



**Auditor of State
Betty Montgomery**

CITY OF HUBER HEIGHTS
MONTGOMERY COUNTY

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Auditor of State Betty Montgomery

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

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

We have audited the financial statements of the City of Huber Heights, Montgomery County (the City), as of and for the year ended December 31, 2003 and have issued our report thereon dated June 3, 2004, wherein we noted the amounts presented as Investment in Joint Venture were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

City of Huber Heights
Montgomery County
Independent Accountants' Report On Compliance And On
Internal Control Required By *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and the City Council, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 3, 2004

City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2003

Issued by:
Finance Department

Catherine L. Armocida, CPFO, CGFM
Finance Director

City of Huber Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2003

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June 3, 2004

Citizens of the City of Huber Heights
Honorable Mayor Hensley
Members of the City Council
City Manager, Mr. James W. Pierce

I am pleased to present our 2003 Comprehensive Annual Financial Report (CAFR) for the City of Huber Heights. This report, for the year ended December 31, 2003, 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"). Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the management of the City.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section contains this letter of transmittal, GFOA Certificate of Achievement, a list of principal officials, and an organization chart of the City.
2. The Financial Section begins with the Independent Accountants' Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the City.

CITY OVERVIEW

The City of Huber Heights is located in southwestern Ohio, within Montgomery and Miami Counties, and encompasses 22 square miles. The area, which currently includes the incorporated limits of the City of Huber Heights, was originally Wayne Township, named after Major General Anthony Wayne of the United States Army.

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.

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, building inspection, court facilities, street maintenance and repair, community development, public health and welfare, sewer, water and storm water. Council and the City Manager have direct responsibility for these services.

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 for which 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 has representation on the boards of five entities. The Tri-Cities North Regional Wastewater Authority (Wastewater Authority) and the Joint Economic Development District (JEDD) are joint ventures, while the Miami Valley Regional Planning Commission (the Commission), the Miami Valley Fire/EMS Alliance (the Alliance), and the Economic Development/Government Equity (ED/GE) Program are jointly governed organizations. Information regarding these entities may be found in the notes to the basic financial statements.

ECONOMIC CONDITIONS AND OUTLOOK

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 2003. Historically, the City's population growth erupted in the late 1950's when Mr. Charles Huber recognized the enormous potential for residential development in the area and began building what is now the largest community of brick homes in the United States. With a population of 38,212 in 2003, Huber Heights places third among all cities within Montgomery County.

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 2003, there were over 1,285 acres of industrial-zoned and 1,037 acres of commercial zoned land available for development.

Based upon a recent survey of Huber Heights residents, it is estimated that the United States government at nearby Wright Patterson Air Force Base employs approximately 12 percent of the residents. Despite the continuing trend toward military downsizing and base closures, Wright Patterson Air Force Base has gained operations from other bases around the country in the past several years.

During 2003, 69 new businesses opened in Huber Heights. Zoning permits processed during 2003 included the issuance of 112 single-family certificates, 2 new industrial building certificates and 13 new commercial building certificates. The 2003 valuation on all certificates totaled \$38,060,456 compared to \$26,729,351 in 2002.

Industrial Development

Center Point 70 Commerce Park, a 300-acre industrial business park site developed by the City was the focus for major new industrial development during 2003.

Aegean Apparel, the maker of novelty embroidered robes, completed construction of a 30,000 square foot building located in the Commerce Park along I-70 and employs 20 new staff.

Apache Technologies Inc. constructed a new 30,000 square foot facility, retaining 47 existing positions and generating 27 new permanent positions. Apache is one of the fastest growing laser companies in the world, manufacturing laser detectors for the construction and agricultural markets.

Commercial Development

Construction of a new Super Wal-Mart at State Route 201 and I-70 began in August of 2003. When complete in late 2004 the 203,622 square foot facility will incorporate a full service retail store with a super market and other amenities. The store will employ approximately 600 people.

Construction of a new Tim Horton's, a coffee and bakery establishment was completed in December 2003, employing 10.

Plans were approved by the City in late 2003 for the demolition of the existing Kroger grocery store, located on State Route 202, making way for a new Super Kroger prototype. Reopening in late 2004, the new store will be approximately 68,000 square feet. In addition, plans for a new 6,388 square foot office for Huber Heights Foot and Ankle Care were approved during 2003 with 5 new staff. A new daycare facility was also approved during 2003. This 5,800 square foot facility will open in early 2004 with a staff of 8.

Funding to explore the potential to develop property in central Huber Heights into a town center area was provided in June of 2003. City Council, the Huber Heights Athletic Foundation, St. Peter's Church and Columbia Builders, Inc. contributed a total of \$67,500 for the development of a study to look at revitalization of numerous properties including green space, cultural venues, shopping and living opportunities. A report including recommendations is expected to be complete in the summer of 2004.

Residential Development

Huber Heights continued to experience an increase in new residential development during 2003.

City, civic and business leaders joined together in the middle of February 2003 to launch the 668-acre golf and residential Benchrock Golf Course Community. Benchrock is being developed by The Kendall Group Limited of Columbus, Ohio, in partnership with residential builders. The plan includes 1,650 homes and condominiums, retail and office space, an 18-hole golf course, a new Fire/EMS/Police station, an elementary school and a park and bike path. Model homes are anticipated to be completed by fall 2004 with the golf course construction being completed by the fall of 2005.

Ground was broken on November 17, 2003, at The Villa's at Benchrock, a condominium development which will total 116 units in 29 ranch-style condos. The community will offer resident exclusive, private

use of a clubhouse, heated pool and exercise facility. Prices for the units are expected to start at \$130,000.

The Oakes of Huber Heights, a 236 unit single family development was approved in April 2003. Houses will start at \$200,000 and be around 1,600 square feet. Plans for Annetta Sue Meadows, an 82 unit single family development were approved in August 2003. Homes will be in the \$150,000 range.

MAJOR INITIATIVES

For the Year

The City implemented the eighth year of an aggressive interior street improvement program and enjoyed another successful year in the area of economic development. The City also received for the tenth consecutive year the Certificate of Achievement for Excellence in Financial Reporting, which was awarded by the Government Finance Officers Association of the United States and Canada for the Comprehensive Annual Financial Report for 2002.

Income Taxes: The City experienced growth in its income tax revenues until the fourth quarter of 2003, when collections indicated the beginnings of a mild decline. Currently the City has a 1.95% income tax including: 1% permanent tax for general fund operations; .5% permanent tax for public safety operations, which includes police operations and fire capital equipment; .25% permanent tax for local street improvements; and .20% which is valid for a 5 year term for local street capital improvements.

Huber Heights voters gave a strong vote of confidence for the future and for their city government by renewing this 5 year Street Improvement Income Tax Levy on November 4, 2003. The levy will continue to generate funds necessary to improve another 200 city streets. Monies generated – approximately \$1.2 million each year - are dedicated to interior roadway reconstruction, resurfacing, and curb and gutter replacement. During 2003, the City invested over \$1,200,000 toward this annual construction program. Expenditures included the repair and rebuilding of 51 segments of neighborhood streets, and miscellaneous roadway sealing and patching throughout the City. The City also updated its long-range street improvement plan to address the roadway needs of the City, enabling repair of the roadways on a perpetual 15-year cycle. The improvements enhance the City streets and promote the development of and investment in residential and commercial areas.

The income taxes dedicated for public safety services were used to pay: debt due on the City's two fire stations; the purchase of a new medic unit; the loan repayments for the purchase of a 100-foot aerial ladder truck; and general police division operations and capital equipment purchases including radios and computers. The income taxes dedicated for street operations were utilized to pay for general street operations including personnel, contracts and supplies, snow removal and street cleaning, traffic signal maintenance, the purchase of various equipment, and for debt retirement on bonds issued in prior years for major street reconstruction.

In June of 2001, the City Council authorized the collection of Emergency Medical Service Fees. The revenue generated from the first full year in 2002 totaled over \$945,000; and over \$940,000 was collected on a cash basis in 2003. These funds were used to hire six fire fighter/paramedics, a lead fire inspector, a training officer, a data entry technician for the Fire Division, and an Information Technician. The funds were also used to purchase various equipment for the division. In 2003, the City changed third party administrators used for the billing of EMS fees, saving 30 percent of the cost of collections and administration of this important program.

The U.S. E.P.A. 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 Storm Water Management Plan no later than March 10, 2003. During 2003, the City entered the second year of operations of its Storm Water Management Program. The monies generated fully supported the operating costs.

After a two-year review by City staff and consultants of the City's water and sewer utility rate structure and future infrastructure requirements, City Council authorized rate increases annually over the next 5 years beginning in late 2002. The rates, which increase annually continue to insure the utilities self-sufficient ongoing operations, and provides for many improvements to the system including a planned \$8 million expansion to the water treatment plant, ongoing funding for the annual repair and replacement of water and sewer mains throughout the City, rebuilding of pumps and manhole rehabilitation, and for GIS mapping of the utility system.

Capital Improvements:

City Council approved a plan in October 2003 to build an entrance portal at the City's southern border to be constructed during 2004. The portal will include a landscaped median island, monument-style signage and wide landscaped areas along both sides of the roadway. A \$120,000 federal Transportation Enhancement grant was awarded to the City to complete the project.

The Ohio Public Works Commission awarded the City a number of grants ("Issue 2") to finance various projects. Construction for the seventh phase of the widening of State Route 202 was completed in 2003 which widened and improved State Route 202 to the City's southern corporate boundary. The total project cost was \$1,520,000 of which the City was awarded \$970,000 in Issue II grant funding and \$215,000 in County Motor Vehicle Permissive Tax revenues and \$83,000 from the neighboring community of the City of Riverside. The City anticipates assessing approximately \$50,000 to benefited property owners.

The City was awarded \$140,000 in Issue II grant funds to finance the road widening of Chambersburg Road, at a total projected cost of \$300,000. The project was completed in the late fall of 2003.

Benchrock Parkway, extending from State Route 201 to State Route 202 was under construction during 2003. The \$7.3 million, 2.3 mile roadway is the center spine of the Benchrock Golf Community. The parkway consists of underground water mains and sanitary sewer utilities together with a storm drainage system including pipes, catch basins, and off-site detention ponds.

The City continued to update its Website www.huber-heights.oh.us during the year. The site features the City's current year budget, hot topics, economic development information, updated meeting agendas, a brief history of the City and other general information.

For The Future

Begun in late 1999, the City maintains as its number one goal to improve the I-70 and State Route 202 interchange. To accomplish this goal, the City continued to aggressively pursue major funding from the Transportation Reauthorization Bill for the final engineering design and construction of the interchange along Interstate 70 at State Route 202. The current total estimated cost of the project is \$10,174,000, with improvements planned to begin in the spring of 2004. Due to the diligent work of the City, the majority of the funding for this project has been identified including over \$8,115,000 in grants from various federal, state and local transportation agencies. The remaining local share of \$2,059,000 will be funded from a loan from the State of Ohio State Infrastructure Bank, which will in turn be repaid through revenues generated from the creation of a tax increment financing district. The most striking point of this method of finance includes the City's ability to borrow funds for the local share of this project from the State at 0% interest for the first year and at 3% interest on the borrowed amount over the succeeding 9 years.

The City is also continuing to work with the State and local transportation authorities to design major modifications to the Interstate 70 and State Route 201 interchange. Design for this improvement project was begun in 2003, with acquisition and final construction planned to begin in 2006.

The City will continue its annual interior street improvement program in 2004 with a \$1.2 million program, to be funded solely from local income tax proceeds. Also scheduled for 2004 is the annual sidewalk repair and replacement program, totaling \$150,000 which cost will be shared by the affected property owners and the City.

Other projects planned for 2004 include: completion of the construction of the 2 mile roadway to accommodate the new Benchrock Golf Course Community; the conceptual planning for the Town Center; widening of a portion of State Route 201; and the construction of the new YMCA facility.

The construction of a 2 mile roadway located within the new Benchrock Golf Course community connecting two of the major State Routes in the City (SR 201 and SR 202) which began in 2003 will be completed during 2004. The entire cost of this parkway currently estimated at \$7.3 million, will be paid from assessments levied on the benefited parcels.

The State of Ohio, Public Works Commission has awarded the City of Huber Heights \$750,000 for the widening of a portion of State Route 201 (Brandt Pike Phase 6). The engineering/design was completed during 2003, and construction will begin in the spring of 2004. Of the total estimated cost of \$1,500,000, the majority is planned to be paid from the grant, permissive taxes and assessments to the abutting properties.

The City is currently working with key leaders in the community to review the possibility of constructing a mixed use Town Center which would incorporate green space, cultural venues and shopping. During 2003 the City, its consultants, and residents of City neighborhoods and businesses worked to shape and plan this future downtown concept. Work on this plan is continuing during 2004 with a full report and recommendation anticipated in the summer of 2004.

The Greater Dayton YMCA launched its fundraising campaign to construct a \$6 million, 63,000 square foot facility at the corner of Shull Road and State Route 201, directly across from the City's premier recreational facility-Carriage Hill Park, and adjacent to the new Benchrock Golf Course community. The YMCA will offer a full gymnasium, 6 lane indoor and water therapy pools, indoor family play land, fitness center, indoor running/walking track, teen center and outdoor game fields. This facility will also be home to an on-site Medical office. As a partner in this important project, the City has committed to lease the ground for the center, and to provide up to \$1.6 million over the next twenty years, (subject to annual appropriation by City Council) in exchange for recreation programming, office space and the operation of the City municipal pool. The City and the YMCA finalized the plans in March 2004 and construction began April 1, 2004. The facility is anticipated to be open to the public by early 2005.

The City established a Student Resource Officer program in January 2003 with a three year \$250,000 grant from the United States Department of Justice. This program enables the City and school district to provide two police officers in the City's schools. The student resource officers ("SRO's") spend most of their time - about 70 percent - counseling students who come to them with problems that could lead to criminal behavior. The officers spend the remaining time apprehending and arresting students who have crossed the line, and also in the classroom instructing students in a variety of law enforcement and crime prevention topics. In January 2004, the SRO's were honored with a national award for establishing a Youth Crime Watch program. The Youth Crime Watch of America, a national organization that assists students in developing local youth-led crime prevention programs was presented with the 2004 Casey Awards - which recognized individuals and organizations for providing leadership, resources and exemplary support for youth-led crime prevention efforts and programs. One of the SRO's also received the 2004 Casey Award for Law Enforcement Officer of the Year for having worked with the Youth Crime Watch program that has distinguished itself by promoting safe, crime and drug-free schools and community. The award was presented in February 2004 in Washington, DC during the 15th National Youth Prevention Conference sponsored annually by Youth Crime Watch of America and the National Crime Prevention Council.

Continuing Disclosure

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.

FINANCIAL INFORMATION

Internal Control Structure and Budgetary Controls

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the City administration and Finance Department. Administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department/division head is furnished a weekly report showing the week's transactions and summarizing the balances available to be spent from the appropriations for goods and services.

Financial Condition

The City has prepared financial statements following GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 creates new basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Report of the Independent Accountants, providing an assessment of the City finances for 2003.

CASH MANAGEMENT

The City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash. The total interest earned by the City's governmental and enterprise funds was \$365,401 for the year ended December 31, 2003, which represents an annual interest yield of 1.16% percent of the average investable bank balance for the year. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. Trustees, including the Federal Reserve and designated third party trustees, hold the collateral of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided. No portion of the City's funds was invested in derivatives.

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 disaster. In 2003, the City purchased property, liability and public officials insurance from a traditional carrier.

The City offers employees the choice between an HMO and a PPO. The City also provided employee dental and optical insurance benefits. Each department/division receives appropriations to cover the annual premiums and administrative fees.

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

OTHER INFORMATION

Independent Audit

An audit team from the Office of the Auditor of State Betty Montgomery has performed this year's audit. The results of the audit are presented in the Independent Accountants' Report.

Awards

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, 2002. This was the tenth consecutive year that the City of Huber Heights has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

Appreciation is extended to the City Council, City Manager, department/division heads, and City employees responsible for contributing to the sound financial position of the City of Huber Heights. My sincere gratitude goes to members of the Finance Department staff including: Debi Jones, Jeanne Renick, Michelle Simmerman and Elizabeth Dunivan who contributed to the compilation of this report. Special acknowledgment is extended to the Local Government Services Division of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Catherine L. Armocida, CPFO, CGFM
Director of Finance

CITY OF HUBER HEIGHTS, OHIO

LIST OF PRINCIPAL OFFICIALS

2003 ELECTED CITY OFFICIALS

Council Members

Mayor	Jack Hensley
Vice Mayor	Karen Kaleps
	Judy Blankenship
	Mark Campbell
	James Ellis
	Roger Hensley
	Seth Morgan
	Pamela Sunderland
	Jan Vargo

2003 APPOINTED CITY OFFICIALS

City Manager	James W. Pierce
Director of Finance	Catherine L. Armocida



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huber Heights, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the amounts reported as Investment in Joint Venture. These amounts were audited by another auditor whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Investment in Joint Venture, is based on the report of the other auditor.

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

In our opinion, based upon our report and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General, Fire, and Police Funds thereof 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 June 3, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. 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.

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

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

Betty Montgomery
Auditor of State

June 3, 2004

City of Huber Heights, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2003
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Huber Height's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the fiscal year ended December 31, 2003.

FINANCIAL HIGHLIGHTS

The City's total net assets increased \$313,986. Net assets of governmental activities decreased \$4,784,126 primarily due to a transfer of assets to the business-type activities. This transfer of assets was the primary result of business-type activities net assets increasing \$5,098,112.

The general fund transfers out equaled \$5,993,021. This is a decrease of over \$1 million from the prior year. Out of total transfers out, \$3,000,000 in transfers was for fire operations, \$2,000,000 in transfers was for police operations, \$184,650 was for general obligation debt service obligations, \$32,000 was for special assessment debt service obligations, \$512,846 was for capital improvements and \$263,525 was for support of special revenue fund park maintenance, community development block grant, and Issue II Brandt VI governmental programs.

Total business-type operations reflected operating income. Each of the three enterprise funds earned an operating surplus for 2003. Business-type unrestricted net assets are \$15,650,819.

Capital assets used in governmental activities increased \$1,603,623. A large portion of this was due to construction in progress for Old Troy Pike Phase VII, Benchrock Parkway, and Brandt/Troy Utility Extension.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine if the City of Huber Heights is financially better off or worse off 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 needs to 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 kinds of activities.

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

Business-Type Activities – These services include sewer, water and storm water management. Service fees for the sewer and the water operations are charged based upon the amount of usage; and service fees for the storm water utility are assessed by property (parcel) based upon the impervious area. The intent is that the fees charged recoup operational and capital costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 9. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City of Huber Height's major funds are General, Fire, Police, Special Assessment Bond Retirement, Capital Improvement, Sewer, Water, and Storm Water.

Governmental Funds – Most 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 left 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 2003 compared to 2002.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$37.4	\$34.5	\$8.4	\$6.5	\$45.8	\$41.0
Nondepreciable Capital Assets	26.2	21.3	3.7	0.4	29.9	21.7
Depreciable Capital Assets, Net	77.4	80.8	27.7	28.3	105.1	109.1
Investment in Joint Venture	0.0	0.0	12.1	11.9	12.1	11.9
Total Assets	141.0	136.6	51.9	47.1	192.9	183.7
Liabilities						
Current and Other Liabilities	10.6	9.1	0.8	0.6	11.4	9.7
Long-Term Liabilities: Due Within One Year	2.1	2.1	0.9	0.9	3.0	3.0
Due in More Than One Year	24.3	16.6	16.2	16.8	40.5	33.4
Total Liabilities	37.0	27.8	17.9	18.3	54.9	46.1
Net Assets						
Invested in Capital Assets, Net of Related Debt	82.2	86.6	17.1	11.2	99.3	97.8
Restricted for:						
Fire	0.6	1.3	0.0	0.0	0.6	1.3
Police	2.6	2.7	0.0	0.0	2.6	2.7
Other Purposes	3.0	4.4	0.0	0.0	3.0	4.4
Debt Service	6.2	5.9	0.0	0.0	6.2	5.9
Local Street Capital Improvement	1.4	0.6	0.0	0.0	1.4	0.6
Revenue Bonds Improvement and Replacement	0.0	0.0	0.1	0.1	0.1	0.1
Revenue Bonds Current Debt Service	0.0	0.0	1.1	1.1	1.1	1.1
Unrestricted	8.0	7.3	15.7	16.4	23.7	23.7
Total Net Assets	\$104.0	\$108.8	\$34.0	\$28.8	\$138.0	\$137.6

Net assets of the City's governmental activities decreased \$4,784,126 mainly due to the transfer of governmental assets to business-type activities. Income tax receipts decreased due to the general trend in the economy. Emergency medical services receipts also decreased. This was 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.

The net assets of the City's business type activities increased \$5,098,112 primarily due to the transfer of assets from the governmental activities for the enterprise funds. All three of the enterprise funds reported operating income during 2003. Business-type activities revenues increased as a result of the annual rate adjustment in both the Water and Sewer Funds.

Table 2 shows the changes in net assets for the year ended December 31, 2003.

