295	4	1.49%				
City of Huber Heights	City Government	184	6	0.97%	177	8	0.89%				
Coca Cola Enterprises, Inc.	Warehouser and Distributor	180	7	0.95%	-	-	-				
Bowser Morner	Testing Laboratory	160	8	0.85%	172	10	0.87%				
Lowe's Home Centers, Inc.	Home Improvement Sales	150	9	0.79%	-	-	-				
Spring Creek Nursing Center	Nursing Home	148	10	0.78%	106	19	0.54%				
AIDA-Dayton Technologies Corp	Press Manufacturing	146	11	0.77%	80	25	0.40%				
Kohl's Department Stores, Inc.	General Merchandise	134	12	0.71%	180	7	0.91%				
Kroger Limited	Grocery Store	130	13	0.69%	100	20	0.51%				
Dayton Freight Lines, Inc.	Truck Terminal	121	14	0.64%	87	24	0.44%				
Enginetics Aerospace	Aerospace Parts	110	15	0.58%	144	15	0.73%				
Target Corporation	General Merchandise	109	16	0.58%	150	13	0.76%				
Bon-Ton Elder-Beerman	General Merchandise	101	17	0.53%	140	16	0.71%				
Vcolia Environmental Services	Treatment Plant Operator	99	18	0.52%	-	-	-				
Apache Technologies	Laser Equipment Manufacturing	80	19	0.42%	-	-	-				
LaserMike Inc	Laser Gauging	69	20	0.37%	155	12	0.78%				
Gallow Industries	Gas Pump Nozzle Manufacturing	67	21	0.35%	75	27	0.38%				
FedEx Ground Package Systems Inc	Package Delivery	65	22	0.34%	-	-	-				
TGI Friday's	Restaurant	65	23	0.34%	-	-	-				
U.S. Postal Service	Postal Service	65	24	0.34%	74	28	0.37%				
Metakole Corp	Powder-coated Metals	63	25	0.33%	-	-	-				
Millat Industries	Manufacturing	62	26	0.33%	-	-	-				
Fukuvi USA Inc.	Plastic Building Materials Manufacturing	58	27	0.31%	-	-	-				
Huber Investment Corporation	Property Management	58	28	0.31%	-	-	-				
Stoops Freightliner	Heavy Duty Truck/Trailer Sales and Service	58	29	0.31%	-	-	-				
Hughes Peters (MJO)	Electronic Component Assembly and Distribution	55	30	0.29%	-	-	-				
Paxar Corporation	Paper Products Manufacturing	-	-	-	225	5	1.14%				
Montgomery Development Center	Handicapped Home	-	-	-	214	6	1.08%				
Cub Foods	Grocery Store	-	-	-	176	9	0.89%				
Globe Products, Inc.	Welding Equipment	-	-	-	161	11	0.81%				
K-Mart Corp	General Merchandise	-	-	-	150	14	0.76%				
Pizzeria Uno	Restaurant	-	-	-	120	17	0.61%				
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%				
Steak 'N Shake	Restaurant	-	-	-	71	29	0.36%				
Waste Management Industrial	Sewer Cleaning	-	-	-	70	30	0.35%				

Source: City of Huber Heights, Planning and Development Department

City of Huber Heights, Ohio
Principal Income Taxpayers, Based on Income Tax Withholdings
Current Year and Five Years Ago (1)
(Cash Basis of Accounting)