Table 2
Changes in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program Revenues:						
Charges for Services	\$1.7	\$1.5	\$7.0	\$5.7	\$8.7	\$7.2
Operating Grants, Contributions and Interest	1.4	1.7	0.0	0.0	1.4	1.7
Capital Grants, Contributions and Interest	2.5	0.5	0.0	0.3	2.5	0.8
Total Program Revenues	<u>5.6</u>	<u>3.7</u>	<u>7.0</u>	<u>6.0</u>	<u>12.6</u>	<u>9.7</u>
General Revenues:						
Property and Other Taxes	3.7	3.6	0.0	0.0	3.7	3.6
Income Taxes	10.4	11.2	0.0	0.0	10.4	11.2
Grants and Entitlements	2.1	1.4	0.0	0.0	2.1	1.4
Other	0.4	0.4	0.3	0.6	0.7	1.0
Total General Revenues	<u>16.6</u>	<u>16.6</u>	<u>0.3</u>	<u>0.6</u>	<u>16.9</u>	<u>17.2</u>
Total Revenues	<u>22.2</u>	<u>20.3</u>	<u>7.3</u>	<u>6.6</u>	<u>29.5</u>	<u>26.9</u>
Program Expenses:						
Security of Persons and Property						
Fire	5.0	5.3	0.0	0.0	5.0	5.3
Police	6.1	6.0	0.0	0.0	6.1	6.0
Other	1.2	1.2	0.0	0.0	1.2	1.2
Leisure Time Activities	0.2	0.3	0.0	0.0	0.2	0.3
Community Environment	0.9	0.9	0.0	0.0	0.9	0.9
Transportation	6.4	6.1	0.0	0.0	6.4	6.1
General Government	3.1	2.8	0.0	0.0	3.1	2.8
Interest and Fiscal Charges	1.0	0.9	0.0	0.0	1.0	0.9
Sewer	0.0	0.0	2.5	2.6	2.5	2.6
Water	0.0	0.0	2.5	2.8	2.5	2.8
Storm Water	0.0	0.0	0.3	0.5	0.3	0.5
Total Expenses	<u>23.9</u>	<u>23.5</u>	<u>5.3</u>	<u>5.9</u>	<u>29.2</u>	<u>29.6</u>
Excess (Deficiency) Before Transfers	(1.7)	(3.2)	2.0	0.7	0.3	(2.3)
Transfers	<u>(3.1)</u>	<u>(6.8)</u>	<u>3.1</u>	<u>6.8</u>	<u>0.0</u>	<u>0.0</u>
Increase (Decrease) in Net Assets	<u>(\$4.8)</u>	<u>(\$10.0)</u>	<u>\$5.1</u>	<u>\$7.5</u>	<u>\$0.3</u>	<u>(\$2.3)</u>

Investment earnings were lower due to the decline in interest rates as well as declining capital projects funds' balances. Special assessments decreased from previous years due to fewer new assessments than in the past. Accrued salaries payable increased due to normal wage increases. The City was able to negotiate a lower health insurance premium for 2003 compared to 2002. Due to other governments increased due to the workers' compensation premium increase. The premium increased due to normal wage increases and a rate reduction of only 20% instead of 50% as in the prior year. Accrued interest payable and notes payable increased due to new debt issuances during 2003.

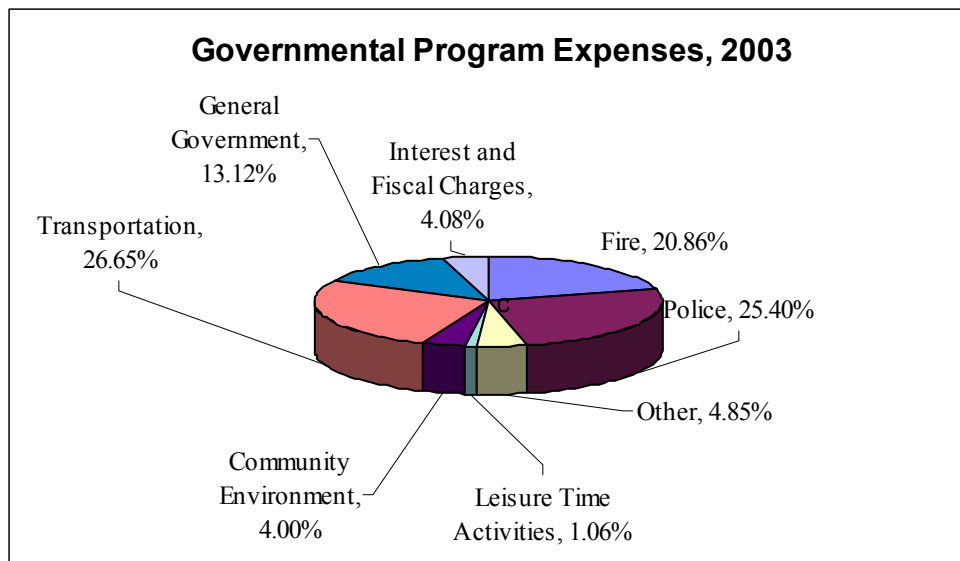
Current and other assets increased by more than \$1.5 million due to increases in cash and cash equivalents in the business-type activities. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

Governmental Activities

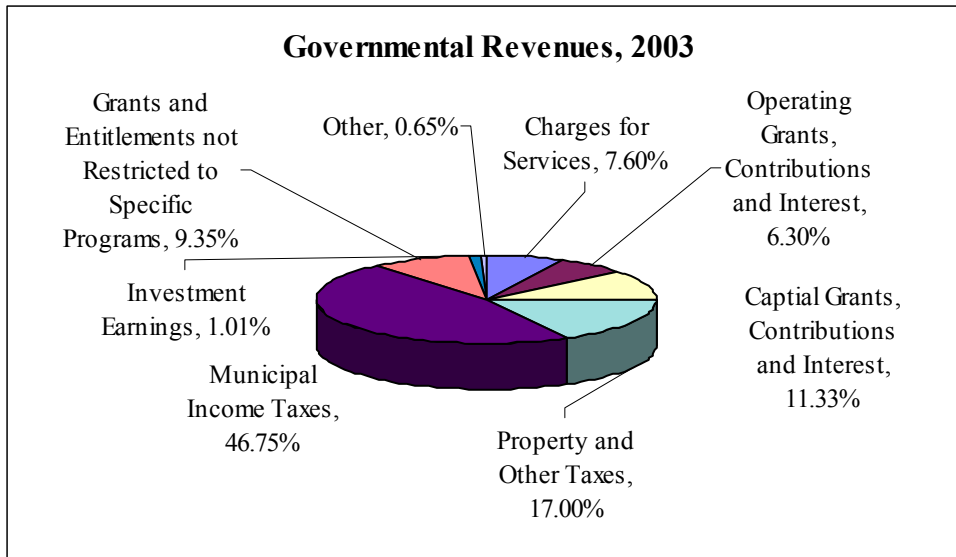
The 1.95% income tax is the largest source of revenue for the City of Huber Heights. By ordinance, 1% of the of the net income tax received is designated for general fund activities, .5% is designated for public safety, which includes police operations and fire capital equipment, .25% is designated for local street operations and .20% is designated for local street capital maintenance and repairs. The total of these four designations make up the total 1.95% income tax.

Since 1996, local income tax revenue has increased annually an average of 7.05%. During 2003, a few of Huber Height's employers went through reorganization and downsizing. However, other companies expanded and new businesses were added to the economic base. Collections for the fourth quarter of 2003 indicated a modest decline, and 2004 budgets were adjusted.

Administration and City Council have a quality of life commitment to the citizens and businesses located in Huber Heights. With this in mind, City Council committed through appropriations over \$8 million for capital assets, equipment and repairs. These assets included street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment.



As indicated above, citizen safety and well being is emphasized.



When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 7.60% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 17.63%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these 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 \$1.1 million as a result of an increase in county permissive tax monies in the Capital Improvement Fund and the Issue II Capital Projects Fund, along with capital grants in these funds for the following projects: Interstate 70 Noise Barrier; State Route 202/201; Gary Sherman Park; Chambersburg Road; Brandt VI; and Old Troy Pike VII. Program expenses for 2003 increased \$1.4 million. The difference between expenses and program revenues for 2003 and 2002 resulted in a net increase of \$300,000. This made for a decrease in reliance on general revenues to support the programs of the City.

Business-Type Activities

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

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 will set costs of service for the cities, based on flow, to maintain the plant. The City of Huber Heights charges its residents accordingly. At this time, any capital outlay needed to maintain Huber Heights sewer infrastructure is provided from resident charges.

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

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

THE CITY’S FUNDS

Information about the City’s major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$22.7 million and expenditures of \$30.3 million. The General fund balance decreased by \$984,946. During 2003, income tax revenue decreased \$283,719, while charges for services decreased \$46,810, and interest revenue decreased \$95,293. Within the General fund revenues exceeded expenditures by \$4.9 million. Transfers to other funds such as the Capital Improvement funds, Debt Service funds, and other Special Revenue funds totaled \$5,993,021. The funds transferred were used for capital assets, improvements, repairs, debt and support of special revenue public safety and recreation programs. Proceeds from sale of capital assets decreased by over \$100,000, also contributing to the decrease in fund balance.

The Fire fund balance decreased \$739,636. Fund balance at December 31, 2003, was \$1.3 million of which \$304,535 is encumbered primarily for various equipment purchases. The majority of the decrease in fund balance was due to a \$600,000 decrease from 2002 to 2003 in transfers from the General Fund. The Police fund balance decreased \$7,658. Fund balance at December 31, 2003, was \$2.5 million. Fund balance would not have decreased as little as it did if it had not been for a \$183,000 increase in transfers from the General Fund. The Special Assessment Bond Retirement fund balance increased \$70,002, with fund balance at year end of \$717,152. The Capital Improvement fund balance increased \$3,970,925. This was due to notes payable issued in 2003 for street and utility improvements. The increase occurred despite contracts payable and contracts payable retainage increasing due to construction in progress. The fund balance at December 31, 2003, was \$2,357,596. Fund balance for nonmajor special revenue funds and nonmajor capital projects funds decreased \$222,951 and \$246,862, respectively. The Local Street Operating Special Revenue Fund had over \$1 million in transfers to the General Obligation Bond Retirement Debt Service Fund to pay for debt and the Local Street Capital Improvement Capital Projects Fund to pay for capital improvements. The Issue II Capital Projects Fund had approximately \$500,000 in transfers to the Special Assessment Bond Retirement Fund to pay the 2002 Old Troy Pike Phase VII note.

The Sewer and Water enterprise funds reflected operating gains for 2002 and 2003. The Storm Water enterprise fund reflected an operating loss for 2002, but the fund showed operating income in 2003, the second year of operations for the fund. Charges for services for Sewer, Water and Storm Water services have historically been established to ensure that on a cash basis, fees are adequate to cover operations. Council has set fees with the intention of funding operating costs, capital improvements and debt service. During 2002, the City authorized 5 years of annual increases in both Sewer and Water rates which will provide funding for various capital projects including the expansion of the water treatment plant, and for the replacement of sewer and water lines.

The sewer, water and storm water funds' statement of cash flows has a net cash increase of \$730,368, \$730,809 and \$227,478, respectively, due to rate increases and to the control exercised over payments made to suppliers for goods and services.

General Fund Budgeting Highlights

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

During 2003, there were 14 revisions to the General fund budget. The net effect of the revisions was an increase in the appropriations of \$269,540. Advances not originally appropriated accounted for the increase.

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

Original General fund budgeted revenues including other financing sources were \$10,784,269. The final budgeted amount including other financing sources was \$11,476,995. The unanticipated return of long-term advances was the primary cause of the difference.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3
Capital Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$20.7	\$20.6	\$0.4	\$0.4	\$21.1	\$21.0
Buildings	7.6	7.8	4.0	4.1	11.6	11.9
Equipment	1.8	1.4	0.1	0.0	1.9	1.4
Furniture, Fixtures and Improvements	0.3	0.3	0.0	0.0	0.3	0.3
Vehicles	1.9	2.2	0.0	0.0	1.9	2.2
Infrastructure	65.8	69.1	23.6	24.2	89.4	93.3
Construction in Progress	5.6	0.7	3.3	0.0	8.9	0.7
Totals	\$103.7	\$102.1	\$31.4	\$28.7	\$135.1	\$130.8

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

Debt

At December 31, 2003, the City of Huber Heights had \$45,517,437 in debt outstanding.

Table 4
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities	
	2003	2002	2003	2002
Special Assessment Bonds	\$6,895,000	\$7,250,000	\$0	\$0
General Obligation Bonds	8,449,032	9,241,956	0	0
Equipment/Vehicle Loans	839,063	1,082,290	101,912	114,229
Bond Anticipation Notes	12,162,000	3,490,000	0	0
Revenue Bonds Payable	0	0	12,275,692	12,404,503
OWDA Loan Payable	0	0	4,794,738	5,103,892
Total	<u>\$28,345,095</u>	<u>\$21,064,246</u>	<u>\$17,172,342</u>	<u>\$17,622,624</u>

Special Assessment bonds will be paid with special assessment revenue.

All general obligation bond issues will be paid through the General Obligation Bond Retirement Debt Service Fund with property tax revenues and 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 long-term notes or bonds issued during 2004. The equipment/vehicle loans will be paid by the funds using the capital assets. The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The OWDA loan will be paid from Sewer Enterprise Fund revenue.

The City's overall 10.5 percent legal debt margin was \$52,784,934 as of December 31, 2003. The more restrictive unvoted legal debt margin within 5.5 percent was \$23,176,599 as of the same date. See Note 13 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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 Catherine L. Armocida, CPFO, CGFM, Director of Finance, City of Huber Heights, 6131 Taylorsville Road, Huber Heights, Ohio 45424.

Basic Financial Statements

City of Huber Heights, Ohio

Statement of Net Assets

December 31, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$21,843,618	\$6,205,930	\$28,049,548
Cash and Cash Equivalents with Fiscal Agents	51,900	1,321,879	1,373,779
Accrued Interest Receivable	1,735	0	1,735
Accounts Receivable, Net	216,131	789,246	1,005,377
Municipal Income Taxes Receivable, Net	3,126,710	0	3,126,710
Due from Other Governments	2,800,385	0	2,800,385
Property and Other Taxes Receivable	3,569,089	0	3,569,089
Prepaid Items	92,044	9,587	101,631
Supplies Inventory	136,239	1,095	137,334
Deferred Charges	38,967	0	38,967
Special Assessments Receivable	5,477,662	38,419	5,516,081
Nondepreciable Capital Assets	26,285,874	3,681,395	29,967,269
Depreciable Capital Assets, Net	77,406,314	27,696,855	105,103,169
Investment in Joint Venture	0	12,116,070	12,116,070
<i>Total Assets</i>	<u>141,046,668</u>	<u>51,860,476</u>	<u>192,907,144</u>
Liabilities			
Accounts Payable	301,538	59,124	360,662
Contracts Payable	1,664,245	277,963	1,942,208
Accrued Salaries Payable	500,002	9,757	509,759
Contracts Payable Retainage	533,533	0	533,533
Due to Other Governments	1,131,265	268,945	1,400,210
Matured Compensated Absences Payable	32,029	0	32,029
Accrued Interest Payable	224,113	116,515	340,628
Notes Payable	3,052,000	0	3,052,000
Deferred Revenue	3,157,252	0	3,157,252
Long-Term Liabilities:			
Due Within One Year	2,113,879	929,069	3,042,948
Due in More Than One Year	24,289,563	16,247,200	40,536,763
<i>Total Liabilities</i>	<u>36,999,419</u>	<u>17,908,573</u>	<u>54,907,992</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	82,211,868	17,101,084	99,312,952
Restricted for:			
Fire	647,145	0	647,145
Police	2,644,642	0	2,644,642
Other Purposes	2,995,779	0	2,995,779
Debt Service	6,232,966	0	6,232,966
Local Street Capital Improvement	1,350,000	0	1,350,000
Other Capital Projects	53,234	0	53,234
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Unrestricted	7,911,615	15,650,819	23,562,434
<i>Total Net Assets</i>	<u>\$104,047,249</u>	<u>\$33,951,903</u>	<u>\$137,999,152</u>

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2003

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
Security of Persons and Property				
Fire	\$4,992,739	\$35,872	\$16,053	\$0
Police	6,079,238	122,924	88,049	0
Other	1,160,082	689,899	0	212
Leisure Time Activities:	252,634	40,891	0	28,585
Community Environmen	956,321	148,550	0	0
Transportation	6,377,671	368,111	1,281,607	2,491,731
General Governmen	3,139,385	285,582	16,889	0
Interest and Fiscal Charge:	976,918	0	0	0
<i>Total Governmental Activities</i>	<u>23,934,988</u>	<u>1,691,829</u>	<u>1,402,598</u>	<u>2,520,528</u>
Business-Type Activities:				
Sewer	2,522,087	3,387,517	0	0
Water	2,505,512	3,156,316	0	0
Storm Water	324,982	521,909	0	0
<i>Total Business-Type Activities</i>	<u>5,352,581</u>	<u>7,065,742</u>	<u>0</u>	<u>0</u>
<i>Total Activities</i>	<u>\$29,287,569</u>	<u>\$8,757,571</u>	<u>\$1,402,598</u>	<u>\$2,520,528</u>

General Revenues

Property and Other Taxes Levied for:

 General Purposes

 Fire

 Police

 Debt Service

City Permissive Tax Levied for:

 Transportation

Municipal Income Taxes Levied for:

 General Purposes

 Police

 Local Street Operating

 Local Street Capital Improvemen

 Fire Capital Equipmen

Grants and Entitlements not Restricted to Specific Program

Investment in Joint Ventur

Unrestricted Investment Earning

Decrease in Fair Value of Investment

Other

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 18)

Net Assets End of Year

See accompanying notes to the basic financial statement

Net (Expense) Revenue and Changes in Net Asset

Governmental Activities	Business-Type Activities	Total
(\$4,940,814)	\$0	(\$4,940,814)
(5,868,265)	0	(5,868,265)
(469,971)	0	(469,971)
(183,158)	0	(183,158)
(807,771)	0	(807,771)
(2,236,222)	0	(2,236,222)
(2,836,914)	0	(2,836,914)
(976,918)	0	(976,918)
<u>(18,320,033)</u>	<u>0</u>	<u>(18,320,033)</u>
0	865,430	865,430
0	650,804	650,804
0	196,927	196,927
<u>0</u>	<u>1,713,161</u>	<u>1,713,161</u>
<u>(18,320,033)</u>	<u>1,713,161</u>	<u>(16,606,872)</u>
1,182,826	0	1,182,826
1,023,456	0	1,023,456
1,218,424	0	1,218,424
187,922	0	187,922
169,138	0	169,138
5,168,328	0	5,168,328
2,393,829	0	2,393,829
1,367,094	0	1,367,094
1,132,304	0	1,132,304
338,798	0	338,798
2,080,752	0	2,080,752
0	244,910	244,910
224,674	44,527	269,201
(3,134)	0	(3,134)
147,010	0	147,010
<u>(3,095,514)</u>	<u>3,095,514</u>	<u>0</u>
<u>13,535,907</u>	<u>3,384,951</u>	<u>16,920,858</u>
(4,784,126)	5,098,112	313,986
<u>108,831,375</u>	<u>28,853,791</u>	<u>137,685,166</u>
<u>\$104,047,249</u>	<u>\$33,951,903</u>	<u>\$137,999,152</u>

City of Huber Heights, Ohio
Balance Sheet
Governmental Funds
December 31, 2003

	General	Fire	Police
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,590,226	\$1,579,765	\$2,643,020
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Property and Other Taxes	967,094	1,095,290	1,323,144
Municipal Income Taxes, Net	1,604,002	0	702,572
Accounts, Net	201,397	1,120	6,273
Special Assessments	0	0	0
Accrued Interest	1,696	0	0
Due from Other Governments	1,140,290	68,014	97,490
Prepaid Items	83,403	4,823	2,587
Supplies Inventory	13,473	6,099	18,937
Interfund Receivable	1,964,600	0	0
<i>Total Assets</i>	<u>\$10,566,181</u>	<u>\$2,755,111</u>	<u>\$4,794,023</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$108,854	\$39,255	\$72,282
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Accrued Salaries Payable	107,219	153,461	192,398
Due to Other Governments	100,305	134,897	156,733
Interfund Payable	0	0	0
Deferred Revenue	2,947,162	1,149,661	1,890,356
Matured Compensated Absences Payable	0	6,916	25,113
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>3,263,540</u>	<u>1,484,190</u>	<u>2,336,882</u>
Fund Balances			
Reserved for Encumbrances	636,138	304,535	459,066
Reserved for Supplies Inventory	13,473	6,099	18,937
Reserved for Long-Term Interfund Loans	1,013,600	0	0
Reserved for Unclaimed Monies	7,375	0	0
Unreserved:			
Undesignated, Reported in:			
General Fund	5,632,055	0	0
Special Revenue Funds	0	960,287	1,979,138
Debt Service Funds	0	0	0
Capital Projects Funds (Deficit)	0	0	0
<i>Total Fund Balances</i>	<u>7,302,641</u>	<u>1,270,921</u>	<u>2,457,141</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,566,181</u>	<u>\$2,755,111</u>	<u>\$4,794,023</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$717,152	\$7,089,040	\$5,224,415	\$21,843,618
0	0	51,900	51,900
0	0	183,561	3,569,089
0	0	820,136	3,126,710
0	0	7,341	216,131
4,734,867	349,266	393,529	5,477,662
0	0	39	1,735
0	198,346	1,296,245	2,800,385
0	0	1,231	92,044
0	0	97,730	136,239
0	0	0	1,964,600
<u>\$5,452,019</u>	<u>\$7,636,652</u>	<u>\$8,076,127</u>	<u>\$39,280,113</u>
\$0	\$26,506	\$54,641	\$301,538
0	1,648,045	16,200	1,664,245
0	434,716	98,817	533,533
0	745	46,179	500,002
0	28,760	90,039	510,734
0	848,600	1,116,000	1,964,600
4,734,867	429,638	2,322,778	13,474,462
0	0	0	32,029
0	10,046	2,030	12,076
0	1,852,000	1,200,000	3,052,000
<u>4,734,867</u>	<u>5,279,056</u>	<u>4,946,684</u>	<u>22,045,219</u>
6,449	3,464,552	444,457	5,315,197
0	0	97,730	136,239
0	0	0	1,013,600
0	0	0	7,375
0	0	0	5,632,055
0	0	1,629,455	4,568,880
710,703	0	756,494	1,467,197
0	(1,106,956)	201,307	(905,649)
<u>717,152</u>	<u>2,357,596</u>	<u>3,129,443</u>	<u>17,234,894</u>
<u>\$5,452,019</u>	<u>\$7,636,652</u>	<u>\$8,076,127</u>	<u>\$39,280,113</u>

City of Huber Heights, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2003*

Total Governmental Fund Balances	\$17,234,894
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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	103,692,188	
Deferred Charges	<u>38,967</u>	
		103,731,155

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

Municipal Income Taxes	2,143,985	
Property and Other Taxes	409,171	
Intergovernmental	2,158,413	
Special Assessments	5,502,747	
Charges for Services	95,021	
Other	<u>7,873</u>	
Total		10,317,210

Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds:	(620,531)
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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	(212,037)	
Premiums on Refunding Bond	(13,712)	
Accounting Loss on Various Purpose Bond	34,680	
General Obligation Bonds	(8,470,000)	
Special Assessment Bonds	(6,895,000)	
Notes Payable	(9,110,000)	
Equipment/Vehicle Loans	(839,063)	
Compensated Absences	<u>(1,110,347)</u>	
Total		<u>(26,615,479)</u>

<i>Net Assets of Governmental Activities</i>	<u><u>\$104,047,249</u></u>
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See accompanying notes to the basic financial statement

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City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2003

	General	Fire	Police
Revenues			
Municipal Income Taxes	\$5,386,728	\$0	\$2,489,490
Property and Other Taxes	1,158,028	1,010,694	1,202,060
Intergovernmental	1,568,479	149,326	226,670
Special Assessments	0	0	0
Charges for Services	979,372	2,006	52,115
Fines, Licenses and Permits	158,095	0	0
Interest	224,674	428	980
Rent	80,370	1,644	0
Decrease in Fair Value of Investments	(3,134)	0	0
Other	116,037	32,222	66,949
<i>Total Revenues</i>	<u>9,668,649</u>	<u>1,196,320</u>	<u>4,038,264</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire	0	4,877,731	0
Police	0	0	5,858,898
Other	707,349	0	0
Leisure Time Activities	0	0	0
Community Environment	960,001	0	0
Transportation	0	0	0
General Government	3,017,299	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	49,779	47,279	178,881
Interest and Fiscal Charges	3,198	13,556	10,063
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>4,737,626</u>	<u>4,938,566</u>	<u>6,047,842</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,931,023</u>	<u>(3,742,246)</u>	<u>(2,009,578)</u>
Other Financing Sources (Uses)			
Long-Term Loans Issued	0	0	0
Special Assessment Notes Issued	0	0	0
General Obligation Notes Issued	0	0	0
Premium on Special Assessment Notes Issued	0	0	0
Premium on General Obligation Notes Issued	0	0	0
Proceeds from Sale of Capital Assets	15,377	2,610	4,235
Transfers In	61,675	3,000,000	2,000,159
Transfers Out	(5,993,021)	0	(2,474)
<i>Total Other Financing Sources (Uses)</i>	<u>(5,915,969)</u>	<u>3,002,610</u>	<u>2,001,920</u>
<i>Net Change in Fund Balances</i>	(984,946)	(739,636)	(7,658)
<i>Fund Balances Beginning of Year (Deficit)</i>	8,294,715	2,010,833	2,461,003
Increase (Decrease) in Reserve for Inventory	(7,128)	(276)	3,796
<i>Fund Balances End of Year</i>	<u>\$7,302,641</u>	<u>\$1,270,921</u>	<u>\$2,457,141</u>

See accompanying notes to the basic financial statements

Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$2,949,865	\$10,826,083
0	0	357,466	3,728,248
0	1,093,905	2,055,722	5,094,102
198,010	139,493	407,706	745,209
0	0	42,170	1,075,663
0	0	3,854	161,949
0	74,483	20,309	320,874
0	0	137,286	219,300
0	0	0	(3,134)
46,508	83,500	162,316	507,532
<u>244,518</u>	<u>1,391,381</u>	<u>6,136,694</u>	<u>22,675,826</u>
0	0	0	4,877,731
0	0	0	5,858,898
0	0	453,928	1,161,277
0	0	205,312	205,312
0	0	0	960,001
0	0	1,504,775	1,504,775
0	14,472	3,017	3,034,788
10,047	7,098,051	3,063,945	10,172,043
355,000	0	979,621	1,610,560
377,982	32,462	471,807	909,068
0	0	250	250
<u>743,029</u>	<u>7,144,985</u>	<u>6,682,655</u>	<u>30,294,703</u>
<u>(498,511)</u>	<u>(5,753,604)</u>	<u>(545,961)</u>	<u>(7,618,877)</u>
0	217,333	0	217,333
0	7,308,000	0	7,308,000
0	1,802,000	0	1,802,000
48,281	0	0	48,281
0	0	12,170	12,170
0	15,000	5	37,227
520,232	527,756	1,962,784	8,072,606
0	(145,560)	(1,864,116)	(8,005,171)
<u>568,513</u>	<u>9,724,529</u>	<u>110,843</u>	<u>9,492,446</u>
70,002	3,970,925	(435,118)	1,873,569
647,150	(1,613,329)	3,500,812	15,301,184
0	0	63,749	60,141
<u>\$717,152</u>	<u>\$2,357,596</u>	<u>\$3,129,443</u>	<u>\$17,234,894</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, 2003*

Net Change in Fund Balances - Total Governmental Funds		<u>\$1,873,569</u>
<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	7,030,635	
Depreciation	<u>(5,360,832)</u>	
Excess of Capital Outlay over Depreciation Expense		1,669,803
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	(37,227)	
Loss on Assets Sold	<u>(28,953)</u>	
		(66,180)
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	795,000	
Special Assessment Bond Principal Payments	355,000	
Equipment/Vehicle Loan Principal Payments	<u>460,560</u>	
		1,610,560
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	(425,730)	
Property and Other Taxes	53,518	
Intergovernmental	813,575	
Special Assessments	(600,989)	
Charges for Services	(300,798)	
Other	<u>7,873</u>	
		(452,551)
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.		
		60,141
The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liability.		
Notes Payable	(9,110,000)	
Equipment/Vehicle Loans	<u>(217,333)</u>	
		(9,327,333)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional amount of interest on the statement of activities is the result of the following:		
Amortization of Premium on Refunding Bonds	2,259	
Amortization of Accounting Loss	(4,335)	
Net Decrease in Deferred Charges	(3,227)	
Net Increase in Accrued Interest	<u>(122,748)</u>	
		(128,051)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Decrease in Compensated Absences	18,169	
Increase in Due to Other Governments	<u>(42,253)</u>	
		(24,084)
Change in Net Assets of Governmental Activities		<u><u>(\$4,784,126)</u></u>

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes:	\$4,899,910	\$5,365,772	\$5,365,772	\$0
Property and Other Taxes	1,175,638	1,160,114	1,160,114	0
Intergovernmental	1,315,383	1,304,406	1,304,406	0
Charges for Services:	1,030,760	989,220	989,220	0
Fines, Licenses and Permits:	170,673	155,416	155,416	0
Interest	240,055	233,171	233,171	0
Rent	82,951	80,370	80,370	0
Other	120,600	117,677	117,677	0
<i>Total Revenues</i>	<u>9,035,970</u>	<u>9,406,146</u>	<u>9,406,146</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Other	822,026	815,011	754,645	60,366
Community Environment	1,162,338	1,161,046	1,079,072	81,974
General Government	3,660,958	3,930,948	3,741,250	189,698
Debt Service:				
Principal Retirement	51,210	55,620	54,779	841
Interest and Fiscal Charge:	3,202	3,202	3,198	4
<i>Total Expenditures</i>	<u>5,699,734</u>	<u>5,965,827</u>	<u>5,632,944</u>	<u>332,883</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,336,236</u>	<u>3,440,319</u>	<u>3,773,202</u>	<u>332,883</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Asset	17,000	15,377	15,377	0
Advances In	1,398,937	1,993,797	1,993,797	0
Advances Out	0	(778,460)	(778,460)	0
Transfers In	332,362	61,675	61,675	0
Transfers Out	(6,768,034)	(5,993,021)	(5,993,021)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,019,735)</u>	<u>(4,700,632)</u>	<u>(4,700,632)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,683,499)</u>	<u>(1,260,313)</u>	<u>(927,430)</u>	<u>332,883</u>
<i>Fund Balance Beginning of Year</i>	3,972,031	3,972,031	3,972,031	0
Prior Year Encumbrances Appropriated	764,655	764,655	764,655	0
<i>Fund Balance End of Year</i>	<u>\$3,053,187</u>	<u>\$3,476,373</u>	<u>\$3,809,256</u>	<u>\$332,883</u>

See accompanying notes to the basic financial statement

City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Fund
For the Year Ended December 31, 2003

	<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	\$1,210,794	\$1,010,694	\$1,010,694	\$0
Intergovernmental	176,923	147,684	147,684	0
Charges for Services	2,688	2,244	2,244	0
Interest	710	593	593	0
Rent	1,969	1,644	1,644	0
Other	38,435	32,083	32,083	0
<i>Total Revenues</i>	<u>1,431,519</u>	<u>1,194,942</u>	<u>1,194,942</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	5,495,034	5,405,406	5,232,520	172,886
Debt Service:				
Principal Retirement	47,164	56,903	47,279	9,624
Interest and Fiscal Charges	13,556	13,556	13,556	0
<i>Total Expenditures</i>	<u>5,555,754</u>	<u>5,475,865</u>	<u>5,293,355</u>	<u>182,510</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,124,235)</u>	<u>(4,280,923)</u>	<u>(4,098,413)</u>	<u>182,510</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	3,127	2,610	2,610	0
Transfers In	3,593,948	3,000,000	3,000,000	0
<i>Total Other Financing Sources</i>	<u>3,597,075</u>	<u>3,002,610</u>	<u>3,002,610</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(527,160)</u>	<u>(1,278,313)</u>	<u>(1,095,803)</u>	<u>182,510</u>
<i>Fund Balance at Beginning of Year</i>	1,869,723	1,869,723	1,869,723	0
Prior Year Encumbrances Appropriated	452,018	452,018	452,018	0
<i>Fund Balance at End of Year</i>	<u>\$1,794,581</u>	<u>\$1,043,428</u>	<u>\$1,225,938</u>	<u>\$182,510</u>

See accompanying notes to the basic financial statement:

City of Huber Heights, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$2,534,779	\$2,480,186	\$2,480,186	\$0
Property and Other Taxes	1,265,302	1,202,060	1,202,060	0
Intergovernmental	240,113	228,112	228,112	0
Charges for Services	55,452	52,680	52,680	0
Interest	1,305	1,240	1,240	0
Other	70,175	66,668	66,668	0
<i>Total Revenues</i>	4,167,126	4,030,946	4,030,946	0
Expenditures				
Current:				
Security of Persons and Property	6,400,846	6,632,563	6,330,086	302,477
Debt Service:				
Principal Retirement	183,747	185,397	178,881	6,516
Interest and Fiscal Charges	10,063	10,063	10,063	0
<i>Total Expenditures</i>	6,594,656	6,828,023	6,519,030	308,993
<i>Excess of Revenues Under Expenditures</i>	(2,427,530)	(2,797,077)	(2,488,084)	308,993
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	4,458	4,235	4,235	0
Transfers In	2,105,390	2,000,159	2,000,159	0
Transfers Out	(2,474)	(2,474)	(2,474)	0
<i>Total Other Financing Sources (Uses)</i>	2,107,374	2,001,920	2,001,920	0
<i>Net Change in Fund Balance</i>	(320,156)	(795,157)	(486,164)	308,993
<i>Fund Balance at Beginning of Year</i>	2,237,881	2,237,881	2,237,881	0
Prior Year Encumbrances Appropriated	352,111	352,111	352,111	0
<i>Fund Balance at End of Year</i>	\$2,269,836	\$1,794,835	\$2,103,828	\$308,993

See accompanying notes to the basic financial statements

City of Huber Heights, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2003

	Sewer	Water	Storm Water	Total
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalent:	\$1,743,836	\$3,700,582	\$701,512	\$6,145,930
Receivables:				
Accounts	395,718	334,392	59,136	789,246
Special Assessment:	38,419	0	0	38,419
Prepaid Items	0	9,587	0	9,587
Supplies Inventory	0	1,095	0	1,095
Restricted Assets				
Equity in Pooled Cash and Cash Equivalent:	0	60,000	0	60,000
Cash and Cash Equivalents with Fiscal Agent:	0	1,321,879	0	1,321,879
<i>Total Current Assets</i>	<u>2,177,973</u>	<u>5,427,535</u>	<u>760,648</u>	<u>8,366,156</u>
<i>Non-current Assets:</i>				
Capital Assets				
Nondepreciable Capital Asset	1,335,087	1,192,979	1,153,329	3,681,395
Depreciable Capital Assets, Net	8,641,583	12,791,169	6,264,103	27,696,855
Investment in Joint Venture	12,116,070	0	0	12,116,070
<i>Total Non-current Assets</i>	<u>22,092,740</u>	<u>13,984,148</u>	<u>7,417,432</u>	<u>43,494,320</u>
<i>Total Assets</i>	<u>24,270,713</u>	<u>19,411,683</u>	<u>8,178,080</u>	<u>51,860,476</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	5,886	4,060	49,178	59,124
Contracts Payable	50,222	220,628	7,113	277,963
Accrued Salaries Payable	3,068	6,689	0	9,757
Accrued Interest Payable	92,299	0	733	93,032
Due to Other Governments	268,039	906	0	268,945
Compensated Absences Payable	2,031	445	0	2,476
Loan Payable	0	1,950	28,471	30,421
OWDA Loan Payable	321,172	0	0	321,172
Payable from Restricted Assets				
Accrued Interest Payable	0	23,483	0	23,483
Current Portion of Revenue Bonds	0	575,000	0	575,000
<i>Total Current Liabilities</i>	<u>742,717</u>	<u>833,161</u>	<u>85,495</u>	<u>1,661,373</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable	544	907	0	1,451
Loan Payable	0	12,010	59,481	71,491
OWDA Loan Payable	4,473,566	0	0	4,473,566
Revenue Bonds Payable	0	11,700,692	0	11,700,692
<i>Total Long-Term Liabilities</i>	<u>4,474,110</u>	<u>11,713,609</u>	<u>59,481</u>	<u>16,247,200</u>
<i>Total Liabilities</i>	<u>5,216,827</u>	<u>12,546,770</u>	<u>144,976</u>	<u>17,908,573</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	5,181,932	4,589,672	7,329,480	17,101,084
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	13,871,954	1,075,241	703,624	15,650,819
<i>Total Net Assets</i>	<u>\$19,053,886</u>	<u>\$6,864,913</u>	<u>\$8,033,104</u>	<u>\$33,951,903</u>

See accompanying notes to the basic financial statement

City of Huber Heights, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2003*

	Sewer	Water	Storm Water	Total
Operating Revenues				
Charges for Services	\$3,350,317	\$2,244,799	\$521,909	\$6,117,025
Charges for Services - Pledged for Debt Service	0	845,393	0	845,393
Tap-In Fees	37,200	53,725	0	90,925
Rent	0	12,000	0	12,000
Other	0	399	0	399
<i>Total Operating Revenues</i>	<u>3,387,517</u>	<u>3,156,316</u>	<u>521,909</u>	<u>7,065,742</u>
Operating Expenses				
Personal Services	61,046	137,754	0	198,800
Operations and Maintenance	2,072,570	1,374,325	185,268	3,632,163
Depreciation	200,868	292,730	135,534	629,132
<i>Total Operating Expenses</i>	<u>2,334,484</u>	<u>1,804,809</u>	<u>320,802</u>	<u>4,460,095</u>
<i>Operating Income</i>	<u>1,053,033</u>	<u>1,351,507</u>	<u>201,107</u>	<u>2,605,647</u>
Non-Operating Revenues (Expenses)				
Interest Revenue	8,729	35,390	408	44,527
Interest and Fiscal Charges	(187,603)	(695,616)	(4,180)	(887,399)
Loss on Sale of Capital Assets	0	(5,087)	0	(5,087)
Return on Investment in Joint Venture	244,910	0	0	244,910
<i>Total Non-Operating Revenues (Expenses)</i>	<u>66,036</u>	<u>(665,313)</u>	<u>(3,772)</u>	<u>(603,049)</u>
<i>Income Before Capital Contributions and Transfers</i>	<u>1,119,069</u>	<u>686,194</u>	<u>197,335</u>	<u>2,002,598</u>
Capital Contributions	1,335,087	674,533	1,153,329	3,162,949
Transfers In	0	0	0	0
Transfers Out	0	(67,435)	0	(67,435)
<i>Change in Net Assets</i>	<u>2,454,156</u>	<u>1,293,292</u>	<u>1,350,664</u>	<u>5,098,112</u>
<i>Net Assets Beginning of Year - Restated (See Note 18)</i>	<u>16,599,730</u>	<u>5,571,621</u>	<u>6,682,440</u>	<u>28,853,791</u>
<i>Net Assets End of Year</i>	<u>\$19,053,886</u>	<u>\$6,864,913</u>	<u>\$8,033,104</u>	<u>\$33,951,903</u>

See accompanying notes to the basic financial statement

City of Huber Heights, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2003

	Sewer	Water	Storm Water	Total
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities				
Cash Received from Customers	\$3,359,617	\$3,127,417	\$523,262	\$7,010,296
Other Operating Receipts	0	1,387	0	1,387
Cash Payments for Employee Services and Benefits	(59,184)	(135,059)	0	(194,243)
Cash Payments to Suppliers for Goods and Services	(2,043,321)	(1,269,498)	(259,910)	(3,572,729)
<i>Net Cash Provided by Operating Activities</i>	<u>1,257,112</u>	<u>1,724,247</u>	<u>263,352</u>	<u>3,244,711</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	0	0	0	0
Transfers Out	0	(67,435)	0	(67,435)
<i>Net Cash Provided By (Used for) Noncapital Financing Activities</i>	<u>0</u>	<u>(67,435)</u>	<u>0</u>	<u>(67,435)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(32,765)	(149,949)	(5,825)	(188,539)
Proceeds of Equipment/Vehicle Loan	0	14,910	0	14,910
Interest Paid on OWDA Loan Payable	(193,554)	0	0	(193,554)
Principal Paid on OWDA Loan Payable	(309,154)	0	0	(309,154)
Principal Paid on Loan Payable	0	(950)	(26,277)	(27,227)
Interest Paid on Loan Payable	0	(259)	(4,180)	(4,439)
Interest Paid on Revenue Bonds Payable	0	(295,297)	0	(295,297)
Principal Paid on Revenue Bonds Payable	0	(530,000)	0	(530,000)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(535,473)</u>	<u>(961,545)</u>	<u>(36,282)</u>	<u>(1,533,300)</u>
Cash Flows from Investing Activities				
Interest	8,729	35,542	408	44,679
<i>Net Increase in Cash and Cash Equivalents</i>	730,368	730,809	227,478	1,688,655
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,013,468</u>	<u>4,351,652</u>	<u>474,034</u>	<u>5,839,154</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,743,836</u>	<u>\$5,082,461</u>	<u>\$701,512</u>	<u>\$7,527,809</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$1,053,033	\$1,351,507	\$201,107	\$2,605,647
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	200,868	292,730	135,534	629,132
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(29,876)	(27,512)	1,353	(56,035)
Decrease in Special Assessments Receivable	1,976	0	0	1,976
(Increase) Decrease in Prepaid Items	2,096	(4,929)	0	(2,833)
Decrease in Supplies Inventory	0	149	0	149
Increase (Decrease) in Accounts Payable	4,273	(3,739)	(79,441)	(78,907)
Increase in Contracts Payable	50,222	220,628	7,113	277,963
Increase in Accrued Salaries Payable	352	756	0	1,108
Decrease in Due to Other Governments	(26,926)	(106,376)	(2,314)	(135,616)
Increase in Compensated Absences Payable	1,094	1,033	0	2,127
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,257,112</u>	<u>\$1,724,247</u>	<u>\$263,352</u>	<u>\$3,244,711</u>

Non-Cash Transactions:

During 2003, the Sewer and Water Enterprise Funds had capital contributions for capital assets from governmental funds of \$1,335,087, \$674,533, respectively. The Storm Water Enterprise Fund had capital contributions from governmental funds for capital assets of \$1,153,329. Also, the Water Enterprise Fund had accretion of capital appreciation bonds in the amount of \$401,189.