Employer	Nature of Activity or Business	2007 Rank	2002 Rank
Wright Patterson Air Force Base	Military Base	1	1
Huber Heights City Schools	Education	2	3
Trimble Navigation Ltd	Laser Manufacturing	3	4
A B F Freight Systems	Truck Terminal	4	2
Fedex Freight	Package Delivery	5	5
State of Ohio	State Government	6	7
Wal-Mart Stores Incorporated	General Merchandise	7	10
City of Huber Heights	City Government	8	6
AIDA-Dayton Technologies Corp	Press Manufacturing	9	8
Coca Cola Enterprises, Inc.	Warehouser and Distributor	10	14
Dayton Freight Lines, Inc.	Truck Terminal	11	13
Enginetics Aerospace	Aerospace Parts	12	20
Huber Investment Corporation	Residential Rental	13	11
Beta LaserMike Inc	Laser Gauging	14	12
Kroger Limited	Grocery Store	15	16
Kokosing Construction Co. Inc.	Road Construction	16	
National City Bank	Banking	17	22
Bowser Morner	Testing Laboratory	18	17
Lowe's Home Center Incorporated	Home Improvement Sales	19	19
5440 Charlesgate Rd. Operating	Rehabilitation Nursing Center	20	
CBS Personnel Service	Temporary Employment Agency	21	
Apache Technologies, Inc.	Laser Manufacturing	22	30
Dayton Regional Dialysis Inc	Healthcare	23	26
Reed Elsevier, Inc.	Data Storage	24	
Yellow Transportation, Inc.	Truck Terminal	25	29
Providence Medical Group	Family Medical/Dental Services	26	
Stoops of Ohio, Inc.	Freightliner Sales	27	
Hooven Dayton Corp.	Specialty Label Printer	28	
Target Corporation	General Merchandise	29	28
Millat Industries	Precision Machinery Manufacturing	30	
Paxar Corporation	Paper Products Manufacturing		9
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
Metokote Corp	Powder-coated Metals		24
Dayton Foods LTD	Grocery Store		25
Bon-Ton Elder-Beerman	General Merchandise		27
Combined Percentage of Total Withheld Income Taxes		54.10%	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)
2007	38,212	\$800,579,612	\$20,951	\$49,073	34.4	18.9%	\$116,197	6,651	6.20%
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%

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

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

Source: (3) Dayton Area Board of Realtors, Dayton, Ohio (2005 Price Range: \$14,000- - \$375,000).

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)	
2007	\$1,890,942,543	107	\$13,264,683	9	\$18,350,000	\$267,338,000
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

(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, 2007

Taxpayer	2006 Real Property and Public Utility Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2007	Percentage of Total Assessed Valuation
1. Kir Huber Heights L P	\$8,735,800	1.29%
2. Dayton Power and Light Company	8,183,600	1.21
3. DEC Land Co. LLC	3,744,160	0.55
4. Wal-Mart Stores Incorporated	3,604,380	0.53
5. Lowe's Home Center Incorporated	3,108,170	0.46
6. National Amusement Incorporated	2,883,660	0.43
7. Waynetowne Associates	2,866,360	0.42
8. Ohio Bell Telephone	2,698,450	0.40
9. Target Corporation	2,297,150	0.34
10. C. H. Huber Enterprise Incorporated	2,065,460	0.31
Total	<u>\$40,187,190</u>	<u>5.94%</u>

Taxpayer	2006 Tangible Personal Property Assessed Valuation (Tax Duplicate) For Collection in 2007	Percentage of Total Assessed Valuation
1. Trimble Navigation Ltd.	\$3,233,340	12.20%
2. Enginetics Aerospace	2,332,053	8.80
3. AIDA-Dayton Technologies Corp	2,152,180	8.12
4. Ohio Bell Telephone Co.	1,445,810	5.46
5. Wal-Mart Stores Incorporated	1,144,070	4.32
6. Stoops of Ohio, Inc.	754,960	2.85
7. Lowe's Home Center Incorporated	733,070	2.77
8. Gander Mountain Co.	597,450	2.25
9. Fukuvi USA, Inc.	579,950	2.19
10. Paxar	541,070	2.04
Total	<u>\$13,513,953</u>	<u>51.00%</u>