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, 2003

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 department/division heads and employees, except the City Attorney and Clerk of Council, who are appointed by City Council.

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 storm water. Council and the City Manager have direct responsibility for these activities.

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

The City also participates in the Miami Valley Regional Planning Commission (the Commission), the Miami Valley Fire/EMS Alliance (the Alliance), and the Economic Development/Government Equity (ED/GE) Program, which are defined as jointly governed organizations. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 17.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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

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

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

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

Capital Improvement Fund – This fund is used to account for grant and bond revenues used to purchase equipment and construct buildings.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

Storm Water 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.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transaction

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

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but were levied to finance 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Finance Director are reported as "cash and cash equivalents with fiscal agents" and represent deposits.

During 2003, the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), The One Group Treasury Only Money Market Mutual Fund, The First American U.S. Treasury Reserve Money Market Mutual Fund, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, and a repurchase agreement.

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

The City has invested funds in STAR Ohio during 2003. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2003.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue of \$224,674 was credited to the General Fund during 2003, which includes \$181,844 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, 2003, 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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	30-50 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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, contractually required pension contributions, and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans and bonds are recognized as liabilities on the governmental fund financial statements when due.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Contributions

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

Net Assets

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

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for sewer, water and storm water 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Loss/Compounded Interest on Capital Appreciation Bonds

Bond premiums, issuance costs and the accounting loss incurred in a prior year bond refunding are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the year.

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

Estimates

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

Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. 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 2003.

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, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
5. The change in fair value of investments is not included on the budget basis operating statement. This amount is included as revenue on the GAAP basis operating statement.
6. Receipt and payment of year-end interfund loans are treated as other sources or uses (budget basis) rather than an increase or decrease in an asset or liability account (GAAP basis).

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	(\$984,946)	(\$739,636)	(\$7,658)
Adjustments:			
Revenue Accruals	(276,997)	(1,543)	(12,513)
Expenditure Accruals	(158,710)	(4,047)	66,553
Unrecorded Cash – 2002	36,077	165	11,878
Unrecorded Cash – 2003	(24,717)	0	(6,683)
Prepaid Items	8,651	3,085	(5,232)
Change in Fair Value of Investments – 2002	14,128	0	0
Change in Fair Value of Investments – 2003	(10,994)	0	0
Encumbrances	(745,259)	(353,827)	(532,509)
Advances	1,215,337	0	0
Budget Basis	(\$927,430)	(\$1,095,803)	(\$486,164)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 4 - FUND DEFICITS

The Issue II Capital Projects Fund had a fund balance deficit at December 31, 2003, of \$894,113. The deficit is the result of the note payable. The deficit will be eliminated when bonds are issued.

NOTE 5 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by the City's investment ordinance. State statutes classify monies held by the City into three categories.

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end, the City had \$2,135 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents".

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

Deposits

At year end, the carrying amount of the City's deposits was \$2,056,406 and the related bank balance was \$2,129,206. Of the bank balance, \$200,000 was covered by federal deposit insurance, and \$1,929,206 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the City's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

Investments

The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The One Group Treasury Only Money Market Mutual Fund (The One Group), the First American U.S. Treasury Reserve Money Market Mutual Fund, and STAR Ohio, an investment fund operated by the Ohio State Treasurer, are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Category 3	Carrying and Fair Value
STAR Ohio	\$0	\$0	\$16,433,066
The One Group Treasury Only Money Market Mutual Fund	0	0	2,388,152
The First American U.S. Treasury Reserve Money Market Mutual Fund	0	0	1,321,879
Federal Home Loan Mortgage Corporation Bonds	506,200	0	506,200
Federal National Mortgage Association Bonds	751,170	0	751,170
Federal Home Loan Bank Bonds	3,010,650	0	3,010,650
Repurchase Agreement	0	2,953,669	2,953,669
Total	\$4,268,020	\$2,953,669	\$27,364,786

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between classifications of cash and cash equivalents and investments on the basic financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$29,423,327	\$0
Cash on Hand	(2,135)	0
STAR Ohio	(16,433,066)	16,433,066
The One Group Treasury Only		
Money Market Mutual Fund	(2,388,152)	2,388,152
The First American U.S. Treasury		
Reserve Money Market Mutual Fund	(1,321,879)	1,321,879
Federal Home Loan Mortgage		
Corporation Bonds	(506,200)	506,200
Federal National Mortgage Association		
Bonds	(751,170)	751,170
Federal Home Loan Bank Bonds	(3,010,650)	3,010,650
Repurchase Agreement	(2,953,669)	2,953,669
GASB Statement 3	\$2,056,406	\$27,364,786

NOTE 6 - RECEIVABLES

Receivables at December 31, 2003, 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, 2003, was \$789,246. 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 \$4,993,612, and the uncollectible portion was \$1,866,902, for a net receivable of \$3,126,710. Total emergency medical service calls receivable was \$388,003 and the uncollectible portion was \$228,676, for net accounts receivable of \$159,327. Total net accounts receivable of \$216,131 is the sum of other miscellaneous accounts receivable of \$56,804 and the \$159,327.

Special assessments expected to be collected in more than one year in the Special Assessment Bond Retirement Fund, the Capital Improvement Fund, and the Sewer Fund amount to \$3,989,248, \$163,470, and \$7,989, respectively. At December 31, 2003, the amount of delinquent special assessments was \$62,017.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 6 - RECEIVABLES (Continued)

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) is for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

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. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2003, was \$11.62 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property	\$558,096,780
Public Utility Tangible Personal Property	15,275,280
Tangible Personal Property	<u>45,594,634</u>
Total	<u>\$618,966,694</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 County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Huber Heights. The County Auditor periodically remits 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, 2003, 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 2003 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full 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, 2003

NOTE 6 – RECEIVABLES (Continued)

Income Taxes

The City levies a municipal income tax of 1.95% on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate. Additional increases in the income tax rate require voter approval.

Employers within the City are required to withhold income tax on employee compensation and remit the tax at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used to pay the cost of administering the tax and for general, public safety operations, which include police operations and fire capital equipment, local street improvements and local street capital improvement.

Due from Other Governments

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Local Government and Local Government Assistance	\$696,408
Homestead and Rollback	170,156
Huber Heights City School District	4,431
Montgomery County Courts	6,671
Personal Property Exemption	27,918
Estate Tax	383,968
EMS Grant	7,071
Bulletproof Vest Program	288
School Resource Officers	21,214
Ohio Department of Transportation Grant Issue II	117,974
Gary Sherman Park Grant	661,017
Gasoline Tax	28,585
Cents per Gallon	198,060
Motor Vehicle License	221,188
County Permissive Motor Vehicle License	197,631
Chambersburg Road	6,018
	<u>51,787</u>
Total Intergovernmental Receivables	<u>\$2,800,385</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003, was as follows:

	Restated Balance at 12/31/02	Additions	Deductions	Balance at 12/31/03
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$20,628,294	\$79,793	(\$7,876)	\$20,700,211
Construction in Progress	672,258	4,913,405	0	5,585,663
Total Capital Assets, not being Depreciated	21,300,552	4,993,198	(7,876)	26,285,874
Depreciable Capital Assets:				
Buildings	9,476,450	18,748	(46,872)	9,448,326
Equipment	2,308,625	571,936	(38,730)	2,841,831
Furniture, Fixtures and Improvements	407,496	74,417	0	481,913
Vehicles	3,798,412	80,308	(53,936)	3,824,784
Infrastructure				
Bridges	747,659	82,307	(177,000)	652,966
Roads	160,322,063	1,199,204	0	161,521,267
Other	4,494,144	10,517	0	4,504,661
Total Depreciable Capital Assets	181,554,849	2,037,437	(316,538)	183,275,748
Total Capital Assets at Historical Cost	202,855,401	7,030,635	(324,414)	209,561,622
Less Accumulated Depreciation:				
Buildings	(1,665,358)	(179,191)	9,797	(1,834,752)
Equipment	(881,750)	(214,858)	23,466	(1,073,142)
Furniture, Fixtures and Improvements	(111,706)	(21,257)	0	(132,963)
Vehicles	(1,561,712)	(376,837)	51,159	(1,887,390)
Infrastructure				
Bridges	(404,657)	(13,976)	173,812	(244,821)
Roads	(93,653,793)	(4,311,981)	0	(97,965,774)
Other	(2,487,860)	(242,732)	0	(2,730,592)
Total Accumulated Depreciation	(100,766,836)	(5,360,832)	258,234	(105,869,434)
Depreciable Capital Assets, Net	80,788,013	(3,323,395)	(58,304)	77,406,314
Governmental Activities Capital Assets, Net	\$102,088,565	\$1,669,803	(\$66,180)	\$103,692,188

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance at 12/31/02	Additions	Deductions	Balance at 12/31/03
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$373,100	\$0	\$0	\$373,100
Construction in Progress	23,306	3,284,989	0	3,308,295
Total Capital Assets, not being Depreciated	396,406	3,284,989	0	3,681,395
Depreciable Capital Assets:				
Buildings	5,003,067	0	(5,900)	4,997,167
Equipment	103,960	33,388	0	137,348
Infrastructure				
Sewer Lines	9,669,194	27,286	0	9,696,480
Water Lines	11,012,866	0	0	11,012,866
Storm Sewer	7,958,535	5,825	0	7,964,360
Total Depreciable Capital Assets	33,747,622	66,499	(5,900)	33,808,221
Total Capital Assets at Historical Cost	34,144,028	3,351,488	(5,900)	37,489,616
Less Accumulated Depreciation:				
Buildings	(856,456)	(99,113)	813	(954,756)
Equipment	(70,361)	(12,391)	0	(82,752)
Infrastructure				
Sewer Lines	(1,463,415)	(180,820)	0	(1,644,235)
Water Lines	(1,499,150)	(204,117)	0	(1,703,267)
Storm Sewer	(1,593,665)	(132,691)	0	(1,726,356)
Total Accumulated Depreciation	(5,483,047)	(629,132)	813	(6,111,366)
Depreciable Capital Assets, Net	28,264,575	(562,633)	(5,087)	27,696,855
Business-Type Activities Capital Assets, Net	\$28,660,981	\$2,722,356	(\$5,087)	\$31,378,250

Depreciation expense was charged to governmental programs as follows:

Security of Persons and Property	
Fire	\$188,712
Police	268,552
Other	30,441
Leisure Time Activities	48,305
Community Environment	34,129
Transportation	4,697,869
General Government	92,824
Total Depreciation Expense	<u>\$5,360,832</u>

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$307,825, \$267,329, and \$295,826, respectively; 69 percent has been contributed for 2003 and 100 percent for 2002 and 2001. No City employees participated in the member-directed plan for 2003.

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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$402,736 and \$467,866 for the year ended December 31, 2003, \$383,401 and \$460,328 for the year ended December 31, 2002, and \$381,517 and \$414,255 for the year ended December 31, 2001, equal to the required contributions for each year. The full amount has been contributed for 2002 and 2001. 65 percent has been contributed for 2003 with the remainder being reported as a liability on the statement of net assets.

NOTE 9 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$180,015. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

Ohio Police and Fire Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$265,635 for police and \$223,136 for firefighters. The OP&F's total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

NOTE 10 – OTHER EMPLOYEE BENEFITS

Deferred Compensation Plans

City employees and elected officials may participate in one of two statewide deferred compensation plans, the Aetna deferred compensation plan, or the ICMA Retirement Corporation. 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 10 – OTHER EMPLOYEE BENEFITS (Continued)

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service and union contract, employment contract or personnel policy manual. All employees may accrue a maximum of total hours accrued in the past two calendar years, except for police command, patrol, and dispatch officers and firefighters. For police command, patrol, and dispatch officers, vacation can carry over equal to the total hours accrued in a calendar year. For the firefighters, vacation can carry over into the next calendar year at a maximum of 264 hours. The City Manager is allowed to grant requests for the carry over of additional leave, but the carryover must be used within 90 days. In the event of resignation with two weeks notice, death, or retirement, employees (or their estates) are paid for unused vacation leave. For non-union employees and police command, patrol, and dispatch officers, vacation leave can be converted to pay if the employee has at least five years of service with the City. If the employee has at least five years of service, up to six days of accrued vacation can be converted each calendar year. If the employee has at least ten years of service with the City, up to twelve days of accrued vacation can be converted each calendar 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. 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 grant eight hours personal leave at year end to any non-union employee that does not exceed eight hours of sick leave usage during the previous calendar 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. In the case of death or retirement, employees (or the employees' estates) are paid for their accumulated leave with 480 hours being the maximum amount paid, except for police command, patrol, dispatch officers, firefighters, and public works employees. For police command, patrol, dispatch officers, and public works employees, accumulated leave between 1 and 357 will be paid at a 4:1 ratio, accumulated leave between 358 and 714 will be paid at a 3:1 ratio, accumulated leave between 715 and 1,071 will be paid at a 2:1 ratio, and accumulated leave in excess of 1,071 will be paid at a 1:1 ratio. In addition, at the commencement of the current contract for police command, patrol, dispatch officers, and public works employees, sick leave hours in excess of 1,285 will be "banked" and will be payable to the employee when that employee retires at a 3:1 ratio, at the employees' rate prior to commencement of this contract. Patrol has the option to opt out of this provision. All hours in excess of 1,285 will be paid at a 3:1 ratio at the employees' rate of pay at the end of the contract year. For the firefighters, accumulated leave between 1 and 500 will be paid at a 4:1 ratio, accumulated leave between 501 and 1,000 will be paid at a 3:1 ratio, accumulated leave between 1,001 and 1,500 will be paid at a 2:1 ratio, and accumulated leave in excess of 1,500 will be paid at a 1:1 ratio. In addition, at the commencement of the current contract for firefighters, sick leave hours in excess of 1800 will be "banked" and will be payable to the employee when that employee retires at a 3:1 ratio at the rate prior to commencement of this contract.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 10 – OTHER EMPLOYEE BENEFITS (Continued)

Accumulated Unpaid Compensatory Time

From time to time, employees may need, with prior approval from their supervisors, to work overtime. 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. The Street Department and clerks and secretaries of the Police Department can accumulate compensatory time up to 80 hours. For the police officers, compensatory time can be accumulated up to 90 hours, while dispatchers can accumulate up to 60 hours. Dispatchers can be paid for up to 40 hours of compensatory time once per contract year. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused compensatory time.

Insurance

The City allows 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. For police command, patrol, and dispatch officers, the City provides life insurance in the amount of \$30,000 for each employee through Anthem Life. For non-union full-time employees, the City provides life insurance in an amount determined by the City for each employee. Employees have the option of taking out additional life insurance themselves through either Anthem Life or Reliance Standard Life.

NOTE 11 - CONTRACTUAL COMMITMENTS

As of December 31, 2003, 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 12/31/2003</u>
Brickler and Eckler, LLP	Law Fees	\$65,000	\$48,500	\$16,500
Vectren	Extend Gasline	41,600	0	41,600
Sanderson CMI, Inc.	Hardware/Software Conversion	153,188	143,452	9,736
John R. Jurgenson, Co.	Street Program Sections B/F	183,400	151,418	31,982
Montgomery County	I-70/State Routes 202, 201	512,088	322,280	189,808
Coolidge, Wall, Womsley	Law Fees	37,427	9,096	28,331
Peck, Shaffer, Williams	Law Fees	7,220	0	7,220
Kinnison Excavating	Street Program Section D	60,000	27,286	32,714
Corna-Kokosing	Benchrock Parkway	6,200,000	4,912,157	1,287,843
Corna-Kokosing	Brandt/Troy Utility Extension	964,906	17,200	947,706
Corna-Kokosing	Benchrock Water Mains	541,819	297,876	243,943
Boone Water Systems, Inc.	Rip Rap Road Well #3	149,900	97,480	52,420
Jack Doheny Supplies	Leaf Vac Equipment	40,765	0	40,765
LJB, Inc.	I-70/St. Rt. 202 Landscaping	37,600	10,062	27,538
Wagner Smith Company	Benchrock Parkway	414,200	43,387	370,813
Lumec, Inc.	Benchrock Parkway	185,200	0	185,200
The Righter Company	Stormwater Management	19,800	0	19,800
Jergens Bales Contractors	Stormwater Management	178,625	0	178,625

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 11 - CONTRACTUAL COMMITMENTS (Continued)

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 12/31/2003</u>
R.E. Holland Excavating	Old Troy Pike Phase VII	\$33,900	\$0	\$33,900
Dayton Power and Light	Benchrock Parkway	63,215	0	63,215
R.B. Jergens Contractors	Chambersburg Road	44,557	0	44,557
Totals		<u>\$9,934,410</u>	<u>\$6,080,194</u>	<u>\$3,854,216</u>

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The City pays an annual premium to Wickert Insurance Services. The types of coverage and the deductibles per occurrence are as follows:

<u>Type of Coverage</u>	<u>Limit</u>	<u>Deductible</u>
General Liability – Per Event	\$1,000,000	\$0
Law Enforcement Liability – Per Claim	1,000,000	25,000
Public Official	1,000,000	10,000
Automobile Liability – Per Accident	1,000,000	0
Inland Marine	1,247,688	500
Property Insurance – except Water Department	11,790,772	1,000
Property Insurance – Water Department	60,973,976	5,000
Umbrella Liability – Per Event	3,000,000	0

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

Settled claims have not exceeded this coverage in any of the past three years. Public official coverage decreased \$1,000,000; however, the umbrella liability was increased \$2,000,000 from 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2003 follows:

	<u>Balance at 12/31/02</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/03</u>	<u>Amounts Due in One Year</u>
Special Assessment Bonds with Government Commitment:					
1991 - 6.70%					
Old Troy Pike	\$285,000	\$0	\$25,000	\$260,000	\$25,000
1993 - 4.70%					
Taylorsville Road	350,000	0	50,000	300,000	55,000
1995 - 5.75%					
Brandt Pike Phase IV	955,000	0	50,000	905,000	55,000
1995 - 5.80%					
Shull Road East and West	770,000	0	40,000	730,000	45,000
1996 - 5.70%					
Troy III	226,709	0	11,932	214,777	11,933
1996 - 5.70%					
North West Expansion	153,291	0	8,068	145,223	8,068
1997 - 5.45%					
Brandt Pike Phase V	385,000	0	15,000	370,000	20,000
1998 - 4.88% - 4.95%					
Old Troy Pike Phase IV	580,000	0	25,000	555,000	25,000
1999 - 5.30% - 5.38%					
Old Troy Pike Phase V	269,334	0	10,359	258,975	12,430
1999 - 5.30% - 5.38%					
Executive Boulevard	380,666	0	14,641	366,025	17,569
2000 - 5.63% - 5.65%					
I-70 Business Park Phase II	710,000	0	25,000	685,000	25,000
2001 - 3.5% - 4.95%					
Huber East Water Main (Various Purpose Bonds - Series 2001A)	145,000	0	5,000	140,000	5,000
2001 - 3.5% - 4.95%					
Executive Boulevard Phase III (Various Purpose Bonds - Series 2001A)	1,060,000	0	40,000	1,020,000	25,000
2001 - 3.5% - 4.95%					
Troy VI (Various Purpose Bonds - Series 2001A)	670,000	0	25,000	645,000	40,000

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/02	Increases	Decreases	Balance at 12/31/03	Amounts Due in One Year
2001 – 3.5% - 4.95% Aaron Lane (Various Purpose Bonds – Series 2001 A)	\$205,000	\$0	\$7,000	\$198,000	\$7,000
2001 – 3.5% - 4.95% Stoney Creek (Various Purpose Bonds – Series 2001A)	44,000	0	1,000	43,000	1,000
2001 – 3.5% - 4.95% Lexington Place (Various Purpose Bonds – Series 2001A)	<u>61,000</u>	<u>0</u>	<u>2,000</u>	<u>59,000</u>	<u>2,000</u>
TOTAL – Special Assessment Bonds Payable	<u>7,250,000</u>	<u>0</u>	<u>355,000</u>	<u>6,895,000</u>	<u>380,000</u>
Voted General Obligation Bond:					
2001 – 2.90% - 4.25% Refunding Bonds, Series 2001B	<u>1,485,000</u>	<u>0</u>	<u>145,000</u>	<u>1,340,000</u>	<u>145,000</u>
Unvoted General Obligation Bonds:					
1991 – 6.63% Water Tank	340,000	0	30,000	310,000	30,000
1993 – 5.35% Fire Station Renovation	1,835,000	0	75,000	1,760,000	80,000
1993 - 5.35% Gas Tank Replacement	15,000	0	15,000	0	0
1995 - 5.80% Municipal Pool	45,000	0	15,000	30,000	15,000
1997 - 5.10% - 5.25% Street Improvement	1,615,000	0	100,000	1,515,000	105,000
1997 - 4.15% - 5.40% Court Bonds	1,425,000	0	60,000	1,365,000	65,000
2001 – 2.90% - 4.95% Various Purpose, Series 2001A	2,505,000	0	355,000	2,150,000	360,000
Amortization of Premium	15,971	0	2,259	13,712	0
Amortization of Accounting Loss	<u>(39,015)</u>	<u>4,335</u>	<u>0</u>	<u>(34,680)</u>	<u>0</u>
TOTAL - Unvoted General Obligation Bonds Payable	<u>7,756,956</u>	<u>4,335</u>	<u>652,259</u>	<u>7,109,032</u>	<u>655,000</u>

(Continued)

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

	Balance at 12/31/02	Increases	Decreases	Balance at 12/31/03	Amounts Due in One Year
TOTAL – General Obligation Bonds Payable	\$9,241,956	\$4,335	\$797,259	\$8,449,032	\$800,000
Compensated Absences Payable	1,128,516	519,096	537,265	1,110,347	598,789
Notes Payable:					
2003 – 1.80% - General Obligation					
Utility Improvement	0	1,802,000	0	1,802,000	0
2003 – 1.80% - Special Assessment					
Street Improvement	0	7,308,000	0	7,308,000	0
TOTAL – Notes Payable	0	9,110,000	0	9,110,000	0
Equipment/Vehicle Loans:					
1997 - 4.95%					
Vehicle Loan	243,669	0	48,123	195,546	51,767
2000 - 5.24%					
Vehicles, Equipment, and Computer Equipment	86,485	0	86,485	0	0
2001 – 4.36%					
Vehicles Loan	188,144	0	124,072	64,072	64,072
2001 – 4.60%					
Tub Grinder Loan	169,498	0	22,932	146,566	23,998
2001 – 2.99%					
Police Cruisers	107,818	0	53,109	54,709	54,709
2002 – 3.98%					
Equipment and Vehicles	286,676	0	111,991	174,685	112,122
2003 – 3.50%					
Telephone System	0	217,333	13,848	203,485	28,422
TOTAL - Equipment/Vehicle Loans	1,082,290	217,333	460,560	839,063	335,090
TOTAL – General Long-Term Obligations	\$18,702,762	\$9,850,764	\$2,150,084	\$26,403,442	\$2,113,879

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

The following table discloses the original issue amounts for the debt issued before 2003:

Issue	Amount
Special Assessment Bonds:	
1991 Old Troy Pike	\$460,000
1993 Taylorsville Road	706,400
1995 Brandt Pike Phase IV	1,222,000
1995 Shull Road East and West	982,000
1996 Troy III	281,000
1996 North West Expansion	190,000
1997 Brandt Pike Phase V	461,000
1998 Old Troy Pike Phase IV	665,000
1999 Old Troy Pike Phase V	300,411
1999 Executive Boulevard	424,589
2000 I-70 Business Park Phase II	750,000
2001 Huber East Water Main	150,000
2001 Executive Boulevard Phase III	1,085,000
2001 Troy VI	685,000
2001 Aaron Lane	212,000
2001 Stoney Creek	45,000
2001 Lexington Place	63,000
Voted General Obligation Bond:	
2001 Refunding Bonds, Series 2001B	1,755,000
Unvoted General Obligation Bonds:	
1991 Water Tank	555,000
1993 Fire Station Renovation	2,350,000
1993 Gas Tank Replacement	130,000
1995 Municipal Pool	127,000
1997 Street Improvement	2,045,000
1997 Court Bonds	1,625,000
2001 Various Purpose, Series 2001A	2,965,000
Equipment/Vehicle Loans:	
1997 Vehicle Loan	461,215
2000 Vehicles, Equipment, and Computer Equipment	486,921
2001 Vehicles Loan	364,500
2001 Tub Grinder Loan	202,000
2001 Police Cruisers	159,374
2002 Equipment and Vehicles	341,364

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

During 2003, the City issued \$217,333, in long-term loans for the purchase of a new phone system. The loan will be paid from revenues in the General Fund, Police Fund, Fire Fund, Street Maintenance and Repair Special Revenue Fund, and Parks and Recreation Special Revenue Fund. The loans will mature in 2010.

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

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

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

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

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

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

The compensated absences payable will be paid from the General, Fire, Police, Local Street Operating, Parks and Recreation, and Street Maintenance and Repair Funds. The notes are bond anticipation notes and will be paid off with notes issued during 2004. 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Changes in the long-term obligations reported in business-type activities of the City during 2003 were as follows:

	Restated Balance at 12/31/02	Increases	Decreases	Balance at 12/31/03	Amounts Due in One Year
Revenue Bonds Payable:					
Various - 1995 Water Acquisition					
Serial Bonds – 3.75–5.55%	\$5,685,000	\$0	\$530,000	\$5,155,000	\$575,000
Original Issue of Capital Appreciation					
Bonds - 5.9–6.2%	4,225,517	0	0	4,225,517	0
Accretion on Capital Appreciation					
Bonds	2,493,986	401,189	0	2,895,175	0
OWDA Loan Payable:					
3.85% - 1995 Sewer OWDA Loan	5,103,892	0	309,154	4,794,738	321,172
Long-Term Loans:					
2002 – Equipment and Vehicles					
Loan 3.98%	114,229	0	26,277	87,952	28,470
2003 – Telephone System					
Loan 3.50%	0	14,910	950	13,960	1,951
Compensated Absences Payable	1,800	3,927	1,800	3,927	2,476
Total - Enterprise Funds	<u>\$17,624,424</u>	<u>\$420,026</u>	<u>\$868,181</u>	<u>\$17,176,269</u>	<u>\$929,069</u>

The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The original issue amount was \$12,495,517. Of the original issue amount, \$8,270,000 is serial bonds, while \$4,225,517 is capital appreciation bonds. The water revenue bonds maturing on or after December 1, 2000, are subject to optional redemption at the direction of the City, in whole or in part in integral multiples of \$5,000 on any interest payment date, on or after December 1, 2000, or before December 1, 2007, at the redemption prices (expressed as a percentage of the principal amount to be redeemed) not to be greater than 103%, plus accrued interest on the redemption date. Bonds maturing in the years 2011 through 2025 were issued as capital appreciation bonds, which mature in the principal amounts on the dates and will bear interest compounded semiannually on June 1 and December 1 of each year beginning in 1996; at the compounding rates per year. The maturity amount of the capital appreciation bonds is \$16,875,000.

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

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

During 2002, the City issued an equipment and vehicles loan in the amount of \$127,000. The loan will be paid from the Storm Water Fund revenue. During 2003, the City issued a telephone system loan in the amount of \$14,910. The loan will be paid from the Water Fund revenue. Compensated absences will be paid from the Water and Sewer Funds.

As of December 31, 2003, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$52,784,934 and the unvoted legal debt margin was \$23,176,599.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2003, were as follows:

Year	Governmental Activities					
	Special Assessment Bonds		General Obligation Bonds		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$380,000	\$360,048	\$800,000	\$395,804	\$335,090	\$29,459
2005	380,000	340,742	840,000	362,661	168,337	18,141
2006	405,000	321,518	865,000	327,929	114,484	11,934
2007	435,000	300,787	880,000	292,003	89,101	6,959
2008	455,000	278,470	920,000	253,661	61,397	4,303
2009-2013	2,195,000	1,047,012	2,710,000	761,532	70,654	2,124
2014-2018	1,990,000	448,704	1,455,000	207,428	0	0
2019-2023	655,000	61,804	0	0	0	0
Totals	<u>\$6,895,000</u>	<u>\$3,159,085</u>	<u>\$8,470,000</u>	<u>\$2,601,018</u>	<u>\$839,063</u>	<u>\$72,920</u>

Year	Business-Type Activities					
	Revenue Bonds		OWDA Loans		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$575,000	\$270,393	\$321,172	\$181,536	\$30,420	\$3,639
2005	625,000	242,792	333,656	169,051	27,379	2,521
2006	675,000	211,855	346,625	156,082	25,392	1,505
2007	730,000	177,430	360,098	142,609	14,163	495
2008	785,000	139,105	374,095	128,611	2,238	180
2009-2013	4,780,000	147,888	2,100,236	413,298	2,320	122
2014-2018	5,425,000	0	958,856	46,559	0	0
2019-2023	5,925,000	0	0	0	0	0
2024-2026	2,510,000	0	0	0	0	0
Totals	<u>\$22,030,000</u>	<u>\$1,189,463</u>	<u>\$4,794,738</u>	<u>\$1,237,746</u>	<u>\$101,912</u>	<u>\$8,462</u>

The City issued industrial development revenue bonds during 1999 for the acquisition of land, construction of a manufacturing facility, and acquisition of capital equipment used by a private corporation. The principal amount outstanding on the bonds at December 31, 2003, was \$8,000,000. The bonds do not constitute a debt or pledge of the faith and credit of the City and will not be secured by an obligation or pledge of any moneys raised by taxation. The City is not obligated in any way to pay debt charges on the bond from any of its funds, and therefore it has been excluded entirely from the City's debt presentation. There has not been and there is not any condition of default under the bond or the related financing documents.

The City issued an industrial development revenue bond in 1994 with the principal amount of \$1,735,000 outstanding at December 31, 2003. 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.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 14 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2003, follows:

<u>Fund Type/Fund/Issue</u>	<u>Balance at 12/31/02</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/03</u>
Notes Payable:				
Capital Projects Funds:				
Capital Improvement Fund				
1.55% - Real Estate Acquisition	\$1,820,000	\$0	\$1,820,000	\$0
1.50% - Real Estate Acquisition	0	1,852,000	0	1,852,000
Issue II Fund				
1.45% - Old Troy Pike Phase VII	0	1,200,000	0	1,200,000
1.80% - Old Troy Pike Phase VII	1,670,000	0	1,670,000	0
Total Notes Payable	<u>\$3,490,000</u>	<u>\$3,052,000</u>	<u>\$3,490,000</u>	<u>\$3,052,000</u>

The notes are bond anticipation notes and will be paid off with long-term bonds issued during 2004.

NOTE 15 - INTERFUND ASSETS/LIABILITIES

The General Fund had interfund receivables at December 31, 2003, of \$1,964,600. The Capital Improvement Fund had interfund payables of \$848,600. The other governmental funds had interfund payables of \$1,116,000. The loans were made to cover capital outlay costs that will eventually be covered by reimbursable grants.

		<u>Transfers From</u>					
		<u>General</u>	<u>Police</u>	<u>Capital Improve- ment</u>	<u>Other Govern- mental</u>	<u>Water</u>	<u>Total</u>
T r a n s f e r s	General	\$0	\$0	\$49,930	\$11,745	\$0	\$61,675
	Fire	3,000,000	0	0	0	0	3,000,000
	Police	2,000,000	0	0	159	0	2,000,159
	Special Assessment Bond						
	Retirement	32,000	0	95,630	392,602	0	520,232
	Capital Improvement	512,846	0	0	0	14,910	527,756
T o t a l	Other Governmental	448,175	2,474	0	1,459,610	52,525	1,962,784
	Total	<u>\$5,993,021</u>	<u>\$2,474</u>	<u>\$145,560</u>	<u>\$1,864,116</u>	<u>\$67,435</u>	<u>\$8,072,606</u>

Transfers are used to move monies for capital acquisitions, repairs, and equipment. They are also used for debt service obligations. The remaining transfers are used to subsidize various programs in the funds.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 16 - JOINT VENTURES

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

Wastewater Authority is a joint venture among the cities of Huber Heights, Vandalia, and Tipp City. Wastewater Authority 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. Wastewater Authority 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 Wastewater Authority 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 \$12,116,070 which represents 52.84% of the total equity in Wastewater Authority. Wastewater Authority 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 2003 involving Wastewater Authority for services provided to the City by Wastewater Authority. The amounts for services provided to the City are reflected on the City's financial statements in the amount of \$1,693,093. 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. 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 had no financial activity during 2003, the City's equity interest at December 31, 2003, was \$0. Financial information can be obtained from Mary DelRaso, Planning and Development Manager, at 6131 Taylorsville Road, Huber Heights, Ohio 45424-2951.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

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

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 for the operation of the Commission during 2003. Financial information can be obtained from P. Michael Robinette, Executive Director, at 40 West Fourth Street, Dayton, Ohio 45402.

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers, and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the Fire Fund. The City contributed \$9,162 for the operation of the Alliance during 2003. Financial information can be obtained from Mike Caudill, Director, at 444 West Third Street, Suite 13-204, Dayton, Ohio 45402.

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

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2010. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City contributed \$97,350 for the operation of ED/GE during 2003. Financial information can be obtained from Linda Gum, Administrative Assistant, at 451 West Third Street, Dayton, Ohio 45422.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

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

For 2003, the City has implemented GASB Statement No. 41, “Budgetary Comparison Schedules – Perspective Differences.” GASB Statement No. 41 only applies when there are significant perspective differences that prevent an entity from associating the estimated revenues and appropriations from its legally adopted budget to the major revenue sources and functional expenditures that are reported in the general and major special revenue funds. This statement had no effect on the City’s financial statements.

Net assets of business-type activities were overstated in the prior year due to an understatement to long-term liabilities due within more than one year for the Water Enterprise Fund’s accretion on capital appreciation bonds. As a result, net assets decreased \$154,400, from \$29,008,191 to \$28,853,791.

Net assets of governmental activities were overstated in the prior year due to an overstatement to special assessments receivable in the Lighting Special Revenue Fund for multi-year assessments that were disallowed by Montgomery County. As a result, net assets decreased \$757,412. Also, net assets were restated due to a calculation error in accumulated depreciation. This resulted in an increase to net assets of \$13,974,698, changing beginning total net assets from \$95,614,089 to \$108,831,375.

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, 2003, to December 31, 2003, 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.

NOTE 20 - SUBSEQUENT EVENTS

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.

On January 26, 2004, the City was in the process of purchasing the Taylorsville Road Construction and Demolition Depository Facility for an amount not to exceed \$3 million. Outside financing will be obtained through federal and state grants. The City wants to close and cap the facility since the City’s well field is located just west of the Facility. The City feels it needs to own the property for long-term protection of the City’s water supply.

On February 9, 2004, the City obtained a loan agreement with the Ohio Department of Transportation for a State Infrastructure Bank Loan in the amount of \$2,059,000. These monies will finance the reconstruction of the I-70/State Route 202 interchange. The loan has an interest rate for the first year of 0%. For the next nine years, the interest rate is 3%.

On February 23, 2004, the City was notified of the acceptance of an Ohio Bureau of Workers’ Compensation Safety Grant for the Fire Department in the amount of \$21,450.

City of Huber Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

NOTE 20 - SUBSEQUENT EVENTS (Continued)

The City renewed the Utility Improvement Bond Anticipation Notes by issuing \$1,838,000. The notes are dated March 17, 2004, and they mature on March 17, 2005. The interest rate on the notes is 2.00%.

The City renewed the Street Improvement Special Assessment Notes by issuing \$7,449,000. The notes are dated March 17, 2004, and they mature on March 17, 2005. The interest rate on the notes is 2.00%.

The City issued \$1,500,000 of Brandt Pike Phase VI Special Assessment Notes dated March 25, 2004, with a maturity date of March 25, 2004. The interest rate on the notes is 2.00%.

The City authorized the following contractual commitments after December 31, 2003:

Company	Project	Amount
Valley Ford	¾ Ton Crew Cab Pickup	\$19,500
John Deere	John Deere Tractor	23,600
Treasurer of State - ODOT	Old Troy Pike Reconstruction	48,400
Dayton Power and Light	Lighting at Bus Stops	9,550
P & R Communications	Radio System	41,700
R.E. Holland Excavating	Old Troy Pike Entrance Portal	167,978
Bowser Morner	Benchrock Inspections	48,000
Jaeger Products	Stipper Media	25,050
Charles F. Jergens Construction	Storm Drainage at Wildcat	7,262
Lee's Concrete	Sand Filter Placement	7,500
M.L. Dunn	Communications Upgrade - Carpet	7,393
Brickler and Eckler, LLP	Brandt 6 Bond Counsel	25,000
Jergens Bales Contractors	2004 Street Program	11,160
J.J. Construction	2004 Sidewalk Program	104,020
Eye Level Concrete	2004 Sidewalk Program	6,933
Reliable Oil Equipment	Upgrade Fuel System	6,230
TdM Construction Company	2004 Street Program	65,850
Kurb Kut of Ohio	2004 Sidewalk Program	33,541
R.A. Miller Construction	2004 Street Program	337,000
American Pavements	2004 Street Program	14,935
Horton Emergency Vehicles	Rechassis Medic	87,376
Pavement Technology	2004 Street Program	27,000
R.B. Jergens Contractors	Benchrock Landscape	12,000
Total		<u>\$1,136,978</u>

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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.

City Motor Vehicle License Permissive Tax

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

Community Development Block Grant

To account for monies received from the federal government under the Community Development Block Grant Programs.

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.

Edward Byrne Memorial

To account for grant monies used to reduce crime and provide programs to citizens to improve public safety, including child abductions.

Highway Safety

To account for monies received from the federal government to increase the safety of the motoring public by enforcing traffic laws on roadways within the City which have been identified as having a high occurrence of traffic crashes and DUI offenses.

Law Enforcement

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

Lighting

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

Local Street Operating

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

Parks and Recreation

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

(Continued)

Combining Statements – Nonmajor Governmental Funds
(Continued)

Prevention, Retention and Contingency – Development Reserve

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

State Highway

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

Street Maintenance and Repair

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

Violence Against Women Grant

To account for monies received through the Office of Criminal Justice Services to assist States and other units of local government to develop and strengthen effective law enforcement and prosecution strategies to combat violent crimes against women and to develop and strengthen victim services in cases involving violent crimes against women.

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.

(Continued)

Combining Statements – Nonmajor Governmental Funds
(Continued)

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 Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds.

Local Law Enforcement Block Grant

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

Local Street Capital Improvement

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

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,734,602	\$760,557	\$2,729,256	\$5,224,415
Cash and Cash Equivalents with Fiscal Agents	0	0	51,900	51,900
Receivables:				
Property and Other Taxes	11,813	171,748	0	183,561
Municipal Income Taxes, Net	400,219	0	419,917	820,136
Accounts, Net	1,341	0	6,000	7,341
Special Assessments	393,529	0	0	393,529
Accrued Interest	39	0	0	39
Due from Other Governments	623,445	11,783	661,017	1,296,245
Prepaid Items	1,231	0	0	1,231
Supplies Inventory	97,730	0	0	97,730
<i>Total Assets</i>	<u>\$3,263,949</u>	<u>\$944,088</u>	<u>\$3,868,090</u>	<u>\$8,076,127</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$51,517	\$0	\$3,124	\$54,641
Contracts Payable	0	0	16,200	16,200
Contracts Payable Retainage	0	0	98,817	98,817
Accrued Salaries Payable	46,179	0	0	46,179
Due to Other Governments	41,639	0	48,400	90,039
Interfund Payable	0	0	1,116,000	1,116,000
Deferred Revenue	1,178,985	182,738	961,055	2,322,778
Accrued Interest Payable	0	0	2,030	2,030
Notes Payable	0	0	1,200,000	1,200,000
<i>Total Liabilities</i>	<u>1,318,320</u>	<u>182,738</u>	<u>3,445,626</u>	<u>4,946,684</u>
Fund Balances				
Reserved for Encumbrances	218,444	4,856	221,157	444,457
Reserved for Supplies Inventory	97,730	0	0	97,730
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	1,629,455	0	0	1,629,455
Debt Service Fund	0	756,494	0	756,494
Capital Projects Funds	0	0	201,307	201,307
<i>Total Fund Balances</i>	<u>1,945,629</u>	<u>761,350</u>	<u>422,464</u>	<u>3,129,443</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,263,949</u>	<u>\$944,088</u>	<u>\$3,868,090</u>	<u>\$8,076,127</u>

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003

	City Motor Vehicle License Permissive Tax	Community Development Block Grant	County Motor Vehicle Permissive Tax
Assets			
Equity in Pooled Cash and Cash Equivalents	\$30,593	\$31,981	\$15,515
Receivables:			
Property and Other Taxes	11,813	0	0
Municipal Income Taxes, Net	0	0	0
Accounts, Net	0	0	0
Special Assessments	0	0	0
Accrued Interest	0	0	0
Due from Other Governments	0	0	6,018
Prepaid Items	0	0	0
Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$42,406</u>	<u>\$31,981</u>	<u>\$21,533</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Accrued Salaries Payable	0	0	0
Due to Other Governments	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	0	31,981	0
Reserved for Supplies Inventory	0	0	0
Unreserved	42,406	0	21,533
<i>Total Fund Balances</i>	<u>42,406</u>	<u>31,981</u>	<u>21,533</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$42,406</u>	<u>\$31,981</u>	<u>\$21,533</u>

Drug Law Enforcement	Law Enforcement	Lighting	Local Street Operating	Parks and Recreation
\$18,691	\$606	\$267,300	\$655,446	\$179,351
0	0	0	0	0
0	0	0	400,219	0
0	0	0	410	931
0	0	393,529	0	0
0	0	0	0	0
315	0	0	233	0
0	0	0	841	390
0	0	0	83,170	1,048
<u>\$19,006</u>	<u>\$606</u>	<u>\$660,829</u>	<u>\$1,140,319</u>	<u>\$181,720</u>
\$0	\$0	\$0	\$26,433	\$3,689
0	0	372	30,799	659
0	0	0	36,740	4,608
0	0	393,529	274,663	931
<u>0</u>	<u>0</u>	<u>393,901</u>	<u>368,635</u>	<u>9,887</u>
536	8	103,912	13,508	16,500
0	0	0	83,170	1,048
18,470	598	163,016	675,006	154,285
<u>19,006</u>	<u>606</u>	<u>266,928</u>	<u>771,684</u>	<u>171,833</u>
<u>\$19,006</u>	<u>\$606</u>	<u>\$660,829</u>	<u>\$1,140,319</u>	<u>\$181,720</u>