Source: County Auditor; Miami County and 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.		Ohio (2)		U.S.A. (3)	
	Labor Force	Unemployment Rate (5) %	Labor Force (4)	Unemployment Rate (5) %	Labor Force (4)	Unemployment Rate (5) %	Labor Force (4)	Unemployment Rate (5) %	Labor Force (4)	Unemployment Rate (5) %	Labor Force (4)	Unemployment Rate (4) %
2007	19,000	5.7 %	271.5	6.2 %	55.4	5.4 %	426.8	5.9 %	5,976.5	5.6 %		4.6 %
2006	20,000	5.6	272.8	6.0	55.1	5.5	427.2	5.8	5,934.0	5.5		4.6
2005	19,900	5.7	272.2	6.4	54.1	5.6	424.9	6.1	5,900.4	5.9		5.1
2004	18,797	5.1	288.6	6.2	56.8	5.4	449.0	5.9	5,884.8	6.1		5.5
2003	18,824	5.1	279.5	6.3	51.3	6.3	475.0	6.2	5,915.0	6.1		6.0
2002	18,925	4.7	278.6	5.6	51.3	5.8	473.8	5.6	5,828.0	5.7		5.8
2001	19,405	3.6	284.9	4.3	56.7	4.1	480.7	4.3	5,857.0	4.3		4.8
2000	19,546	3.0	278.8	3.8	56.4	3.4	470.4	3.8	5,783.0	4.1		4.0
1999	20,200	3.0	278.5	3.8	50.5	3.9	471.0	3.8	5,749.0	4.3		4.2
1998	20,500	3.2	281.0	4.1	50.3	3.7	470.2	3.9	5,678.0	4.3		4.5
1997	20,500	3.2	284.5	4.0	51.2	4.4	477.3	4.1	5,707.0	4.6		4.9
1996	20,600	3.5	283.2	4.4	50.5	4.3	473.7	4.5	5,643.0	4.9		5.4
1995	20,500	3.2	282.5	4.0	49.5	3.7	471.5	4.0	5,584.4	4.8		5.6
1994	20,500	3.7	284.0	4.9	49.4	4.1	469.0	4.8	5,541.2	5.5		6.1
1993	20,400	4.3	284.8	6.4	49.1	6.1	471.1	6.5	5,431.8	7.8		7.6
1992	20,600	5.0	288.5	6.4	49.0	6.7	477.1	6.5	5,490.0	7.2		7.4
1991	20,700	4.5	289.4	5.7	49.0	6.2	474.4	5.8	5,440.0	6.4		6.7
1990	20,800	3.9	290.7	5.2	49.1	5.8	476.8	5.3	5,433.0	5.7		5.3
1989	18,800	3.5	292.2	5.1	48.5	5.1	498.6	5.1	5,419.0	5.5		5.3
1988	18,400	3.7	287.7	5.3	47.3	4.8	469.0	5.2	5,322.0	6.0		5.5
1987	18,200	3.9	283.3	5.6	47.1	6.2	463.8	5.6	5,253.0	7.0		6.2
1986	18,000	4.6	282.3	6.5	46.7	7.2	462.0	6.6	5,232.0	8.1		7.0
1985	17,600	4.9	274.9	7.0	45.8	7.8	450.4	7.2	5,135.0	8.9		7.2
1984	17,000	5.6	266.8	8.0	42.9	9.5	440.1	8.0	5,089.0	9.4		7.5
1983	16,700	7.4	265.2	10.5	42.6	11.5	438.5	10.6	5,099.0	12.2		9.6

NOTES: (1) The City is situated in both Miami and Montgomery Counties. This is the third year that Miami County has been reported.
(2) Ohio estimates are based upon county of residence.
(3) Ohio and USA data are seasonally adjusted.
(4) Labor force in thousands.
(5) The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian work force which includes workers on strike.

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, 2007

Employer	Nature of Activity or Business	Approximate Number of Employees
Wright-Patterson Air Force Base	Military Base	24,000
Premier Health Partners	Healthcare	10,023
Delphi Automotive Systems	Manufacturing	5,300
Kettering Medical Center Network	Hospital	5,055
Montgomery County	Government	4,967
Kroger Co.	Grocery Store	3,000
LexisNexis	Electronic Information Services	3,000
National City	Banking	2,900
Dayton Public Schools	Education	2,899
Honda of America Manufacturing, Inc.	Manufacturing	2,800
AK Steel	Manufacturing	2,800
GM Moraine Assembly Plant	Manufacturing	2,500
City of Dayton	Government	2,455
Wright State University	Education	2,230
Community Mercy Health Partners	Hospital	2,216
Sinclair Community College	Education	2,073
University of Dayton	Education	2,037
NCR Corporation	Manufacturing	2,000
US Postal Service	Mail Delivery	1,876
Upper Valley Medical Center	Healthcare	1,811
Behr Dayton Thermal Products	Manufacturing	1,800
Copeland Corporation	Manufacturing	1,700
Meijer, Inc.	Grocery and Retail Merchandise	1,678
Reynolds & Reynolds Co.	Business Information Services	1,551
AT&T	Communication	1,500
Cox-Ohio Publishing	Newspaper Publishing	1,400
Veterans Affairs Medical Center	Hospital	1,382
Bon-Ton Stores Inc.	Retail Department Store	1,381
Children's Medical Center Dayton	Hospital	1,330
International Truck and Engine Co.	Manufacturing	1,300