(Continued)

City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003
(Continued)

	State Highway	Street Maintenance and Repair	Total Nonmajor Special Revenue Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$42,514	\$492,605	\$1,734,602
Receivables:			
Property and Other Taxes	0	0	11,813
Municipal Income Taxes, Net	0	0	400,219
Accounts, Net	0	0	1,341
Special Assessments	0	0	393,529
Accrued Interest	0	39	39
Due from Other Governments	46,514	570,365	623,445
Prepaid Items	0	0	1,231
Supplies Inventory	0	13,512	97,730
<i>Total Assets</i>	<u>\$89,028</u>	<u>\$1,076,521</u>	<u>\$3,263,949</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$618	\$20,777	\$51,517
Accrued Salaries Payable	0	14,349	46,179
Due to Other Governments	0	291	41,639
Deferred Revenue	38,488	471,374	1,178,985
<i>Total Liabilities</i>	<u>39,106</u>	<u>506,791</u>	<u>1,318,320</u>
Fund Balances			
Reserved for Encumbrances	434	51,564	218,443
Reserved for Supplies Inventory	0	13,512	97,730
Unreserved	49,488	504,654	1,629,456
<i>Total Fund Balances</i>	<u>49,922</u>	<u>569,730</u>	<u>1,945,629</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$89,028</u>	<u>\$1,076,521</u>	<u>\$3,263,949</u>

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City of Huber Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Assets			
Equity in Pooled Cash and Cash Equivalent	\$1,517	\$125,560	\$1,975
Cash and Cash Equivalents with Fiscal Agent:	0	0	0
Receivables:			
Municipal Income Taxes, Ne	0	0	0
Accounts, Net	0	6,000	0
Due from Other Government:	0	0	0
<i>Total Assets</i>	<u>\$1,517</u>	<u>\$131,560</u>	<u>\$1,975</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$630
Contracts Payable	0	0	0
Contracts Payable Retainage	0	0	0
Due to Other Governments:	0	0	0
Interfund Payable	0	100,000	0
Deferred Revenue	0	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>100,000</u>	<u>630</u>
Fund Balances			
Reserved for Encumbrances:	1,017	65,057	470
Unreserved (Deficit)	500	(33,497)	875
<i>Total Fund Balances (Deficit)</i>	<u>1,517</u>	<u>31,560</u>	<u>1,345</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,517</u>	<u>\$131,560</u>	<u>\$1,975</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$124,447	\$540,117	\$12,106	\$1,923,534	\$2,729,256
0	51,900	0	0	51,900
97,866	0	0	322,051	419,917
0	0	0	0	6,000
0	661,017	0	0	661,017
<u>\$222,313</u>	<u>\$1,253,034</u>	<u>\$12,106</u>	<u>\$2,245,585</u>	<u>\$3,868,090</u>
\$2,226	\$0	\$0	\$268	\$3,124
0	16,200	0	0	16,200
0	51,900	0	46,917	98,817
0	0	0	48,400	48,400
0	216,000	0	800,000	1,116,000
67,107	661,017	12,101	220,830	961,055
0	2,030	0	0	2,030
0	1,200,000	0	0	1,200,000
<u>69,333</u>	<u>2,147,147</u>	<u>12,101</u>	<u>1,116,415</u>	<u>3,445,626</u>
5,240	80,237	0	69,136	221,157
147,740	(974,350)	5	1,060,034	201,307
152,980	(894,113)	5	1,129,170	422,464
<u>\$222,313</u>	<u>\$1,253,034</u>	<u>\$12,106</u>	<u>\$2,245,585</u>	<u>\$3,868,090</u>

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City of Huber Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$1,421,588	\$0	\$1,528,277	\$2,949,865
Property and Other Taxes	169,138	188,328	0	357,466
Intergovernmental	1,259,885	23,002	772,835	2,055,722
Special Assessments	388,828	18,878	0	407,706
Charges for Services	42,170	0	0	42,170
Fines, Licenses and Permits	3,854	0	0	3,854
Interest	5,522	0	14,787	20,309
Rent	1,350	135,936	0	137,286
Other	24,171	972	137,173	162,316
<i>Total Revenues</i>	<u>3,316,506</u>	<u>367,116</u>	<u>2,453,072</u>	<u>6,136,694</u>
Expenditures				
Current:				
Security of Persons and Property:				
Other	336,850	0	117,078	453,928
Leisure Time Activities	205,312	0	0	205,312
Transportation	1,504,775	0	0	1,504,775
General Government	0	3,017	0	3,017
Capital Outlay	16,889	0	3,047,056	3,063,945
Debt Service:				
Principal Retirement	103,991	795,000	80,630	979,621
Interest and Fiscal Charges	12,656	425,109	34,042	471,807
Issuance Costs	0	250	0	250
<i>Total Expenditures</i>	<u>2,180,473</u>	<u>1,223,376</u>	<u>3,278,806</u>	<u>6,682,655</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,136,033</u>	<u>(856,260)</u>	<u>(825,734)</u>	<u>(545,961)</u>
Other Financing Sources (Uses)				
Premium on General Obligation Notes Issued	0	12,170	0	12,170
Proceeds from Sale of Capital Assets	5	0	0	5
Transfers In	203,525	878,785	880,474	1,962,784
Transfers Out	(1,562,514)	0	(301,602)	(1,864,116)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,358,984)</u>	<u>890,955</u>	<u>578,872</u>	<u>110,843</u>
<i>Net Change in Fund Balances</i>	(222,951)	34,695	(246,862)	(435,118)
<i>Fund Balances Beginning of Year</i>	2,104,831	726,655	669,326	3,500,812
Increase in Reserve for Inventory	63,749	0	0	63,749
<i>Fund Balances End of Year</i>	<u>\$1,945,629</u>	<u>\$761,350</u>	<u>\$422,464</u>	<u>\$3,129,443</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, 2003

	City Motor Vehicle License Permissive Tax	Community Development Block Grant	County Motor Vehicle Permissive Tax
Revenues			
Municipal Income Taxes	\$0	\$0	\$0
Property and Other Taxes	169,138	0	0
Intergovernmental	0	11,435	87,130
Special Assessments	0	0	0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Interest	0	0	0
Rent	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>169,138</u>	<u>11,435</u>	<u>87,130</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	0	0	0
Leisure Time Activities	0	0	0
Transportation	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>169,138</u>	<u>11,435</u>	<u>87,130</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	0	0
Transfers In	0	3,525	0
Transfers Out	(175,000)	(11,670)	(90,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(175,000)</u>	<u>(8,145)</u>	<u>(90,000)</u>
<i>Net Change in Fund Balances</i>	(5,862)	3,290	(2,870)
<i>Fund Balances (Deficit) Beginning of Year</i>	48,268	28,691	24,403
Increase (Decrease) in Reserve for Inventory	0	0	0
<i>Fund Balances End of Year</i>	<u>\$42,406</u>	<u>\$31,981</u>	<u>\$21,533</u>

Drug Law Enforcement	Edward Byrne Memorial	Highway Safety	Law Enforcement	Lighting	Local Street Operating
\$0	\$0	\$0	\$0	\$0	\$1,421,588
0	0	0	0	0	0
0	0	0	0	0	24,030
0	0	0	0	388,828	0
0	0	0	0	0	0
3,854	0	0	0	0	0
0	0	0	0	0	202
0	0	0	0	0	0
0	0	0	0	0	21,506
<u>3,854</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>388,828</u>	<u>1,467,326</u>
9,882	0	336	553	326,079	0
0	0	0	0	0	0
0	0	0	0	0	723,329
0	0	0	0	0	0
0	0	0	0	0	83,394
0	0	0	0	0	11,665
<u>9,882</u>	<u>0</u>	<u>336</u>	<u>553</u>	<u>326,079</u>	<u>818,388</u>
<u>(6,028)</u>	<u>0</u>	<u>(336)</u>	<u>(553)</u>	<u>62,749</u>	<u>648,938</u>
0	0	0	0	0	5
0	0	0	0	0	0
<u>0</u>	<u>(75)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,018,000)</u>
<u>0</u>	<u>(75)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,017,995)</u>
(6,028)	(75)	(336)	(553)	62,749	(369,057)
25,034	75	336	1,159	204,179	1,084,797
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,944</u>
<u>\$19,006</u>	<u>\$0</u>	<u>\$0</u>	<u>\$606</u>	<u>\$266,928</u>	<u>\$771,684</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, 2003
(Continued)

	Parks and Recreation	Prevention, Retention and Contingency- Development Reserve	State Highway
Revenues			
Municipal Income Taxes	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Intergovernmental	0	34,420	82,715
Special Assessments	0	0	0
Charges for Services	42,170	0	0
Fines, Licenses and Permits	0	0	0
Interest	0	0	305
Rent	1,350	0	0
Other	2,040	0	0
<i>Total Revenues</i>	<u>45,560</u>	<u>34,420</u>	<u>83,020</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	0	0	0
Leisure Time Activities	205,312	0	0
Transportation	0	0	46,062
Capital Outlay	0	16,889	0
Debt Service:			
Principal Retirement	3,488	0	0
Interest and Fiscal Charges	336	0	0
<i>Total Expenditures</i>	<u>209,136</u>	<u>16,889</u>	<u>46,062</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(163,576)</u>	<u>17,531</u>	<u>36,958</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	0	0
Transfers In	200,000	0	0
Transfers Out	(17,610)	0	(25,000)
<i>Total Other Financing Sources (Uses)</i>	<u>182,390</u>	<u>0</u>	<u>(25,000)</u>
<i>Net Change in Fund Balances</i>	18,814	17,531	11,958
<i>Fund Balances (Deficit) Beginning of Year</i>	153,128	(17,531)	37,964
Increase (Decrease) in Reserve for Inventory	<u>(109)</u>	<u>0</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$171,833</u>	<u>\$0</u>	<u>\$49,922</u>

Street Maintenance and Repair	Violence Against Women Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$1,421,588
0	0	169,138
1,020,155	0	1,259,885
0	0	388,828
0	0	42,170
0	0	3,854
5,015	0	5,522
0	0	1,350
625	0	24,171
<u>1,025,795</u>	<u>0</u>	<u>3,316,506</u>
0	0	336,850
0	0	205,312
735,384	0	1,504,775
0	0	16,889
17,109	0	103,991
655	0	12,656
<u>753,148</u>	<u>0</u>	<u>2,180,473</u>
<u>272,647</u>	<u>0</u>	<u>1,136,033</u>
0	0	5
0	0	203,525
<u>(225,000)</u>	<u>(159)</u>	<u>(1,562,514)</u>
<u>(225,000)</u>	<u>(159)</u>	<u>(1,358,984)</u>
47,647	(159)	(222,951)
514,169	159	2,104,831
7,914	0	63,749
<u>\$569,730</u>	<u>\$0</u>	<u>\$1,945,629</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, 2003

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
Revenues			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	0	199,975	0
Interest	0	0	76
Other	0	12,000	0
<i>Total Revenues</i>	<u>0</u>	<u>211,975</u>	<u>76</u>
Expenditures			
Current:			
Security of Persons and Property			
Other	0	0	17,994
Capital Outlay	0	198,797	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>198,797</u>	<u>17,994</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>13,178</u>	<u>(17,918)</u>
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers Out	0	(79,463)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(79,463)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(66,285)	(17,918)
<i>Fund Balances Beginning of Year</i>	<u>1,517</u>	<u>97,845</u>	<u>19,263</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,517</u>	<u>\$31,560</u>	<u>\$1,345</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$352,123	\$0	\$0	\$1,176,154	\$1,528,277
0	572,860	0	0	772,835
0	14,575	136	0	14,787
35	125,138	0	0	137,173
<u>352,158</u>	<u>712,573</u>	<u>136</u>	<u>1,176,154</u>	<u>2,453,072</u>
77,177	0	21,907	0	117,078
0	1,615,570	0	1,232,689	3,047,056
80,630	0	0	0	80,630
5,330	28,712	0	0	34,042
<u>163,137</u>	<u>1,644,282</u>	<u>21,907</u>	<u>1,232,689</u>	<u>3,278,806</u>
<u>189,021</u>	<u>(931,709)</u>	<u>(21,771)</u>	<u>(56,535)</u>	<u>(825,734)</u>
0	60,000	2,474	818,000	880,474
(174,000)	(48,139)	0	0	(301,602)
<u>(174,000)</u>	<u>11,861</u>	<u>2,474</u>	<u>818,000</u>	<u>578,872</u>
15,021	(919,848)	(19,297)	761,465	(246,862)
<u>137,959</u>	<u>25,735</u>	<u>19,302</u>	<u>367,705</u>	<u>669,326</u>
<u>\$152,980</u>	<u>(\$894,113)</u>	<u>\$5</u>	<u>\$1,129,170</u>	<u>\$422,464</u>

Individual Fund Schedules of Revenues, Expenditures/Expenses
And Changes in Fund Balances/Fund Equity -
Budget (Non-GAAP Basis) and Actual

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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes:	\$4,899,910	\$5,365,772	\$5,365,772	\$0
Property and Other Taxes	1,175,638	1,160,114	1,160,114	0
Intergovernmental	1,315,383	1,304,406	1,304,406	0
Charges for Services:	1,030,760	989,220	989,220	0
Fines, Licenses and Permits:	170,673	155,416	155,416	0
Interest	240,055	233,171	233,171	0
Rent	82,951	80,370	80,370	0
Other	120,600	117,677	117,677	0
<i>Total Revenues</i>	<u>9,035,970</u>	<u>9,406,146</u>	<u>9,406,146</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property				
Dispatch	733,768	726,753	703,088	23,665
General Lighting	88,258	88,258	51,557	36,701
Community Environment				
Engineering, Zoning and Planning	1,162,338	1,161,046	1,079,072	81,974
General Government				
Central Services:	1,040,469	1,280,029	1,225,598	54,431
Mayor	24,457	24,136	20,665	3,471
Council	107,329	113,447	103,639	9,808
Management Office	807,454	703,651	693,417	10,234
Finance / Accounting	545,861	546,407	481,503	64,904
Finance / Taxation	613,421	732,241	706,705	25,536
Legal	324,541	337,918	337,918	0
Human Resources	0	127	0	127
Buildings and Grounds:	121,406	118,059	111,487	6,572
Court Facility	76,020	74,933	60,318	14,615
Debt Service:				
Principal Retirement	51,210	55,620	54,779	841
Interest and Fiscal Charge:	3,202	3,202	3,198	4
<i>Total Expenditures</i>	<u>5,699,734</u>	<u>5,965,827</u>	<u>5,632,944</u>	<u>332,883</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,336,236</u>	<u>3,440,319</u>	<u>3,773,202</u>	<u>332,883</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Asset	17,000	15,377	15,377	0
Advances In	1,398,937	1,993,797	1,993,797	0
Advances Out	0	(778,460)	(778,460)	0
Transfers In	332,362	61,675	61,675	0
Transfers Out	(6,768,034)	(5,993,021)	(5,993,021)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,019,735)</u>	<u>(4,700,632)</u>	<u>(4,700,632)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,683,499)	(1,260,313)	(927,430)	332,883
<i>Fund Balance Beginning of Year</i>	3,972,031	3,972,031	3,972,031	0
Prior Year Encumbrances Appropriated	764,655	764,655	764,655	0
<i>Fund Balance End of Year</i>	<u>\$3,053,187</u>	<u>\$3,476,373</u>	<u>\$3,809,256</u>	<u>\$332,883</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$173,324	\$198,010	\$198,010	\$0
Other	0	46,508	46,508	0
<i>Total Revenues</i>	<u>173,324</u>	<u>244,518</u>	<u>244,518</u>	<u>0</u>
Expenditures				
Current:				
General Government	15,000	15,000	10,047	4,953
Debt Service:				
Principal Retirement	1,761,874	2,025,000	2,025,000	0
Interest and Fiscal Charges	407,959	409,832	407,958	1,874
Issuance Costs	6,450	6,450	6,450	0
<i>Total Expenditures</i>	<u>2,191,283</u>	<u>2,456,282</u>	<u>2,449,455</u>	<u>6,827</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,017,959)</u>	<u>(2,211,764)</u>	<u>(2,204,937)</u>	<u>6,827</u>
Other Financing Sources				
Special Assessment Notes Issued	918,842	1,200,000	1,200,000	0
Premium from Special Assessment Notes Issued	0	48,281	48,281	0
Transfers In	1,107,541	1,020,208	1,020,208	0
<i>Total Other Financing Sources</i>	<u>2,026,383</u>	<u>2,268,489</u>	<u>2,268,489</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	8,424	56,725	63,552	6,827
<i>Fund Balance at Beginning of Year</i>	722,484	722,484	722,484	0
Prior Year Encumbrances Appropriated	6,450	6,450	6,450	0
<i>Fund Balance at End of Year</i>	<u>\$737,358</u>	<u>\$785,659</u>	<u>\$792,486</u>	<u>\$6,827</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, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$24,399	\$975,931	\$975,931	\$0
Special Assessments	33,054	139,493	139,493	0
Interest	16,150	68,156	68,156	0
Other	19,786	83,500	83,500	0
<i>Total Revenues</i>	<u>93,389</u>	<u>1,267,080</u>	<u>1,267,080</u>	<u>0</u>
Expenditures				
Current:				
General Government	18,631	18,631	14,392	4,239
Capital Outlay	2,894,508	11,705,307	10,823,071	882,236
<i>Total Expenditures</i>	<u>2,913,139</u>	<u>11,723,938</u>	<u>10,837,463</u>	<u>886,475</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,819,750)</u>	<u>(10,456,858)</u>	<u>(9,570,383)</u>	<u>886,475</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	2,071,375	9,110,000	9,110,000	0
Long-Term Loans Issued	55,033	232,244	232,244	0
Proceeds from Sale of Capital Assets	3,554	15,000	15,000	0
Advances In	0	778,460	778,460	0
Advances Out	(173,000)	(887,860)	(887,860)	0
Transfers In	600,179	512,846	512,846	0
Transfers Out	(20,900)	(145,560)	(145,560)	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,536,241</u>	<u>9,615,130</u>	<u>9,615,130</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(283,509)</u>	<u>(841,728)</u>	<u>44,747</u>	<u>886,475</u>
<i>Fund Balance at Beginning of Year</i>	857,204	857,204	857,204	0
Prior Year Encumbrances Appropriated	610,508	610,508	610,508	0
<i>Fund Balance at End of Year</i>	<u>\$1,184,203</u>	<u>\$625,984</u>	<u>\$1,512,459</u>	<u>\$886,475</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,398,613	\$3,325,554	\$3,325,554	\$0
Tap In Fees	0	37,200	37,200	0
Special Assessments	0	3,952	3,952	0
Interest	0	8,573	8,573	0
<i>Total Revenues</i>	3,398,613	3,375,279	3,375,279	0
Expenses				
Personal Services	60,157	60,157	59,184	973
Operations and Maintenance	2,572,462	2,576,686	2,539,473	37,213
Capital Outlay	250,325	246,100	85,146	160,954
Debt Service:				
Principal Retirement	309,154	309,154	309,154	0
Interest and Fiscal Charges	193,554	193,554	193,554	0
<i>Total Expenses</i>	3,385,652	3,385,651	3,186,511	199,140
<i>Net Change in Fund Equity</i>	12,961	(10,372)	188,768	199,140
<i>Fund Equity at Beginning of Year</i>	648,642	648,642	648,642	0
Prior Year Encumbrances Appropriated	304,401	304,401	304,401	0
<i>Fund Equity at End of Year</i>	\$966,004	\$942,671	\$1,141,811	\$199,140

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$3,116,602	\$3,068,209	\$3,068,209	\$0
Tap In Fees	0	53,725	53,725	0
Interest	0	36,416	36,416	0
Rent	0	12,000	12,000	0
Other	0	1,387	1,387	0
Revenue Bond Proceeds	9,043,000	0	0	0
<i>Total Revenues</i>	12,159,602	3,171,737	3,171,737	0
Expenses				
Personal Services	138,051	136,260	135,059	1,201
Operations and Maintenance	1,710,583	1,710,870	1,642,200	68,670
Capital Outlay	8,394,153	328,410	232,391	96,019
Debt Service:				
Principal Retirement	530,000	530,954	530,950	4
Interest and Fiscal Charges	551,302	295,556	295,556	0
<i>Total Expenses</i>	11,324,089	3,002,050	2,836,156	165,894
<i>Excess of Revenues Over Expenses</i>	835,513	169,687	335,581	165,894
Transfers Out	(103,953)	(52,525)	(52,525)	0
<i>Net Change in Fund Equity</i>	731,560	117,162	283,056	165,894
<i>Fund Equity at Beginning of Year</i>	4,107,072	4,107,072	4,107,072	0
Prior Year Encumbrances Appropriated	188,257	188,257	188,257	0
<i>Fund Equity at End of Year</i>	\$5,026,889	\$4,412,491	\$4,578,385	\$165,894