Source: Dayton Business Journal, published December 2007, 2006 Ranking

City of Huber Heights, Ohio
Principal Employers
Based on Income Tax Withholdings
For the Year Ended December 31, 2007

Employer	Nature of Activity or Business
Wright-Patterson Air Force Base	Military Base
Huber Heights City Schools	Education
Trimble Navigation Ltd.	Laser Manufacturing
A B F Freight Systems	Truck Terminal
Fedex Freight	Package Delivery
State of Ohio	State Government
Wal-Mart Stores Incorporated	General Merchandise
City of Huber Heights	City Government
AIDA-Dayton Technologies Corp.	Press Manufacturing
Coca Cola Enterprises, Inc.	Warehouser and Distributor
Dayton Freight Lines, Inc.	Truck Terminal
Enginetics Aerospace	Aerospace Parts
Huber Investment Corporation	Residential Rental
Beta LaserMike, Inc.	Laser Gauging
Kroger Limited	Grocery Store
Kokosing Construction Co., Inc.	Road Construction
National City Bank	Banking
Bowser Morner	Testing Laboratory
Lowe's Home Center Incorporated	Home Improvement Sales
5440 Charlesgate Rd. Operating	Rehabilitation Nursing Center
CBS Personnel Service	Temporary Employment Agency
Apache Technologies, Inc.	Laser Manufacturing
Dayton Regional Dialysis, Inc.	Healthcare
Reed Elsevier, Inc.	Data Storage
Yellow Transportation, Inc.	Truck Terminal
Providence Medical Group	Family Medical/Dental Services
Stoops of Ohio, Inc.	Freightliner Sales
Hooven Dayton Corp.	Specialty Label Printer
Target	General Merchandise
Millat Industries	Precision Machinery Manufacturing

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
Land Use (Zoning Classification) by Acres and Valuation
 December 31, 2007

Land Use	Area (in acres) (1)	Percent of Assessed Valuation of Real Property (Tax Year 2006 Valuation) (2)
Residential	4,990	79.02%
Commercial/Industrial	4,157	20.03
Governmental, Public Utility, Other Tax Exempt	450	(a),(b)
Agricultural	3,347	0.95
Undeveloped (Estimated)	1,177 (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, 2007

Employer	Nature of Activity or Business	Approximate Number of Employees
A B F Freight Systems	Distribution Terminal	825
Huber Heights City Schools	Education	558
Trimble Navigation	Laser Technology/Manufacturing	430
FedEx Freight	Package Delivery	324
Wal-Mart Super Center	General Retail	239
The City of Huber Heights	City Government	184
Coca Cola Enterprises	Warehouser & Distributor	180
Bowser Morner	Testing Laboratory	160
Lowe's Home Improvement	Home Improvement Retail	150
Spring Creek Nursing Center	Nursing Home	148
AIDA-Dayton Technologies	Press Manufacturing	146
Kohl's Department Stores, Inc.	General Retail	134
Kroger Limited	Grocery Retail	130
Dayton Freight Lines	Truck Terminal	121
Enginetics Aerospace Corporation	Aerospace Metal Engineering	110
Target Corporation	General Retail	109
Elder Beerman Department Stores (Bon-Ton)	Department Store	101
Onyx Industrial Services/Veolia	Treatment Plant Operator	99
Apache Technologies	Laser Equipment Manufacturing	80
Beta LaserMike Inc.	Laser Gauging	69
Catlow Industries	Commercial Pump Manufacturing	67
Fedex Ground Package Systems Inc	Package Delivery	65
TGI Friday's	Restaurant	65
US Postal Office	Postal Service	65
MetoKote Corporation	Powder-coated Metals	63
Millat Industries	Manufacturing	62
Fukuvi U.S.A. Inc.	Plastic Building Materials Manufacturing	58
Huber Investment Corp	Property Management	58
Stoops Freightliner	Truck Terminal	58
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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Security of Persons and Property:										
Fire (1)	50	50	50	56	58	56	56	56	56	57
Police (2)	58	58	58	59	59	61	61	61	61	61
Other (3)	10	11	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	0	0	0
Pool (5)	24	24	24	24	24	24	24	0	0	0
Community Environment:										
Planning and Development	9	9	9	9	9	9	9	9	9	11
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	2	2	3
Finance-Accounting (6)	6	6	6	6	6	6	7	7	7	7
Finance-Income Tax (10)	0	0	0	9	9	9	9	9	9	9
Management Information Systems (6) (11)	0	0	0	0	0	0	3	3	3	3
Human Resources (11)	0	0	0	0	0	0	3	3	3	3
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	7	7	4	1	1	1	1	1	1	1
Non-Security of Persons and Property	3	3	0	0	0	0	0	0	0	0
Total	215	216	210	223	225	225	226	201	201	205

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

Function/Program	Last Ten Years									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Security of Persons and Property:										
Fire										
Number of fire calls	1,034	1,131	1,130	1,040	998	989	1,091	1,105	963	997
Number of EMS calls	3,604	3,755	3,956	3,855	3,868	3,908	3,879	3,878	4,021	4,018
Number of fire reports	(a)	(a)	(a)	(a)	(a)	1,910	2,037	1,105	1,871	1,773
Number of EMS reports	(a)	(a)	(a)	(a)	(a)	4,055	3,923	3,981	4,064	4,128
Police										
Calls for service	45,765	46,759	47,719	49,829	51,155	56,963	55,754	56,209	56,121	56,060
Total police incident reports taken and other activity	(a)	(a)	(a)	(a)	(a)	15,329	15,044	14,481	15,817	14,573
Offenses	(a)	(a)	(a)	(a)	(a)	5,747	5,382	5,339	5,008	4,607
Arrests	(a)	(a)	(a)	(a)	(a)	1,948	1,617	2,100	2,109	2,025
Field intervention	(a)	(a)	(a)	(a)	(a)	77	290	112	715	527
Juvenile	(a)	(a)	(a)	(a)	(a)	539	589	530	513	528
Stolen property	(a)	(a)	(a)	(a)	(a)	742	692	0	0	0
Citations	(a)	(a)	(a)	(a)	(a)	4,203	4,381	5,534	5,188	5,071
Warrants	(a)	(a)	(a)	(a)	(a)	718	590	854	715	681
Accidents	(a)	(a)	(a)	(a)	(a)	1,291	1,502	12	1,187	1,131
Intelligence	(a)	(a)	(a)	(a)	(a)	26	1	0	5	3
Pawn	(a)	(a)	(a)	(a)	(a)	38	0	0	377	0
Community Environment:										
Planning and Development										
Residential construction permits issued	47	46	77	105	130	124	142	123	89	107
Estimated value of residential construction	\$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	\$13,264,683
Commercial construction permits issued	4	4	3	11	40	13	8	9	4	9
Estimated value of commercial construction	\$12,101,329	\$6,394,747	\$1,857,949	\$4,531,034	\$4,055,575	\$17,246,476	\$8,254,991	\$3,158,000	\$450,000	\$18,350,000
Industrial construction permits issued	(a)	6	6	4	4	2	5	9	1	9
Estimated value of industrial construction	(a)	(a)	(a)	\$3,519,665	\$4,789,725	\$4,136,315	\$1,256,600	\$2,234,500	\$1,400,000	\$31,614,683
General Government:										
Finance-Income Tax										
Number of income tax returns processed	(b)	(b)	(b)	(b)	20,531	19,610	19,081	22,578	22,578	20,879
Number of incoming phone calls processed	(b)	(b)	(b)	(b)	6,217	11,847	8,385	7,543	7,543	5,873
Number of letters sent out	(b)	(b)	(b)	(b)	(b)	6,007	12,798	14,382	14,382	15,633
Number of walk-in customers helped	(b)	(b)	(b)	(b)	2,176	4,995	5,326	5,967	5,967	5,868
Water:										
Water main breaks repaired	(a)	(a)	(a)	(a)	357	48	52	29	15	55
Hydrants flushed	(a)	(a)	(a)	(a)	8,106	327	1,722	343	1,850	300
Drinking water produced (billions of gallons)	(a)	(a)	(a)	(a)	11.2	1,435.198	1,426.608	1,402.850	1,359.220	1,428.343

Sources: Various City Divisions/Departments.
(a) Not available.
(b) On September 14, 2001, the City of Huber Heights terminated the income tax collection contract with the City of Dayton, establishing a collection office for the City of Huber Heights.