City of Huber Heights, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Storm Water Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$516,947	\$523,980	\$523,980	\$0
Interest	0	565	565	0
<i>Total Revenues</i>	<u>516,947</u>	<u>524,545</u>	<u>524,545</u>	<u>0</u>
Expenses				
Operations and Maintenance	36,638	36,668	36,625	43
Capital Outlay	589,357	653,113	545,659	107,454
Debt Service:				
Principal Retirement	26,277	26,277	26,277	0
Interest and Fiscal Charges	4,183	4,183	4,180	3
<i>Total Expenses</i>	<u>656,455</u>	<u>720,241</u>	<u>612,741</u>	<u>107,500</u>
<i>Net Change in Fund Equity</i>	(139,508)	(195,696)	(88,196)	107,500
<i>Fund Equity at Beginning of Year</i>	323,550	323,550	323,550	0
Prior Year Encumbrances Appropriated	<u>139,940</u>	<u>139,940</u>	<u>139,940</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u>\$323,982</u>	<u>\$267,794</u>	<u>\$375,294</u>	<u>\$107,500</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$190,733	\$168,720	\$168,720	\$0
<i>Total Revenues</i>	<u>190,733</u>	<u>168,720</u>	<u>168,720</u>	<u>0</u>
Other Financing Uses				
Transfers Out	(190,926)	(175,000)	(175,000)	0
<i>Total Other Financing Uses</i>	<u>(190,926)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(193)	(6,280)	(6,280)	0
<i>Fund Balance at Beginning of Year</i>	<u>36,873</u>	<u>36,873</u>	<u>36,873</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$36,680</u></u>	<u><u>\$30,593</u></u>	<u><u>\$30,593</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
Community Development Block Grant Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$97,632	\$111,435	\$111,435	\$0
<i>Total Revenues</i>	97,632	111,435	111,435	0
Expenditures				
Capital Outlay	31,981	31,981	31,981	0
<i>Total Expenditures</i>	31,981	31,981	31,981	0
<i>Excess of Revenues Over Expenditures</i>	65,651	79,454	79,454	0
Other Financing Sources (Uses)				
Advances Out	(225,223)	(225,223)	(225,223)	0
Transfers In	30,097	3,525	3,525	0
Transfers Out	0	(11,670)	(11,670)	0
<i>Total Other Financing Sources (Uses)</i>	(195,126)	(233,368)	(233,368)	0
<i>Net Change in Fund Balance</i>	(129,475)	(153,914)	(153,914)	0
<i>Fund Balance at Beginning of Year</i>	121,933	121,933	121,933	0
Prior Year Encumbrances Appropriated	31,981	31,981	31,981	0
<i>Fund Balance at End of Year</i>	\$24,439	\$0	\$0	\$0

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 County Motor Vehicle Permissive Tax Fund
 For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$95,367	\$86,926	\$86,926	\$0
<i>Total Revenues</i>	<u>95,367</u>	<u>86,926</u>	<u>86,926</u>	<u>0</u>
Other Financing Uses				
Transfers Out	(95,463)	(90,000)	(90,000)	0
<i>Total Other Financing Uses</i>	<u>(95,463)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(96)	(3,074)	(3,074)	0
<i>Fund Balance at Beginning of Year</i>	<u>18,589</u>	<u>18,589</u>	<u>18,589</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$18,493</u></u>	<u><u>\$15,515</u></u>	<u><u>\$15,515</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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$0	\$3,893	\$3,893	\$0
<i>Total Revenues</i>	<u>0</u>	<u>3,893</u>	<u>3,893</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	24,681	24,681	10,418	14,263
<i>Total Expenditures</i>	<u>24,681</u>	<u>24,681</u>	<u>10,418</u>	<u>14,263</u>
<i>Net Change in Fund Balance</i>	(24,681)	(20,788)	(6,525)	14,263
<i>Fund Balance at Beginning of Year</i>	24,351	24,351	24,351	0
Prior Year Encumbrances Appropriated	330	330	330	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$3,893</u>	<u>\$18,156</u>	<u>\$14,263</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Edward Byrne Memorial Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Other Financing Uses				
Transfers Out	(75)	(75)	(75)	0
<i>Total Other Financing Uses</i>	(75)	(75)	(75)	0
<i>Net Change in Fund Balance</i>	(75)	(75)	(75)	0
<i>Fund Balance at Beginning of Year</i>	75	75	75	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0	\$0

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Highway Safety Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>336</u>	<u>336</u>	<u>336</u>	<u>0</u>
<i>Total Expenditures</i>	<u>336</u>	<u>336</u>	<u>336</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(336)</u>	<u>(336)</u>	<u>(336)</u>	<u>0</u>
Other Financing Uses				
Advances Out	<u>(41,714)</u>	<u>(41,714)</u>	<u>(41,714)</u>	<u>0</u>
<i>Total Other Financing Uses</i>	<u>(41,714)</u>	<u>(41,714)</u>	<u>(41,714)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(42,050)</u>	<u>(42,050)</u>	<u>(42,050)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>42,050</u>	<u>42,050</u>	<u>42,050</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Security of Persons and Property	<u>1,159</u>	<u>1,159</u>	<u>561</u>	<u>598</u>
<i>Total Expenditures</i>	<u>1,159</u>	<u>1,159</u>	<u>561</u>	<u>598</u>
<i>Net Change in Fund Balance</i>	<u>(1,159)</u>	<u>(1,159)</u>	<u>(561)</u>	<u>598</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,159</u>	<u>1,159</u>	<u>1,159</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$598</u>	<u>\$598</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$375,000	\$388,828	\$388,828	\$0
<i>Total Revenues</i>	375,000	388,828	388,828	0
Expenditures				
Current:				
Security of Persons and Property	457,480	457,480	457,444	36
<i>Total Expenditures</i>	457,480	457,480	457,444	36
<i>Net Change in Fund Balance</i>	(82,480)	(68,652)	(68,616)	36
<i>Fund Balance at Beginning of Year</i>	149,524	149,524	149,524	0
Prior Year Encumbrances Appropriated	82,480	82,480	82,480	0
<i>Fund Balance at End of Year</i>	\$149,524	\$163,352	\$163,388	\$36

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,396,304	\$1,415,984	\$1,415,984	\$0
Intergovernmental	24,432	24,030	24,030	0
Interest	285	280	280	0
Other	21,785	21,426	21,426	0
<i>Total Revenues</i>	1,442,806	1,461,720	1,461,720	0
Expenditures				
Current:				
Transportation	635,896	734,475	721,234	13,241
Debt Service:				
Principal Retirement	83,394	83,394	83,394	0
Interest and Fiscal Charges	11,665	11,665	11,665	0
<i>Total Expenditures</i>	730,955	829,534	816,293	13,241
<i>Excess of Revenues Over Expenditures</i>	711,851	632,186	645,427	13,241
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	5	5	5	0
Transfers Out	(1,173,929)	(1,018,000)	(1,018,000)	0
<i>Total Other Financing Sources (Uses)</i>	(1,173,924)	(1,017,995)	(1,017,995)	0
<i>Net Change in Fund Balance</i>	(462,073)	(385,809)	(372,568)	13,241
<i>Fund Balance at Beginning of Year</i>	981,896	981,896	981,896	0
Prior Year Encumbrances Appropriated	5,720	5,720	5,720	0
<i>Fund Balance at End of Year</i>	\$525,543	\$601,807	\$615,048	\$13,241

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$46,711	\$42,170	\$42,170	\$0
Rent	1,495	1,350	1,350	0
Other	2,260	2,040	2,040	0
<i>Total Revenues</i>	50,466	45,560	45,560	0
Expenditures				
Current:				
Leisure Time Activities	244,698	248,652	227,567	21,085
Capital Outlay	69,000	0	0	0
Debt Service:				
Principal Retirement	3,212	4,334	3,488	846
Interest and Fiscal Charges	320	336	336	0
<i>Total Expenditures</i>	317,230	253,322	231,391	21,931
<i>Excess of Revenues Under Expenditures</i>	(266,764)	(207,762)	(185,831)	21,931
Other Financing Sources (Uses)				
Transfers In	221,534	200,000	200,000	0
Transfers Out	(17,610)	(17,610)	(17,610)	0
<i>Total Other Financing Sources (Uses)</i>	203,924	182,390	182,390	0
<i>Net Change in Fund Balance</i>	(62,840)	(25,372)	(3,441)	21,931
<i>Fund Balance at Beginning of Year</i>	153,322	153,322	153,322	0
Prior Year Encumbrances Appropriated	9,621	9,621	9,621	0
<i>Fund Balance at End of Year</i>	\$100,103	\$137,571	\$159,502	\$21,931

City of Huber Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Prevention, Retention and Contingency - Development Reserve Fund
 For the Year Ended December 31, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$41,994	\$34,420	\$34,420	\$0
<i>Total Revenues</i>	41,994	34,420	34,420	0
Expenditures				
Capital Outlay	41,994	34,420	34,420	0
<i>Total Expenditures</i>	41,994	34,420	34,420	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0	\$0

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$95,000	\$80,416	\$80,416	\$0
Interest	2,000	305	305	0
<i>Total Revenues</i>	97,000	80,721	80,721	0
Expenditures				
Current:				
Transportation	47,531	47,531	47,531	0
<i>Total Expenditures</i>	47,531	47,531	47,531	0
<i>Excess of Revenues Over Expenditures</i>	49,469	33,190	33,190	0
Other Financing Uses				
Transfers Out	(25,000)	(25,000)	(25,000)	0
<i>Total Other Financing Uses</i>	(25,000)	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	24,469	8,190	8,190	0
<i>Fund Balance at Beginning of Year</i>	32,212	32,212	32,212	0
Prior Year Encumbrances Appropriated	1,035	1,035	1,035	0
<i>Fund Balance at End of Year</i>	\$57,716	\$41,437	\$41,437	\$0

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$960,000	\$991,796	\$991,796	\$0
Interest	13,460	5,303	5,303	0
Other	0	625	625	0
<i>Total Revenues</i>	<u>973,460</u>	<u>997,724</u>	<u>997,724</u>	<u>0</u>
Expenditures				
Current:				
Transportation	889,063	872,887	828,320	44,567
Debt Service:				
Principal Retirement	16,486	17,810	17,109	701
Interest and Fiscal Charge:	510	655	655	0
<i>Total Expenditures</i>	<u>906,059</u>	<u>891,352</u>	<u>846,084</u>	<u>45,268</u>
<i>Excess of Revenues Over Expenditures</i>	<u>67,401</u>	<u>106,372</u>	<u>151,640</u>	<u>45,268</u>
Other Financing Uses				
Transfers Out	(225,000)	(225,000)	(225,000)	0
<i>Total Other Financing Uses</i>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(157,599)	(118,628)	(73,360)	45,268
<i>Fund Balance Beginning of Year</i>	441,962	441,962	441,962	0
Prior Year Encumbrances Appropriated	51,378	51,378	51,378	0
<i>Fund Balance End of Year</i>	<u>\$335,741</u>	<u>\$374,712</u>	<u>\$419,980</u>	<u>\$45,268</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Violence Against Women Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Other Financing Uses				
Transfers Out	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>	<u>0</u>
<i>Total Other Financing Uses</i>	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>159</u>	<u>159</u>	<u>159</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$199,036	\$188,328	\$188,328	\$0
Intergovernmental	24,458	23,142	23,142	0
Special Assessments	19,951	18,878	18,878	0
Rent	143,665	135,936	135,936	0
Other	1,027	972	972	0
<i>Total Revenues</i>	<u>388,137</u>	<u>367,256</u>	<u>367,256</u>	<u>0</u>
Expenditures				
Current:				
General Government	6,250	6,250	3,017	3,233
Debt Service:				
Principal Retirement	2,615,000	2,615,000	2,615,000	0
Interest and Fiscal Charges	457,109	457,109	457,109	0
Issuance Costs	5,106	5,106	5,106	0
<i>Total Expenditures</i>	<u>3,083,465</u>	<u>3,083,465</u>	<u>3,080,232</u>	<u>3,233</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,695,328)</u>	<u>(2,716,209)</u>	<u>(2,712,976)</u>	<u>3,233</u>
Other Financing Sources				
General Obligation Notes Issued	1,957,297	1,852,000	1,852,000	0
Premium from General Obligation Notes Issued	12,862	12,170	12,170	0
Transfers In	928,749	878,785	878,785	0
<i>Total Other Financing Sources</i>	<u>2,898,908</u>	<u>2,742,955</u>	<u>2,742,955</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	203,580	26,746	29,979	3,233
<i>Fund Balance at Beginning of Year</i>	642,583	642,583	642,583	0
Prior Year Encumbrances Appropriated	1,356	1,356	1,356	0
<i>Fund Balance at End of Year</i>	<u>\$847,519</u>	<u>\$670,685</u>	<u>\$673,918</u>	<u>\$3,233</u>

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Equipment Fund
For the Year Ended December 31, 2003

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

City of Huber Heights, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development / Government Equity Improvement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$185,112	\$227,240	\$227,240	\$0
Other	4,888	6,000	6,000	0
<i>Total Revenues</i>	190,000	233,240	233,240	0
Expenditures				
Capital Outlay	196,166	307,110	307,110	0
<i>Total Expenditures</i>	196,166	307,110	307,110	0
<i>Excess of Revenues Under Expenditures</i>	(6,166)	(73,870)	(73,870)	0
Other Financing Uses				
Advances Out	(190,000)	(190,000)	(190,000)	0
Transfers Out	0	(79,463)	(79,463)	0
<i>Total Other Financing Uses</i>	(190,000)	(269,463)	(269,463)	0
<i>Net Change in Fund Balance</i>	(196,166)	(343,333)	(343,333)	0
<i>Fund Balance at Beginning of Year</i>	207,670	207,670	207,670	0
Prior Year Encumbrances Appropriated	196,166	196,166	196,166	0
<i>Fund Balance at End of Year</i>	\$207,670	\$60,503	\$60,503	\$0

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$91	\$91	\$0
<i>Total Revenues</i>	0	91	91	0
Expenditures				
Current:				
Security of Persons and Property	19,248	19,248	18,464	784
<i>Total Expenditures</i>	19,248	19,248	18,464	784
<i>Net Change in Fund Balance</i>	(19,248)	(19,157)	(18,373)	784
<i>Fund Balance at Beginning of Year</i>	19,248	19,248	19,248	0
<i>Fund Balance at End of Year</i>	\$0	\$91	\$875	\$784

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, 2003

	<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	\$350,218	\$350,218	\$350,218	\$0
Other	0	35	35	0
<i>Total Revenues</i>	<u>350,218</u>	<u>350,253</u>	<u>350,253</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	91,985	91,985	87,869	4,116
Debt Retirement:				
Principal Retirement	80,630	80,630	80,630	0
Interest and Fiscal Charges	5,332	5,332	5,330	2
<i>Total Expenditures</i>	<u>177,947</u>	<u>177,947</u>	<u>173,829</u>	<u>4,118</u>
<i>Excess of Revenues Over Expenditures</i>	<u>172,271</u>	<u>172,306</u>	<u>176,424</u>	<u>4,118</u>
Other Financing Uses				
Transfers Out	(174,000)	(174,000)	(174,000)	0
<i>Total Other Financing Uses</i>	<u>(174,000)</u>	<u>(174,000)</u>	<u>(174,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,729)	(1,694)	2,424	4,118
<i>Fund Balance at Beginning of Year</i>	113,253	113,253	113,253	0
Prior Year Encumbrances Appropriated	1,771	1,771	1,771	0
<i>Fund Balance at End of Year</i>	<u>\$113,295</u>	<u>\$113,330</u>	<u>\$117,448</u>	<u>\$4,118</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,030,000	\$572,860	\$572,860	\$0
Special Assessments	6,626	0	0	0
Interest	0	16,620	16,620	0
Other	0	125,138	125,138	0
<i>Total Revenues</i>	<u>1,036,626</u>	<u>714,618</u>	<u>714,618</u>	<u>0</u>
Expenditures				
Capital Outlay	1,377,125	1,897,281	1,750,938	146,343
<i>Total Expenditures</i>	<u>1,377,125</u>	<u>1,897,281</u>	<u>1,750,938</u>	<u>146,343</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(340,499)</u>	<u>(1,182,663)</u>	<u>(1,036,320)</u>	<u>146,343</u>
Other Financing Sources (Uses)				
Advances Out	(101,000)	(101,000)	(101,000)	0
Transfers In	0	60,000	60,000	0
Transfers Out	(1,030,000)	(548,115)	(548,115)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,131,000)</u>	<u>(589,115)</u>	<u>(589,115)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,471,499)</u>	<u>(1,771,778)</u>	<u>(1,625,435)</u>	<u>146,343</u>
<i>Fund Balance at Beginning of Year</i>	691,990	691,990	691,990	0
Prior Year Encumbrances Appropriated	1,377,125	1,377,125	1,377,125	0
<i>Fund Balance at End of Year</i>	<u>\$597,616</u>	<u>\$297,337</u>	<u>\$443,680</u>	<u>\$146,343</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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$146	\$151	\$151	\$0
<i>Total Revenues</i>	146	151	151	0
Expenditures				
Current:				
Security of Persons and Property	20,827	21,912	21,907	5
<i>Total Expenditures</i>	20,827	21,912	21,907	5
<i>Excess of Revenues Under Expenditures</i>	(20,681)	(21,761)	(21,756)	5
Other Financing Sources				
Transfers In	2,390	2,474	2,474	0
<i>Total Other Financing Sources</i>	2,390	2,474	2,474	0
<i>Net Change in Fund Balance</i>	(18,291)	(19,287)	(19,282)	5
<i>Fund Balance at Beginning of Year</i>	19,269	19,269	19,269	0
Prior Year Encumbrances Appropriated	18	18	18	0
<i>Fund Balance at End of Year</i>	\$996	\$0	\$5	\$5

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, 2003

	<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	\$713,354	\$1,170,141	\$1,170,141	\$0
<i>Total Revenues</i>	<u>713,354</u>	<u>1,170,141</u>	<u>1,170,141</u>	<u>0</u>
Expenditures				
Capital Outlay	1,263,199	1,264,251	1,260,604	3,647
<i>Total Expenditures</i>	<u>1,263,199</u>	<u>1,264,251</u>	<u>1,260,604</u>	<u>3,647</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(549,845)</u>	<u>(94,110)</u>	<u>(90,463)</u>	<u>3,647</u>
Other Financing Sources (Uses)				
Advances Out	(668,000)	(548,000)	(548,000)	0
Transfers In	905,333	818,000	818,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>237,333</u>	<u>270,000</u>	<u>270,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(312,512)</u>	<u>175,890</u>	<u>179,537</u>	<u>3,647</u>
<i>Fund Balance at Beginning of Year</i>	1,609,101	1,609,101	1,609,101	0
Prior Year Encumbrances Appropriated	<u>63,199</u>	<u>63,199</u>	<u>63,199</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,359,788</u></u>	<u><u>\$1,848,190</u></u>	<u><u>\$1,851,837</u></u>	<u><u>\$3,647</u></u>

STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND
FISCAL CAPACITY OF THE CITY

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

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Public Health</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>	<u>Transporation</u>	<u>General Government</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>
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: Finance Department, 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 Three 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	Grants and Entitlements not Restricted to Specific Programs	Unrestricted Investment Earnings	Change in Fair Value of Investments	Other	
2003	\$1,691,829	\$1,402,598	\$2,520,528	\$3,781,766	\$10,400,353	\$2,080,752	\$224,674	(\$3,134)	\$147,010	\$22,246,376
2002	1,522,522	1,663,098	509,504	3,618,766	11,344,954	1,360,770	319,967	7,158	76,571	20,423,310
2001	1,258,945	4,013,074	2,417,015	3,559,033	11,136,101	1,406,293	725,525	6,970	318,329	24,841,285

Source: Finance Department, City of Huber Heights

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

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

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Community Environment</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
2003	\$707,349	\$960,001	\$3,017,299	\$0	\$52,977	\$4,737,626
2002	659,494	888,614	2,658,245	0	72,652	4,279,005
2001	567,956	665,905	2,475,884	0	68,992	3,778,737
2000	556,929	763,555	1,886,630	1,980	40,228	3,249,322
1999	528,953	785,725	1,619,416	0	5,732	2,939,826
1998	662,453	689,672	1,807,028	0	0	3,159,153
1997	569,493	570,328	1,536,869	0	0	2,676,690
1996	537,764	531,017	1,827,426	0	19,797	2,916,004
1995	549,248	522,813	1,242,241	0	19,797	2,334,099
1994	500,892	553,973	1,301,740	0	19,797	2,376,402

Source: Finance Department, 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 in Fair Value of Investments	Other	Total
2003	\$5,386,728	\$1,158,028	\$1,568,479	\$979,372	\$158,095	\$224,674	\$80,370	(\$3,134)	\$116,037	\$9,668,649
2002	5,670,447	1,061,654	1,396,684	1,026,182	161,989	319,967	77,914	7,158	69,445	9,791,440
2001	5,366,293	1,041,788	1,386,289	555,809	201,220	725,525	55,779	6,970	129,676	9,469,349
2000	5,194,247	864,331	1,496,003	55,718	273,752	945,660	70,536	0	24,956	8,925,203
1999	4,904,359	774,811	1,374,714	27,296	425,525	680,478	70,122	0	42,903	8,300,208
1998	4,653,183	733,319	1,420,754	5,644	290,120	678,245	16,990	0	135,417	7,933,672
1997	4,434,218	708,586	1,317,627	96,183	264,200	624,217	0	0	53,643	7,498,674
1996	4,465,498	704,002	1,417,374	147,285	271,653	572,298	0	0	42,419	7,620,529
1995	4,517,167	771,114	947,905	90,529	301,052	564,625	0	0	18,375	7,210,767
1994	3,789,437	738,508	833,993	105,776	293,717	364,634	0	0	42,143	6,168,208

Source: Finance Department, 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
Property Tax Levies and Collections
Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percent: Accum Delinquer To Total I</u>
2003	\$3,568,021	\$3,496,358	\$131,403	\$3,627,761	101.67%	\$303,069	8.4
2002	3,525,977	3,416,463	111,497	3,527,960	100.06	221,850	6.2
2001	3,439,141	3,434,497	107,210	3,541,707	102.98	269,885	7.8
2000	3,447,031	3,273,829	111,825	3,385,654	98.22	149,151	4.3
1999	3,300,077	3,229,470	135,134	3,364,604	101.96	165,157	5.0
1998	3,266,958	3,170,974	139,807	3,310,781	101.34	198,358	6.0
1997	3,208,232	3,137,752	96,593	3,234,345	100.81	190,762	5.9
1996	3,182,737	3,146,459	100,525	3,246,984	102.02	147,385	4.6
1995	3,103,941	3,079,947	1,307	3,081,254	99.27	157,744	5.0
1994	3,161,816	3,142,234	83,084	3,225,318	102.01	104,557	3.3

Source: County Auditor; Montgomery County, Ohio

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

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

<u>Collection Year</u>	<u>Real</u>	<u>Public Utility Personal</u>	<u>Tangible Personal</u>	<u>Total Assessed Value</u>	<u>(1) Estimated Value</u>	<u>Perc Asses To E Tru</u>
2003	\$558,096,780	\$15,275,280	\$45,594,634	\$618,966,694	\$1,816,170,467	
2002	510,407,970	14,879,460	47,328,856	572,616,286	1,685,837,069	:
2001	504,948,830	18,746,860	43,899,872	567,595,562	1,627,902,406	:
2000	504,857,330	19,509,310	32,534,265	556,900,905	1,594,756,244	:
1999	440,720,660	20,955,570	31,010,458	492,686,688	1,416,728,815	:
1998	436,632,340	20,254,610	30,201,492	487,088,442	1,397,378,344	3
1997	434,689,200	20,358,530	28,270,336	483,318,066	1,375,973,056	3
1996	396,259,300	25,425,970	25,469,633	447,154,903	1,272,341,639	3
1995	389,096,460	25,893,970	22,752,617	437,743,047	1,232,139,605	3
1994	385,786,340	25,030,590	24,169,564	434,986,494	1,227,368,793	3

Source: County Auditor; Montgomery County, Ohio

(1) This is calculated by dividing the assessed value by the assessment percentage. The percentages for 2003 were 35 percent for real property, public utility real and 88 percent public utility tangible personal, 25 percent for tangible personal capital assets, and 23 percent for tangible personal inventory.