Note: Indicators are not available for the following functions: security of persons and property; other, leisure time activities; transportation; sewer; and stormwater.

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

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Security of Persons and Property:										
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Staff cars	(a)	(a)	(a)	(a)	(a)	18	17	16	14	14
Police cruisers	(a)	(a)	(a)	(a)	(a)	29	29	28	33	37
Leisure Time Activities:										
Parks and Recreation										
Number of parks	13	13	13	13	13	13	13	13	15	15
Pool	0	0	1	1	1	1	1	1	1	1
Community Environment:										
Planning and Development										
Vehicles	(a)	(a)	(a)	(a)	(a)	4	4	4	5	5
Engineering										
City area (square miles)	20.41	20.41	20.41	22.00	22.00	22.00	22.06	22.06	22.06	22.06
Streets (miles)	171.0	171.0	171.4	172.3	172.3	172.3	173.5	180.0	181.1	181.1
Streetslights	2,261	2,261	2,261	2,288	2,308	2,322	2,348	2,395	2,466	2,475
Vehicles	(a)	(a)	(a)	(a)	(a)	6	5	5	6	5
Transportation										
Buildings	(a)	(a)	(a)	(a)	(a)	8	8	8	8	8
Vehicles	(a)	(a)	(a)	(a)	(a)	22	22	22	21	22
General Government:										
Central Services										
Building	1	1	1	1	1	1	1	1	1	1
Automobiles	(a)	(a)	(a)	(a)	(a)	1	1	1	0	0
Management										
Automobiles	(a)	(a)	(a)	(a)	(a)	1	1	1	3	2
Finance-Accounting										
Automobiles	(a)	(a)	(a)	(a)	(a)	2	2	2	1	1
Finance-Income Tax										
Total square footage occupied in leased Income Tax Office	n/a	n/a	n/a	1,250	1,250	2,262	2,262	2,262	2,262	2,262
Automobiles	n/a	n/a	n/a	(a)	(a)	2	2	2	1	1
Management Information Systems										
Automobiles	(a)	(a)	(a)	(a)	(a)	1	1	1	3	4
Courts										
Building	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	140.53	140.53	142.93	143.85	144.96	144.96	146.12	152.90	154.43	159.57
Sewer:										
Sanitary sewers (miles)	134.80	134.80	135.20	136.02	137.56	137.56	138.66	145.24	147.39	145.67
Storm Water:										
Storm sewers (miles)	126.68	126.68	127.02	127.82	130.45	130.45	131.49	138.02	139.59	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, 2007

Year of Incorporation	1981
Form of Government	Council/Manager
Number of Employees (excluding police and fire)	
Full-Time	62
Part-Time	11
Seasonal	0
Area	22.063 Square Miles
Miles of Streets	181.06 Miles
Number of Street Lights	2,475
Recreation and Culture:	
Number of Parks	15
Libraries	1
Fire Protection:	
Number of Stations	2
Number of Fire Personnel and Officers	53
Number of Volunteers	1
Number of Fire Calls	997
Number of EMS Calls	4,018
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	49
Number of Dispatchers	11
Number of Calls	56,060
Sewer and Water:	
Miles of Sanitary Sewers	145.67
Miles of Storm Sewers	139.59
Miles of Water Lines	159.57
Education (K-12) (Public Only):	
Attendance Centers	10
Number of Classrooms	373
Number of Teachers	463
Number of Support Staff	318
Number of Students	6,651

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

Company	Type of Business	2007 Rank	2006 Rank	2005 Rank
Montgomery Development Center	Handicapped Home	1	2	2
Rehabilitation and Nursing Center	Rehabilitation Nursing Center	2		
YMCA of Greater Dayton	Fitness Center	3	4	-
Holiday Inn Express	Hotel	4	10	8
Huber Investment Corporation, Mt. Aetna	Residential Rental	5	6	7
Hampton Inn	Hotel	6		
Target	General Merchandise	7		
Huber Investment Corporation, Mt. Hood	Residential Rental	8		
Huber Heights YMCA Pool	Swimming Pool	9	7	-
Wal-Mart Stores Incorporated	General Merchandise	10	8	10

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

Note: These customers represent approximately 2% of total revenue collections



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
DECEMBER 2, 2008**