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

Collection Year	City of Huber Heights				Total	Huber Heights School District	Montgomery County	Miami Valley Career Technology Center	Montgomery County Public Library
	General Fund	Fire Fund	Police Fund	G.O. Bond Fund					
2003	\$1.50	\$4.29	\$5.50	\$0.33	\$11.62	\$54.03	\$17.24	\$2.58	\$0.26
2002	1.50	4.29	5.50	0.35	11.64	54.09	17.24	2.58	0.26
2001	1.50	4.29	5.50	0.39	11.68	54.10	17.24	2.58	0.26
2000	1.50	4.29	5.50	0.40	11.69	54.11	16.64	2.58	0.26
1999	1.50	4.29	5.50	0.45	11.74	47.71	16.64	2.58	0.26
1998	1.50	4.29	5.50	0.47	11.76	47.92	16.64	2.58	0.26
1997	1.50	4.29	5.50	0.47	11.76	47.98	16.64	2.58	0.72
1996	1.50	4.29	5.50	0.50	11.79	48.37	16.64	2.58	0.72
1995	1.50	4.29	5.50	0.50	11.79	48.47	16.64	2.58	0.72
1994	1.50	4.29	5.50	0.67	11.96	48.68	16.14	2.58	0.00

Source: County Auditor; Montgomery County, Ohio

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>
2003	\$790,872	\$739,065	93.45%
2002	719,785	688,373	95.64
2001	627,194	675,401	107.69
2000	683,347	647,440	94.75
1999	639,199	672,486	105.21
1998	666,172	641,300	96.27
1997	648,614	586,871	90.48
1996	623,553	615,156	98.65
1995	603,835	602,998	99.86
1994	665,449	655,977	98.58

Source: County Auditor; 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*

<u>Collection Year</u>	<u>Population (1)</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt (2)</u>	<u>Debt Service Monies Available (3)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>
2003	38,212	\$618,966,694	\$8,470,000	\$756,494	\$7,713,506	1.25%
2002	38,686	572,616,286	9,265,000	725,299	8,539,701	1.49
2001	38,686	567,595,562	10,030,000	722,183	9,307,817	1.64
2000	38,686	556,900,905	10,516,673	609,472	9,907,201	1.78
1999	38,212	492,686,688	11,107,605	575,678	10,531,927	2.14
1998	38,939	487,088,442	11,873,537	466,383	11,407,154	2.34
1997	38,939	483,318,066	12,573,728	320,150	12,253,578	2.54
1996	38,939	447,154,903	9,493,919	287,372	9,206,547	2.06
1995	40,663	437,743,047	10,040,368	255,822	9,784,546	2.24
1994	40,045	434,986,494	10,427,817	1,309,865	9,117,952	2.10

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

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

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

City of Huber Heights, Ohio
Computation of Overall Legal Debt Margin
December 31, 2003

Assessed Value		<u><u>\$618,966,694</u></u>
Overall Debt Limitation		
10 1/2 Percent of Assessed Valuation		\$64,991,503
Total Voted and Unvoted Debt Outstanding at December 31, 2003	42,643,230	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	(6,895,000)	
Unvoted General Obligation Bonds to be Paid from Enterprise Fund Revenue	(9,380,517)	
Bond Anticipation Note Payable from Special Assessments	(8,508,000)	
Long-Term Loans to be Paid from Enterprise Fund Revenue	(101,912)	
Unvoted OWDA Loans to be Paid from Enterprise Fund Revenue	<u>(4,794,738)</u>	
Debt Within 10 1/2 Percent Limitation	12,963,063	
Less: Bond Retirement Fund Balance	<u>(756,494)</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>12,206,569</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u><u>\$52,784,934</u></u>

City of Huber Heights, Ohio
Computation of Unvoted Legal Debt Margin
December 31, 2003

Assessed Value		<u><u>\$618,966,694</u></u>
Unvoted Debt Limitation		
5 1/2 Percent of Assessed Valuation		\$34,043,168
Total Unvoted Debt Outstanding at December 31, 2003	41,303,230	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	(6,895,000)	
Unvoted General Obligation Bonds to be Paid from Enterprise Fund Revenue	(9,380,517)	
Bond Anticipation Note Payable from Special Assessments	(8,508,000)	
Long-Term Loans to be Paid from Enterprise Fund Revenue	(101,912)	
Unvoted OWDA Loans to be Paid from Enterprise Fund Revenue	<u>(4,794,738)</u>	
Debt Within 5 1/2 Percent Limitations	11,623,063	
Less: Bond Retirement Fund Balance	<u>(756,494)</u>	
Net Debt Within 5 1/2 Percent Limitation		<u>10,866,569</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		<u><u>\$23,176,599</u></u>

City of Huber Heights, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2003

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To City of Huber Heights</u>	<u>Amount Appli To City of Huber</u>
City of Huber Heights (1)	\$7,713,506	100.00%	\$7
Montgomery County (2)	35,982,639	6.40	2
			<u>\$10</u>

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

(2) County Auditor; Montgomery County, Ohio

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.

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

Year	Debt Principal and Interest (1)	General Fund Expenditures	Ratio
2003	\$1,220,109	\$4,737,626	25.75%
2002	1,225,447	4,279,005	28.64
2001	5,868,536	3,778,737	155.30
2000	1,247,630	3,249,322	38.40
1999	1,474,386	2,939,826	50.15
1998	1,451,531	3,159,153	45.95
1997	1,266,119	2,676,690	47.30
1996	1,176,210	2,916,004	40.34
1995	1,172,709	2,334,099	50.24
1994	930,132	2,904,223	32.03

Source: Finance Department, City of Huber Heights

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

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

Year	Revenues (1)	Operating Expenses (2)	Net Revenue Available Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2003	\$3,866,239	\$1,512,079	\$2,354,160	\$530,000	\$295,297	\$825,297	2.85
2002	2,818,787	1,585,137	1,233,650	490,000	317,843	807,843	1.53
2001	2,999,195	1,540,875	1,458,320	450,000	338,092	788,092	1.85
2000	2,698,338	1,609,909	1,088,429	410,000	356,133	766,133	1.42
1999	2,809,640	1,597,811	1,211,829	375,000	372,070	747,070	1.62
1998	2,658,508	1,676,010	982,498	340,000	386,010	726,010	1.35
1997	2,692,204	1,647,285	1,044,919	310,000	398,410	708,410	1.48
1996	3,494,101	2,109,158	1,384,943	210,000	492,057	702,057	1.97
1995 (3)	878,166	539,455	338,711	0	0	0	(3)

Source: Finance Department, City of Huber Heights

(1) - Total revenues including non-operating revenues, capital contributions and transfers.

(2) - Total operating expenses exclusive of depreciation.

(3) - 1995 is the first year that the City had revenue bonds. Payments began in 1996.

(4) - 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
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Montgomery County (3)</u>
2003	38,212	6,826	6.30%
2002	38,686	6,888	5.60
2001	38,686	7,045	4.30
2000	38,686	7,228	3.80
1999	38,212	7,288	3.80
1998	38,939	7,410	4.10
1997	38,939	7,373	4.00
1996	38,939	7,471	4.40
1995	40,663	7,602	4.00
1994	40,045	7,692	4.90

Source: (1) U.S. Census Reports

Source: (2) Huber Heights City School District Board of Education.

Source: (3) 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)	
2003	\$1,594,562,229	124	\$16,677,665	13	\$17,246,476	\$249,614,000
2002	1,458,308,486	130	17,884,051	40	4,055,575	241,447,000
2001	1,442,710,943	105	14,828,136	11	4,531,034	224,099,000
2000	1,442,449,514	77	25,533,338	3	1,857,949	191,473,000
1999	1,259,201,886	46	7,236,860	4	6,394,747	2,994,378,000
1998	1,247,520,971	47	6,915,432	4	12,101,329	3,264,705,000
1997	1,241,969,143	35	4,526,863	4	5,018,225	3,530,314,000
1996	1,132,169,429	38	5,328,346	5	2,947,093	3,899,145,000
1995	1,111,704,171	34	5,287,979	9	3,375,725	3,995,114,000
1994	1,102,246,685	18	2,306,403	21	20,816,760	4,034,766,000

(1) Estimated actual real property values (Public Utility Real Property not included)

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

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

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

(4) Industrial permits are not included.

City of Huber Heights, Ohio

Principal Taxpayers

December 31, 2003

Taxpayer	2002 Real Property Assessed Valuation (Tax Duplicate) For Collection in 2003	Percentage of Total Assessed Valuation
1. Kir Huber Heights L P	\$8,788,660	1.54%
2. Dayton Power and Light Company	8,302,180	1.45
3. Ohio Bell Telephone	4,149,100	0.73
4. Lowe's Home Center Incorporated	3,108,170	0.54
5. National Amusement Incorporated	2,883,660	0.50
6. Target Corporation	2,296,550	0.40
7. C. H. Huber Enterprise Incorporated	2,065,460	0.36
8. Wal-Mart Stores Incorporated	1,970,630	0.34
9. Trimble Navigation Limit	1,585,050	0.28
10. Developers Diversified	1,377,620	0.24
Total	<u>\$36,527,080</u>	<u>6.38%</u>

Source: County Auditor; Montgomery County, Ohio

City of Huber Heights, Ohio

Miscellaneous Statistics

December 31, 2003

Year of Incorporation	1981
Form of Government	Council/Manager
Number of Employees (excluding police and fire)	
Full-Time	66
Part-Time	15
Seasonal	24
Area	22.0 Square Miles
Miles of Streets	172.3 Miles
Number of Street Lights	2,322
Recreation and Culture:	
Number of Parks	13
Libraries	1
Fire Protection:	
Number of Stations	2
Number of Fire Personnel and Officers	52
Number of Volunteers	1
Number of Fire Calls	989
Number of EMS Calls	3,908
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	55
Number of Dispatchers	11
Number of Calls	56,963
Sewer and Water:	
Miles of Sanitary Sewers	137.56

City of Huber Heights, Ohio
Labor Force and Unemployment Rates
Last 27 Years

Year	<u>Montgomery County</u>		<u>Dayton-Springfield M.S.A. (2)</u>		<u>Ohio (3)</u>		<u>U.S.A. (4)</u>
	Labor Force (1)	Unemployment Rate (5)	Labor Force (1)	Unemployment Rate (5)	Labor Force (1)	Unemployment Rate (5)	Unemployment Rate (5)
2003	279.5	6.3 %	475.0	6.2 %	5,915.0	6.1 %	6.0
2002	278.6	5.6	473.8	5.6	5,828.0	5.7	5.8
2001	284.9	4.3	480.7	4.3	5,857.0	4.3	4.8
2000	278.8	3.8	470.4	3.8	5,783.0	4.1	4.0
1999	278.5	3.8	471.0	3.8	5,749.0	4.3	4.2
1998	281.0	4.1	470.2	3.9	5,678.0	4.3	4.5
1997	284.5	4.0	477.3	4.1	5,707.0	4.6	4.9
1996	283.2	4.4	473.7	4.5	5,643.0	4.9	5.4
1995	282.5	4.0	471.5	4.0	5,584.4	4.8	5.6
1994	284.0	4.9	469.0	4.8	5,541.2	5.5	6.1
1993	284.8	6.4	471.1	6.5	5,431.8	7.8	7.6
1992	288.5	6.4	477.1	6.5	5,490.0	7.2	7.4
1991	289.4	5.7	474.4	5.8	5,440.0	6.4	6.7
1990	290.7	5.2	476.8	5.3	5,433.0	5.7	5.5
1989	292.2	5.1	498.6	5.1	5,419.0	5.5	5.3
1988	287.7	5.3	469.0	5.2	5,322.0	6.0	5.5
1987	283.3	5.6	463.8	5.6	5,253.0	7.0	6.2
1986	282.3	6.5	462.0	6.6	5,232.0	8.1	7.0
1985	274.9	7.0	450.4	7.2	5,135.0	8.9	7.2
1984	266.8	8.0	440.1	8.0	5,089.0	9.4	7.5
1983	265.2	10.5	438.5	10.6	5,099.0	12.2	9.6
1982	270.0	11.5	391.8	11.4	5,114.0	12.5	9.7
1981	269.5	8.5	390.8	8.4	5,100.0	9.6	7.6
1980	269.4	7.7	390.2	7.5	5,089.0	8.4	7.1
1979	271.5	6.7	392.2	6.2	5,059.0	5.9	5.8
1978	265.6	4.6	381.1	4.6	4,959.0	5.4	6.1
1977	266.8	5.8	368.6	5.5	4,833.0	6.5	7.1

- NOTES:
- (1) Labor force in thousands.
 - (2) From 1977 through 1982, the Dayton metropolitan statistical area included Greene, Montgomery, Miami and Preble Counties. From 1983 through the present, the Dayton M.S.A. included Clark, Greene, Montgomery and Miami Counties.
 - (3) Ohio estimates are based upon county of residence.
 - (4) National data are seasonally adjusted.
 - (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 Bureau of Employment Services, Division of Research and Statistics

City of Huber Heights, Ohio
Principal Employers
Dayton-Springfield Metropolitan Statistical Area
December 31, 2003

Employer	Nature of Activity or Business	Approximate Number of Employees
Wright-Patterson Air Force Base	Military base	22,000
Premier Health Partners	Health Care	10,674
Delphi Automotive Systems	Manufacturing	7,847
Kettering Medical Network	Hospital	6,395
Montgomery County	Government	5,082
Meijer, Inc.	Grocery and Retail Merchandise	5,065
GM Moraine Assembly Plant	Manufacturing	4,208
AK Steel	Manufacturing	4,200
Dayton Public Schools	Education	3,143
LEXIS-NEXIS	Electronic Information Services	3,100
Honda of America Manufacturing, Inc.	Manufacturing	2,850
City of Dayton	Government	2,739
NCR Corporation	Manufacturing	2,700
Reynolds & Reynolds Co.	Business Information Services	2,300
Sinclair Community College	Education	2,029
Behr Dayton Thermal Products	Manufacturing	2,000
Frisch's Restaurants, Inc.	Food Service	2,000
National City Mortgage	Real Estate Financing	2,000
Wright State University	Education	1,909
Menlo Worldwide Forwarding	Cargo Transportation	1,800
University of Dayton	Education	1,750
Cox-Ohio Publishing	Newspaper Publishing	1,724
Veterans Affairs Medical Center	Hospital	1,700
Copeland Corporation	Manufacturing	1,700
International Truck and Engine Corp.	Manufacturing	1,525
SBC	Communications	1,500
Lau Industries	Manufacturing	1,500
Childrens Medical Center	Hospital	1,487
Springfield City Schools	Education	1,450
Matsushita Display Devices Corp.	Manufacturing	1,350

Source: Miami Valley Regional Planning Commission, Dayton Business Journal

City of Huber Heights, Ohio
Principal Employers
Based on Income Tax Withholdings
For the Year Ended December 31, 2003

Employer	Nature of Activity or Business
Wright Patterson Air Force Base	Military Base
Huber Heights City Schools	Education
Trimble Navigation Limit	Laser Manufacturing
A B F Freight Systems	Truck Terminal
Fedex Freight	Package Delivery
City of Huber Heights	City Government
State of Ohio	State Government
AIDA-Dayton Technologies Corp	Press Manufacturing
Wal-Mart Stores Incorporated	General Merchandise
Huber Investment Corporation	Residential Rental
Paxar Corporation	Paper Products Manufacturing
Coca Cola Enterprises, Inc.	Warehouser & Distributor
Dayton Freight Lines, Inc.	Truck Terminal
LaserMike Inc	Laser Gauging
Enginetics Corporation	Aerospace Parts
Reed Elsevier, Inc.	Data Storage
Bowser Morner	Testing Laboratory
Kroger Limited	Grocery Store
Lowe's Home Center Incorporated	Home Improvement Sales
Integrated of Spring Creek	Nursing Home
Dayton Regional Dialysis Inc	Healthcare
National City Bank	Banking
Fukuvi USA Inc.	Plastic Building Materials Manufacturing
Metokote Corp	Powder-coated Metals
Dayton Foods LTD	Grocery Store
Spherion of Lima, Inc.	Temporary Employment Agency
Yellow Transportation, Inc.	Truck Terminal
Montgomery County	County Government
Elder-Beerman Operations LLC	General Merchandise
Speedway SuperAmerica LLC	Convenience Store/Fuel

Source: City of Huber Heights, Division of Taxation, 2003

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

	<u>Year</u>	<u>Amount</u>	<u>Percent Change</u>	
(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	30.18	
	1984	1,330,065	91.90	
	1983	693,121		

- (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 be 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. The City later refunded 90% of their withholding.

Source: City of Huber Heights Finance Records

City of Huber Heights, Ohio

Voted Property Tax

December 31, 2003

Millage Rate				
<u>Authorized</u>	Levied For Current Collection Year (1)		<u>Purpose</u>	<u>Last Collection Year</u>
	<u>Res./Agr.</u>	<u>All Other</u>		
1.000	0.289950	0.345541	Police	Continuing
2.370	0.687181	0.818932	Police	Continuing
0.630	0.183147	0.218260	Police	Continuing
1.500	0.558651	0.624753	Police	Continuing
0.790	0.229060	0.272977	Fire	Continuing
0.420	0.121779	0.145127	Fire	Continuing
0.290	0.084305	0.100469	Fire	Continuing
0.170	0.063322	0.070268	Fire	Continuing
2.250	0.837976	0.937129	Fire	Continuing
0.370	0.138825	0.154105	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; Montgomery County, Ohio

City of Huber Heights, Ohio
Land Use by Acres and Valuation
December 31, 2003

Land Use	Area (in acres) (1)	Percent of Assessed Valuation of Real Property (2003 Valuation) (2)
Residential	6,175	78.65%
Commercial/Industrial	2,167	20.67
Public Utility	184	(a)
Governmental and Other Tax Exempt	1,757	(b)
Agricultural	3,709	0.68
Undeveloped	1,042	(c)

(a) Not available from County Auditor

(b) Not applicable. Exempt from property taxation

(c) Included in above categories.

Source: (1) City of Huber Heights Planning and Development Division, 2003

(2) Montgomery County Auditor

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

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

Source: City of Huber Heights, Planning and Development Division, 2003



**Auditor of State
Betty Montgomery**

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CITY OF HUBER HEIGHTS

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 17, 2004**